


deFacto^{POWER} PLANNING

#1 Rated For Customer Satisfaction
2020,2021,2022



www.deFactoGlobal.com

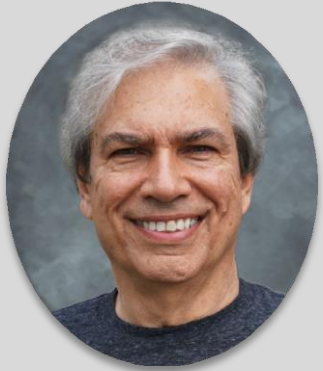


The Pulse of Performance Management 2022

Transform, Extend, Evolve

Presenter: Craig Schiff, CEO, BPM Partners
June 8, 2022

Craig Schiff



Craig Schiff is CEO of BPM Partners, a vendor-neutral advisory services firm helping clients address performance management challenges with a comprehensive, rapid and cost-effective BPM methodology

30+ years focused on analytic applications, BI, and BPM



Founding member of Hyperion (now part of Oracle), spent 16 years as head of its Products & Services group



OUTLOOKSOFT®

Most recently co-founder and CEO of OutlookSoft (now part of SAP)

BPM Standards Group founding member



Contributor to:



ASSOCIATION FOR
FINANCIAL
PROFESSIONALS

BusinessFinance



The Association of
Accountants and
Financial Professionals
in Business



financial executives
international



EY Entrepreneur
Of The Year



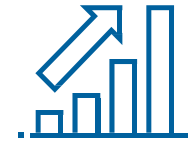
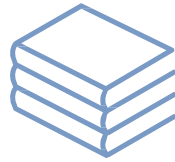
The Pulse Agenda

- Focus of this Webcast
- 2022 Key Trends
- BPM Pulse Research Results
- Vendors
 - Best New Vendor
 - Core Vendors
 - BPM Pulse Customer Satisfaction Ratings
 - Key Functionality, Latest Developments, Core Strengths
- 5th Annual BPM Pulse Awards for Top Rated Vendors
- Next Steps
- NETGEAR Orbi Mesh WiFi Giveaway
- Q & A

Focus of this Webcast

The Pulse of Performance Management series is designed to provide an unbiased and up to date overview of the world of business performance management. The information provided is intended to enable companies to have intelligent and informed discussions as they plan their performance projects.

BPM Solutions



Budgeting, Planning & Forecasting

- A budgeting process that takes too much time and effort for too little return
- Not enough end-user participation resulting in limited buy-in
- The need to increase re-forecast frequency and accuracy

Financial Consolidation, Reporting & GRC

- Companies still striving to attain 'one version of the truth'
- Users unable to easily produce their own ad-hoc reports and analysis
- Monthly close that takes too long
- The need to address changing regulatory requirements

Operational Planning & Profit Optimization

- Difficulty in determining true profitability of products, services, regions, business units
- Departments that need to prioritize and focus on areas of greatest potential return
- The need to obtain a holistic view of the business

Strategic Dashboards & Scorecards

- The ongoing struggle to achieve strategic alignment across the organization
- Employees focused on the wrong things
- The ability to be ready to act when key measures are significantly off target



Key Market Trends and Peer Benchmark Data

BPM Pulse Survey

Responses

318

Company Size

Small

14%

Midmarket

52%

Large/Enterprise

34%

Industries

Manufacturing, professional services, financial services, not for profit, retail, technology, construction, services

Geography

North America

69%

Europe

24%

Asia/Australia/NZ

7%

Business Area

Finance/Accounting

62%

Senior Executive

15%

IT

11%

Performance Management Research Study Results

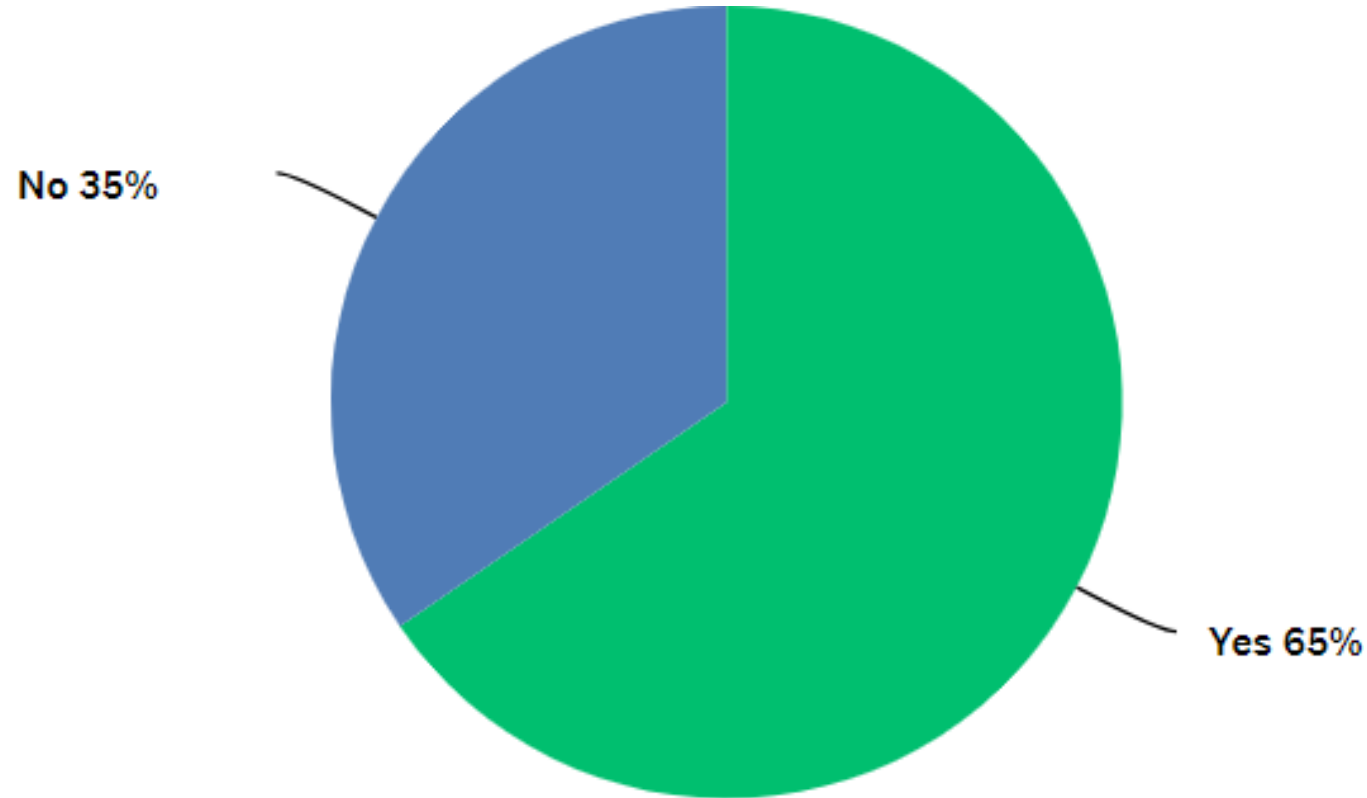


Date: April/May 2022

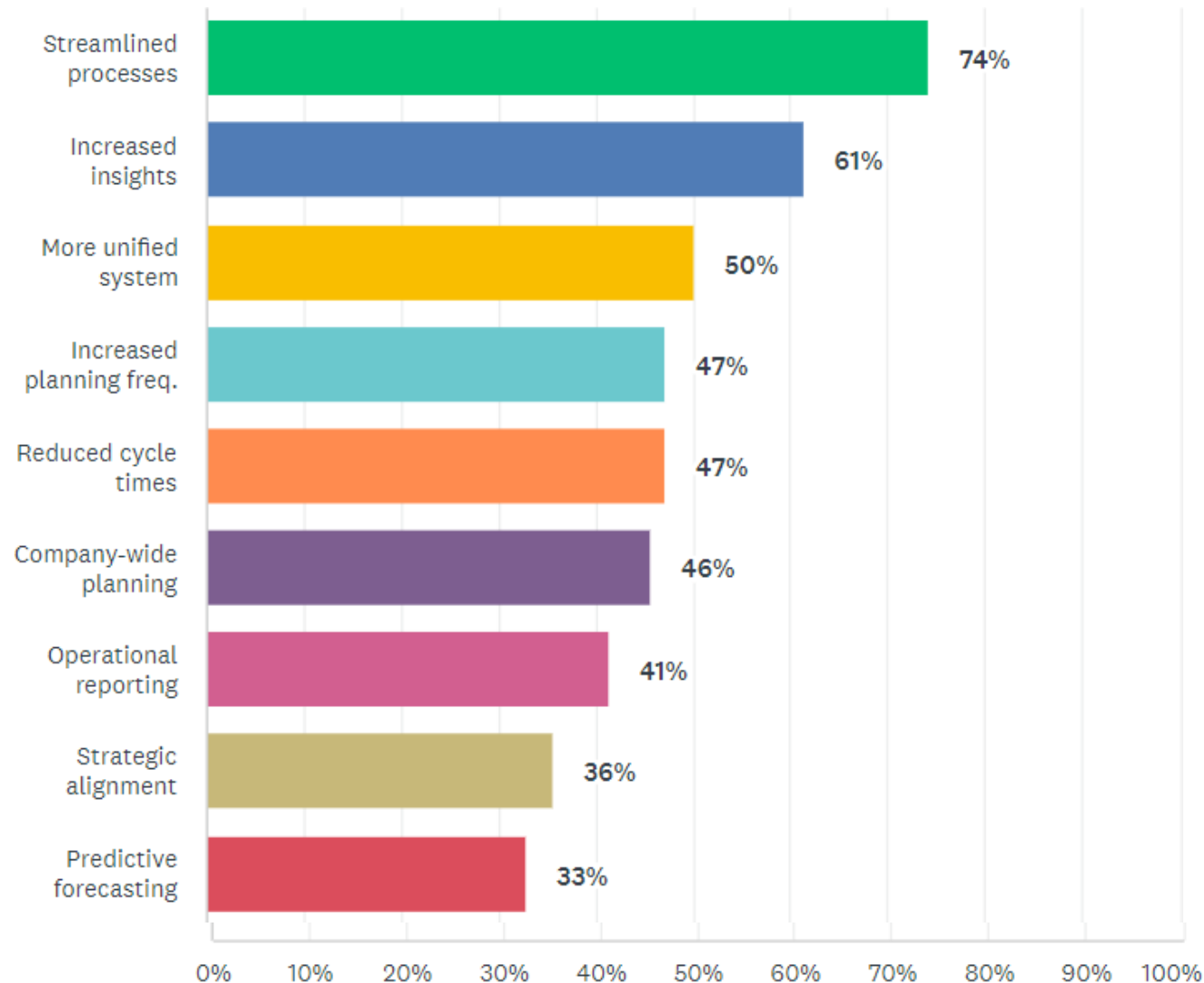
Transform, Extend, Evolve

- Transform
 - Streamline, optimize, and automate processes and structures
 - Transition from static Finance-focused planning and reporting to dynamic and comprehensive planning, consolidation, reporting and analysis
- Extend
 - Take planning & analysis company-wide:
 - Sales Performance Management
 - Revenue Performance Management
 - Workforce Planning
 - Supply Chain Planning and Analysis
- Evolve
 - Take the next steps on your FP&A roadmap journey
 - Rolling forecasts
 - Scenario modeling
 - Predictive forecasting
 - Financial consolidation

Transform: Is This Part of a Finance Transformation Project?



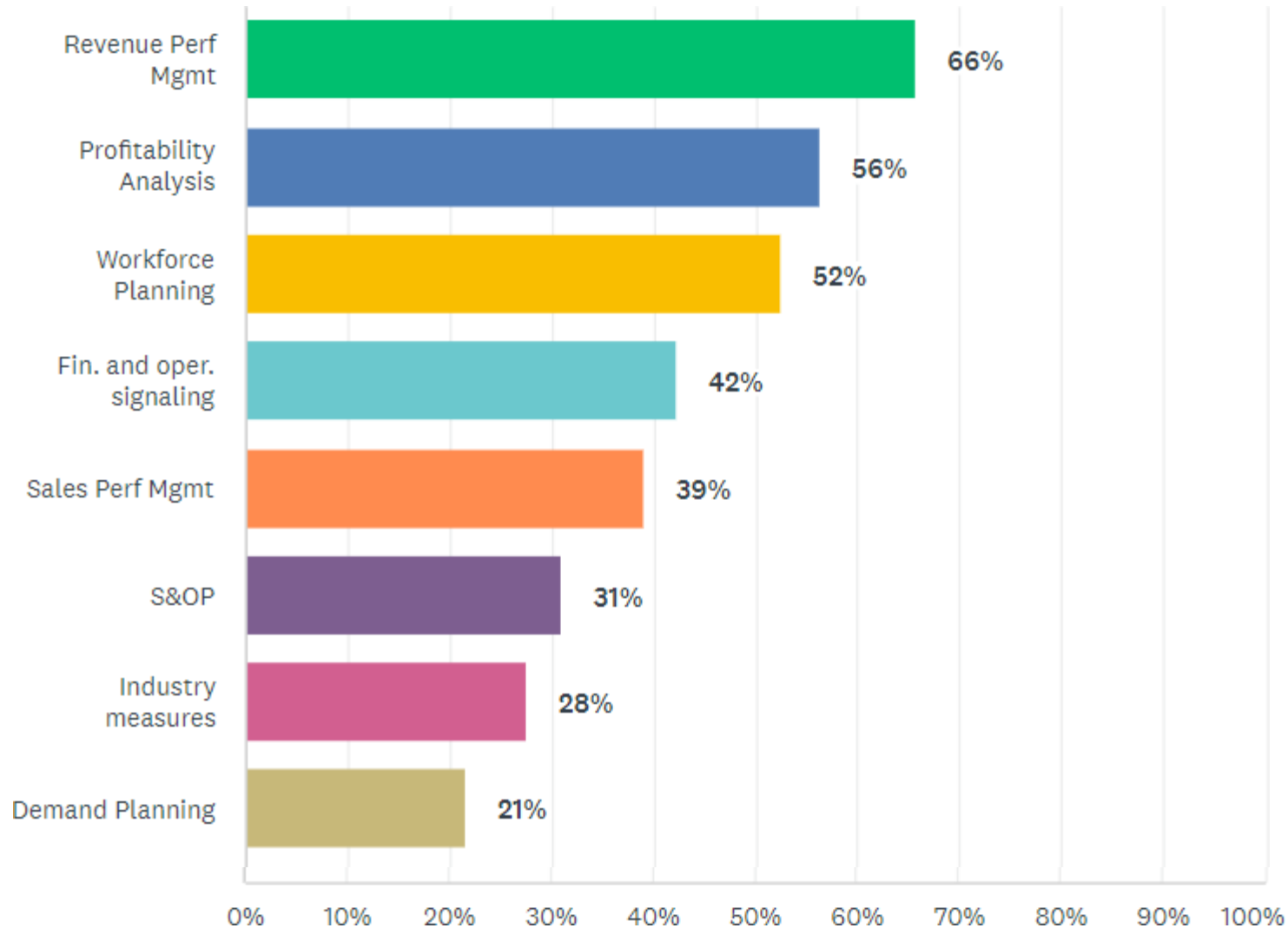
Transform: Finance Transformation Focus Areas



