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Buyers Guide for Budgeting and Planning Solutions

Performance Management Buyers Guide Series

2024 Edition

Buyers Guide for Budgeting and Planning Solutions

Overview

The BPM Partners Performance Management Buyers Guide Series is designed to provide an <u>unbiased</u> and up to date view of the latest trends, developments, requirements, best practices, and vendor options in the world of business performance management. The information provided is intended to enable companies to have meaningful and informed discussions as they plan their performance management projects.

Budgeting and Planning Solutions

For many companies budgeting and planning solutions continue to be the top priority when evaluating performance management systems (BPM, CPM, EPM, FP&A Systems, Extended P&A Systems). The good news is that there are more solutions to choose from today than at almost any other point in time. The not so good news is that many of the newer vendors are using the same marketing messages as the more established vendors, without having the product functionality to back up their claims. One of the key goals of this guide is to help you understand what you should expect from a modern budgeting and planning solution, as well as identifying a subset of vendors that have proven themselves able to meet the needs of a wide range of companies.

While traditional budgeting and forecasting remains a core focus, customer requirements have expanded into more sophisticated forecasting and extended operational planning. To remain responsive to changing market conditions more and more organizations are taking advantage of scenario planning, rolling forecasts, and predictive forecasting. On the operational side true workforce planning, which goes beyond salary planning, has grown in importance as companies try to ensure they have the right resources in place, with the required skillsets, to enable them to achieve their goals. Sales performance management, revenue performance management, and supply chain planning and analysis are also key areas that companies have started to focus on.

The vendors have each staked out their own territory in the expanded budgeting and planning universe. Some vendors continue to focus primarily on budgeting and financial planning, often labeling their solutions Financial Performance Management. Others lean into the operational side, usually in addition to budgeting and financial planning. On the operational side the vendors differ in their basic approach. While some will provide an open and flexible platform that comes with a set of tools to enable users to address a wide range of operational needs, others will offer pre-built solutions for the key areas being focused on today. Of course there are also vendors that try to offer the best of both worlds.

Hopefully this Guide will quickly bring you to up to speed on the constantly evolving budgeting and planning solutions market.

Requirements

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

Most organizations know why they need a new budgeting and planning system, and it's usually because they are facing one or more of the challenges highlighted in this graphic. Often it is their existing systems that have caused or exacerbated these issues in the first place. Maybe they are trying to use standalone spreadsheets as a budgeting 'system', or still relying on a legacy performance management system that is difficult to use, or trying to stretch their existing ERP, BI, or reporting solutions to take on budgeting. Once they recognize the need, the challenge becomes trying to define exactly what they require from a new solution. Requirements need to be spelled out with an adequate level of detail to enable the successful identification and evaluation of solutions.

Budgeting and Planning Requirements

To help you begin thinking about your own requirements, on the next few pages we will share data from your peers, collected as part of the most recent BPM Pulse Research Study. We will examine their challenges, as well as what they prioritized during their own search for a new budgeting and planning solution. Below is a demographic profile highlighting the largest respondent groups.

Responses

385

Industries

Manufacturing (process), technology, financial services, manufacturing (discrete), energy, not for profit, healthcare, higher education, professional services, retail, automotive

Performance Management
Research Study Results

BPM PULSE 2023

bpm PARTNERS

Date: March - May 2023

Company Size

Small
7%

Midmarket
61%

Large/Enterprise
32%

Geography

North America
58%

Europe
28%

Asia/Australia/NZ
13%

Business Area

Finance/Accounting
60%
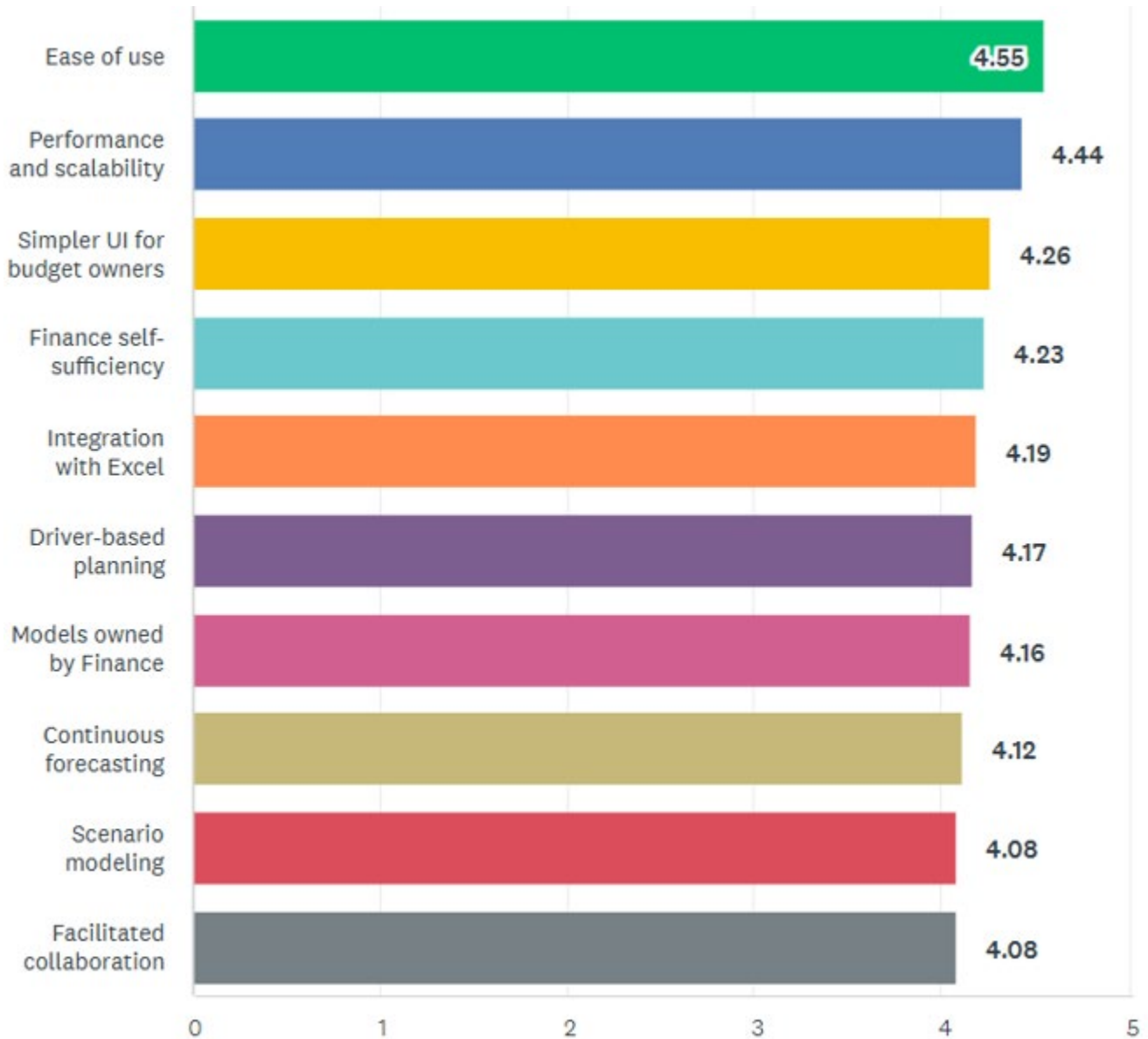
Senior Executive
18%

