

Clarity in an uncertain world

How always-on enterprise
planning can help you prepare
for the unexpected

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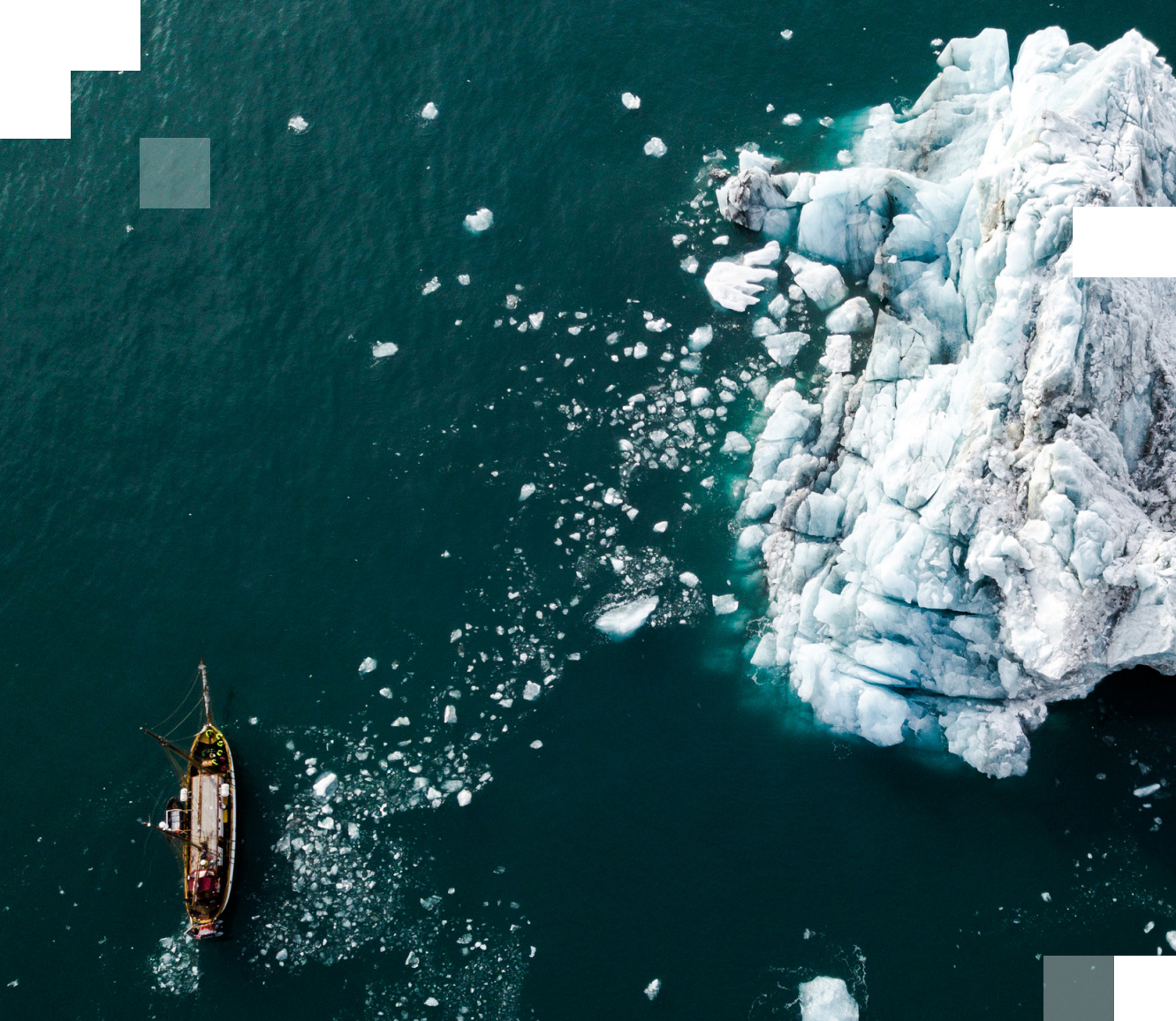
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Change today happens faster than ever. The impact on business can be greater than ever, too.