Source: BPM Partners 2022 BPM Pulse Survey

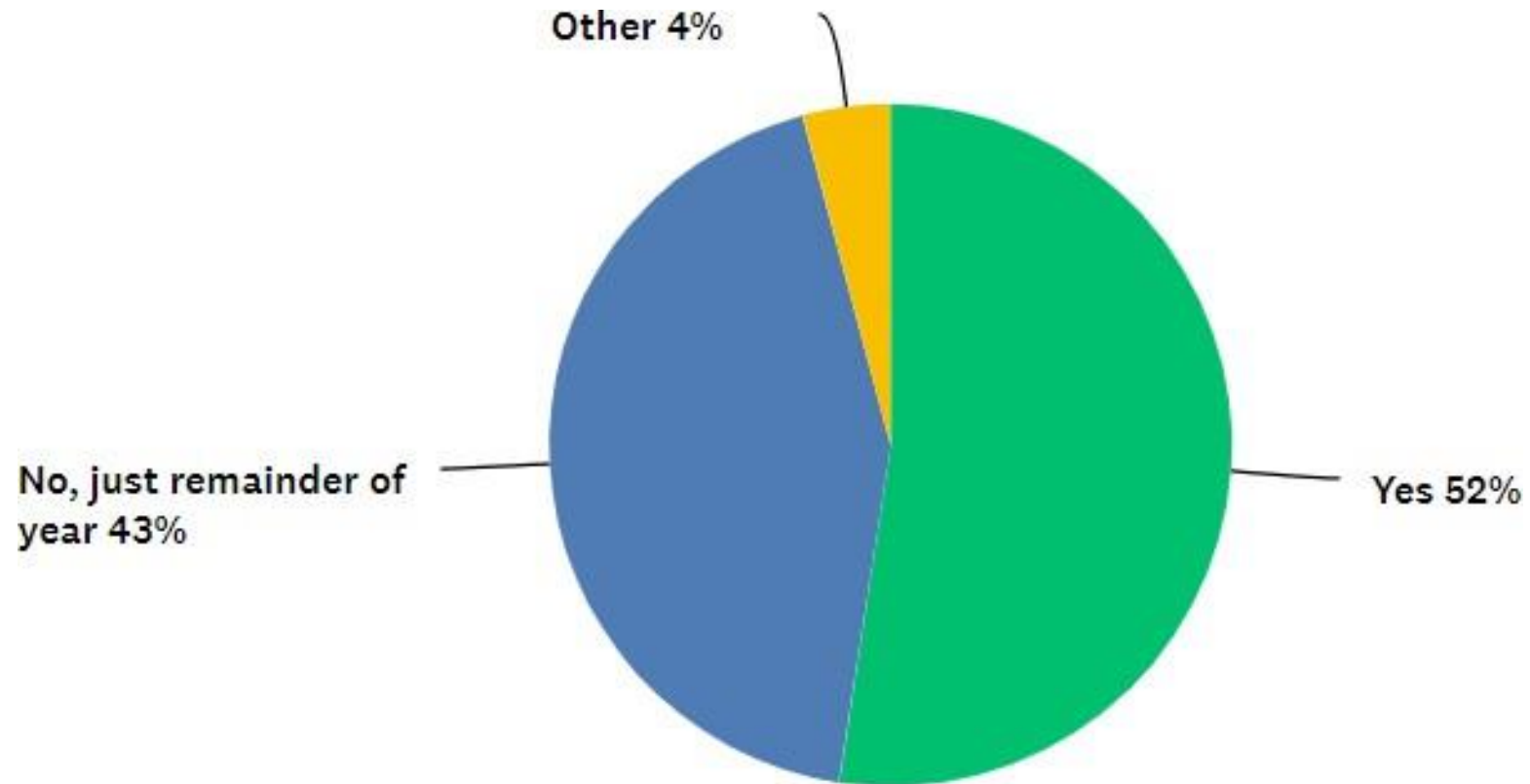
Extend: Operational Planning and Analysis Focus Areas

Only 2% of respondents have no operational focus at this time



Source: BPM Partners 2022 BPM Pulse Survey

Evolve: Are You Using Rolling Forecasts?



Consolidation Everywhere

- More Choices, More Capabilities
 - New vendors offering comprehensive solutions
 - Existing vendors expanding their offerings organically, through acquisitions, through partnerships
- Not Just for Statutory Reporting
 - Management reporting
 - Budgeting
 - Forecasts
- Elements in Every Project
 - Intercompany
 - Currency conversion
 - Alternate roll-ups
 - Journal entries
- Two Main Solution Types: Focused and Comprehensive

Consolidation Solution Types

Capability	Focused Solution	Comprehensive Solution
Aggregation	Yes	Yes
Legal/Statutory Consolidation	No	Yes
Intercompany	Yes, but usually through complex account design and calculations	Yes, built-in with standard reconciliation reports and auto-eliminations
Currency Conversion	Yes, but usually through calculation set-up	Yes, with auto calculations of gains/losses; actuals at budget rates, etc.
JE Capabilities	No, or limited	Yes
Account Reconciliation	No, or limited	Yes
Complex Allocations	Either done outside of system or with poor performance	Yes

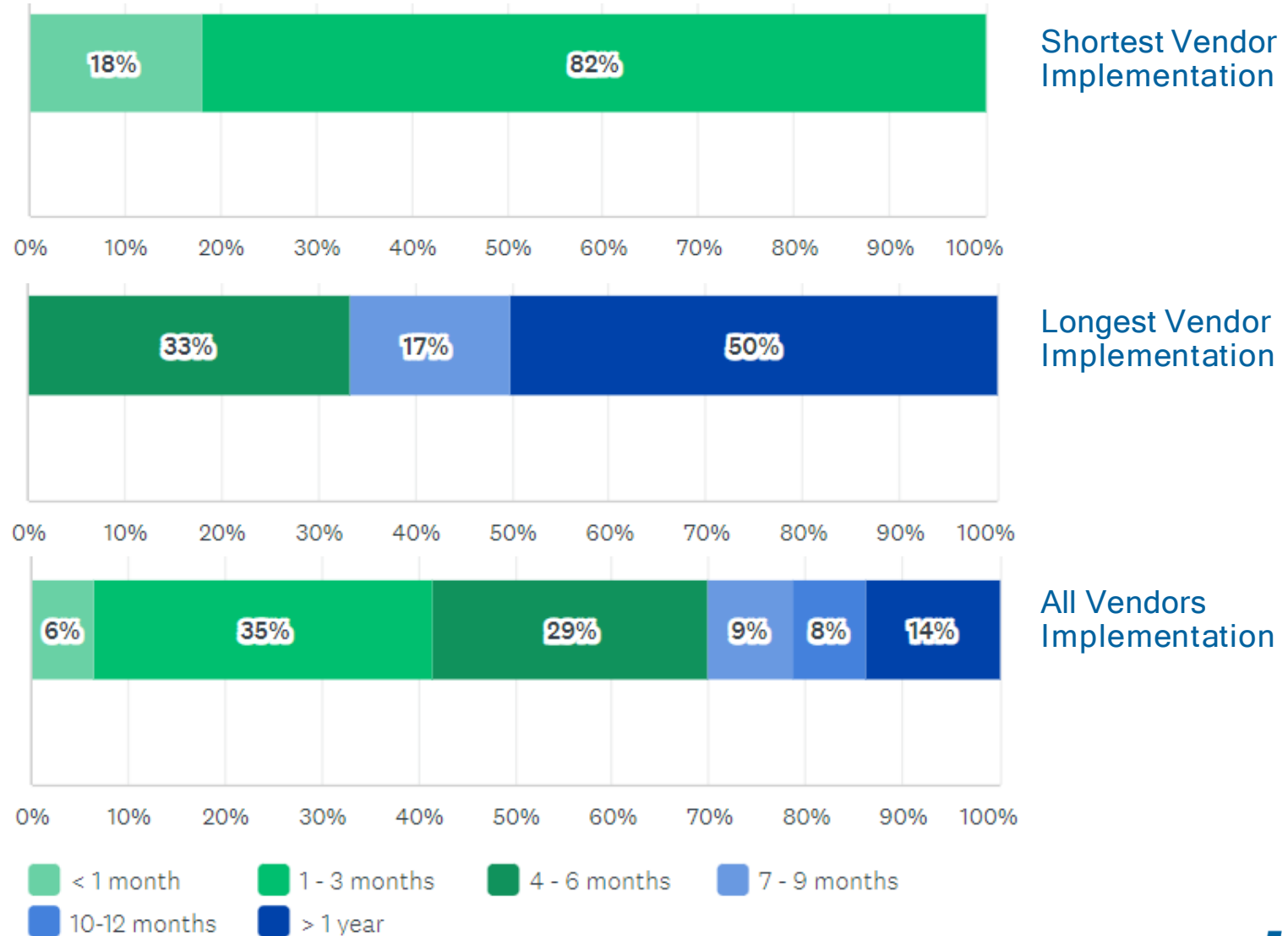
- More details in BPM Partners 2022 Consolidation and Reporting Buyers Guide

Customer Implementation Focus

- Becoming More of a Differentiator
 - Implementation timeframe
 - Cost of implementation
 - Partner ecosystem
 - Vendor provided:
 - Accelerators
 - Pre-configured solutions
 - Out of the box functionality
 - Rapid implementation services
- Challenges
 - Setting realistic expectations upfront
 - Understanding the relationship between longer implementations and product functionality
 - Choosing the right implementation partner
 - Determining customer/consultant roles

Implementation Timeframes

How long did your initial implementation phase take?

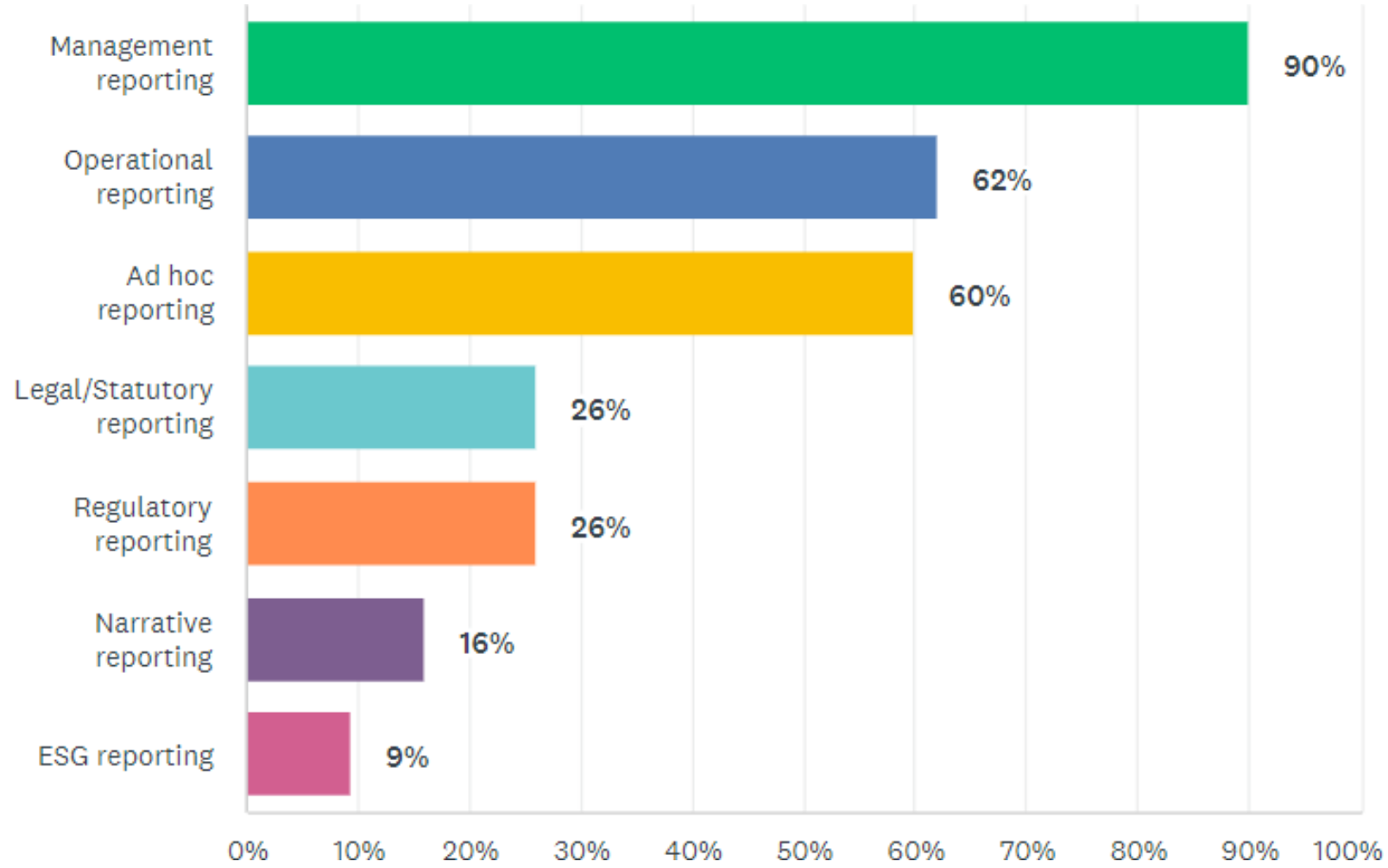


Source: BPM Partners 2022 BPM Pulse Survey

Vendor Focus: AI, Operations, Ease of Use, Reporting

- AI
 - Expansion of predictive capabilities
 - Anomaly/outlier detection and adjustments
 - Automation
 - Some prescriptive capabilities
- Operations
 - Acquisitions
 - Repositioning
 - Packaged solutions/content
 - Financial and operational signaling
- Ease of Use
 - From Handling Complexity to Simplifying Complexity
 - No Coding
- Reporting
 - Upgraded report writers
 - Excel, Power BI
 - Narrative reporting expanding from Disclosure Management to Management Reporting
 - Support for ESG reporting

