

# 5 Steps to Streamlining Annual Planning

[This article first appeared on OneStreamSoftware.com by Whitney Gillespie](#)

As the calendar year draws to a close, many [Financial Planning and Analysis \(FP&A\)](#) organizations are gearing up for the annual planning process. Yet companies continue to grapple with change – whether it's growth through mergers and acquisitions (M&A), unstable socioeconomic and geopolitical conditions, or continued supply chain and workforce disruptions. Amid such changes, businesses must continuously monitor financial results to ensure the annual operating plan (AOP) is a living document. Still, the annual plan becomes obsolete the moment it's finished. And static financial forecasts don't cut it anymore either. What's the solution, then?

Below are 5 steps organizations can take to streamline the annual planning process to proactively drive performance with financial forecasting software.

## Streamlining the Annual Planning Process in 5 Steps

To become a valued business partner and earn a coveted seat at the decision-maker's table, FP&A must streamline the annual planning process and ensure that the output of the planning outputs remain efforts remains relevant throughout the year.

According to the [Hanover Research survey of over 650 Financial Decision Makers in North America and EMEA](#), the top concern for businesses in 2023 is recession and economic disruption (see Figure 1). The annual plan must take this concern into account and remain flexible into the coming year to accommodate any changes or unforeseen circumstances.

## ECONOMIC DISRUPTIONS ARE STILL THE TOP CONCERN FOR NEARLY HALF OF BUSINESSES IN 2022

- This was also the top concern earlier this year; however, even more financial leaders currently predict this concern.\*
- Few financial leaders say other issues will be the largest business risk in 2022.

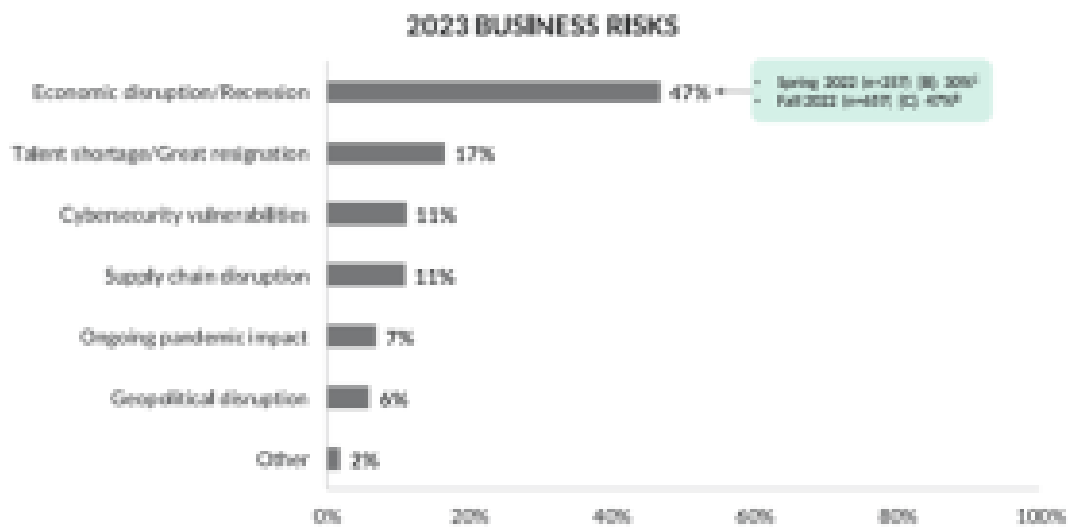


Figure 1: Survey results showing what businesses are concerned about for 2023

But how? Well, the 5 steps below can help an organization streamline the AOP process and ensure it remains relevant in the year ahead:

1. Automate tasks where possible: Organizations should avoid bogging down analysts with low-value, time-consuming tasks by automating wherever possible. To put it plainly, put the “A” back in FP&A by allowing analysts to perform value-added analysis instead of being data wranglers and spreadsheet jockeys. By utilizing financial forecasting software and eliminating the overreliance on manual processes that require a ton of time and analyst intervention, more time can be allocated to tasks that help move the needle in the business.
2. Don't overlook important data points: Many planning processes – both financial and operational – occur simultaneously across large, complex organizations. These processes are generating important data, but it doesn't always make it into the final financial plan. But how can Finance ensure the outputs of all [planning](#) processes across the organization are being utilized in the AOP? By leveraging one single technological solution for all the planning, Finance can leverage all the ongoing planning efforts in the final annual plan, ensuring no one's hard work is overlooked.
3. Rely on data (not on intuition): World-class Finance organizations understand that critical business decisions and organizational performance are best driven by facts and figures. While most organizations have access to a wealth of both historical results and external data, ensuring what's relevant to the AOP is accessible and digestible is key to driving results in the coming year. But how can all the [data](#) be aggregated to make it valuable to the process? Finance teams should be working with IT and all technological and

operational stakeholders to leverage available data from across the organization to generate informed insights and make data-driven decisions.