But with always-on enterprise planning, companies can bring greater clarity to an uncertain environment.






Given the business and geopolitical situation in the world today, change is happening faster than ever, and the consequences of not keeping up are growing. Now is the time for chief executive officers and their teams to reassess their planning capabilities to build greater speed, agility and predictability.

Traditional planning is often siloed, anchored in historical data and hard to operationalize across the business. On the other hand, “always-on” planning spans the enterprise, improving responsiveness and day-to-day operations.

The real game-changer, though, is what always-on planning makes possible: scenario-driven, predictive modeling to help you anticipate change in an uncertain world.





Standard vs. always-on planning in action

When disruption hits

Consider a global consumer goods company getting ready to roll out a new product. Just weeks before manufacturing begins, the price of natural gas spikes overnight. The company hears the analysts: “Expect extreme volatility in gas prices over the coming months.” Capital markets panic, setting off board room anxiety.

These price fluctuations influence everything from decreased demand to surges in sourcing, manufacturing and transportation costs. How does this affect the product launch?

Several years of planning are on the line, and the board wants answers.



The response with standard planning

A response to this situation based on standard planning might look something like this:

- The chief executive officer soon realizes that coordinating a cohesive response is challenging. Each group leader has created their own planning model—supported by different systems—to facilitate demand, financial, supply and workforce planning.
- Multiple data sources and structures are in use, so there's no single version of the truth to drive planning.

- No incentives are in place to encourage collaboration. Reconciliation across systems is contentious, manual and time-consuming—time that executive leadership does not have.
- The company has not invested in the analytics and artificial intelligence (AI) capabilities needed to create future scenarios with confidence.

Not good.

In the absence of data supporting a postponement, the chief executive officer has no choice but to move forward as planned—hoping that any impacts to costs, consumer demand and the supply chain are minimal.

The response with always-on planning

Now imagine a situation where always-on, predictive enterprise planning is in place.

Just two days after the spike in gas prices, the chief executive officer meets with a cross-functional rapid response team to discuss the future of the launch.

- The team presents a handful of predictive scenarios based on multiple planning assumptions. They use advanced AI and up-to-date data sets about performance and existing operations. Data is shared across groups—not duplicated and sent back and forth—so everyone's working with the same information.
- The team assesses each scenario's impact across the supply chain and supplier networks using a virtual supply chain digital twin to assess critical areas,

including inventories, resource availability, and overall operational performance. Through machine learning, supply chain experts are provided multiple options to ultimately make decisions that feed back into the modeling exercise.

- Because the company has been looking to meet environmental, social and governance (ESG) goals, one scenario looks at accelerating the transition to solar and wind sources in European factories.
- As the executives tweak assumptions and other parameters, data visualizations reflect the likely impacts across the business in near real-time.

After several hours of discussion, they recommend postponing the product launch by six months and revving up the transition of two factories in Eastern Europe to cleaner energy. The chief executive officer and chief financial officer set up time to brief the board.



Why always-on works, even for things you can't plan for





The always-on future can be a reality sooner than you think. In 2021, 77% of executives we surveyed globally reported significantly increasing their use of internal and external real-time data over the past year to generate insights into the future.¹ It's no surprise why. With a broader set of data and new analytic approaches, organizations can:

- 1. Respond faster, with less manual effort**
- 2. React to unexpected events that aren't part of a traditional planning cycle, such as pandemics, geopolitical conflicts and sanction-based issues**
- 3. Create a continuous, integrated, rolling plan**
- 4. Capture a more complete picture of stakeholder impacts with analysis that covers things like ESG transparency and changing consumer sentiment and needs**

This is how enterprise planning comes to be an always-on platform for driving customer-centricity, enterprise agility and growth—and a foundational, future-proofing capability.

A springboard for rapid scenario modeling

An always-on planning capability is a jumping-off point for a key activity that every business today needs to be doing, rapid scenario modeling. This functionality helps leaders simulate situational responses and act with confidence quickly when unexpected disruptions hit.