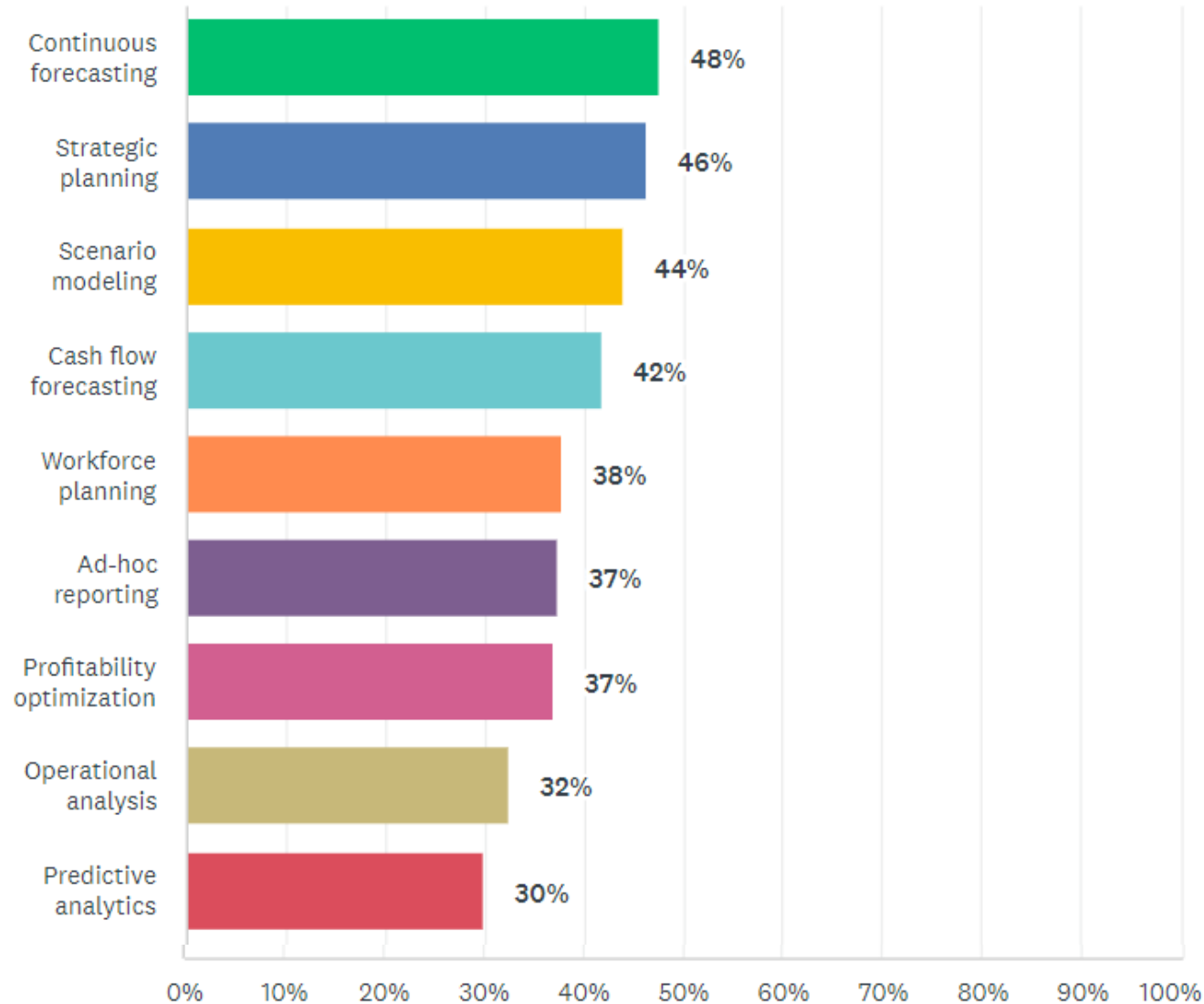
Key Reporting Areas for BPM



Source: BPM Partners 2022 BPM Pulse Survey

Customer Focus: What's Next?

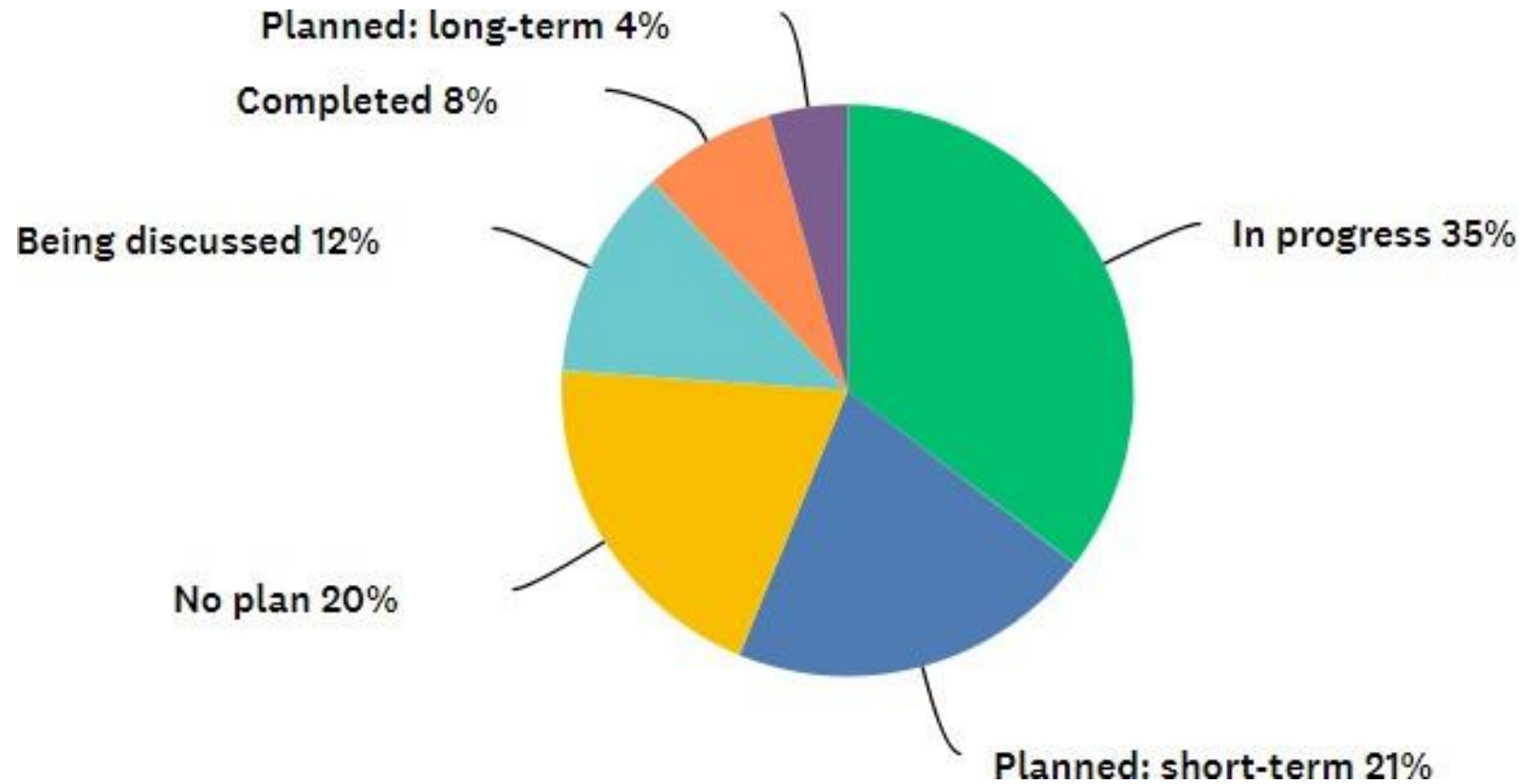
What Will Be Most Important for the Next 12 Months?



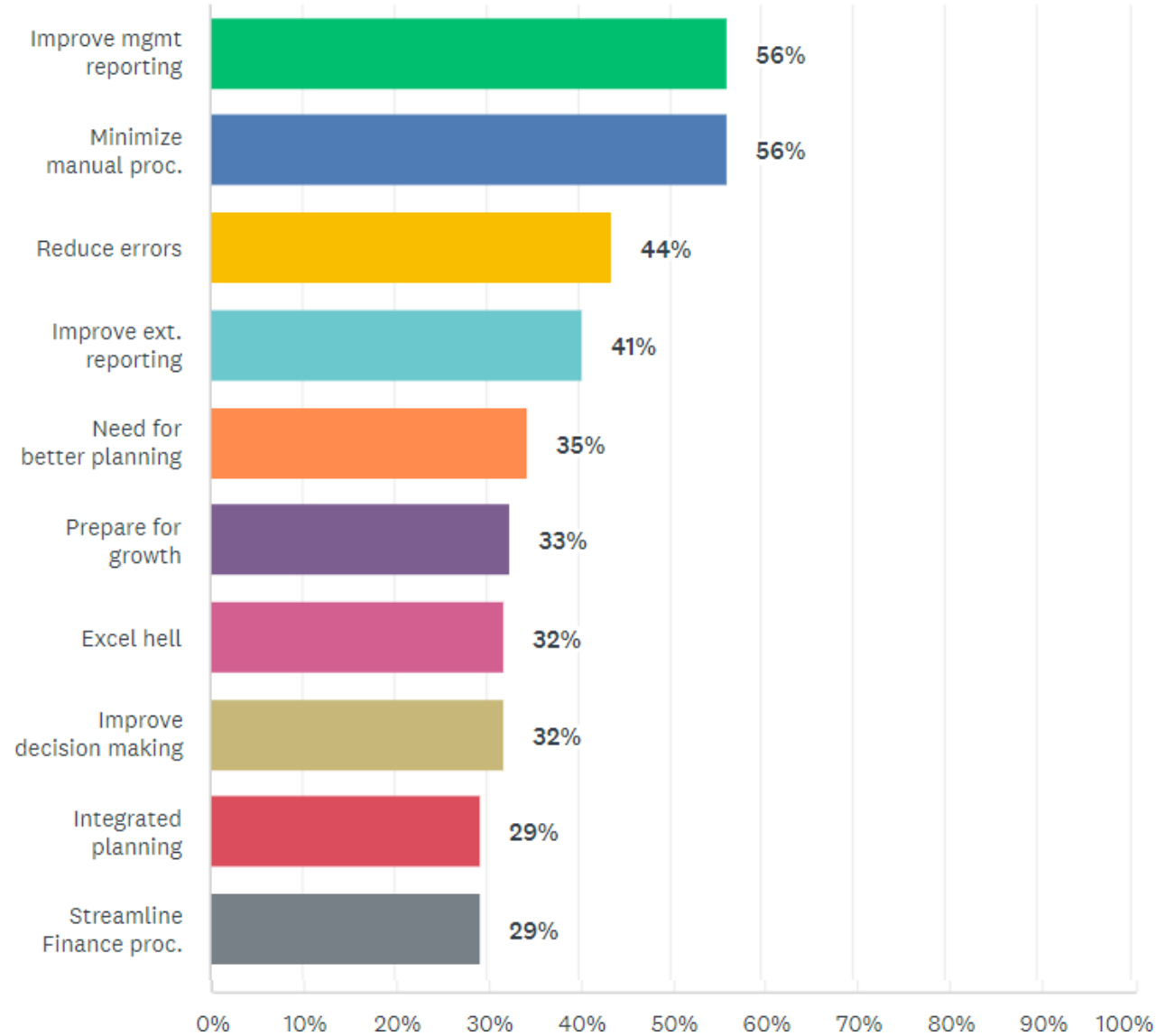
Source: BPM Partners 2022 BPM Pulse Survey