IT
15%

Budgeting and Planning Challenges
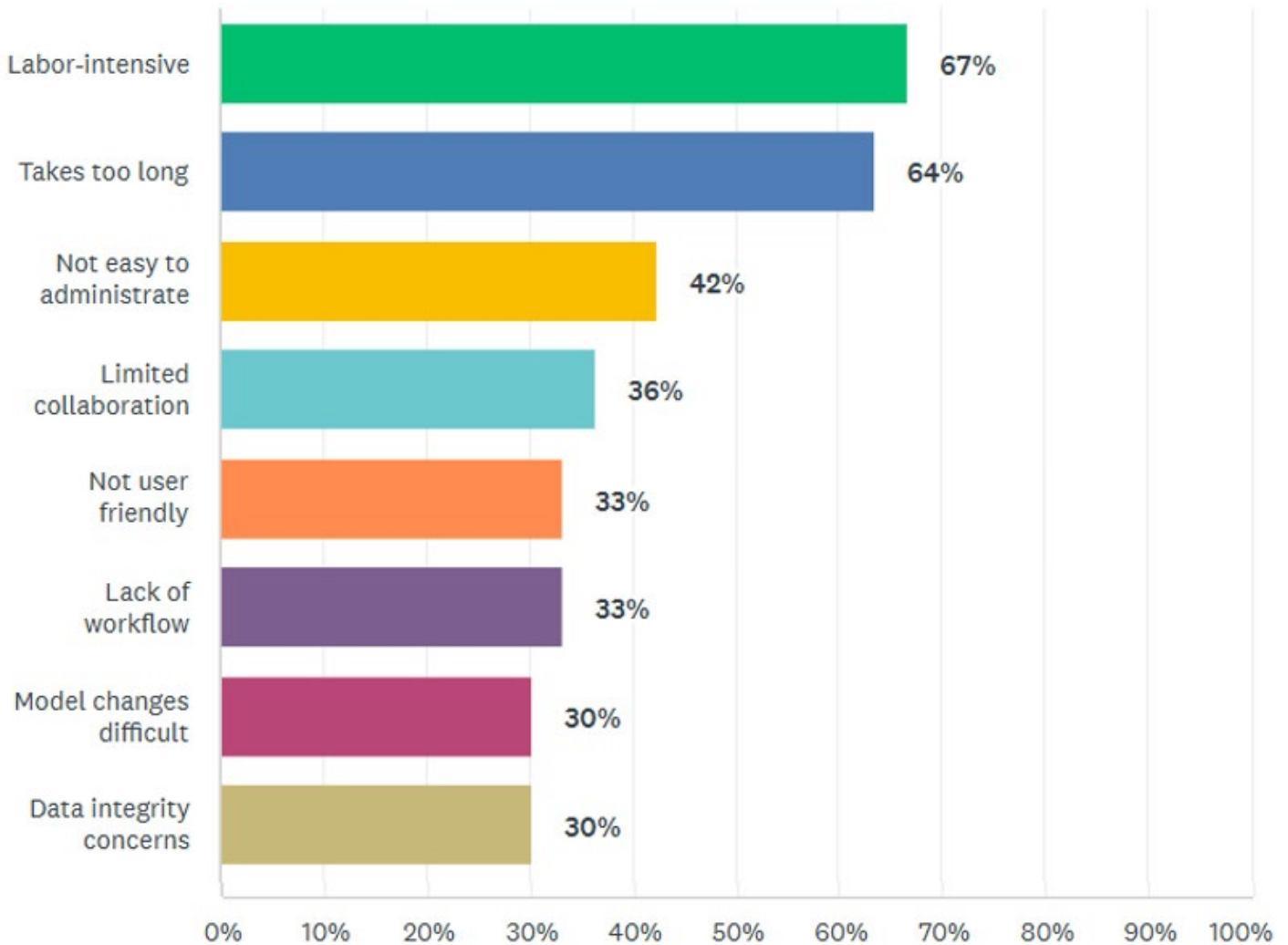
Source: BPM Partners 2023 BPM Pulse Survey

Survey participants who said they were dissatisfied with their current budgeting/planning processes and systems were asked to identify their main issues and these are the top items from a longer list of responses. Based on other data in the survey we know that the majority of those who are dissatisfied are still relying primarily on standalone spreadsheets (with a smaller group of dissatisfied respondents using legacy on-premises performance management solutions). This list remains largely unchanged from year to year with the complaints that the process is labor-intensive and takes too long vying for the top spot each year. Data integrity concerns are a new addition to the top portion of the list this year. We're not surprised when you consider the chaos involved in collecting and consolidating multiple spreadsheets, as well as all the cutting and pasting that goes into producing performance reports. If the challenges on this list seem all too familiar it is a good indication that it may be time to consider moving to a modern cloud-based budgeting and planning solution.
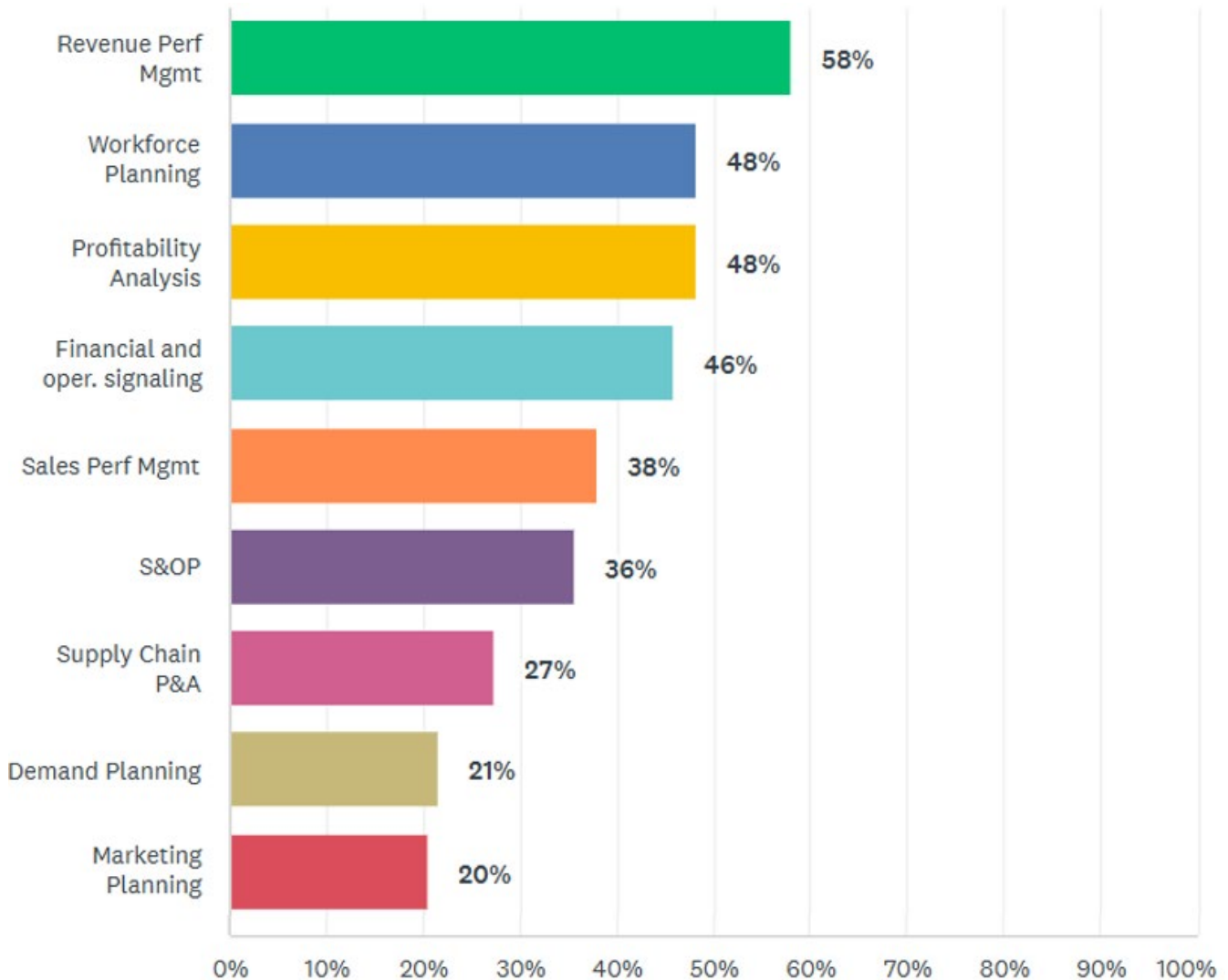
Key Features of a Budgeting and Planning Solution

Ease of use — 4.55
Performance and scalability — 4.44
Simpler UI for budget owners — 4.26
Finance self-sufficiency — 4.23
Integration with Excel — 4.19
Driver-based planning — 4.17
Models owned by Finance — 4.16
Continuous forecasting — 4.12
Scenario modeling — 4.08
Facilitated collaboration — 4.08

