



BEYOND THE SALE: **SUCCESSFULLY IMPLEMENTING FP&A SOFTWARE**

As digitalization drives business at ever-faster speeds, CFOs recognize the need to keep pace. They understand the importance of financial planning and analysis (FP&A) solutions that allow their finance teams to develop budgets and forecasts quickly and accurately. They need confidence in their numbers and the decisions they drive. **But selecting the right FP&A software is only half the battle.**



EQUALLY IMPORTANT is how that technology is implemented across the enterprise, from training users and setting their expectations to ensuring they receive continued support after the software goes live. Absent a successful implementation, the company will never realize full value from its investment.

A new survey by CFO Research, in collaboration with Vena Solutions, finds that while many companies employ a number of best practices when implementing new financial software, a significant minority do not—including, in some cases, practices that affect far more than the success of the software. Some can even impact a company’s ability to compete in a world where technology laggards operate at an increasingly wide disadvantage to their more advanced peers.



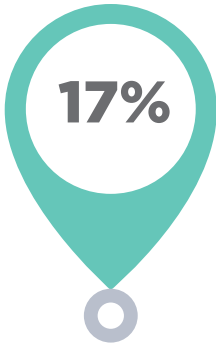
THE ONLINE SURVEY OF SENIOR FINANCE EXECUTIVES BASED IN THE US FOUND THAT:



Nearly three in 10 organizations (29%) do not establish and use clear metrics to measure the efficiency and effectiveness of the financial software they adopt.



The same number eschew a phased approach to implementing enterprise financial software, opting instead for a single-step switchover that can dramatically elevate the level of change management involved.



Nearly two in 10 organizations (17%) do not make the end-user experience a critical factor in selecting and implementing new enterprise financial software, ignoring a key variable in the success of the implementation.



Fully three in 10 organizations do not consider it very important to integrate their FP&A software with financial and non-financial data sources, foregoing the opportunity to uncover more fully what’s driving their financial results and adjust their strategies accordingly.



WHY LEGACY FP&A SYSTEMS ARE NO LONGER ENOUGH IN A DIGITAL WORLD

THE CHALLENGES of conducting financial planning and analysis using legacy systems and processes are well documented. Legacy systems typically require that finance personnel manually copy and paste information from disconnected data sources into numerous, disparate spreadsheets. Those spreadsheets are then shared via email with other parties involved in their creation, often accompanied by several revisions along the way.

While still common practice, this approach to FP&A is highly inefficient and readily lends itself to human error and version control problems. In some cases, such onerous practices can even make it harder to attract and retain skilled finance professionals.

“The people employed in FP&A are very smart and talented,” observes Rishi Grover, chief solutions architect for Vena Solutions, a cloud-based financial software vendor. “When you give them work that

is tedious and repetitive, involving hours of manual error-checking, it creates a risk of turnover. They may not want to work for a company that doesn’t give them time to do more analysis, to inform strategic decision making—one that isn’t building their skill set or progressing their career.”

In other words, the traditional approach to FP&A is prone to unintended but costly consequences on many levels—from the organization as a whole to its front-line finance professionals.

A critical path to resolving these problems is implementing FP&A software that can easily take in data from many different sources, both financial and non-financial, and unify them in a single database so that everyone is always working with the same set of information. Today’s best-in-class FP&A systems do that by automating routine processes, eliminating version control issues, and providing robust reporting and analysis tools. (For tips on choosing FP&A software, see page 15, “Implementation Questions for Shortlist Vendors.”)

“ONE OF MY TEAM MEMBERS WAS CREATING WEEKLY DASHBOARDS FOR OUR MANAGERS MANUALLY. **NOW THOSE DASHBOARDS ARE BEING SET UP IN OUR NEW SOFTWARE, AND IT’S COMPLETELY FREED UP ABOUT THREE DAYS OF HER TIME EVERY WEEK** TO WORK ON OTHER PROJECTS WITH OUR SALES FORCE.”

—JESSICA PRICE, MANAGER OF FINANCIAL PLANNING AND ANALYSIS,
KNAPE & VOGT MANUFACTURING CO.