Performance Management Project Details

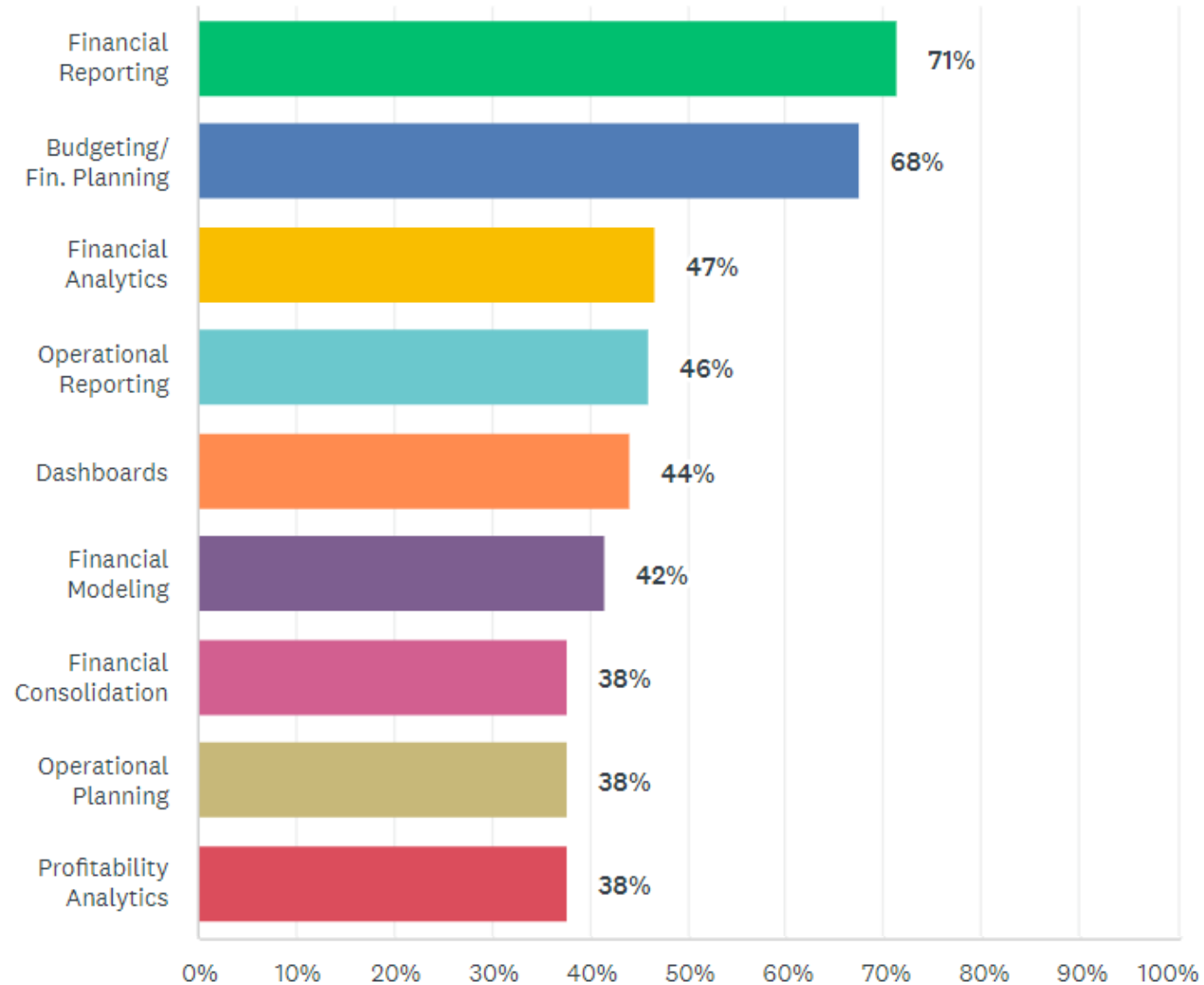
Project Status



Primary Drivers for BPM

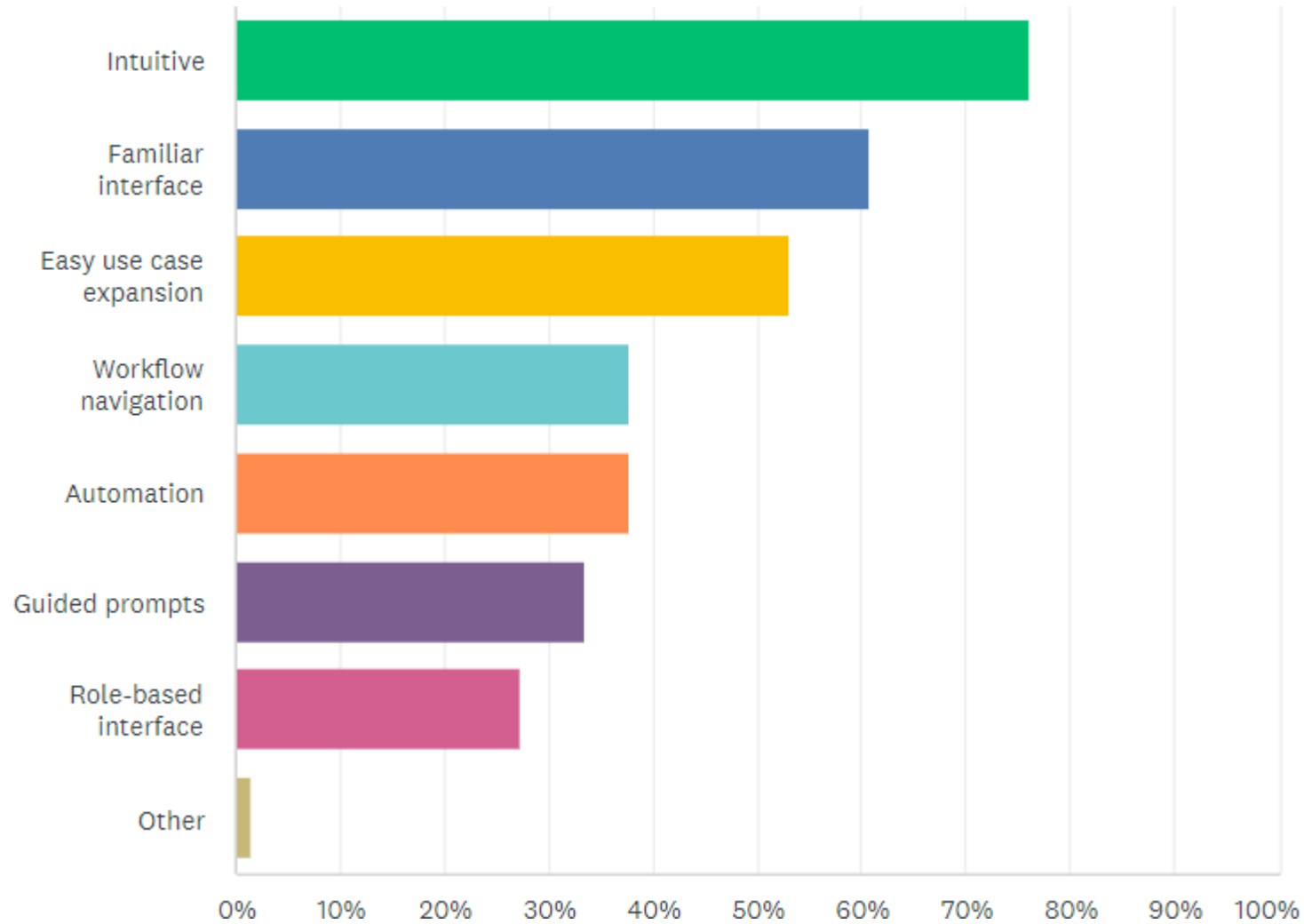


BPM Components



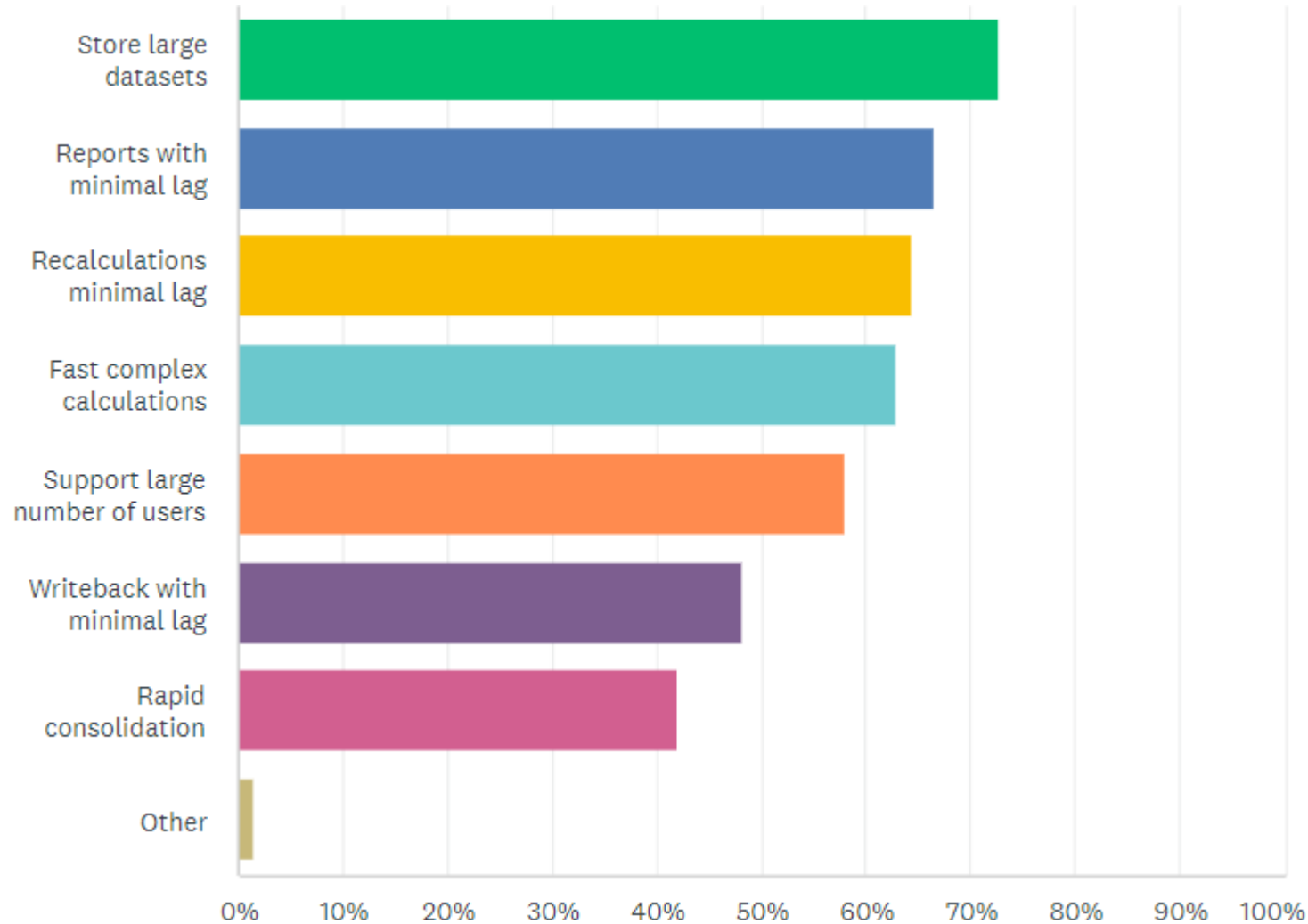
Key Components and Technology

What Does Ease of Use Mean?



Source: BPM Partners 2022 BPM Pulse Survey

What Does Performance and Scalability Mean?

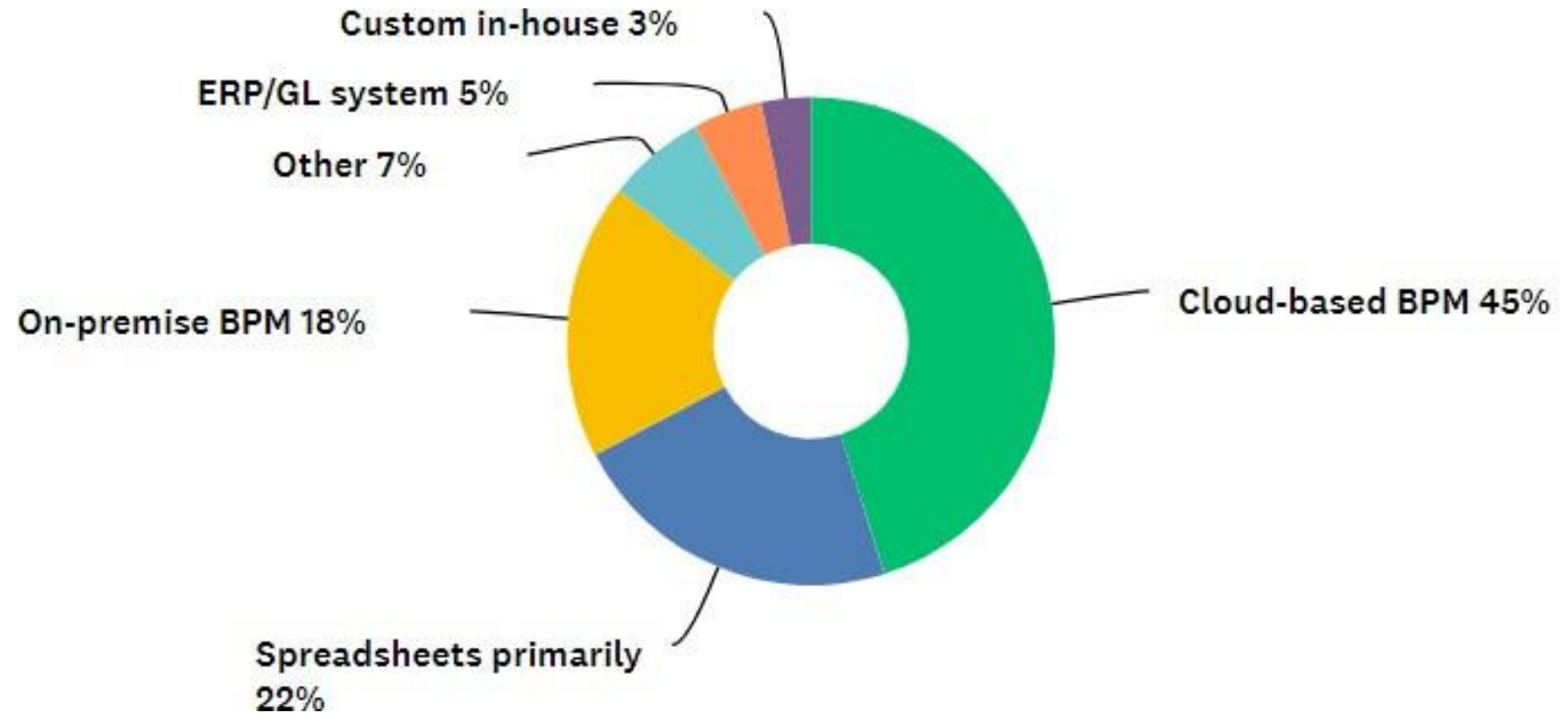


Source: BPM Partners 2022 BPM Pulse Survey

Budgeting and Forecasting

Current Budgeting Solution

63% Using BPM



Are Spreadsheets Still Used with the New BPM System?