Source: BPM Partners 2023 BPM Pulse Survey

Respondents were asked to rate a list of features on a 1 - 5 importance scale, with 5 being most important for a new solution. This graph displays the highest rated items (4 and above). Ease of use and performance and scalability once again top the list, and Finance ownership (Finance self-sufficiency) is just behind a specific ease of use capability: simpler UI for budget owners (in effect a role-based interface). This is very important to note: actual functionality is less important than the system being intuitive, responsive, and not dependent on IT. New to the top rankings this year are scenario modeling and facilitated collaboration. Both reflect the reality of current business and economic conditions. More organizations are relying on scenario modeling (along with continuous forecasting) to improve their agility and enable them to become more responsive to rapidly changing market conditions. The need for facilitated collaboration is driven by both the physical separation created by hybrid work models as well as planning becoming more of an enterprise-wide initiative.
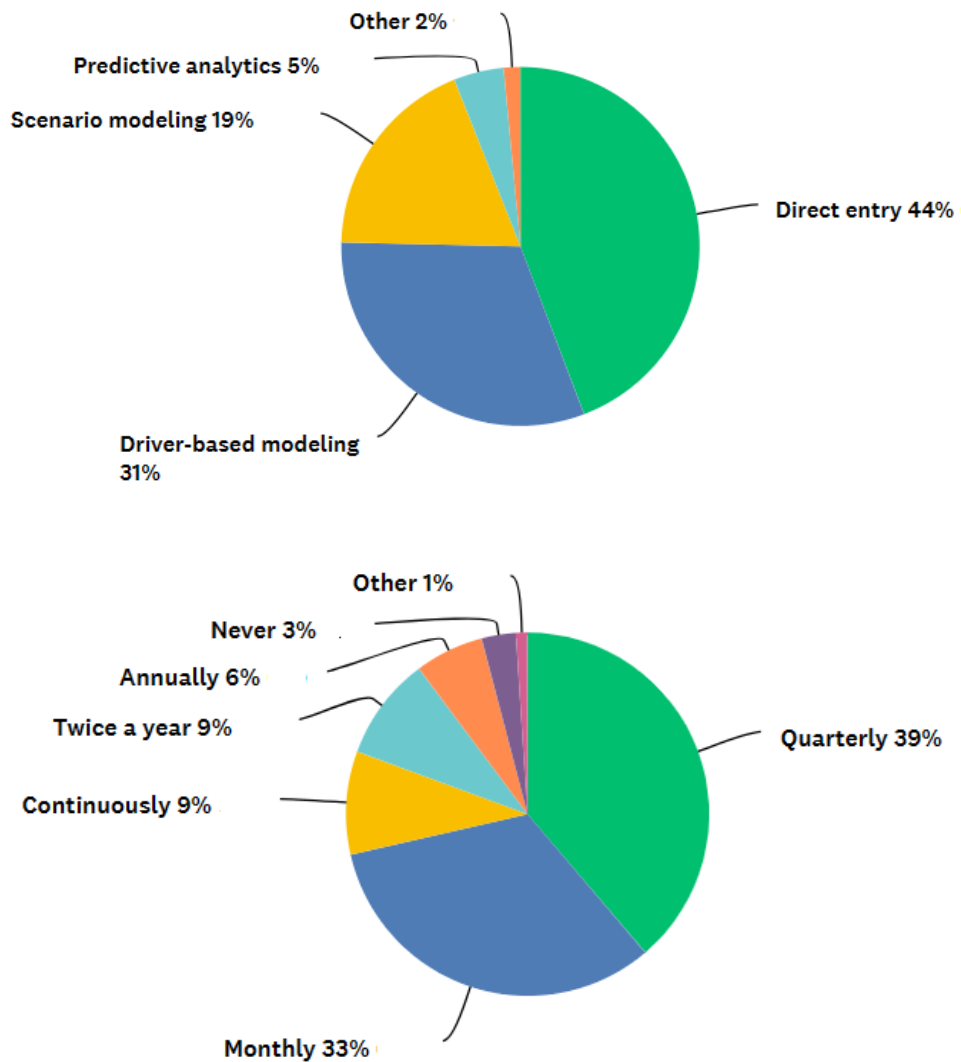
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Operational Planning Focus Areas

Revenue Perf Mgmt — 58%
Workforce Planning — 48%
Profitability Analysis — 48%
Financial and oper. signaling — 46%
Sales Perf Mgmt — 38%
S&OP — 36%
Supply Chain P&A — 27%
Demand Planning — 21%
Marketing Planning — 20%

Source: BPM Partners 2023 BPM Pulse Survey

The overwhelming majority of survey respondents (94%) are now focused on at least one area of operational planning. Which specific areas they are focused on varies significantly by company size and industry. In this consolidated list revenue performance management and profitability analysis continue to be two of the top areas of focus, as companies work to rebuild and expand profitable revenue streams. They are also trying to make sure they have the right resources and skillsets in place as they plan to grow, which is what workforce planning enables them to do (which is different from expense-focused salary planning). Financial/operational signaling is next on the list and allows companies to track leading indicators in a manner that allows enough time to react before a potential issue can seriously impact the bottom line. New to the 20% and above response section of the list this year is supply chain planning and analysis as well as marketing planning. If we were just looking at manufacturing companies supply chain planning and analysis would be even higher on the list. Vendor solutions for operational planning fall into three main categories: flexible platforms that provide the building blocks to create your own solution, pre-configured solutions and/or product modules usually for an additional fee, or a marketplace with downloadable applications.
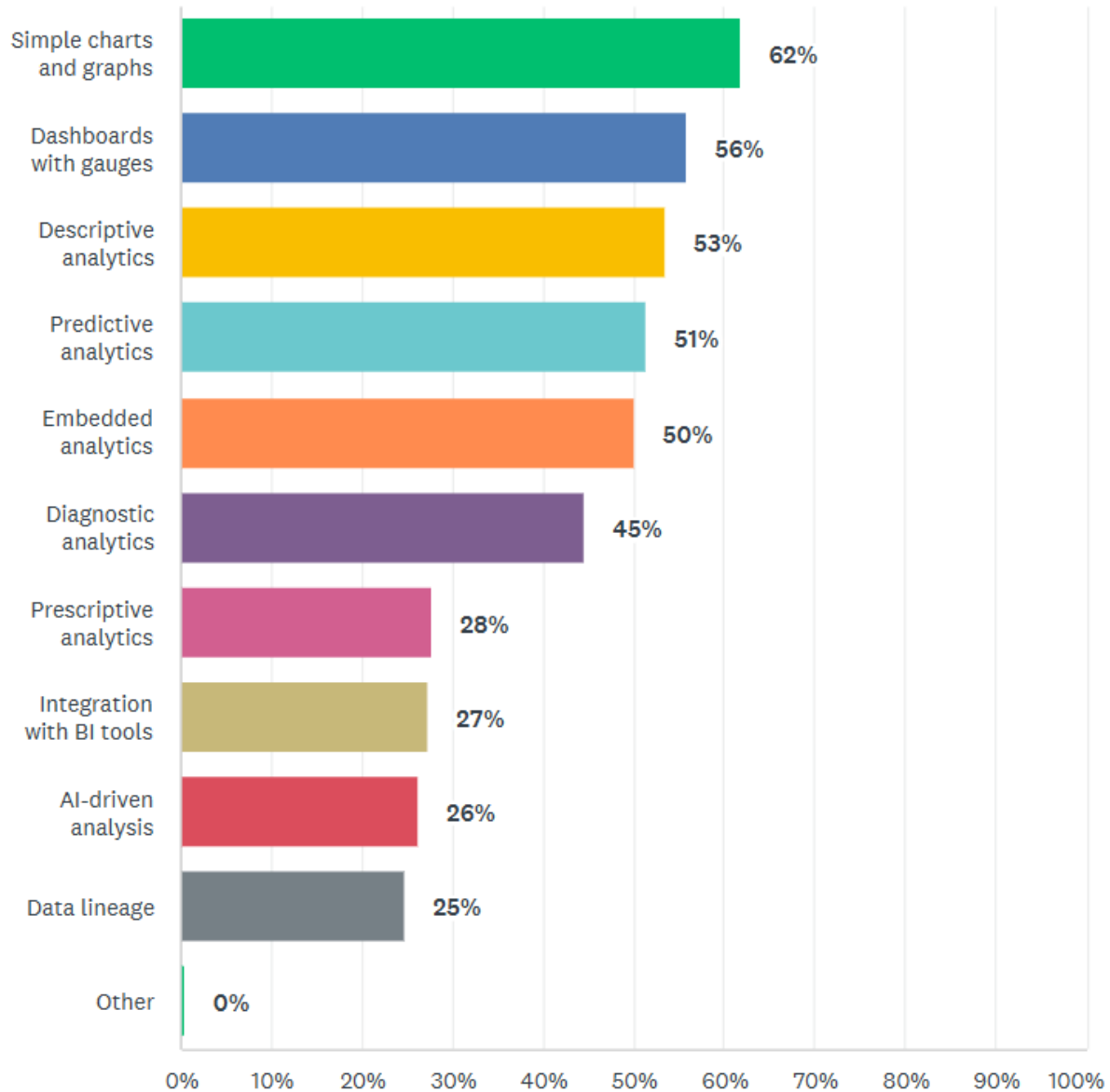
Forecasting Methodology and Frequency