“When you’re living in Excel and trying to treat it as a database, that’s where it really begins to fold over in an enterprise setting,” says Grover. “You need a true enterprise database, one that can represent your financial statements, KPIs and other business dimensions such as entities, currencies and scenarios. And with it, you need strong reporting and analytics capabilities to inform smarter, faster business decisions.”

A best-in-class system also adds workflow automation to the FP&A process. It minimizes human error, provides finance with a high degree of visibility into the process, and reduces the time needed to close books, produce budgets and develop forecasts. By eliminating much of the drudgery of manual data collection and verification, it also allows finance professionals to spend more time on higher-value activities like data analytics or scenario modeling.

Jessica Price, manager of financial planning and analysis at Knappe & Vogt Manufacturing Co., a producer of functional hardware, storage-related components and ergonomic products, has seen the latter benefit firsthand. “Prior to implementing our new FP&A software,” she says, “one of my team members was creating weekly dashboards for our managers manually. Now those dashboards are being set up in our new software, and it’s completely freed up about three days of her time every week to work on other projects with our sales force.”

Dominic Di Bernardo, chief business intelligence officer for Cumming Corporation, a privately held international project management and cost consulting firm, says his company was wrestling with the full panoply of issues related to legacy systems and processes before the installation of its current FP&A software.

“Version control was getting out of hand,” he says. “Data integrity was also becoming a big issue as we tried to keep pace with 20 years of 25% compounded growth. We knew there had to be a better way.”



The company implemented an FP&A program that incorporated Excel rather than replacing it, while still creating a single repository of data so that all users were always working with the same information. “The dissemination of information has been centralized and streamlined, and data integrity is no longer an issue as data is always pulled directly from the database,” Di Bernardo says. “In addition, we no longer struggle with version control.”

Since implementing the new software, Di Bernardo says, the time required for the month-end close has fallen to nine days—sometimes as low as eight—from 11 to 13. Perhaps more remarkably, the time needed to complete all month-end reporting also has been trimmed to nine days, down from four to six weeks.

“PERHAPS MORE REMARKABLY, THE TIME NEEDED TO COMPLETE **ALL MONTH-END REPORTING ALSO HAS BEEN TRIMMED TO NINE DAYS, DOWN FROM FOUR TO SIX WEEKS.**”

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CUMMING CORPORATION

Di Bernardo reports that the “time to value” for the implementation of the new software package handily exceeded his company’s expectations. “We expected our payback to be one year or less, but we overestimated,” he says. “We were pleasantly surprised when it ended up being about eight months.”



CHARACTERISTICS OF A SUCCESSFUL IMPLEMENTATION

Successful implementations like Cumming's aren't a product of chance. Rather, they begin with the selection of the right software, and a carefully orchestrated implementation process. A successful implementation:

- Delivers a usable product
- Requires minimal change management or disruption across the enterprise
- Results in rapid adoption by all users
- Delivers quick time to value
- Maximizes the return on the company's investment in the software.



BEST PRACTICES: HOW TO DRIVE A SUCCESSFUL IMPLEMENTATION

The experience of companies like Cumming and Knape & Vogt point to 10 key drivers of a successful implementation. These best practices help insure that organizations get the most value from their new FP&A software:

1. Set and manage user expectations.
2. Minimize change management and process disruption.
3. Minimize reliance on IT and consultants.
4. Engage users early and often.
5. Make sure executives see value in the project—and support its success.
6. Focus on delivering quick wins and quick time to value.
7. Identify opportunities for innovation.
8. Establish clear vendor and customer roles.
9. Ensure integration with financial and non-financial data systems.
10. Choose the right service package to meet ongoing needs.

Let's look at each driver in more detail.



