

Navigating the COVID-19 Crisis with CPM/EPM Solutions

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The COVID-19 pandemic is having a huge influence on the global economy and organizations in nearly every industry throughout the world, since it is the largest worldwide pandemic in over 100 years. While the worst of the epidemic may be past, the return to normalcy and timetable for economic recovery are far from clear.

So, how are businesses preparing for the upcoming upheaval and uncertainty? To monitor changing business circumstances, re-forecast revenue and cash flow for future periods, and model numerous scenarios to assist agile decision-making, many companies are turning to corporate performance management (CPM) and enterprise performance management (EPM) software systems.

Using CPM/EPM Software to Manage Disruption

In a recent study insight released by Dresner Advisory Services titled "Use EPM to Help Navigate Through the COVID 19 Crisis," the capabilities of CPM/EPM software were emphasized. The study is based on survey data that examines the impact of COVID-19 on companies' finances and projects, as well as how that impact has evolved in the weeks running up to April 2020. The percentage of firms claiming effects climbed from 71 percent to 83 percent over that four-week period.

According to the research, the most pressing worries for most businesses at this time are income loss and the availability of working cash to fund ongoing operations. As hundreds of businesses were forced to lay off or furlough staff, and/or seek for loans to assist them get through the crisis, it was apparent that understanding the effect of the crisis and managing cash flow as revenues declined was a major concern.

Revenue Planning and Cash Flow Forecasting in Focus

Revenue planning and cash flow forecasting are critical competencies and goals for users of CPM/EPM software, according to the 2019 Dresner Advisory Wisdom of Crowds® EPM Market Study. Strategic planning, rolling forecasts, driver-based planning, and other financial and operational planning requirements are all supported by CPM/EPM software.

The most significant CPM/EPM capacity that can assist businesses manage the COVID-19 problem, according to the Dresner Advisory study, is scenario analysis. Scenario modeling and analysis aids businesses in assessing the immediate effects of the crisis on their operations, simulating various recovery scenarios for future periods, and assisting management in making more effective decisions on how to respond.

Spreadsheets are used by many businesses for budgeting, planning, and forecasting. However,

gathering and preparing plans and projections manually via spreadsheets and email delays the process and restricts adaptability during times of fast change. Spreadsheets are also notorious for being prone to errors and lacking audit trails and version control.

The strategic planning features of CPM/EPM software, according to the Dresner Advisory study, include assistance for long-range financial planning, M&A analysis, and debt vs. equity financing analysis. The COVID-19 issue has left most companies' yearly budgets outdated, and rolling projections extending out 12–18 months have become the preferred technique of planning through uncertainty and quickly changing economic conditions, according to the study.

Customer Use Cases Validate the Research

OneStream's Customer Success team has been checking in with clients during the COVID-19 issue to see how they are handling the disruption. Despite the fact that certain implementation projects have been delayed, many customers are praising the advantages of having a single CPM platform in place. Whether on-premises or in the cloud, the platform keeps their finance teams connected and productive while delivering the information and agility they need to steer their businesses through the crisis. Listed below are a few instances.

- Scenario Analysis – OneStream is being used by a firm in the aerospace sector that has been badly impacted by the disruption to analyze several possibilities for the future months at a very fine level of business information. This would have required weeks of Excel effort in the past.
- Weekly Cash Flow Forecasting — During the crisis, the CFO of a diversified health, fire safety, and fluid metering firm advised his finance staff to perform weekly cash forecasting. Rather of creating a single-user model in Excel, the team spent 4 days creating a cash flow model in OneStream. To manage liquidity and cash position, they will look at cash by each of the 60 business divisions, rolling up a 13-week rolling projection.
- Daily Sales and Working Capital Analysis — OneStream XF Cloud is being used by a Fortune 500 food and beverage company to go beyond the month-end closing and reporting process and now load and analyze sales volume and working capital data on a daily basis. As a consequence, the CFO and finance team can now see 7, 14, 21, and 28-day trends compared to the previous year using graphical dashboards, allowing them to detect significant patterns, revise projections, and make better, quicker choices that influence their company outcomes.