Other 2%
Predictive analytics 5%
Scenario modeling 19%

Direct entry 44%

Driver-based modeling 31%

Other 1%
Never 3%
Annually 6%
Twice a year 9%
Continuously 9%

Quarterly 39%

Monthly 33%

Source: BPM Partners 2023 BPM Pulse Survey

Respondents were asked to select the primary means by which they created their forecasts, as well as the frequency. Direct entry remains the most popular method to create a forecast, which other survey data indicates is also the least accurate. So why do people stick with the direct entry approach? Probably first and foremost because that is what they are most comfortable with, or maybe their current planning solution is holding them back. The methodology pie chart also represents the adoption curve we are seeing: from direct to driver-based to scenario to predictive. This year's chart shows an increase in the use of scenario modeling which is good to see because each step along the adoption curve improves the ability to quickly react to rapidly changing market conditions while also enhancing accuracy. The forecasting frequency chart indicates that most companies still forecast on a quarterly or monthly basis while a small segment forecast continuously (which really means as often as conditions warrant). Although not shown on these charts about 57% are currently using rolling forecasts. Forecasting is a key area of differentiation for the budgeting and planning vendors. The best vendors offer powerful modeling capabilities, leverage AI (machine learning/deep learning) alongside statistical models for predictive forecasting, and somehow make it all relatively easy to build and use.
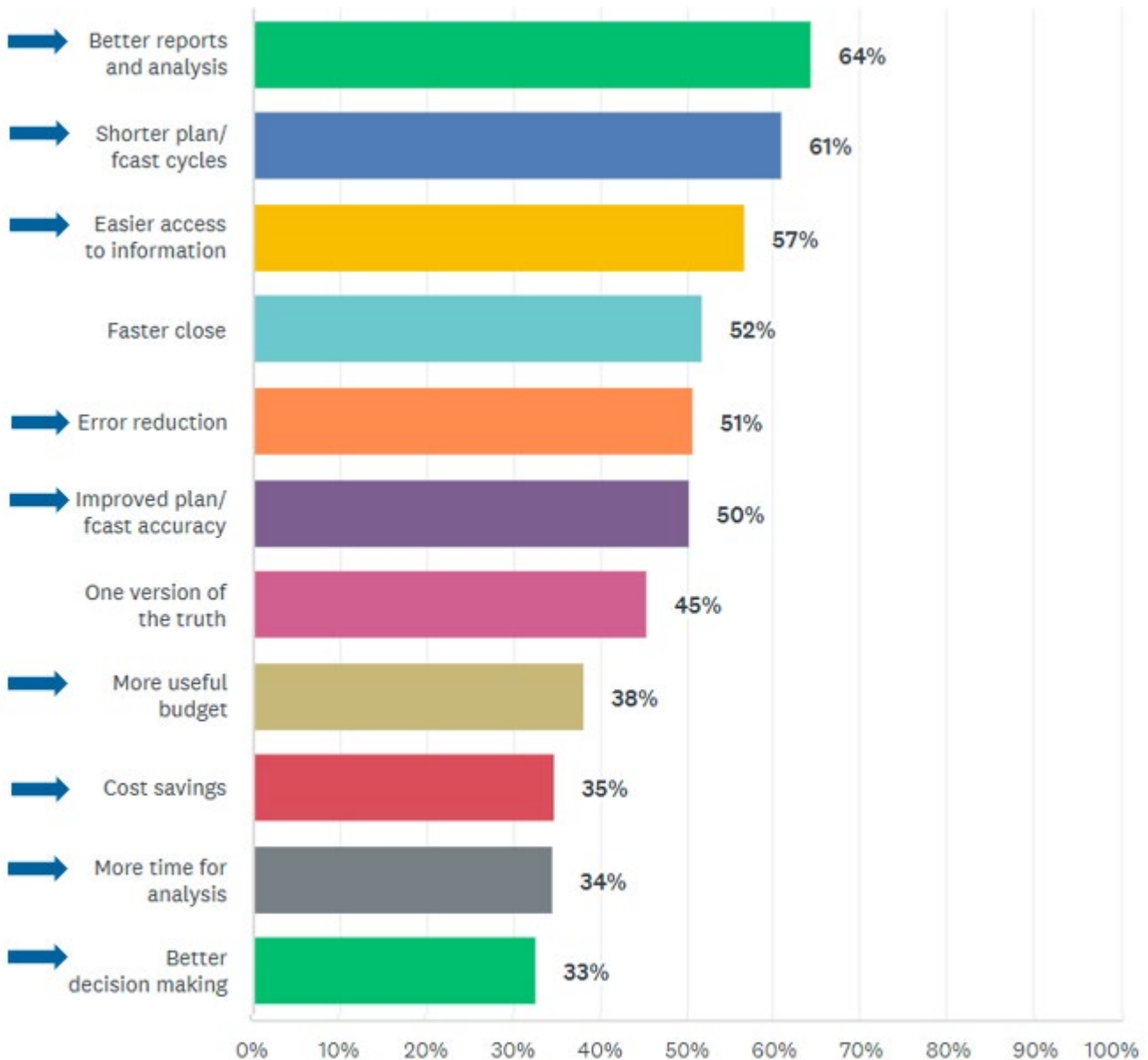
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Important Analytics Capabilities

Horizontal bar chart showing important analytics capabilities:
- Simple charts and graphs: 62%
- Dashboards with gauges: 56%
- Descriptive analytics: 53%
- Predictive analytics: 51%
- Embedded analytics: 50%
- Diagnostic analytics: 45%
- Prescriptive analytics: 28%
- Integration with BI tools: 27%
- AI-driven analysis: 26%
- Data lineage: 25%
- Other: 0%

Source: BPM Partners 2023 BPM Pulse Survey

For FP&A groups the analysis part of the process is key, that is where they hope to spend the bulk of their time. In the survey we asked which analytics capabilities were most important to support them in this effort. This question also sheds light on what the term 'analytics' means to the respondents. Most popular today are simple charts and graphs, followed by dashboards. Other survey data indicates that only 46% of dashboard users are currently focused on performance dashboards, which are populated with key performance indicators or key results (a scorecard). In terms of actual analytics, the most important today are descriptive analytics (trying to understand what happened), and predictive analytics (trying to determine future outcomes and their probabilities), followed closely by diagnostic analytics (trying to understand what caused something to happen). AI-driven analysis is new to the list this year and reflects the significant investments vendors have made to their products in this area as well as the growing recognition by users of the value that AI can bring to these solutions.

Benefits Received: Budgeting and Planning Solutions

Benefit	Percentage
Better reports and analysis	64%
Shorter plan/fcast cycles	61%
Easier access to information	57%
Faster close	52%
Error reduction	51%
Improved plan/fcast accuracy	50%
One version of the truth	45%
More useful budget	38%
Cost savings	35%
More time for analysis	34%
Better decision making	33%

Source: BPM Partners 2023 BPM Pulse Survey

What kind of results can you expect once you have implemented a performance management budgeting and planning solution that meets your requirements? The above chart contains data collected from users of many of the solutions listed in this Guide. These are the actual benefits they have received from their performance management solution. We have highlighted the benefits that are specific to budgeting and planning and will cover the others in our Consolidation, Close, and Reporting Guide (as well as the benefits that overlap). The top of the list really says it all: 'Better reports and analysis', which is usually the primary driver for a performance management initiative. We would also expect that over time this will lead to more companies being able to lay claim to 'Better decision making' as a benefit as well.