- **84%** of survey respondents say yes
- One new use is only temporary: as a 'shadow system' until people are comfortable with the new system

- Most common uses: **56%** *For additional analysis*

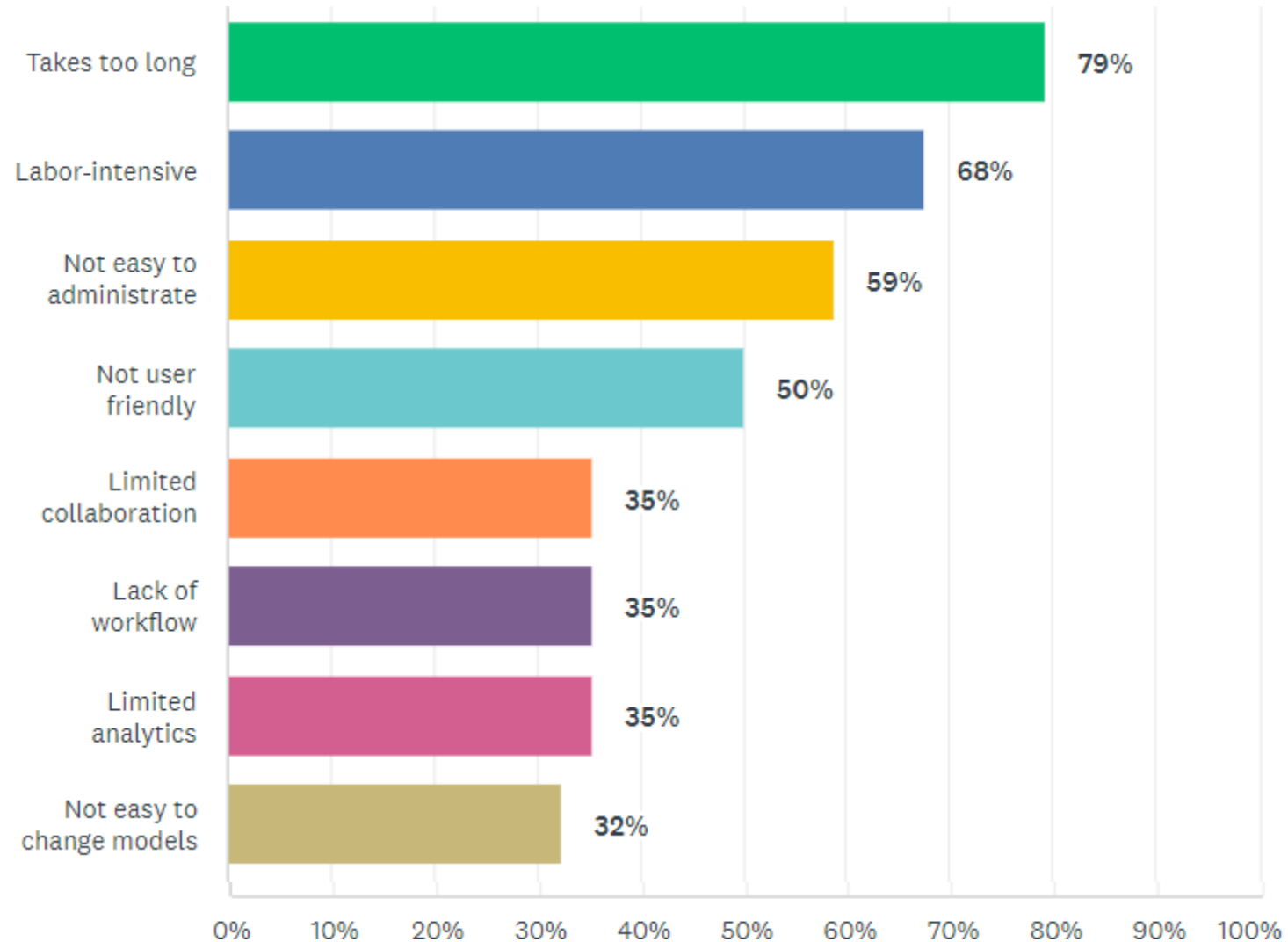
41% *To work with non-users of the new system*

39% *For formatted reporting*

Budgeting and Planning Satisfaction



Reasons for Dissatisfaction



Source: BPM Partners 2022 BPM Pulse Survey

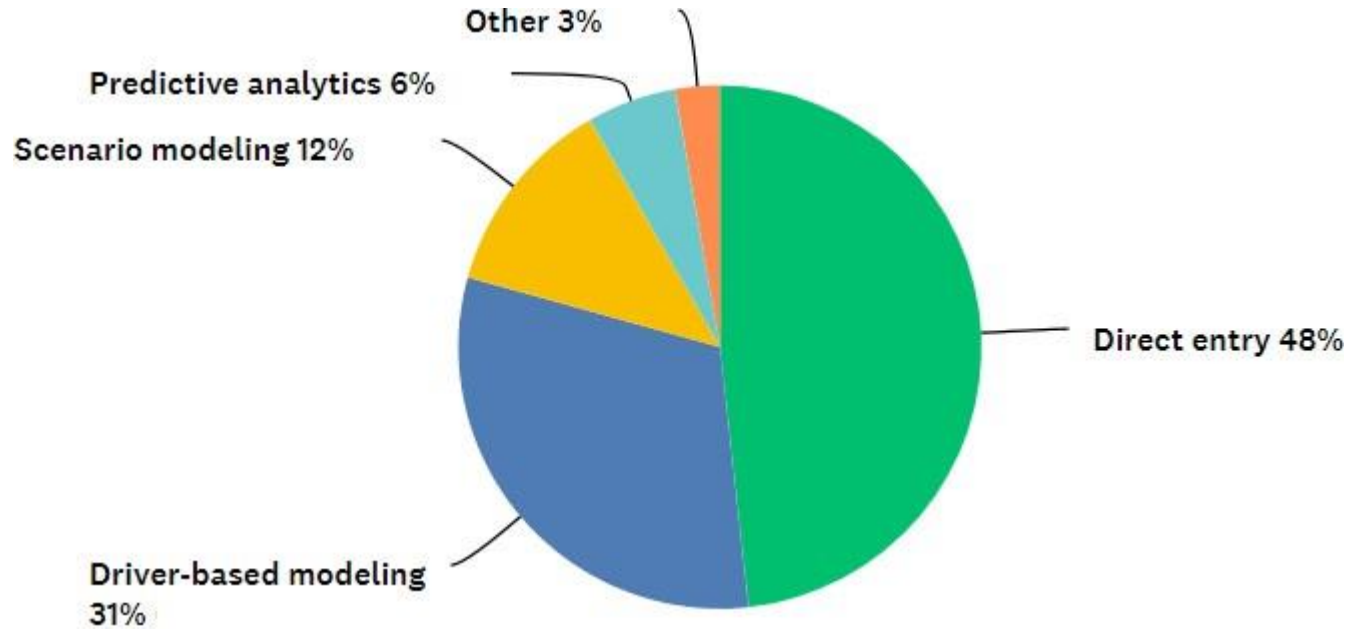
Key Features of a Budgeting/Planning Solution

Rated on a 1-5 Scale
5 is Most Important



Source: BPM Partners 2022 BPM Pulse Survey

Forecasting Methodology and Accuracy

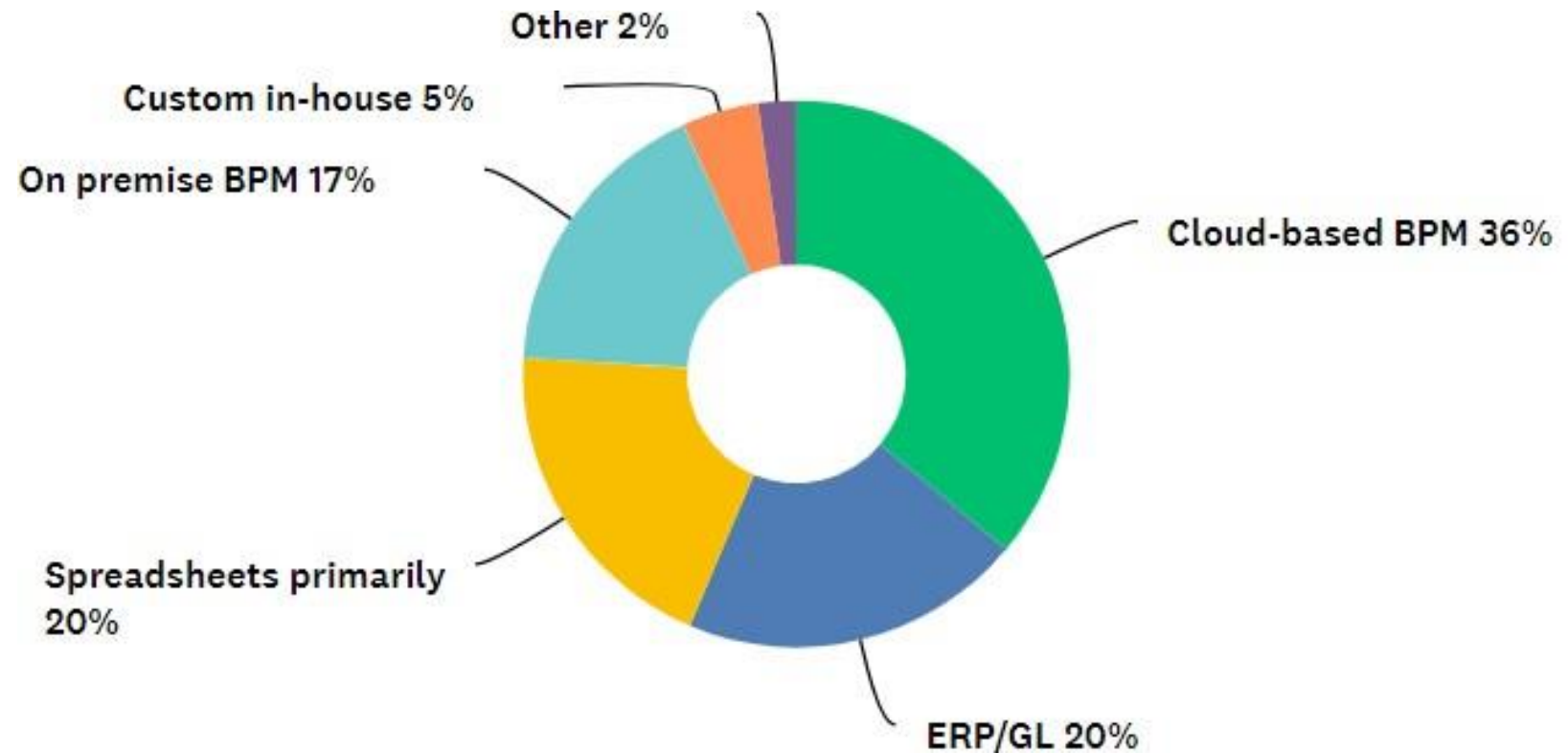


Method	Accuracy (out of 100)
Direct Entry	68
Driver-based Modeling	74
Scenario Modeling	76
Predictive Analytics	78

Consolidation and Close

Current Consolidation Solution

53% Using BPM



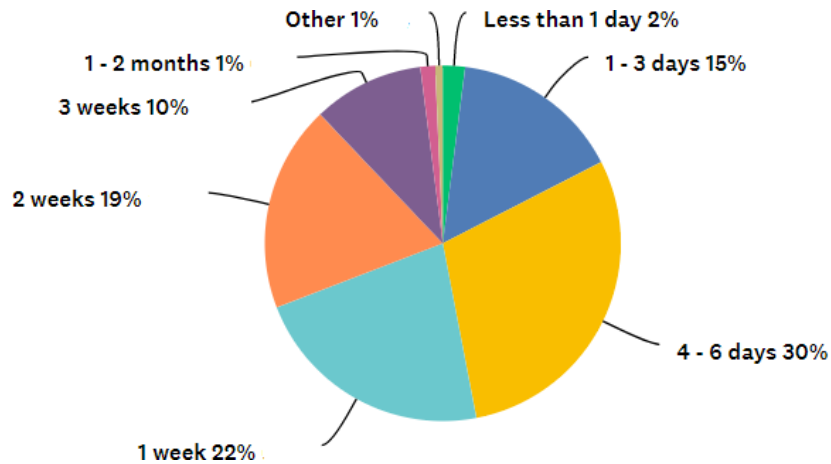
Key Features of a Consolidation Solution

Rated on a 1-5 Scale
5 is Most Important



Source: BPM Partners 2022 BPM Pulse Survey

Month-End Close Timing



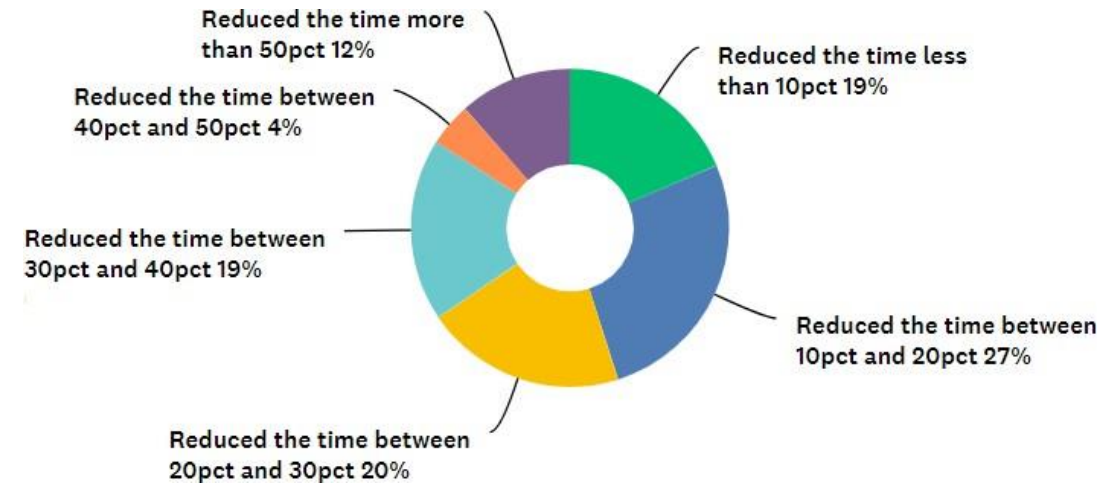
Length of Month-End Close Process

Source: BPM Partners 2022 BPM Pulse Survey

- Month-End Close requires: 303 person-hours
- With an average of 1.5 weeks to close, that means it takes 5 FTEs