Think of it like a proposed route change in your navigation app. Where always-on planning is the path you've charted based on an updated and integrated view of demand, supplier networks, etc., rapid scenario modeling is how you identify responses to unforeseen events along the way.

You can also quickly model future scenarios and shape responses to potential threats—like natural disasters—and growth opportunities, like accelerating new products and services.

Specific areas to model vary by your industry, market and strategic priorities but can include:

- Changes in customer demand, due to factors like higher prices or lower consumer confidence.
- Impacts to cash, liquidity and working capital from increased borrowing costs.
- Evolution of energy, raw materials and other input prices.
- Supply chain network disruptions that could include parts shortages or shipping delays.
- ESG impacts based on sourcing alternatives or strategic shifts in ESG commitments.
- Workforce planning expectations, including talent shortages and whether work should be remote or in-person.

Effective scenario modeling is not a static, point-in-time exercise. It's part of your iterative, always-on planning capability that helps you analyze changing circumstances and assumptions so you can act now and anticipate what's next.

Change starts with the C-suite

So how do you go from outdated, siloed, episodic planning to modern, enterprise-wide, scenario-based planning? As with any net-new capability, you need new mindsets, investments and ways of working. **You need the C-suite.**

The good news? They understand the importance: Accenture research shows executives overwhelmingly agree that using new data and analytics approaches to better respond to future events is critical to success.

But they lack the cross-functional structure to make it happen.

That gap is a problem. Robust, predictive planning models require people from all over the business—finance, commercial, human resources and supply chain—who understand how they are all interconnected and which trade-offs to make. Specialists in topics like risk, ESG, inflation and other macroeconomic trends can also identify internal and external data sources that further enrich models and decision-making.



88%

of executives recognize that the ability to use new data sets and new analytics approaches to better predict and respond to future events is critical for their organization's success.



41%

report having cross-functional teams working together to develop and grow their understanding of the future.²

The C-suite intuitively knows this. In fact, 58% globally believe functional silos are hindering transformation to some extent, while 35% say it's happening to a large extent.³

Creating an integrated enterprise strategy isn't easy when leaders are used to setting their own strategies and budgets. To overcome that mentality, the chief executive officer and their team need to focus on three inputs: a clear set of priorities, incentives, and metrics that help everyone rally around shared outcomes that reflect overall business and goals.

These shared outcomes should not only cover traditional optimizations like cost, service and cash but also broader areas like sustainability, resiliency, customer experience, and inclusion and diversity.

This multidimensional impact is what Accenture calls 360° Value (Figure 1).

Figure 1:
360° Value reflects a multi-stakeholder view of impact



Source: Accenture 2022



The blueprint for an **always-on** planning capability

Once priorities, incentives, and metrics are defined, the C-suite can develop a strategic planning capability around the following elements:

1

An enterprise-wide view

“Fit for purpose” cross-functional teams break down silos and improve the quality and speed of decision-making. Given their unique view of data and reporting across the enterprise, chief financial officers and finance professionals have an important role to play here. In fact, 76% of finance executives in our latest [CFO Now](#) research consider breaking silos and improving cross-enterprise collaboration to be a major responsibility of a modern finance function.⁴

Connecting the business from the top-down and bottom-up

Always-on planning captures key activities across the business through consistent, driver-based planning models and processes. It also connects top-down strategic planning with a bottom-up operating plan that is digital, agile and data-rich.

This approach links key performance indicators (KPIs), processes, data, calendars and more in ways that can help drive significantly faster planning cycles.

The beauty of data-driven clarity for a retailer

We helped one large retailer implement standardized, shared, enterprise-wide, driver-based planning models and processes. These supported long-range and annual planning activities based upon a single source of data

for financial and operating metrics. Agile and event-triggered, these processes assessed ranges of time from one to five years.

The combination of clean, curated data with agile, connected planning processes and on-demand, self-serve reporting resulted in an 80% reduction in cycle time and a 10-15% improvement in the accuracy of the retailer's long-term plans.