SET AND MANAGE USER EXPECTATIONS

Identifying goals, requirements and success criteria up front is critical to a successful software implementation. Among the imperatives:

- **Identify both business and technical requirements for all use cases.**
- **Agree on quantitative metrics and other deliverables that will constitute success.**
- **Identify realistic engagement requirements, such as headcount, timeline, facilities and access.**
- **Avoid being overly optimistic about the timeline. It's important to make allowances for unexpected developments and to remember that a “day” of development often isn't the same as a calendar day.**

Fail to spell all this out early in the process, and CFOs risk burdening their organizations with wrong or poorly informed design decisions, gaps in functionality and usability and longer times to adoption and value. They also may find they've

damaged their own reputation and that of their organization.

In short, unrealistic or unclear expectations set the implementation up for failure from day one.

Breaking the implementation into easily digestible pieces is one method that has proven effective in keeping expectations grounded in reality. While it is always helpful to set ambitious long-term goals, working toward realistic shorter-term objectives typically leads to early adoption and quick wins. Those can lead to broader adoption and awareness of the new software, improving the chances of meeting those ambitious goals in the long term.

In the survey, 81% of the executives polled said their organizations take the time to set clear expectations, timelines and success criteria with their vendors. Stated another way, nearly one in five do not.



INSTALLING NEW FP&A SOFTWARE: AN IMPLEMENTATION CHECKLIST

Organizations deploying new FP&A software can reference this checklist before, during and after the implementation process to smooth the undertaking and ensure they realize all the benefits the software is able to deliver.

- 1. Identify requirements and success criteria,** including both technical and business requirements as well as success criteria at different milestones (e.g., at go-live, after the first budget or close cycle or at six and 12 months post-implementation).
- 2. Identify roles and responsibilities,** including an ongoing point person on both the vendor and client side. These people should stay involved throughout and after implementation and make sure that input from others critical to the process is received.
- 3. Identify documentation needs,** starting with technical and business requirements, then all documentation involved at different stages throughout implementation.
- 4. Create the right environment,** including a centralized database, permission levels, financial models, calculations and currency conversions, and map existing templates/models into the new system.
- 5. Integrate with the general ledger and other data sources.** Start with the GL to automate the population of budgets and reports with up-to-date actuals. Integrate with non-financial systems such as your CRM software for a more complete picture of company performance and future potential.
- 6. Shape reporting processes** with standard financial statements and ad hoc variance reports that allow users to slice, dice and drill down into data and share their insights with different stakeholders. Use a combination of existing templates and ones based on vendor-provided best practices to produce insightful and attractive, easy-to-follow reports.
- 7. Automate financial processes** using pre-built input templates ready for collection. Also automate template and report access, review steps and workflow.
- 8. Train administrators and end users** (finance and non-finance), and enable power users to train new users. Determine the level of training and professional services the software requires, and identify self-serve resources (e.g. online portal, user community) available to administrators and end users.
- 9. Plan the rollout.** Determine the rollout schedule, prioritize staged rollouts (if applicable) and establish adoption requirements for different users and departments.
- 10. Plan for ongoing support and success** with agreed-upon KPIs, including how long the vendor will take to respond to and resolve issues and requests. Identify ongoing support and maintenance expectations, and anticipated customer advocacy requests (reference calls, case studies, etc.).

THE HARD NUMBERS|SURVEY RESULTS



Implement enterprise financial software using a single-step switchover

“OUR FINANCE TEAM, AS WELL AS OUR DEVELOPERS AND CONSTRUCTION TEAMS, USE EXCEL. IT’S A HARD SELL TO GET THEM TO BUY INTO UTILIZING SOME OTHER PRODUCT AND LEARNING NEW WORKFLOWS.”

—MARCUS HUFFER, IT SENIOR DIRECTOR OF APPLICATIONS AND SOLUTIONS ARCHITECTURE, MILL CREEK RESIDENTIAL TRUST LLC

MINIMIZE CHANGE MANAGEMENT AND PROCESS DISRUPTION

Changing user habits, and the processes and software to which they’ve become accustomed (in finance, that’s largely related to Excel), is a major challenge when implementing any new software. As Steve Player, North American program director for the Beyond Budgeting Round Table has observed, major departmental process changes typically result in a third of the impacted people embracing the change, a third resisting it, and a third leaving the company.