Required Person-Hours

Source: BPM Partners 2022 BPM Pulse Survey



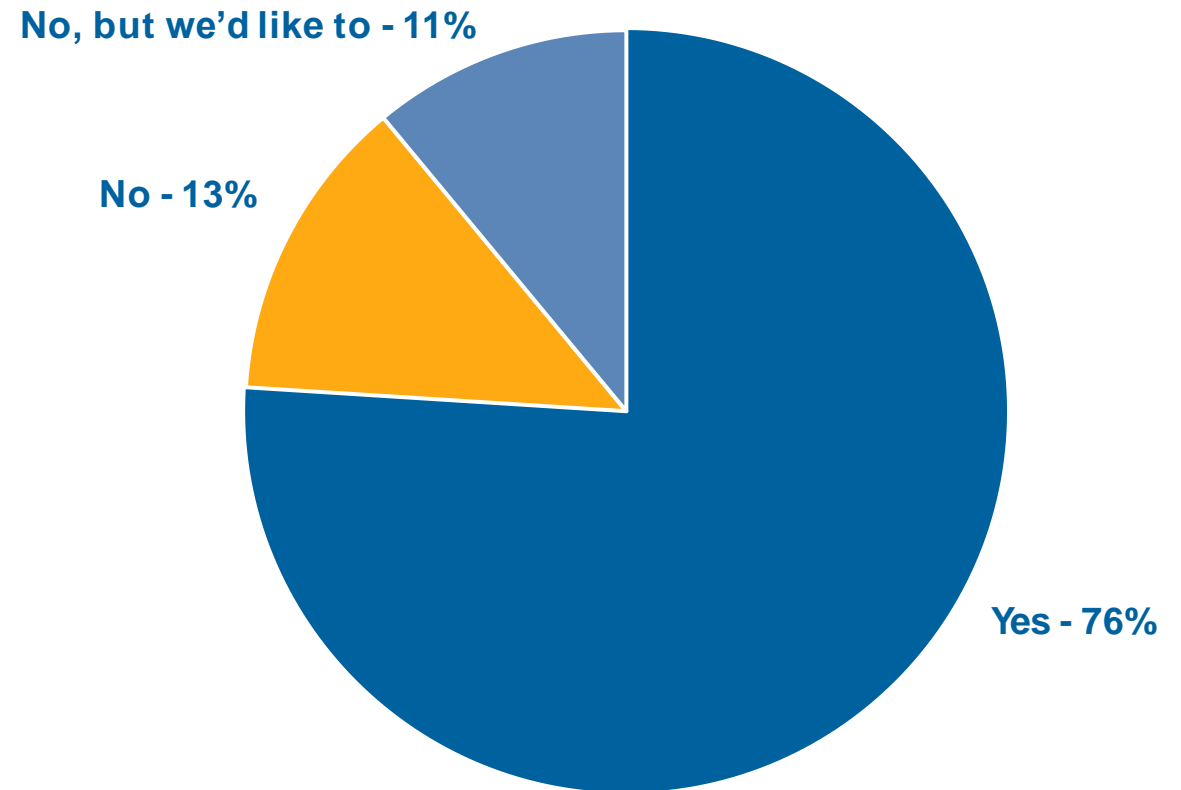
Impact of BPM System

Source: BPM Partners 2022 BPM Pulse Survey

Consolidated Financials as a Basis for Budgets and Forecasts

- Question: Do you use your consolidated financials as a basis for budgets and forecasts?
- The results indicate that the majority of survey respondents use consolidated actuals in this manner.
- Input into the budgeting process
- Provides period-to-date actuals for forecasts

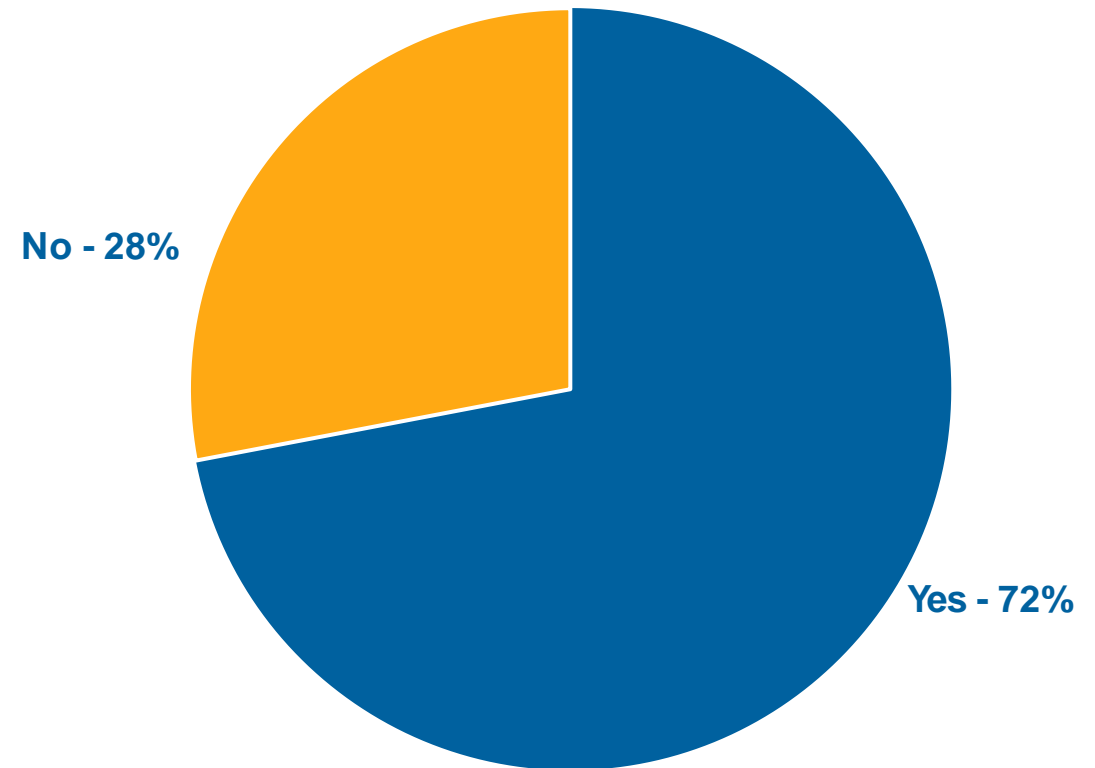
Actuals for Budgets and Forecasts



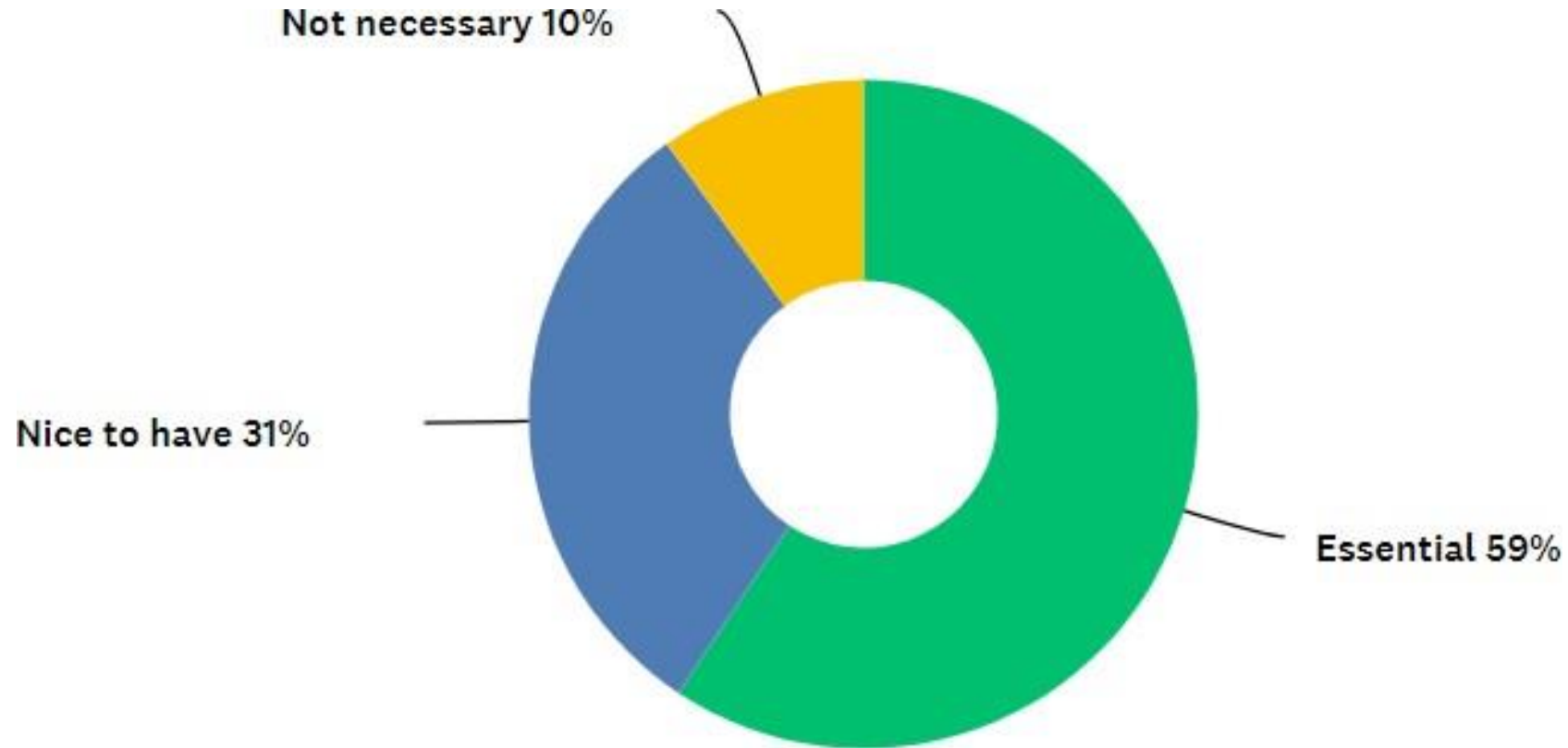
Consolidation Capabilities for Budgeting and Planning

- Question: Do you see the need for robust consolidation capabilities during the budgeting and planning processes?
- The majority of respondents do see the need.
- The primary uses:
 - 75% - Intercompany reconciliation
 - 56% - Alternate roll-ups
 - 56% - Currency conversion
 - 51% - Journal entry
 - 24% - Joint/Minority ownership

Consolidation for Budgeting



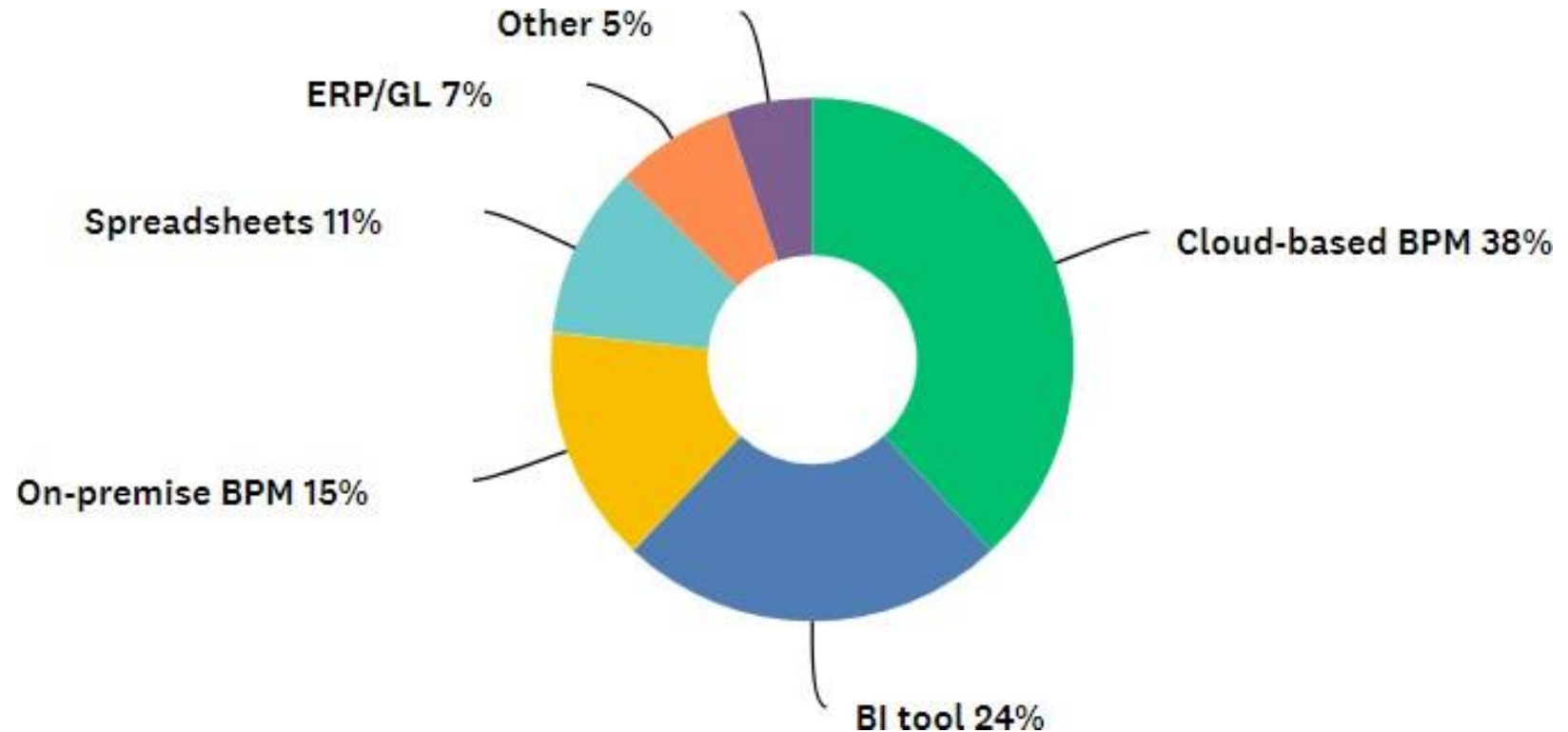
How Important is Consolidation in a BPM System?