General Budgeting and Planning Solution Requirements

Easy to Use
- Intuitive, minimal training
- Supports many users/roles across the organization
- Finance self-sufficiency
- Workflow
- Collaboration

Cloud-based
- Fast implementation and rollout
- Access from anywhere
- Facilitates collaboration
- Frequent enhancements
- Always latest version

BPM Partners Recommends

Rich Functionality
- Powerful modeling (driver-based, scenario, predictive)
- Financial intelligence
- Operational: Workforce, Revenue, Sales, Supply Chain
- Fast, dynamic reporting

Technology/Architecture
- Performance and scalability
- Leverages AI (data quality, automation, predictive)
- Integrated BI capabilities
- Streamlined source system integration
- Integrated solution with Consolidation

While your detailed list of requirements should focus on your unique business needs, this chart defines a recommended set of capabilities that any Budgeting and Planning solution you evaluate should have.

Easy to Use: What does that actually mean in terms of product capabilities? Some companies believe familiarity equates to ease of use, so using a spreadsheet interface would be viewed as easy since many employees are already comfortable working in that environment. Budgeting and planning solutions are used by many people in different departments across the company, so collaboration and workflow capabilities are particularly important. A role-based interface would be beneficial so that budget contributors for example, aren't confronted with the same home screen as a power user or analyst. Of course with a large number of users business self-sufficiency (less reliance on IT for routine tasks) also grows in importance.

Rich Functionality: The solution you select today must be able to support complex modeling, incorporate financial intelligence (understanding income/expense, asset/liability balance/flow, and leveraging that knowledge in calculations and reports), and offer flexible and responsive reporting. It must also offer support for detailed operational planning capabilities around workforce, sales, revenue, supply chain, and more. Even if you are focused on financial planning first, you need a solution that will allow you to expand into operational planning and analysis over time.

Cloud-based: It's not much of a debate anymore: from the smallest start-up to the largest financial institution or government agency, and everywhere in between, a cloud-based performance management solution is the preferred choice. The chart above highlights the benefits of this approach which have only grown in importance with the increased number of people now working from home all or part of the time. Also, while every vendor in this Guide offers a cloud-based solution, very few still offer an on-premises option.

Technology/Architecture: No matter how many users or how much data you start with, it is almost a certainty that it will grow. Make sure that your system can handle today's volume as well as tomorrow's, with adequate performance. AI is more than just a technology buzzword. It is now providing real benefits such as more accurate forecasts. Even if you don't see the value today you surely will during the life of this system, especially as more AI-powered capabilities are rolled out. Since elements of consolidation are crucial to the planning and management reporting process it would be helpful to have consolidation capabilities as part of the solution alongside budgeting and planning.

The Core Vendors

The BPM Partners Core Vendors for Budgeting and Planning are your best choice for selecting successful, proven, and trustworthy vendors for your evaluation shortlist. They have met the following criteria:

- BPM Pulse Customer Satisfaction Rating of Good, Very Good, Excellent, or Outstanding for Budgeting and Planning Functionality (3.6 or better out of 5)

- Positive BPM Partners Analyst Assessment of Management Team, Product Roadmap, Strategic Direction, Growth Rates, Customer Retention, Employee Retention

- Positive BPM Partners Field Consulting Assessment of Ease of Doing Business, Accuracy of Product Representation, Responsiveness to Prospect Requests

Key to Core Vendor Chart

Solution Summary – brief description of the vendor's offerings, highlighting the main components and unique elements

Target Customer – company size (by revenue), and specific verticals that the vendor primarily sells and markets to

Selected Strengths – four defining attributes of the vendor's solution, as determined by BPM Partners based on its annually updated list of twenty possible choices; vendor input (where provided) is taken into account

Learn More: Info – this hyperlink takes you to a BPM Partners curated page for that vendor containing a further description of their offering, their overall BPM Pulse rating, links to analyst reports, the latest news on product releases, key partnerships, growth and revenues, acquisitions, as well as articles, blogs, whitepapers, and webcasts related to that vendor

Learn More: Details – this hyperlink allows you to request a custom report comparing any two vendors that includes detailed write-ups, feature checkboxes that include specific operational planning and analysis capabilities (such as workforce, sales, revenue, supply chain, and marketing), all sixteen BPM Pulse attribute ratings, referenceability ratings, and typical price ranges; also included is a comparative rating chart for the two selected vendors
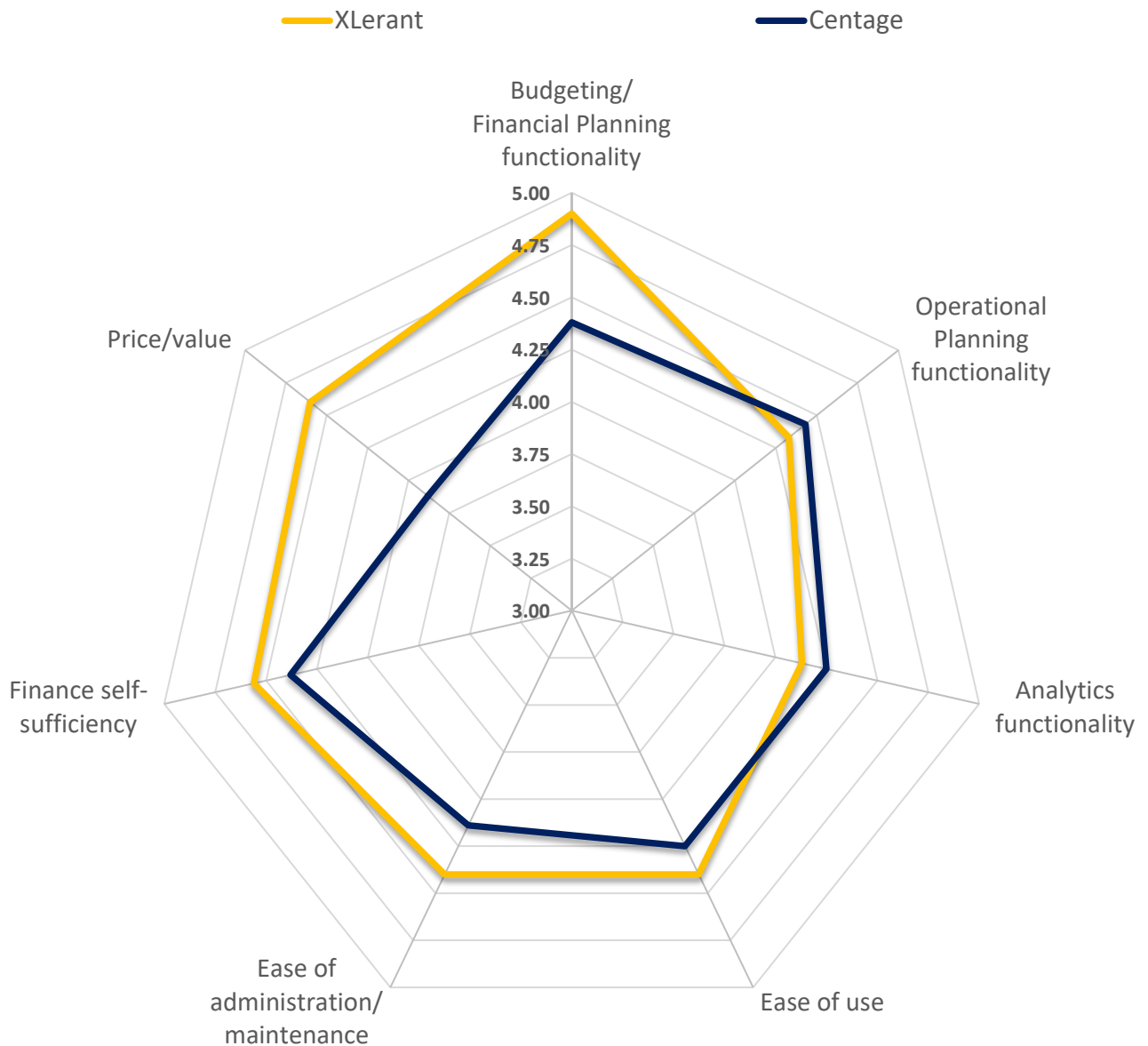
The Core Budgeting and Planning Vendors