To improve those odds, it’s important to make sure that employees are trained not only on how their work processes will change, but also why—how they and the entire organization will benefit.

CFOs also can improve the odds of success significantly by choosing software that minimizes the degree to which users need to learn new workflows, functions or procedures—integrating tightly with Excel, for example, while still maintaining a single source of accurate data.

That was the approach taken by Mill Creek Residential Trust LLC, a nationwide builder, developer and operator of apartment communities. “Our finance team, as well as our developers and construction teams, use Excel,” explains Marcus Huffer, the company’s IT senior director of applications and solutions architecture. “It’s a hard sell to get them to buy into utilizing some other product and learning new workflows.”

MINIMIZE RELIANCE ON IT AND CONSULTANTS

Some technologies—legacy or complex ERP systems are a prime example—require that finance seek help from their company's IT staff or external consultants to make even the simplest of changes. As a result, it can take hours or even days to respond to a wide range of requests, such as:

- Creating new reports or adding new data sets to existing ones
- Creating or modifying templates for budget inputs, planning or forecasting
- Mapping templates and reports to the general ledger and other data sources
- Adjusting the workflow for budget submission, review or approval
- Setting permission or access levels for different people and roles.

Minimizing these problems starts with choosing FP&A software that finance administrators and end users can own and manage. Knappe & Vogt specifically chose FP&A software that could connect easily with its ERP system and required minimal maintenance, while still being flexible enough to address its unique and evolving needs.

STRUCTURED ROLLOUTS

Seventy-five percent of survey respondents say their rollouts of new enterprise financial software are highly structured processes that include demos, workshops, help lines and peer-to-peer mentoring—commendable practices that should be adopted by any organization.

“WE CAN CHANGE HIERARCHIES OURSELVES. WE CAN ADD NEW ACCOUNTS OURSELVES.

I CAN CHANGE HOW THINGS ARE GROUPED FOR REPORTING PURPOSES.”

—JESSICA PRICE, MANAGER OF FINANCIAL PLANNING AND ANALYSIS, KNAPE & VOGT MANUFACTURING CO.

“We can change hierarchies ourselves,” Price says. “We can add new accounts ourselves. I can change how things are grouped for reporting purposes. If we want to exclude a certain account from a report, it’s a simple change. With our old solution, we would have had to go through a third party to get those things done.”

None of this means, of course, that the software vendor or consultant supplying the software should not play a meaningful role during the implementation—only that it shouldn’t handle the job without involving the customer.

“You want a collaborative implementation,” Grover says. “That means you are implementing side-by-side with the consultant, learning best practices directly from the vendor or consultant. That way, when you go live, you fully understand how it’s set up and how it works—to the point where you’re able to train your end users and no longer have to rely on the vendor.”

Many companies actively recruit and train “power users” within their own ranks during the implementation process, which also helps to limit ongoing dependence on consultants or integrators.

ENGAGE END USERS EARLY AND OFTEN

Experience shows that end-user involvement in process change—and the resulting buy-in that follows—is highly correlated with maximum adoption. Whether they're in finance or in other departments, bringing them into the implementation early helps ensure that their needs will be met.

“Make sure everyone has a seat at the table to at least discuss their needs and make sure there is buy-in,” says Huffer. “Even if people aren’t necessarily going to be using the model today, it’s good that they know what’s going on. Because once you begin to realize the value in the product, everyone is going to want to use it.”

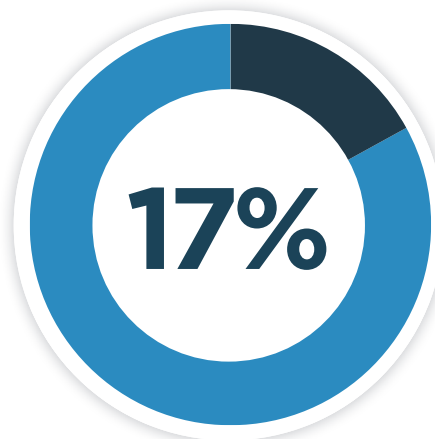
“THE BIGGEST REASON I’VE SEEN IMPLEMENTATIONS FAIL IS THE LACK OF END-USER ADOPTION.”

