How to Make the Leap from Spreadsheet Budgeting to a Business Performance Management System (BPM/CPM/EPM) for Budgeting, Planning, and Reporting

4-Step Guide: From Spreadsheets to Integrated BPM

How to Make the Leap from Spreadsheet Budgeting to a Business Performance Management System (BPM/CPM/EPM) for Budgeting, Planning, and Reporting
Why Make the Move?

Spreadsheet Budgeting Has Many Drawbacks
- Labor intensive
- Time consuming
- Error-prone
- Lack of workflow and collaboration
- Manual process to create actual vs. budget reports
- Little time left for analysis

Result: A budgeting process that takes too much time and effort for too little return

BPM Partners Research:
- Many companies have already made the move to a Business Performance Management system
- Those that have are far more satisfied than those still relying on spreadsheets as their budgeting ‘system’
What are you currently using as a budgeting system?

- Cloud-based BPM: 43%
- On-premise BPM: 23%
- Spreadsheets primarily: 19%
- ERP/GL: 6%
- Custom in-house: 6%
- Other: 3%

Source: BPM Partners 2019 BPM Pulse Survey
Budgeting Satisfaction by Solution

How satisfied are you with your current system and budgeting process?

<table>
<thead>
<tr>
<th>Solution</th>
<th>Very satisfied</th>
<th>Satisfied</th>
<th>Somewhat dissatisfied</th>
<th>Very dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spreadsheets</td>
<td>12%</td>
<td>26%</td>
<td>47%</td>
<td>15%</td>
</tr>
<tr>
<td>On-premise BPM</td>
<td>38%</td>
<td>53%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Cloud-based BPM</td>
<td>40%</td>
<td>51%</td>
<td>9%</td>
<td></td>
</tr>
</tbody>
</table>

Source: BPM Partners 2019 BPM Pulse Survey
Dissatisfaction with Standalone Spreadsheets

Why are you dissatisfied? (select all that apply)

- Takes too long: 65%
- Labor-intensive: 60%
- Not easy to administrate: 40%
- Difficult to make changes: 40%
- Not user friendly: 33%
- Lack of workflow: 33%
- Other: 5%

Source: BPM Partners 2019 BPM Pulse Survey
4-Step Guide to Move From Spreadsheet Budgeting to a Performance Management System
BPM Best Practices
- Involve the right people, set goals, understand short and long-term requirements, thoroughly evaluate solutions, move forward with a phased approach

4 Key Steps that Implement BPM Best Practices
- #1 Initiation: assemble and educate the team, define scope, create a phased roadmap
- #2 Analysis: gather business requirements, convert to list of product capabilities needed to address those requirements
- #3 Evaluation: identify potential vendors, compare their performance against a consistent demo script tied back to your requirements
- #4 Selection: services scoping session, proof steps, reference checking, software and service pricing and terms negotiation
Best Practices for BPM Project Success

1. Establish Appropriate and Active Executive Sponsorship
   - Create the vision
   - Establish objectives
   - Initiate and enable change
   - Sets the cultural tone
   - Make tough decisions

2. Define Project Objectives and Measures of Success
   - What are the primary goals of the BPM initiative?
   - Start small with multi-phased project
   - Build on foundation of successful “quick wins”

3. Involve Key Stakeholders
   - Corporate and Business Unit stakeholders
   - Finance and IT
   - Establish and promote enterprise wide “buy in”
   - Effective communication

4. Determine KPIs Using “Top-Down” Approach
   - Corporate KPIs supported by business unit KPIs
   - Differentiate KPIs from Metrics
   - Key business driver focus

5. Define Requirements
   - High-level roadmap first
   - Functional requirements
   - Technical requirements
   - Corporate / Business Units
   - Cross functional requirement prioritization

6. Thoroughly Evaluate Solutions
   - Require customized demos
   - Focus on “how”, not “if”, requirements are met
   - Understand ongoing maintenance requirements
   - Prioritize ease of use

7. Continually Analyze Results
   - Were goals achieved?
   - Are users using system?
   - What’s next?
- Assemble the Team
  - Key stakeholders across the company
  - Senior executive representation
  - Finance and IT

- Engage an Expert
  - Saves time, money; reduces risk

- Avoid RFPs
  - Ineffective
  - Slows down the process
  - Negatively impacts price negotiations
- Educate the Team
  - Get everyone on the same page with BPM knowledge

- Agree on Scope
  - Budgeting, Forecasting, Reporting, Dashboards
  - Operations, Consolidation, Profitability …

- Develop a Roadmap
  - 2 - 3 year outlook
  - Phased approach
  - **Key to selecting the right software** that not only meets today’s needs, but future phases as well
Gather Requirements
- Interview senior execs, Finance, IT, business unit teams, international operations
- 1 - 2 hour sessions focused on business needs (and technical requirements from IT)
- Eliminate ‘blue sky’ items, prompt for potential missed benefits

Prepare Application Requirements Report
- Consolidate and prioritize raw interview data
- Translate to functional capabilities needed
Identify Vendors
- Select several that appear to meet business/functional, technical, and project budget requirements
- Keep a focus on ease of use or adoption will suffer
- Based on preliminary research/expert guidance develop shortlist of 3 - 4 vendors

Develop Custom Proof Of Concept Demo Script
- Focus on your specific requirements
- End user view and administrator view
Evaluate Vendors with On Site Demos
- Half-day sessions utilizing custom demo script
- Create a scoring tool tied back to (weighted) requirements
- Scoring done by the original team

Analyze Results
- Identify highest scores overall and in key areas; watch out for significant scoring variances across the team
- Select the winner and a backup
Finalize Vendor Selection

- Bring one or both vendors back on site for a services scoping session and any required product proof steps (complex calculations, integration with existing systems, processing speed)
- Perform thorough reference checks
- Request software and services proposals
Review Proposals

- Software: check for modules/user types, compare to recent similar sales for discounting, check contract for future year price protections
- Services: check for industry standard rates, days by consultant title, reasonableness of estimate, check contract for overrun protections

Purchase the Best Fit BPM Solution, at the Best Price, and Say Goodbye to ‘Excel Hell’!
Contacts Us For:
- Questions about any of the material in this guide
- Specific questions about your own project or vendors you are considering
- Additional tips for BPM success

How to Reach Us:
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- Email: [csimon@bpppartners.com](mailto:csimon@bpppartners.com)

Even if you are not planning to engage an expert consultant such as BPM Partners, we’d still be happy to speak with you and answer your questions.
Let BPM Partners put you on the road to performance management success.

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