4. Implement continuous planning: The annual planning process shouldn't be one and done or set it and forget it. To ensure the plan remains relevant throughout the year ahead, organizations must create a process that supports continuous updates as factors change and new data supports adjustments to the plan. Instead of spending time with backward-focused analysis wondering why something happened, the focus should be on driving continual organizational alignment and collaboration – in other words, a process that allows the annual plan to be a living document. But how? By bringing together the plan data and the actuals data with financial forecasting software that supports reporting, analytics and scenario modeling, FP&A can continuously monitor and update the plan as data supports changes. Modeling what-if scenarios quickly and easily and presenting the data in a way that's quick and easy to understand ensures the plan can remain a useful living document instead of a static, outdated relic of the past.
5. Drive better organizational collaboration: Too often, when down to the wire on the annual plan, FP&A are forced to make too many assumptions without proper validation from business partners. This approach not only results in less buy-in but also doesn't help with building trust across the organization. While the annual plan is a Finance-driven process, the whole organization should have consensus with everyone working toward the common plan and goals outlined in the annual plan. But how? By leveraging built-in [reporting and analytics](#) capabilities in a platform with self-service capabilities, Finance can easily and quickly build dashboards and reports that can be shared across the organization – and do it in a way in which everyone can understand and use. While other Finance professionals may understand spreadsheets of data, not everyone has the time or the background to dig into those reports. That's why being able to hit the important points in a way that can be easily shared and discussed is critical when time is of the essence in the annual planning process.

## Technology Enables Better Annual Planning Processes

Better technology enables automation with confidence, brings the data and key stakeholders together in one place, and drives confidence and efficiencies in the annual planning process. Ultimately, this functionality allows the annual plan to become an important tool in tracking and managing performance against the plan throughout the year. Figure 2 below shows the interactive dashboards and daily signals that can be used to track continuous performance.

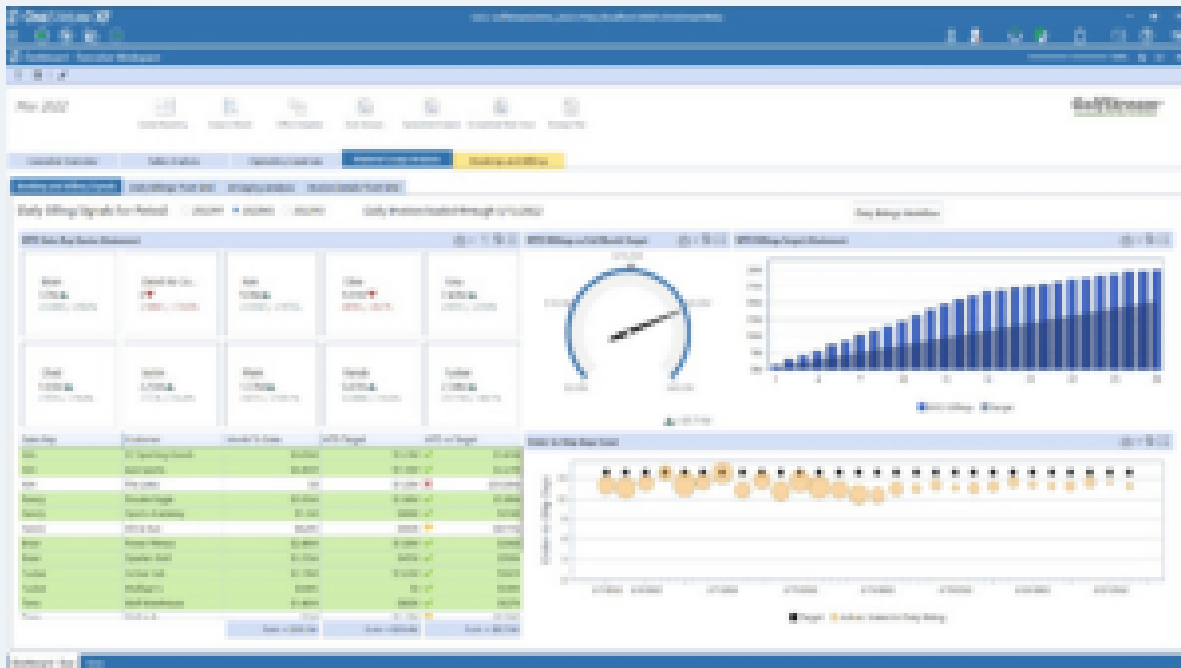


Figure 2: Dashboards used to track performance against the annual plan

## Conclusion

The annual planning process allows FP&A to set expectations for the coming year, but the process often gets bogged down with legacy processes and tools. To ensure the plan encompasses all relevant people and data, an organization must improve collaboration, automation and access to data to help drive the process. Technology makes all that possible by enabling better access to data and better processes – all of which ultimately allows the annual plan to remain relevant in tracking business goals and objectives into the year, even as conditions constantly change.

## Learn More

Want to learn more about how your organization can advance the annual plan to lead at speed? Watch our video titled [Lead at Speed in Planning & Analysis | Advancing Your Annual Planning](#).