Vendor	Solution Summary	Target Customer	Selected Strengths	Learn More
Anaplan	Connected Planning platform for collaborative enterprise-wide financial and operational planning	Upper Midmarket to Enterprise	Connected Planning, Complementary Use Cases, No Coding, AI Powered	Info, Details
Board	Intelligent Planning platform for planning, consolidation and close, analytics, and BI	Upper Midmarket to Enterprise	Flexibility, No Coding, Unified Planning, Scalability	Info, Details
Centage	Integrated budgeting, forecasting, consolidation, self-service reporting, and analysis	Small to Midmarket	Intuitive, Low TCO, Quick Implementation, Out-of-the-Box Functionality	Info, Details
IBM	Integrated and extensible financial and operational planning with consolidation and AI	Upper Midmarket to Enterprise	Flexibility, Financial Intelligence, Integrated Planning, Partner Ecosystem	Info, Details
JustPerform	Unified process-centric platform with planning, consolidation and close, modeling, AI, Excel UI	Upper Midmarket to Enterprise	Intuitive, No Coding, Complexity Simplification, Streamlined Integration	Info, Details
OneStream	Intelligent Finance platform with planning, consolidation and close, for complex requirements	Upper Midmarket to Enterprise	Unified Planning, Scalability, Financial Intelligence, AI Powered	Info, Details
Pigment	Integrated and modeling-centric business planning platform for financial and operational planning	Midmarket To Large	Intuitive, No Coding, Integrated Planning, Quick Implementation	Info, Details
Planful	Platform for streamlining financial and operational planning, consolidation, and reporting	Midmarket To Large	Intuitive, Integrated Planning, Scalability, Quick Implementation	Info, Details

Vendor	Solution Summary	Target Customer	Selected Strengths	Learn More
Prophix	Financial Performance platform for planning, modeling, reporting, and consolidation	Midmarket to Large	Intuitive, Flexibility, Out-of-the-Box Functionality, Streamlined Integration	Info, Details
SAP	Unified solution that brings together planning, business intelligence, and predictive analytics	Upper Midmarket to Enterprise	Intuitive, Integrated Planning, Pre-configured Solutions, AI Powered	Info, Details
Talentia	Comprehensive solution with a focus on consolidation and close, planning and management reporting	Midmarket to Large	No Coding, Low TCO, Complexity Simplification, Quick Implementation	Info, Details
Unit4	Solution combining planning, analytics, consolidation, and BI with a vertical focus	Midmarket to Large	Intuitive, Flexibility, Unified Planning, Pre-configured Solutions	Info, Details
Vena	Planning, analytics, and consolidation leveraging native Excel and Power BI for a complete planning platform	Midmarket to Large	Intuitive, Financial Intelligence, Integrated Planning, Streamlined Integration	Info, Details
Wolters Kluwer CCH Tagetik	Unified and intelligent financial and operational planning, consolidation, close, regulatory compliance	Upper Midmarket to Enterprise	No Coding, Pre-configured Solutions, Integrated Planning, AI Powered	Info, Details
XLerant	Decentralized budgeting, forecasting, management reporting with a guided process	Small to Midmarket	Intuitive, Low TCO, Quick Implementation, Flexibility	Info, Details

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The Core Budgeting and Planning Vendors Customer Ratings: Small/Midmarket

This chart compares key customer satisfaction ratings related to budgeting and planning for the Core Vendors primarily targeting the small and/or midmarket market segments.

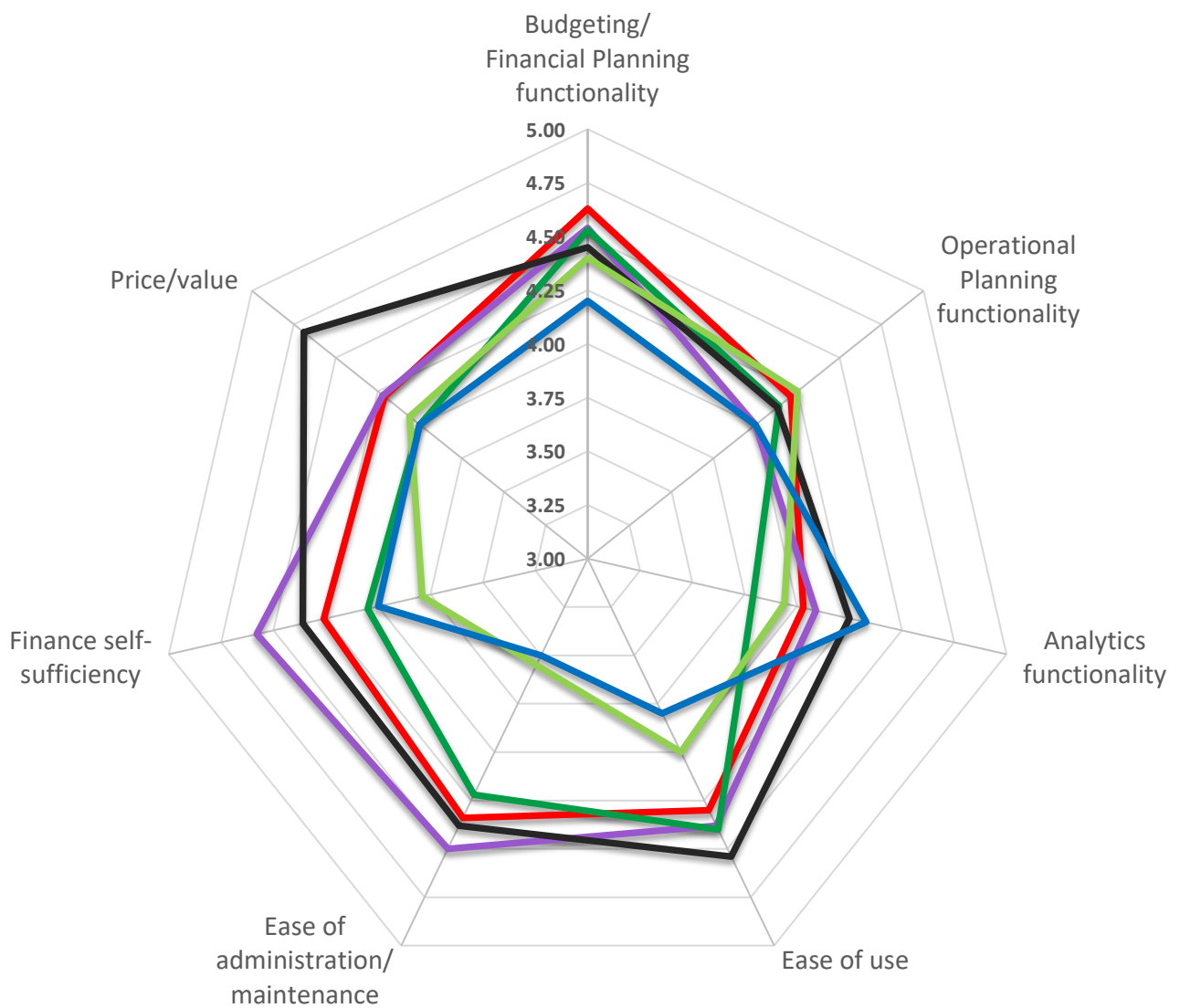## Core Budgeting and Planning Vendors: Small/Midmarket

Source: BPM Partners 2023 BPM Pulse Survey

The Core Budgeting and Planning Vendors Customer Ratings: Midmarket/Large

This chart compares key customer satisfaction ratings related to budgeting and planning for the Core Vendors primarily targeting the midmarket/upper midmarket/large market segments.

## Core Budgeting and Planning Vendors: Midmarket/Large

Source: BPM Partners 2023 BPM Pulse Survey

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The Core Budgeting and Planning Vendors Customer Ratings: Upper Midmarket/Enterprise

This chart compares key customer satisfaction ratings related to budgeting and planning for the Core Vendors primarily targeting the upper midmarket/large/enterprise market segments.