3

AI and machine learning to quicken insights

Embedding automation, machine learning and advanced AI capabilities into your planning helps you get to insights sooner. Microsoft has transformed its forecasting through machine learning.

Before, its finance organization would spend about three weeks per quarter building a forecast and creating spreadsheets in all its subsidiaries and product teams before finally surfacing them all to the chief financial officer.

Within two quarters of introducing machine learning, the company found that algorithms performed as well as the prior manual process, with half the variance rate. Today, the quarterly forecast that once took three weeks can be done in 30 minutes.⁵

Our recent research found that companies with the most mature and diverse AI capabilities enjoy 50% greater revenue growth on average versus their peers.⁶

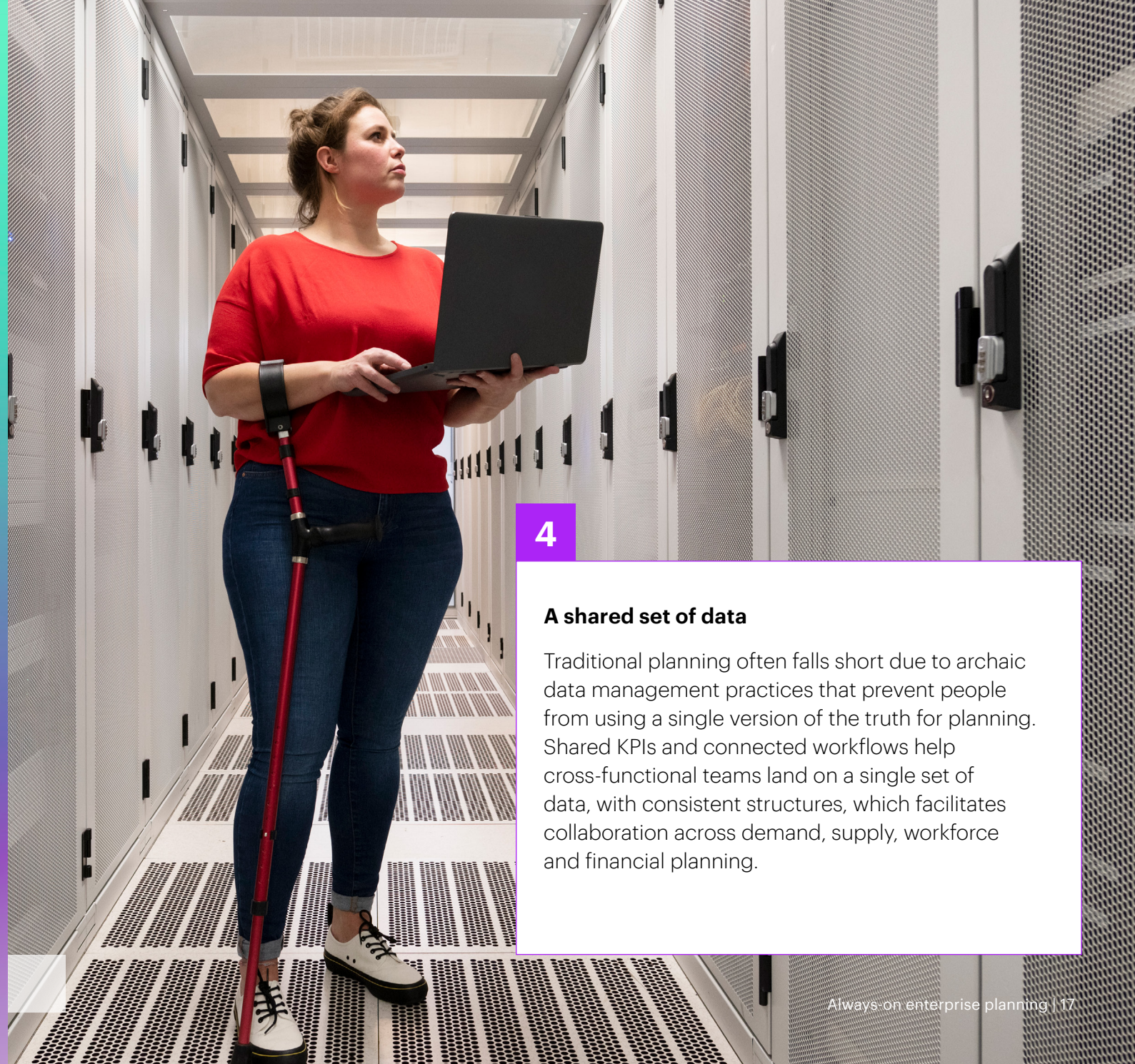
The beauty of data-driven clarity for a manufacturer