Reporting and Analysis

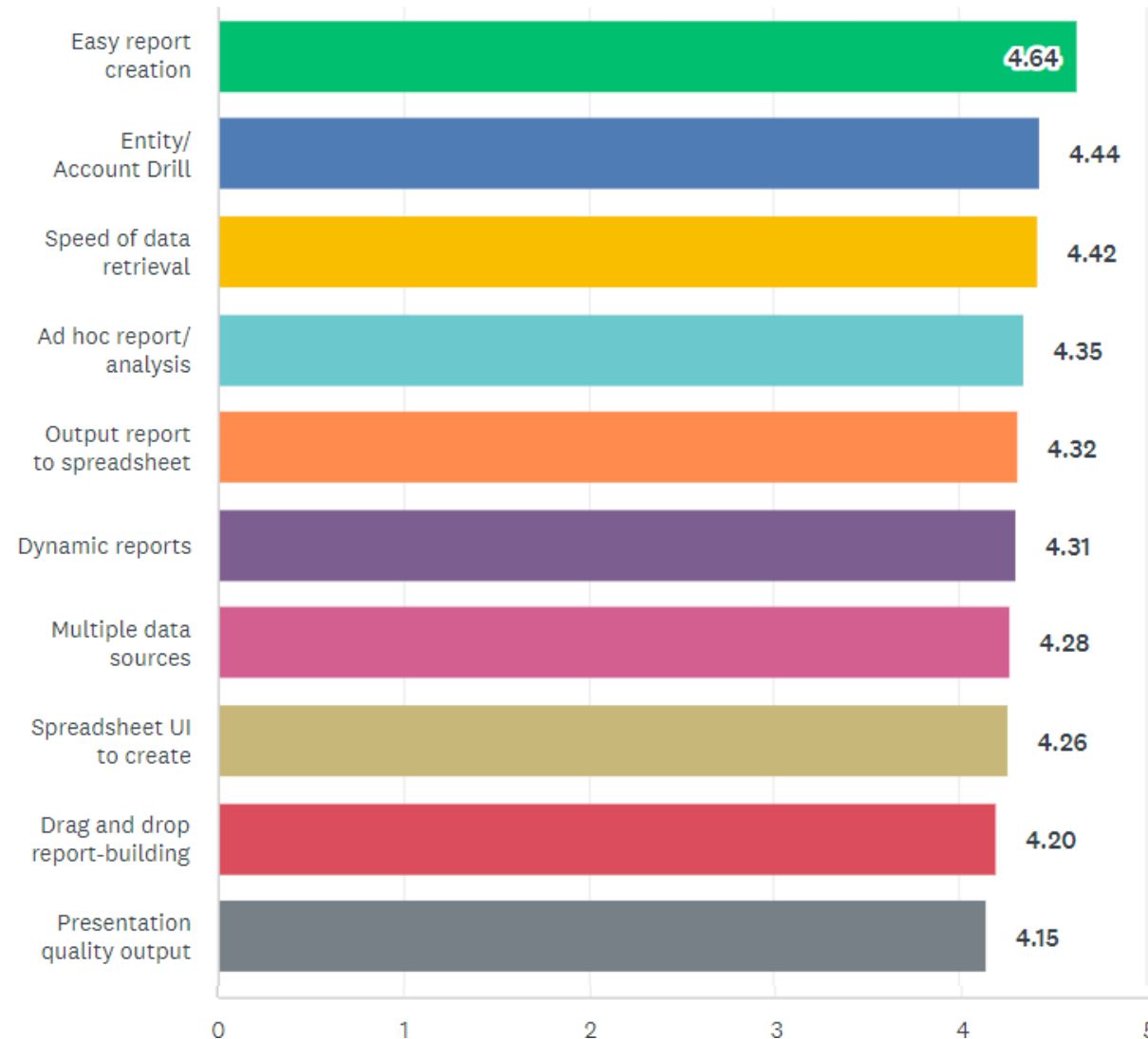
Current Reporting Solution

53% Using BPM



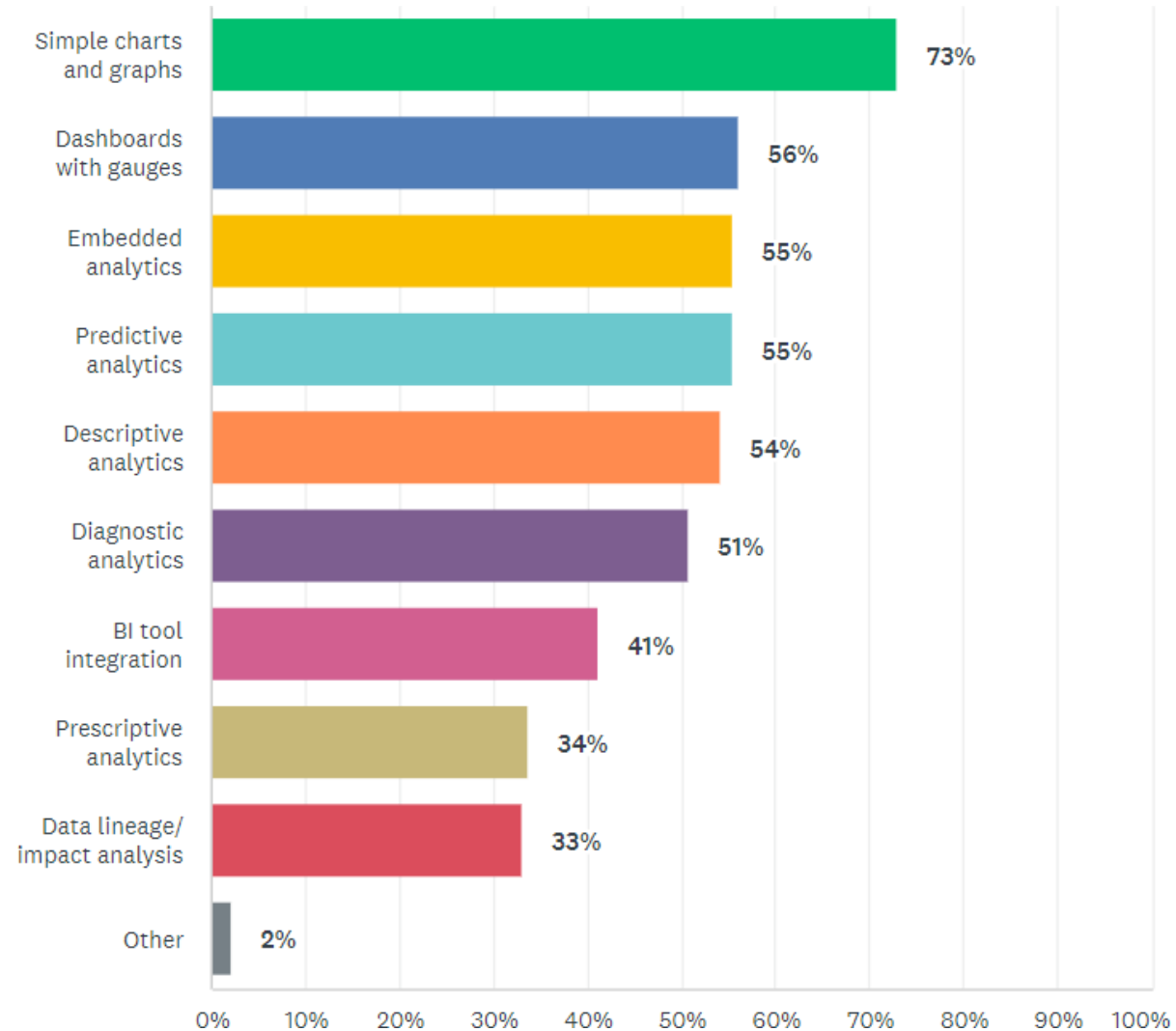
Key Features of a Reporting Solution

Rated on a 1-5 Scale
5 is Most Important



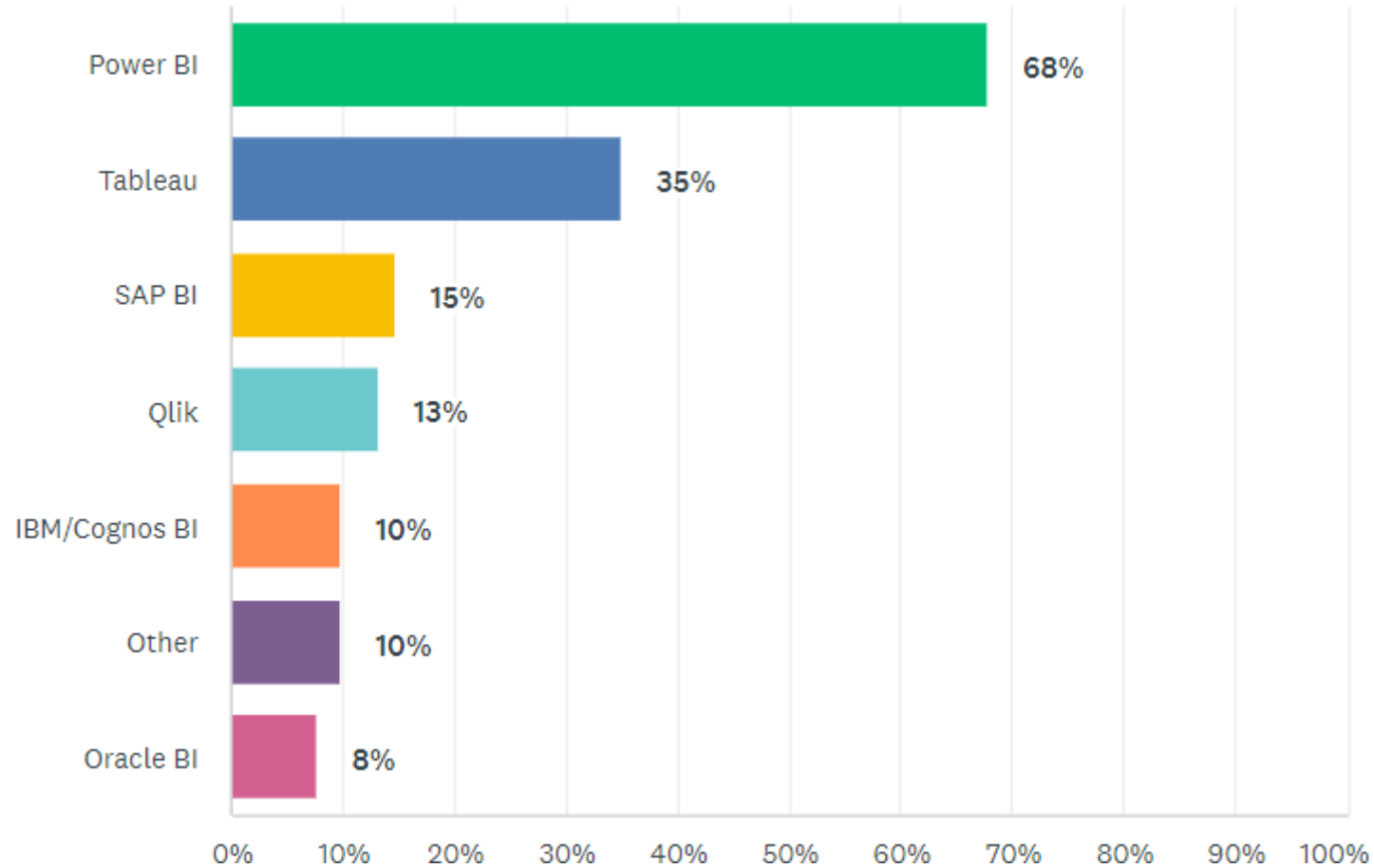
Source: BPM Partners 2022 BPM Pulse Survey

Which Analytics Capabilities are Important in BPM?



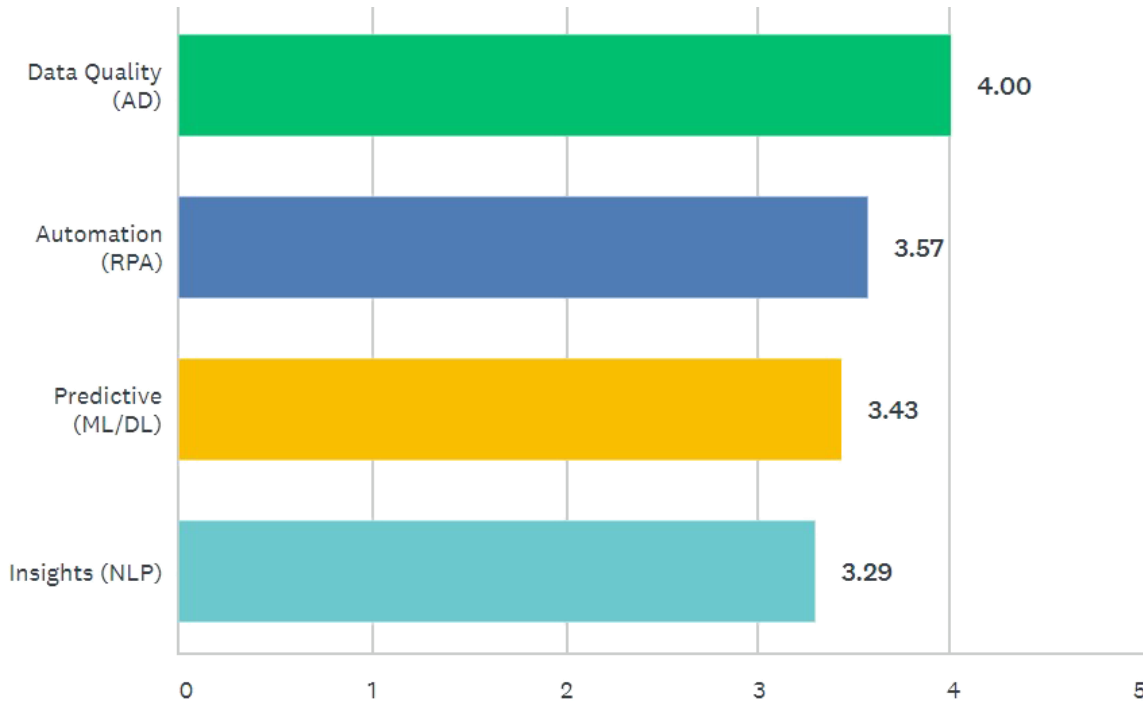
Source: BPM Partners 2022 BPM Pulse Survey

Which Third Party BI Tools Should be Integrated?