**Core Budgeting and Planning Vendors:
Upper Midmarket/Enterprise**
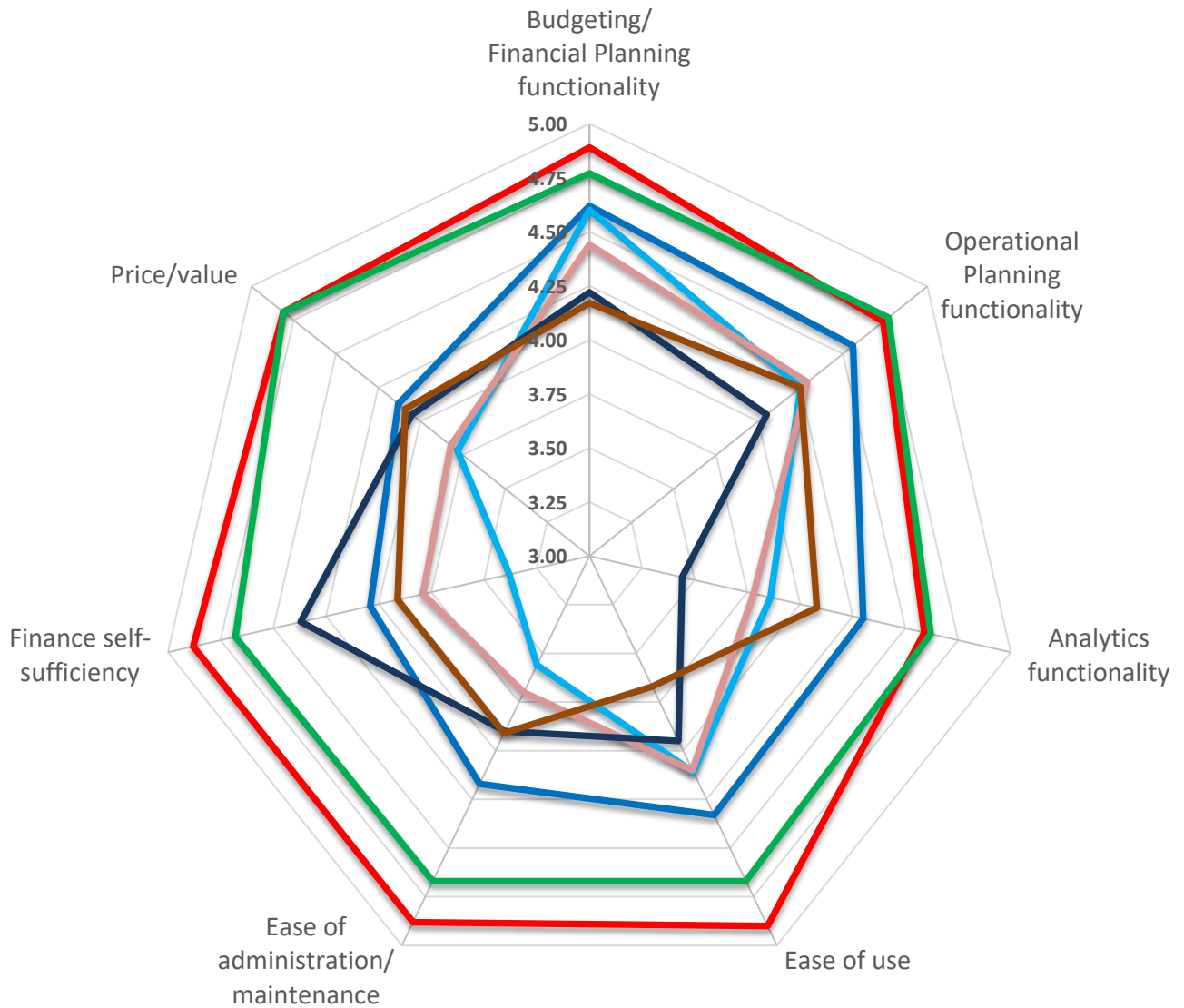
Source: BPM Partners 2023 BPM Pulse Survey

Additional Vendors

The following vendors have been evaluated by our team but did not meet one or more of the BPM Partners Core Vendor criteria. While this does increase the risk somewhat, it is still likely you will find additional vendors that fit your requirements on this list. If you decide to include them in your evaluation you will need to allow extra time for a more through due diligence process:

- Some of these vendors are relatively small so there is limited feedback from analysts and customers to confirm their product capabilities and market success

- Several established vendors on this list no longer participate in industry surveys and have reduced analyst interactions in recent years so reliable up-to-date assessments are not readily available

- Other vendors on this list simply did not achieve the high ratings and/or positive assessments required to make the Core List for Budgeting and Planning Solutions

Additional Budgeting and Planning Vendors

Acterys – planning, consolidation and analytics, leveraging Excel and Power BI for small to large organizations Info, Details

deFacto – Unified, integrated planning and analysis, built within Excel and Power BI for midmarket to large organizations Info

FYIsoft – offers financial reporting and consolidation that integrates with a wide range of GL source systems, coupled with analytics and budgeting Info

insightsoftware – provides reporting, planning, consolidation, equity management and tax solutions for small to enterprise organizations Info

Jedox – planning, analytics, consolidation, and BI with Excel, web, and mobile UIs for midmarket to large organizations Info

Oracle – full modular suite of planning, consolidation, analytics, and BI modules for midmarket to enterprise organizations Info, Details

Workday Adaptive Planning – a fully-integrated suite of applications for budgeting, planning, forecasting, reporting and analysis for companies of all sizes Info, Details

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The Vendor Selection Process

In prior sections of this guide we have given you some ideas to think about in terms of your requirements, as well as an overview of some of the best vendors available to meet those requirements. This is where it all comes together. How do you finalize your requirements and make sure you choose the best vendor for your unique needs? In this section we are going to share some proven best practices. First, some general guidance:

- This solution is part of a high visibility, mission critical front office system that the company will rely on to make key decisions. You don't want to be stuck with a sub-optimal choice for the 8 - 10 years (or longer) that these systems typically remain in place. That is why it is essential to go through a formal evaluation process.

- The starting point for any performance management vendor selection project is to identify an executive sponsor. They should be a senior executive with the authority to make decisions for the team. Among other tasks, they will need to do the following:

    o Create a vision that considers the full potential of performance management and doesn't limit the focus to a current pain point

    o Initiate and enable change, to prepare the company for revised processes, new roles and responsibilities, the transition to a new system

    o Make the tough decisions as there will be trade-offs that have to be made

- To get the necessary buy-in and adoption required to make this initiative a success you will need to assemble a cross-functional team of key stakeholders from Finance, IT, and operations. They will need to be actively involved throughout the process. For a planning-focused project the VP or Director of FP&A should have a leading role, business unit heads, operational managers (minimally from sales and HR), as well as regional managers need to be on the evaluation team, and of course the CFO needs to be involved. It is also wise to include the controller since management reporting relies on the actuals coming from the consolidation solution.

- Some organizations may be required to go through an RFP process. That step is not covered in this guide.

Learn how to ensure you get the right product, at the best price, while minimizing risk and maximizing buy-in and adoption: [BPM Partners process benefits](#)

The Vendor Selection Process for Budgeting and Planning Solutions
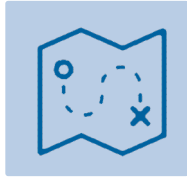
Roadmap: This is where you define the overall project scope and lay out a 3 – 5 year phased rollout plan. Without a roadmap you will inevitably focus on today's most pressing issues and potentially select a solution that falls short when it comes to the other elements of performance management you may need in the coming months and years. While you may be focused initially on fixing the budgeting process, if your vision also includes adding a rolling forecast, performance dashboards, sales performance management, financial consolidation, profitability analysis, or anything else, you need to capture that up front through a roadmap. This roadmap leads into your requirements and ensures that you select a solution that can continue to meet your needs as your use of the system grows and evolves over time.

Requirements: While your requirements do not need to be at the level of detail required to build a custom system from scratch, they do need to be detailed enough to differentiate vendors. For example, just saying that "the new solution needs to work with Excel" does not go far enough. You would need to explain your planned usage of Excel: as a primary interface, a design tool for input templates and reports, an offline analysis tool, etc.

The best way to start gathering requirements is to interview your key stakeholders from the cross-functional team discussed earlier. They should be asked to share the unique challenges they face in their business area, what they like about the current systems and processes, and where they see the opportunity for improvement. These conversations should cover all areas included in the roadmap.