One manufacturer transitioned to an 18-month rolling forecast that integrated its strategic plan with a global data governance strategy to provide one source of truth. The new process allows the CFO timely access to richer and more robust insight, from high-level information to individual transactions in hours and not days.

A key challenge was bringing together data from over 100 different transaction systems and transitioning away from managing dozens of different approaches to capturing spreadsheet data and aggregating this information for leadership and decision makers throughout the business.

As a result of the new, responsive enterprise planning process, the company has integrated its financial, supply chain and demand data for greater visibility and operational agility.

In addition to a new planning mindset, the manufacturer also benefits from a shorter forecast process cycle, improved forecast accuracy across all business units and each unit's forecast is now linked directly to its strategic goals. The company and business units can also leverage their new scenario modeling capabilities to conduct more rapid "what-if" analysis on a full set of cross enterprise data that was previously not possible.



4

A shared set of data

Traditional planning often falls short due to archaic data management practices that prevent people from using a single version of the truth for planning. Shared KPIs and connected workflows help cross-functional teams land on a single set of data, with consistent structures, which facilitates collaboration across demand, supply, workforce and financial planning.

The beauty of data-driven clarity for a pharmaceutical company

A global pharmaceutical company was looking to transform their planning for greater agility, alignment and responsiveness. We helped them introduce a standardized, integrated planning process across the enterprise.

The multi-phased and paced rollout of the new approach across 50 countries and 4 continents is integrated across business functions and allows people to work collaboratively in developing plans, forecasts and reports that drive competitive advantage. We also worked together to introduce rapid scenario modeling capabilities to help the organization anticipate and respond to changing business conditions with greater speed and agility.

By standardizing enterprise-wide processes, reducing manual activities and analysis, improving data quality and consolidation, and using driver-based forecasting models, the company accelerated planning cycle times by 35%. In addition to the productivity gains, the company is also enjoying a 50% reduction in data errors as a result of its new master data strategy and governance structure and automated data integration.

The new capabilities and connected approach to planning has also positioned the company to capture better insights and advanced intelligence for responding to issues with greater speed and seizing opportunities as they arise.

5

A cloud first foundation

The new structures, processes and ways of working you'll create for your new capability should be underpinned by an integrated, cloud-based platform. In fact, 90% of business and IT executives we surveyed agree: To be agile and resilient, organizations need to fast-forward their digital transformation with cloud at its core.⁷ That's because the right cloud architecture allows you to share data and insights across the enterprise—and your greater business ecosystem—in near real-time.

6

New mindsets and behaviors

Orient your KPIs, process integrations and operating model changes toward a collaborative, data- and insights-driven culture. Aligning structure and culture helps teams navigate difficult trade-offs and drive shared outcomes. For example, a clear organizational priority on customer-centricity can help teams decide whether to prioritize delivery commitments for a customer or optimize logistics costs.

C-suite collaboration: what to expect

With a commitment to always-on planning, the C-suite can form a plan of action to push these changes through the organization. Everyone has a role to play.