—**RISHI GROVER, CHIEF SOLUTIONS ARCHITECT, VENA SOLUTIONS**

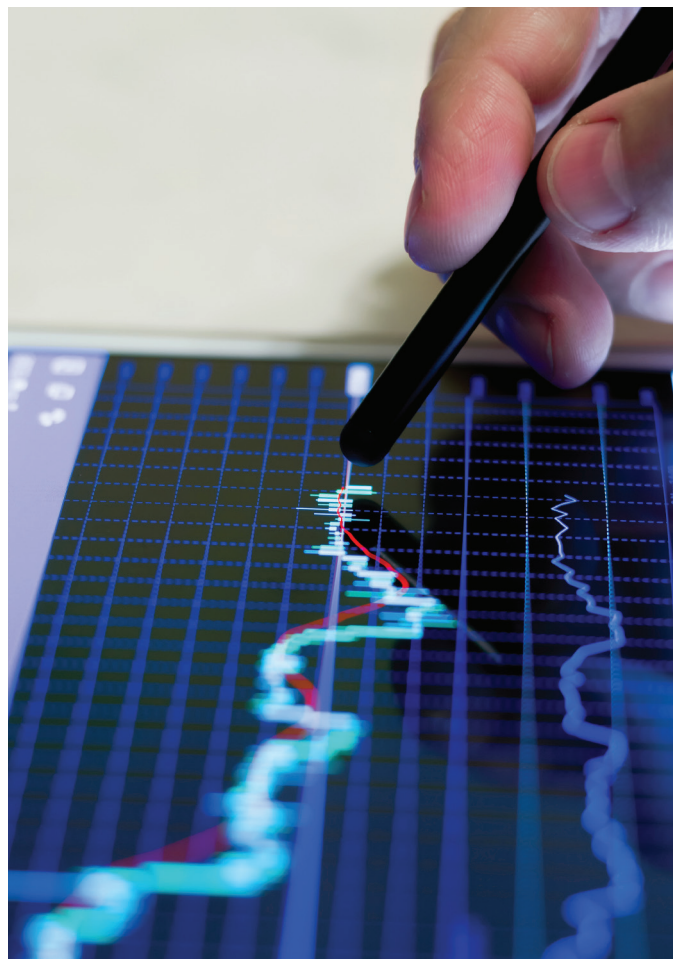
As mentioned earlier, make sure that all users of the new software know what’s in it for them and how their job will become easier once the new software has been implemented. But also make sure they understand how the new software, and the process changes that accompany it, will benefit the entire organization. Employees almost always perform better, and adapt more easily to change, when they feel they’re working toward a common and worthy goal.

“The biggest reason I’ve seen implementations fail is the lack of end-user adoption,” Grover says. “And when you’re seeking out their input, don’t underestimate the value of rewarding them with great-looking templates, great-looking reports and a satisfying user experience.”

THE HARD NUMBERS|SURVEY RESULTS



Do not make the end-user experience a critical factor in selecting and implementing new enterprise financial software



MAKE SURE EXECUTIVES SEE VALUE IN THE PROJECT—AND SUPPORT ITS SUCCESS

Change management is challenging under the best of circumstances. Without the support and sponsorship of executive leadership, it can be almost impossible.

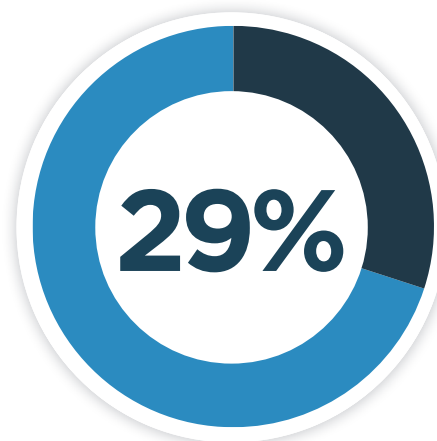
“If you’re not winning over the executives and they choose not to use the system, you’ve got big problems,” confirms Grover.