The next step is to consolidate these business requirements into a unified list organized by common themes, and then work with the team to define priorities (hint: they cannot all be the highest priority). These business requirements then need to be converted to functional requirements; what capabilities does the new solution need to address these business requirements. In addition, you will need to document all the required system integrations. The last key element to include is related to volume and dimensions (which impact performance and pricing): number of users, accounts, entities/cost centers, currencies, allocation rules, products, and more.

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Vendor Identification: Armed with your requirements and this Guide you are now ready to identify the vendors to evaluate. At this stage you should select 6 – 8 vendors to consider. To decide on this list you need to consider several factors: does the vendor target companies of your size (or industry), do they seem to address all of the areas of performance management contained in your roadmap, do their strengths line up with your requirements, and how did their customers rate them for the attributes that are most important to you. At this stage you should cast a wide net and consider vendors you may not be that familiar with. They could turn out to be the best fit, at the best price.

If you have not already done so, for each of the selected vendors you can gather additional information at their Info and Details links in this guide. In addition, you should visit their websites, take a look at a standard demo, and get some basic questions answered including ballpark pricing for software and services. After doing this preliminary research bring the team together to compare notes and reduce the list to a final 3 – 4 to advance to the next stage.

Not sure which vendors to include? Get help here.

Vendor Evaluation: It's now time to determine how well each vendor finalist meets your unique requirements. Everyone will have strong opinions, so you need to follow a formal process that ensures a level playing field for the vendors, and equal input from each of your team members. It also needs to be transparent and self-documenting. At the end of the process you want everyone in agreement and fully supporting the company's selection.

The best way to accomplish this is to have each of the vendor finalists follow the same Proof of Concept custom demo script, created by you, that ties back to your requirements. Your cross-functional team members will each be scoring the vendors on how well they meet your detailed requirements in each major area (planning, consolidation, reporting, UI, system administration, technology, etc.). The demo script should be divided into an end user portion and a system admin/technology portion. Not everyone on the team will need to participate in both portions of the demo.

After the demos you should collect and consolidate the scoring sheets to prepare for the final step in the process.
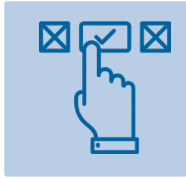
Vendor Selection: This is the step where you and the team select the winning vendor and a backup (in case there are contract or pricing issues with your first choice). The consolidated scoring results should show an overall winner as well as the vendor with the second-highest total score. These should be the two that you move to final steps with. You can also consider individual section scores for the most important areas, such as planning/budgeting/forecasting and reporting, if the total scores are very close.

Once you are down to the final two you will need to do the following with each of them. First, determine if one or both of them require any final proof steps. Were there key questions not answered during the demos? Is there a particularly complex calculation or report you would like to see them demonstrate? Do you need to load some data and do a volume/performance test? The next step is to request 2 - 3 references from each. Try to ask probing questions during the reference calls as it is unlikely vendor-provided references are going to voluntarily discuss issues they have encountered. You can ask them something such as "has the system been rolled out to the number of users originally planned, if not, why?".

The final step is to get proposals with software and service pricing from both vendors, along with a sample agreement to review. When asking for software price quotes make sure to be clear and consistent in terms of modules/components, users by type, number of years for cloud subscription, required connectors, etc.

For implementation quotes you may need to have a scoping discussion with the vendor or their implementation partners. Be prepared to discuss the volume of work to be done, any specific complexities, and the scope to be included in their estimate - is it just phase 1 (which you need to clearly define), or the full implementation. From a resource side, what will you be able to bring to the table in terms of FTEs, and what type of implementation are you looking for: 50/50 joint implementation, customer-led implementation, or a consulting turnkey implementation?

All that is left to do is review the contract. Besides any legal concerns, pay attention to any year to year price increases in a multi-year subscription agreement and what the terms are for renewal. Assuming your top choice is still on top after these final steps you are now ready to move forward. If you need to go with your backup instead, make sure the reasons are communicated clearly to the team.

To complete all of the above vendor selection process steps with minimal work disruption in just 4 – 8 weeks: BPM Partners vendor selection packages

About BPM Partners

BPM Partners is the leading independent authority on business performance management (BPM) and related business intelligence solutions. The company helps organizations address their budgeting, planning, forecasting, financial reporting, consolidation, regulatory compliance, profitability optimization, key performance indicator development, and operational performance challenges. Vendor-neutral experts guide companies through their BPM initiatives from start to finish, while both reducing risk and minimizing costs. BPM Partners has specialized packages that lead clients through project justification, requirements definition, vendor selection, and deployment of departmental or enterprise-wide BPM or related business intelligence (BI) systems. For further details, go to https://www.bpmpartners.com/. Follow BPM Partners on Twitter @BPMTeam.
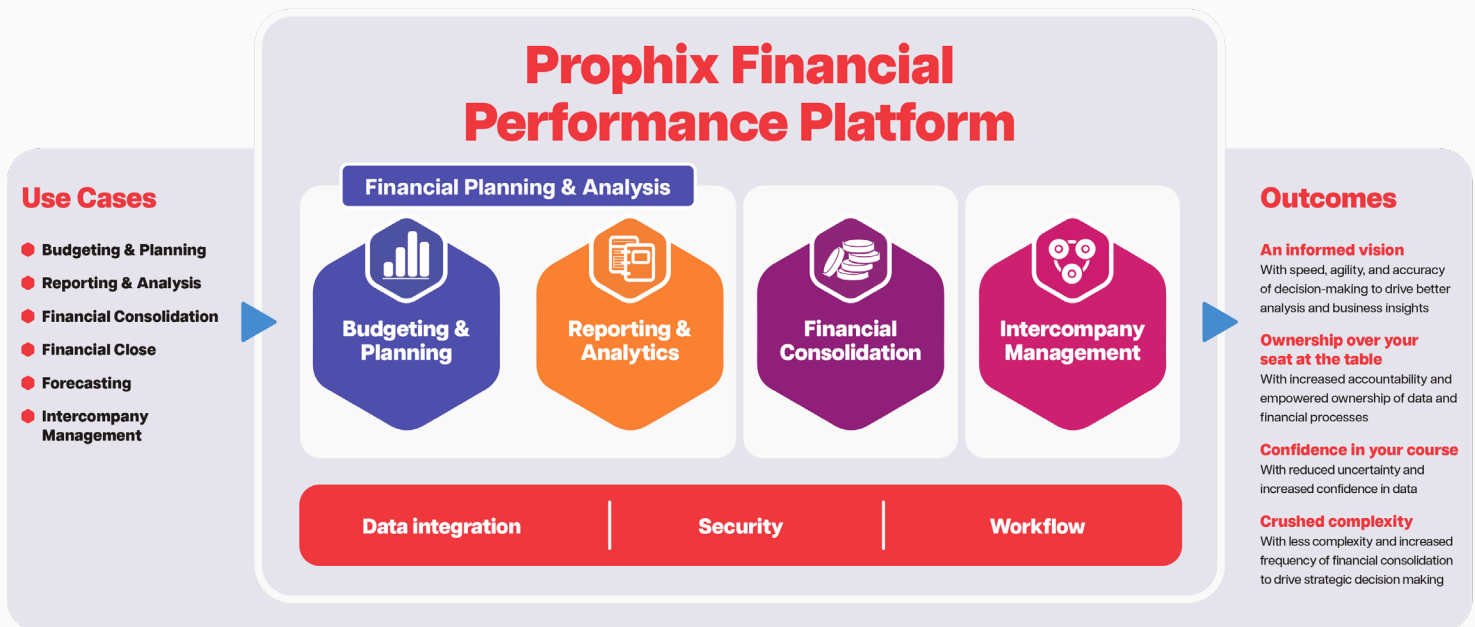
Questions? For questions about this guide, or any of the covered vendors:
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- Reporting & Analysis
- Financial Consolidation
- Financial Close
- Forecasting
- Intercompany Management

Financial Planning & Analysis

- Budgeting & Planning
- Reporting & Analytics
- Financial Consolidation
- Intercompany Management

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With speed, agility, and accuracy of decision-making to drive better analysis and business insights

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With less complexity and increased frequency of financial consolidation to drive strategic decision making

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Director of Financial Planning & Business Analytics
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