

Gartner Publishes Long-Awaited Market Guide for Cloud xP&A Solutions

[This article first appeared on the OneStream blog by John O'Rourke](#)

The need to integrate financial and operational planning for enterprises has been recognized for many years, with the objective of aligning goals, objectives and resources across Finance, Sales, Marketing, Supply Chain and other functions. Various planning approaches have been defined over the years to support this need, including Integrated Business Planning (IBP) and Integrated Financial Planning (IFP). But there was no defined software architecture to support these concepts – until now.

In 2020, Gartner began defining the concept of Extended Planning and Analysis (xP&A) as the next evolution of Financial Planning and Analysis (FP&A). According to Gartner, xP&A is the evolution of planning, combining financial and operational planning on a single composable platform. It “extends” traditional FP&A solutions focused solely on finance into other enterprise planning domains such as workforce, sales, operations and marketing. And in 2021, Gartner has now published a [Market Guide](#) for Cloud xP&A Solutions which defines the key market requirements and how various software vendors match up to those requirements.

Read on to learn more about the market guide and how OneStream is positioned.

XP&A Addresses the Need for Improved Business Agility

The global pandemic that emerged in 2020 put a spotlight on the need for enterprises to have agile planning and reporting processes that allow them to respond quickly to changing business and market trends. According to Gartner, xP&A is a vendor response to these evolving enterprise planning needs. xP&A solutions help organizations exploit the challenges faced when introducing new digital business models and navigating economic uncertainties. Solutions introduced in the market are capable of merging together financial and operational planning processes, so management improves decisions and delivers better results across the enterprise (see figure 1).



Figure 1 – The Business Impact of xP&A

XP&A vs. FP&A Solutions

You may be wondering how [xP&A solutions](#) differ from FP&A solutions. Below are some examples provided by Gartner of how xP&A solutions “extend” the ability of FP&A to connect to, integrate with, and align with operational plans. These include the following:

- Improved planning platform architecture to support increased composability via intelligent, guided plan modelling tools and performance improvements capable of handling larger data volumes and granularity required for both financial and operational

planning applications.

- Artificial intelligence/[machine learning](#) (AI/ML) capable of quickly identifying significant patterns and anomalies across large integrated finance and operational datasets.
- [Packaged solutions](#) addressing various aspects of operational planning on the same platform as FP&A.
- A range of “starter kits” that assist customers in rapidly constructing their own platform-resident operational planning models and applications.
- Enhanced integrated financial planning (IFP) going beyond basic connectivity to, and integration of, data from third-party data sources by adding new capabilities including modern APIs.

Gartner predicts that although best of breed operational planning solutions will remain popular, FP&A solutions will begin to incorporate some of the capabilities of operational planning software as it evolves into xP&A — a platform-centric approach capable of supporting and integrating both financial and operational planning. By extending FP&A and other planning applications beyond the finance domain to other key business stakeholders, xP&A can offer decision makers a holistic view of their planning processes, results and progress toward fulfilling a strategy and meeting an organization’s goals.

Market Adoption and Requirements

So what’s the market outlook for adoption of xP&A solutions and how are software vendors delivering on the Gartner vision for xP&A? According to Gartner, as the velocity of digital business — and the amount of associated data — increases, Gartner expects the xP&A approach to gain momentum, thus increasing its importance to all C-level executives. Gartner estimates that, through 2024, 30% of FP&A implementations will be extended to support operational finance processes, with 50% requiring a substantial xP&A roadmap from the vendor.

Gartner has seen a rapid increase in the number of client organizations seeking to integrate and link financial and operational planning processes wherever possible, and expects the following market trends:

- As a new approach to enterprise-wide planning, Gartner expects the xP&A market to become more competitive as the technical and business impacts of integrating enterprise-wide planning processes becomes more evident.
- Gartner expects the cloud xP&A market to be enabled by both best of breed planning and ERP suite vendors delivering various degrees of integrated planning capability.
- Vendors supporting xP&A are expected to increasingly incorporate more specialized planning capabilities and use cases that go beyond support for IFP alone as currently found in cloud FP&A solutions.
- Examples of these capabilities include strategic and operational workforce planning, sales planning and forecasting, IT Financial Management & planning, marketing planning,

sales and operations planning (S&OP) and others.

How Was OneStream Positioned?

Gartner correctly identified that [OneStream's Intelligent Finance platform](#) (see figure 2) unifies financial and operational planning, financial close and consolidation, and reporting and analytics in a single solution, enabling perspectives on both finance and operations from the same data. The unified platform (and data model) includes a number of key capabilities designed to support xP&A, including support for planning at a granular, business-driver level on dynamic data with multidimensional analysis and automatic alignment to financials.



Figure 2 - OneStream's Intelligent Finance Platform

In the report, Gartner mentioned several [OneStream customers](#) who are already using the solution to integrate and align financial and operational plans - including Guardian Industries, KLM Group and Capital One. The report also noted how the platform can be extended with over 50 other supported solutions from the [OneStream Marketplace](#) that include people planning, sales planning, capital planning, cash planning and predictive analytics.

(Note - this plays very well into the concept of "composability" that Gartner highlights as key to supporting xP&A. The idea here is that planning solutions are offered as packaged business capabilities that are assembled, configured and consumed with limited IT involvement - offering rapid time to value.)

Based on a recent briefing OneStream provided to Gartner, the report highlighted how OneStream recently added high performance aggregations to speed planning on large volumes of data and how we plan to add several new capabilities to further support xP&A including improved ad hoc modeling capabilities and a guided ML experience. This will give finance and LOB teams the power to leverage ML models throughout day-to-day planning processes and supercharge productivity for organizations with in-house data scientists. .

Learn More

To learn more about the key market trends and how OneStream compares to other vendors in the market, [download the Gartner Market Guide for Cloud eXtended Planning and Analysis Solutions](#).