To ensure C-suite support, make sure the reports the new system delivers meet executives’ expectations. Make sure senior finance managers understand the full value of the new software, including how it will help them:

- **Play a more effective leadership role by providing faster, more accurate budgets, forecasts and reports**
- **Drive company decisions with the right, forward-looking data, rather than simply reporting on past performance**
- **Enable smarter, faster, data-driven decisions across all levels of management.**



THE HARD NUMBERS|SURVEY RESULTS



Do not establish and use clear metrics to measure the efficiency and effectiveness of financial software

FOCUS ON DELIVERING QUICK WINS AND QUICK TIME TO VALUE

As hinted at earlier, nothing drives support for a new software system, or its accompanying process changes, like demonstrable success—the sooner the better. The best way to deliver quick wins is to break the implementation into manageable phases, starting with a discrete process—perhaps a regional budget or departmental forecast. Remember, the link between schedule-busting complexity and the number of projects tackled at once is not linear.

Choosing a software-as-a-service (SaaS) solution, rather than an on-premise package, also can help. SaaS delivery allows customers to bypass provisioning and setting up of servers and lets them begin the implementation sooner.

In addition to phasing in implementation—and being mindful of scope creep—finance can build faster support for the project by ensuring continued, controlled engagement with both internal end users and the software vendor. This can be facilitated by periodic peer reviews, design workshops and team demonstrations.

IDENTIFY OPPORTUNITIES FOR INNOVATION

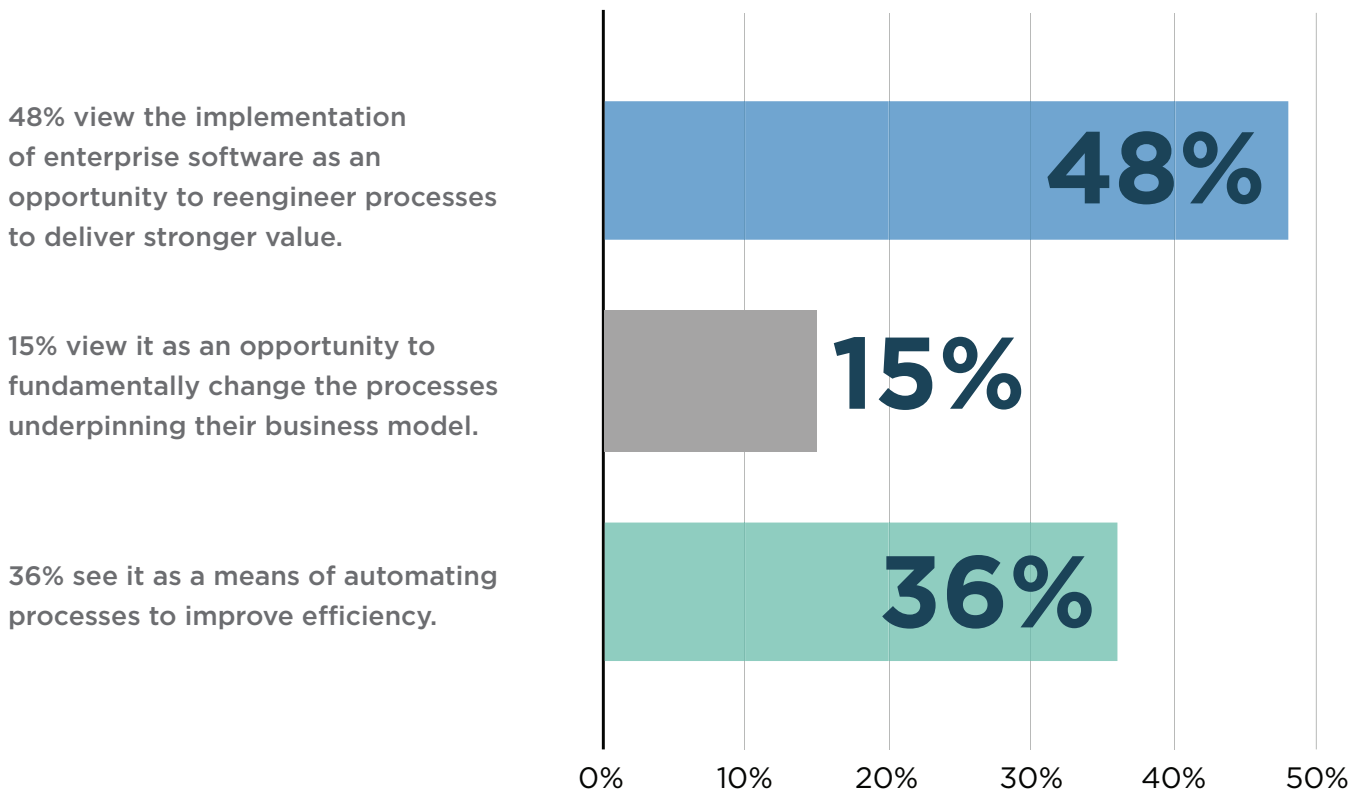
Earlier, we noted that choosing software which minimizes the need for users to learn new workflows, functions or interfaces can dramatically improve the odds of a successful implementation. At the same time, CFOs should look at implementation as an opportunity to improve on existing finance processes where meaningful gains can be achieved, including:

- Maintaining current processes but with greater efficiency, adoption and reliability
- Retooling processes to improve how and when people and other resources are involved
- Completely changing or adding processes to optimize efficiency and overall value provided.

An easy way to do this is to invite the software vendor to provide an objective assessment of the company's processes and, based on their experiences with other customers, discuss best practices and recommendations that may be applicable to the CFO's organization.

The end goal, after all, is usually not simply to replicate all existing processes, workflows, templates, business rules and reports, but to improve on them where possible and practical—more tightly aligning with the company's long-term strategy, and boosting the company's competitive edge.

IN THE SURVEY RESPONDENTS SAID OF THEIR ORGANIZATIONS:





ESTABLISH CLEAR VENDOR AND CUSTOMER ROLES

It's easy for a software implementation to go astray when roles and responsibilities aren't clearly defined—both for the customer and the software vendor or consultant helping with the process. To avoid that problem, companies will want to establish a governance structure that keeps stakeholders aware of what's happening, and both involved in and accountable for the process. Participants should include an executive sponsor for each side, who should meet regularly in person or virtually.

Companies also will want to designate an internal implementation owner to facilitate internal decisions, escalate any issues that might arise and ensure a rapid response when they do. Implementation owners also serve to avoid “blind” handoffs between the vendor team and internal users once the implementation is complete.

Finally, companies should identify an internal project champion to promote the implementation's progress using well-formatted and compelling internal updates. Even small wins should be celebrated, given their importance to a successful full implementation.

IMPLEMENTATION QUESTIONS FOR SHORTLIST VENDORS

Once a company has identified a shortlist of vendors whose FP&A products are under consideration, it will want to ask each vendor these questions about the implementation process:

1. What systems, including the general ledger and other financial and non-financial systems, integrate with your software? Which ones have direct integration vs. pre-built connectors (e.g. Dell Boomi, Informatica, Microsoft Flow)?
2. How long has implementation taken at companies with needs similar to ours? Were these measurable in days, weeks or months?
3. Who are the key people on your implementation team? What are their roles? At what stages are they involved?
4. What metrics or criteria do you use to determine the success of an implementation? How have you performed against them in the past, and what can we expect?
5. How self-sufficient is your system for the finance department? For what types of requests or customizations will we need the involvement of your consultants or our IT department?
6. How long does it take to train a power user or administrator on your software?
7. How long does it take to train end users on your software?
8. Show me the documentation that we will be using throughout the implementation.
9. Do you recommend a phased or single solution implementation? Why?
10. How do you measure customer satisfaction, and how do you stack up? How do your customers' satisfaction scores change over time?