TITLE	KEY INPUTS
Chief executive officer, chief operations officer	<ul style="list-style-type: none">• Set clear vision and strategy for the business plan• Establish shared metrics and incentives that align to business outcomes and assign accountability• Prioritize investments
Chief financial officer, chief risk officer, chief operations officer	<ul style="list-style-type: none">• Drive overall enterprise planning strategy and execution of the enterprise plan• Set long-range and in-year targets and guardrails for the organization• Lead enterprise data strategy in collaboration with functions and technology• Make sure that the right finance and risk talent is supporting cross-functional planning and scenario modeling teams
Chief supply chain officer and chief procurement officer	<ul style="list-style-type: none">• Drive an overall supply chain, manufacturing and procurement strategy to meet business goals• Invest in a digital twin to support scenario modeling and resilience testing• Establish sustainability metrics, including n-tier suppliers, to track through the planning processes (joint with chief sustainability officer)

C-suite collaboration: what to expect

TITLE	KEY INPUTS
Chief growth officer/chief revenue officer/chief sales officer	<ul style="list-style-type: none">• Establishes business/brand strategy and marketing investment plan• Sets sales strategy, commercial plan and customer targets based on business plan• Sets salesforce goals to meet business results
Chief human resources officer	<ul style="list-style-type: none">• Aligns strategic operating model and talent strategy• Guides fulfillment strategies to address workforce and skills gaps to meet the business plan• Drives workforce planning, operating model and governance structure to own, operate and sustain workforce planning on an ongoing basis
Chief information officer, chief technology officer	<ul style="list-style-type: none">• Lead enterprise data strategy (joint with the business)• Work on business case for investments in cloud architectures, planning technologies and AI investments• Design the underlying cloud-based architecture• Support business with intelligent automation and AI-based tools



When it's time to roll out your strategy into your operations, financial plans and day-to-day decisions, you'll need more than a blueprint to do it.

Few companies are fully prepared for the changes required, which include:

- New ways of working and behaving.
- Investments in skilling and role changes.
- A mindset and culture of continual improvement.

You may also need to invest in organizational processes, dashboards and tools to help you collaborate as you balance long-term strategic goals with shorter-term operational planning needs. Many businesses apply intelligent technologies to automate tasks and improve productivity. Leading organizations focus on applying technologies that free their people to engage in more fulfilling and innovative roles.⁸

Operationalizing the plan

1

Create a unified, operational plan

It defines the frequency to update and simulate the impact of changed strategies from planning to operations.

Requirements:

- An integrated data and technology foundation
- Interlocked processes across the enterprise
- Cross-functional teams that help break down silos
- A clear annual-quarterly-monthly-weekly-daily drumbeat of review and decision meetings

2

Invest in ongoing skill development

Cross-functional, data-driven ways of working require upskilling for anyone who is receiving data inputs, tweaking plans and tracking outcomes that feed back into the planning cycle. These include:

- Demand and supply planners
- Financial planners
- Workforce planners

In addition to specific functional expertise, new skills might include:

- Ability to approach tradeoffs from a holistic viewpoint
- Strategic thinking
- Strong analytical skills

3

Create new roles as work and processes are reimagined

As you build out your planning capability, new roles emerge. These include operational and process optimization roles such as end-to-end value chain planners, segment specialists and digital IT engineers.

The increased use of digital twins, AI and cloud-enabled platforms calls for specialists like data scientists and cloud architects.



The beauty of data-driven clarity for a retailer

We worked with one large retailer to create a platform design and architecture that ingests data from point of sale and other systems (SAP, Workday, etc.) into a data lake. The validated, curated data then populates databases, dashboards, portals and enterprise

performance management systems. This foundation is critical to drive agile planning and intelligent reporting. Data that used to take days to collect and reconcile is now generated overnight in four hours.



The world is moving fast, so should your business

Transforming your enterprise planning function can feel like a gargantuan task. But in this climate, inaction is far riskier. Organizations that can't identify and respond quickly to internal and external shocks risk falling behind.

The technology is ready and your organization can be too. Building a strong culture, and supporting people

within it, can be an accelerator to seizing opportunities now and into the future. This focus on combining human ingenuity and technology becomes even more critical in times of disruption and uncertainty.

Change starts at the top. Now is the time to invest in a modern, always-on planning culture, with the mindsets, behaviors and capabilities to help you thrive today and tomorrow. No matter what's in store.

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