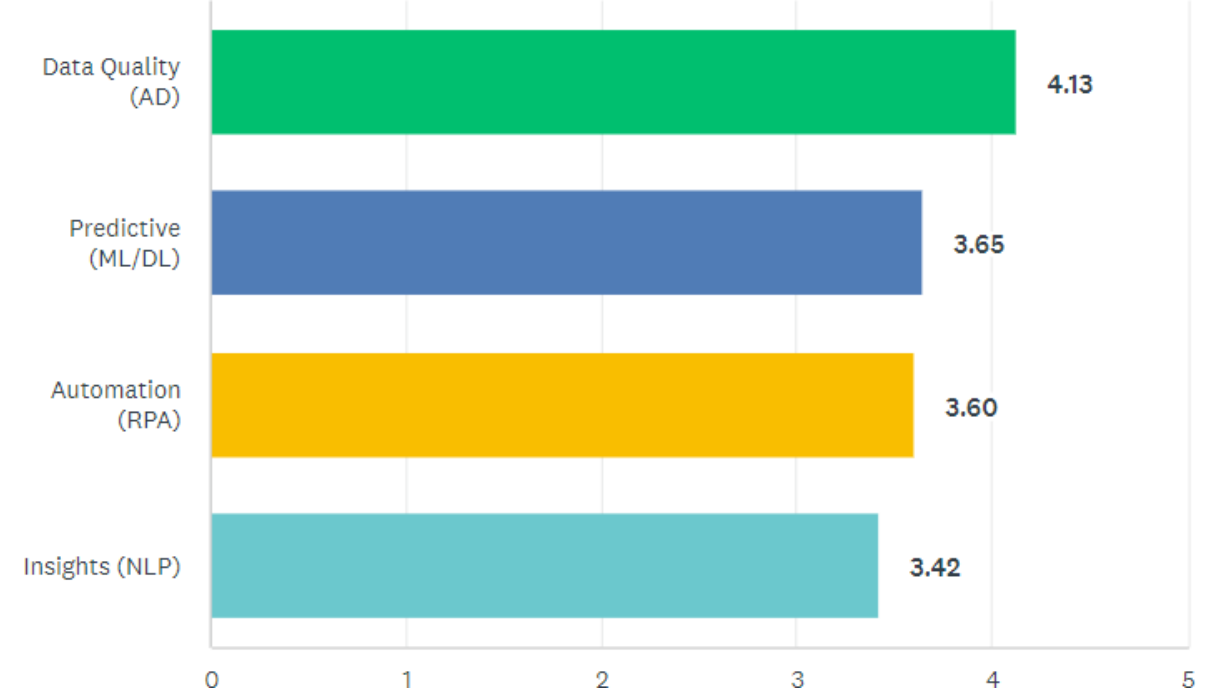


Technology

How Important is Each of these Capabilities?



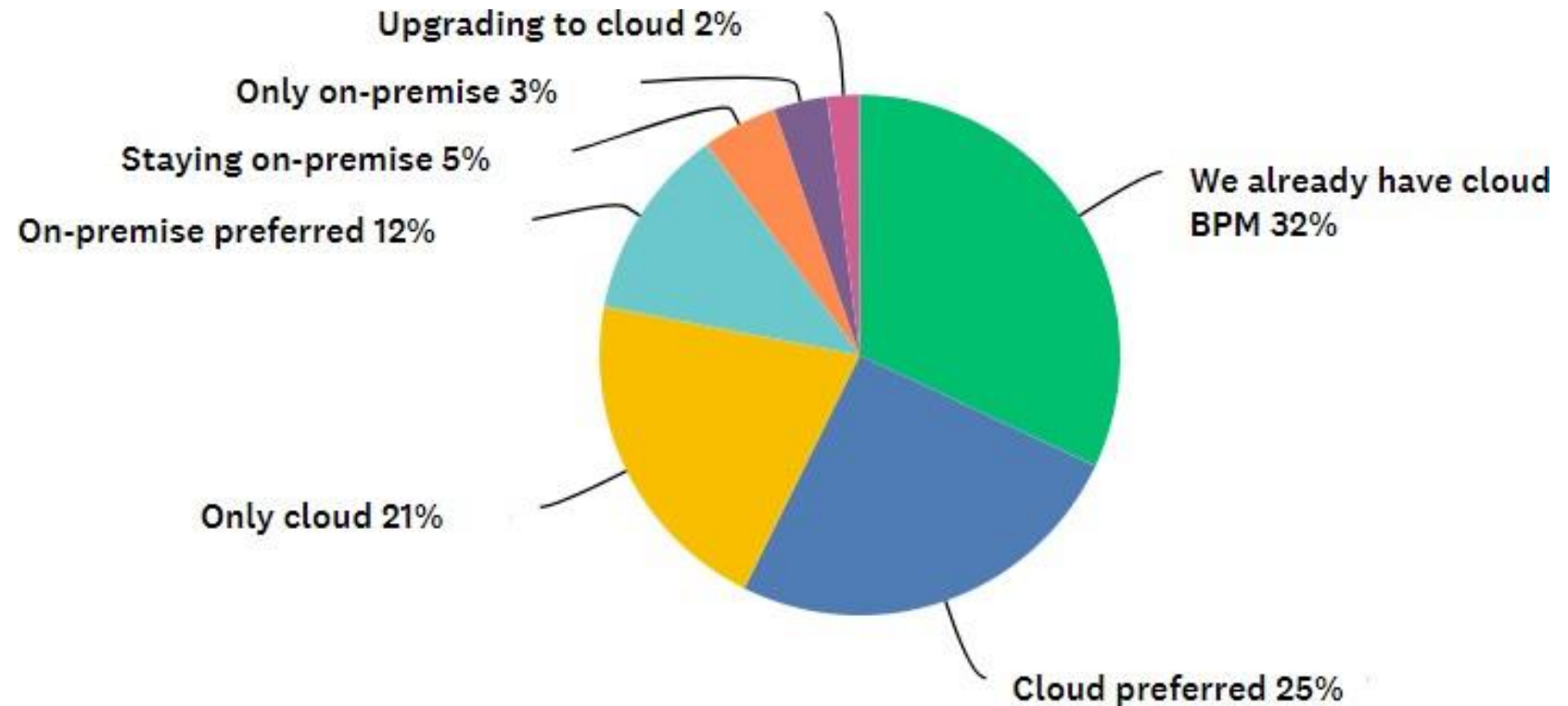
2021



2022

Would Your Organization Consider Cloud-based BPM?

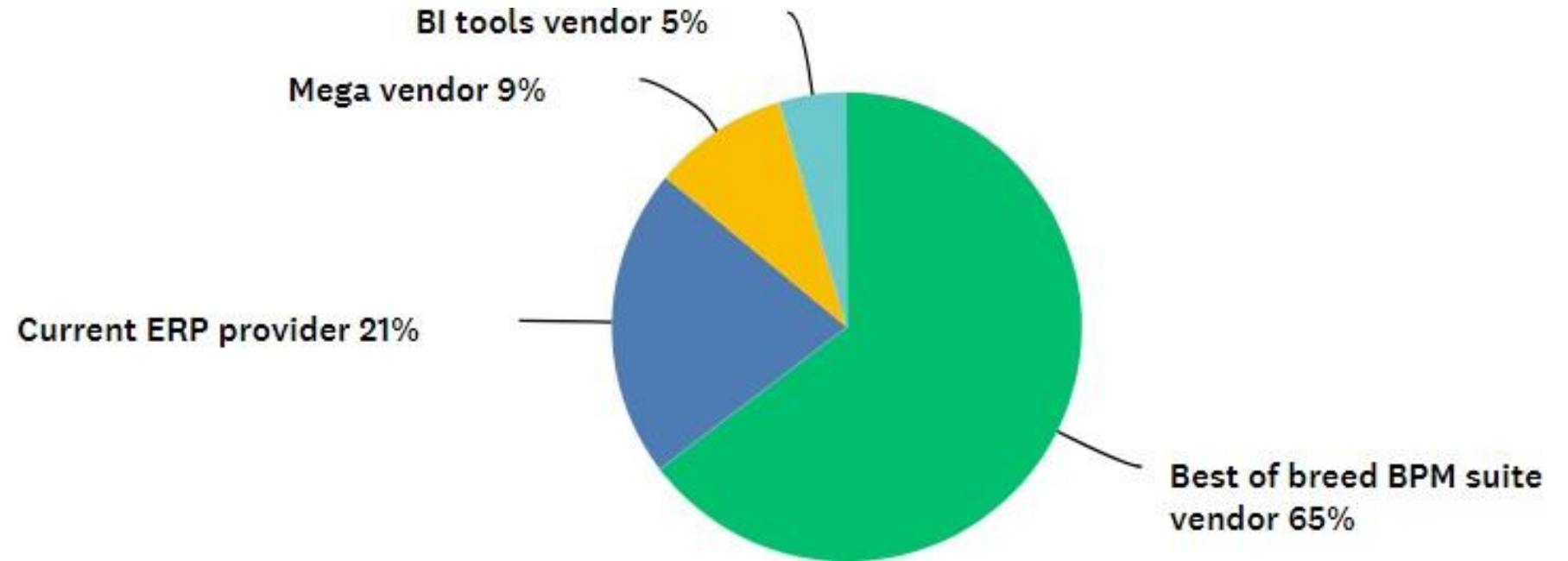
80% Prefer Cloud



Vendor Reviews and Ratings

Vendor of Choice

Where Did You/Will You Get Your BPM Solution From?



deFacto Global

Functionality					Profile		
Core	Operational	Consolidation	Complementary	Advanced	Market	OnPrem	Apps
Unified Platform	Revenue, Sales, Workforce, S&OP	Focused	Tax	Predictive, Prescriptive	\$250M - \$10B	●	●

- ▶ deFacto Power Planning is a unified financial and operational planning platform that leverages the full range of Microsoft tools including Azure, Power BI, Excel, Teams, and Power Apps, can be accessed via Excel, the web, or mobile UIs, and can connect to almost any ERP system and operational data source. It provides an enterprise quality integrated planning platform for financial and operational planning, budgeting, forecasting, consolidation, and reporting across all functional areas of mid to large size organizations. It supports detailed salary planning, capital expense planning, sales forecasting, production demand planning, tax provisioning & planning, project/services planning and more. The underlying Microsoft SQL tabular database architecture drives high performance and complex analyses of large data sets. The solution employs artificial intelligence/machine learning and a range of ETL options.
- ▶ Recent developments include Power Apps integration and toolkit, vertical solutions for healthcare and media.
- ▶ **Core Strengths:** Excel UI, Low Total Cost of Ownership, Product Flexibility, Performance/Scalability, Integrated Planning

CORE Vendor

bpmpartners.com

Reason Selected:
Product Flexibility

Highest Functionality Rating:
Dashboards, Reporting,
Analytics

Outstanding
5.00
BPM
Pulse Rating





Top Rated
Performance Management
Vendors for 2022

2022 BPM Pulse Awards



Overall Satisfaction: Peer Group

Outstanding: deFacto Global	5.00
Outstanding: Board	4.82
Outstanding: CCH Tagetik	4.77
Excellent: OneStream Software	4.70
Excellent: Syntellis Performance Solutions	4.67
Excellent: Vena	4.57
Excellent: IBM (tie)	4.55
Excellent: Prophix (tie)	4.55
Excellent: Anaplan	4.54

2022 BPM Pulse Awards

Budgeting/Financial Planning Functionality: Peer Group



Outstanding: deFacto Global	4.89
Outstanding: CCH Tagetik	4.80
Excellent: IBM	4.73
Excellent: Anaplan	4.62
Excellent: Board	4.60
Excellent: Prophix	4.58
Excellent: Planful (tie)	4.50
Excellent: Syntellis (tie)	4.50

2022 BPM Pulse Awards

Operational Planning Functionality: Peer Group



Outstanding: deFacto Global	4.88
Excellent: CCH Tagetik	4.65
Excellent: Syntellis	4.60
Excellent: IBM	4.55

2022 BPM Pulse Awards

Reporting Functionality: Peer Group

Outstanding: deFacto Global	5.00
Outstanding: Syntellis	4.83
Excellent: CCH Tagetik	4.65
Excellent: Prophix	4.60
Excellent: Board (tie)	4.55
Excellent: IBM (tie)	4.55
Excellent: Vena	4.51
Excellent: Planful	4.50

2022 BPM Pulse Awards

Ease of Use: Peer Group



Outstanding: deFacto Global	4.83
Excellent: Anaplan	4.62
Excellent: Prophix	4.58
Excellent: Syntellis	4.50

2022 BPM Pulse Awards

Vendor/Partner Implementation Consulting: Peer Group



Outstanding: deFacto Global	5.00
Excellent: Board	4.73
Excellent: CCH Tagetik	4.72
Excellent: Syntellis	4.50

2022 BPM Pulse Awards

deFacto^{POWER} PLANNING

#1 Rated For Customer Satisfaction
2020,2021,2022



www.deFactoGlobal.com