ENSURE INTEGRATION WITH FINANCIAL AND NON-FINANCIAL DATA SYSTEMS

Properly implemented, FP&A software can streamline, reduce risks and improve data accuracy for processes such as budgeting, planning, forecasting and reporting. But none of that can happen until the software is linked to other information systems within the enterprise. Doing so automates the collection, consolidation and presentation of real-time transactional and summary data. It also allows for quick and easy rolling forecasts, ad hoc reporting and comparisons of budgets versus actual results based on real-time data.

Linking the general ledger to the FP&A software is the critical first step in data integration, but it shouldn't be the last. Today's best FP&A programs easily connect with ERP and other information systems containing a wealth of operational and company-wide data, from sales and marketing to development and distribution.

Once these connections are made, CFOs and their C-suite colleagues can use the software to more easily connect the dots between operating decisions and financial results, and more accurately forecast how results might play out under differing business scenarios. Without broad integration, by contrast, many FP&A processes remain unnecessarily manual, time-consuming and error-prone, compromising confidence in the reports they produce, while limiting the value of the insights they provide.

If direct integration isn't included in the first phase of deployment, companies should simply make sure data is refreshed frequently, and that there is always a way for finance to refresh the data on demand.

THE HARD NUMBERS|SURVEY RESULTS



Do not consider it very important to integrate their FP&A software with both financial and non-financial data sources

CHOOSE THE RIGHT SERVICE PACKAGE TO MEET ONGOING NEEDS

Implementing FP&A software may be a reasonably finite undertaking, but ensuring its continued success is not. Companies will want to agree with their vendor, upfront, on ongoing support and maintenance expectations, including how long the vendor will take to respond to and resolve any issues. The two sides also should reach an agreement on anticipated customer advocacy requests, such as requests for references or inclusion in case studies.

To set themselves up for a winning implementation, companies also should look for a packaged service offering for the application areas they want to automate. That service package should be embedded with best practices and optimal user interface designs, while still being flexible enough to accommodate the company's ever-evolving business and information needs.

In searching for the right offering, companies may want to be mindful that the majority of FP&A implementations involve the same tasks, milestones,

processes, training and documentation—i.e., the same basic implementation stages—which allow for straightforward and consistent comparison.

There are two basic types of service models from which to choose. One looks a bit like a box of miscellaneous Lego building blocks—each install is fully customized and unique. The other—continuing with the Lego analogy—is a “productized” approach; think of a ready-to-make Lego kit to build a specific building or vehicle. The buyer might then choose a smaller box of miscellaneous blocks for custom items.

Companies that choose a software package delivered as part of a productized service offering will find that it addresses the core components common to most organizations right out of the box, while still providing flexibility for customization where needed. This can lead to a quick, cost-effective implementation that minimizes costly, time-consuming and sometimes unnecessary customization, and also makes it easier for companies and their partners to run more of the implementation process on their own.

CONCLUSION

Today's state-of-the-art FP&A software systems allow CFOs and their finance teams to automate, accelerate and streamline their budgeting, planning, forecasting and reporting. And today's systems do it all more accurately, with less human intervention, than they have in the past. They also allow CFOs to understand with new precision and transparency what's driving their company's business results, and to model how those results might change in varying future scenarios.

Choosing the right FP&A software is important to take advantage of all these benefits, but equally important is taking the right approach to implementation. That means setting clear and realistic expectations before beginning the process, identifying participants' roles and responsibilities from the outset, and ensuring end-user involvement throughout the process. It also means breaking the process into manageable phases that enable delivery of quick wins, and using a collaborative approach so that the vendor is perfectly clear on the customer's needs and expectations.



ABOUT VENA SOLUTIONS

Vena Solutions redefines how medium and large sized companies manage their budgeting, planning and forecasting. Vena provides a cloud-based financial planning and analysis (FP&A) solution that combines Excel with a centralized database, sophisticated workflow, powerful reporting and advanced analytics. Hundreds of the world's best companies use Vena to get trusted insights that drive faster, smarter business decisions. Vena is the fastest growing company in its sector and the recognized leader in customer satisfaction and product usability. For more information visit venasolutions.com.



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