



ENTERPRISE PERFORMANCE MANAGEMENT

# How enterprise performance management software drives organizational success

As digital transformation connects more people in more places, already competitive global markets are heating up, causing many organizations to change how they operate and deliver value. Traditional roles are shifting and the pace of innovation has accelerated significantly. These changes are driving the need for deeper, more effective data management and analytics. Spreadsheets and traditional financial management solutions simply can't keep up.

Leading organizations looking to build competitive advantage and gain a holistic view of business performance need more sophisticated tools that can help them gather, process, and analyze the data that's driving their business. Enterprise performance management (EPM) software delivers those tools, giving organizations the ability to harness information from siloed systems into a single system of record, and then perform sophisticated financial analysis to consistently measure past and current performance and forecast future performance to drive organizational success.

## The changing face of business

Nearly every role in today's workplace has changed dramatically over the past few years. This is especially true for the role of the chief financial officer (CFO).

Where CFOs used to toil in the background, crunching numbers and balancing budgets, digital disruption has moved them into the spotlight as strategic partners to the business. Now, CFOs add value throughout the business, across areas like risk management, strategy, and business planning.

According to [EY research](#), which surveyed almost 800 CFOs and finance leaders across 32 countries, the role of the modern CFO is clearly evolving. Nearly 70% of respondents said that they see the finance leader role fundamentally changing, as traditional finance tasks are automated or managed in shared services centers.

Priorities have shifted, as well. In that EY study, 65% of respondents said that “standardizing and automating processes and building agility and quality into processes” is a significant priority for the finance function. Another 58% of respondents worldwide said that “combining state-of-the-art technology with process improvement” is a significant priority.

One can't inspire that kind of paradigm shift using manual processes and spreadsheets. And surprisingly, that's how most organizations record and share data. Ventana Research reports that [92% of manufacturing companies are using spreadsheets regularly](#) as a means of sharing business data. Fully 7 out of 10 midsize companies use desktop spreadsheets for a range of business planning processes, according to [another survey conducted by Ventana Research](#). Yet nearly half (48%) of those surveyed admit that spreadsheets make it difficult to effectively manage business processes.

To make matters worse, Gartner research has found that [up to 90% percent of all spreadsheets have errors](#) that impact their results.

CFOs are well-aware of the aware of the issues. [According to a report from McKinsey & Company](#), only two out of three CFOs say their companies have the capabilities for agile decision-making, scenario planning, and decentralized decision-making—which are all required to remain competitive.

This is where EPM software can help. EPM supports the kind of complex financial processes and data governance needed to ensure accurate, actionable results.

## Driving business transformation with EPM

The proliferation of low-cost sensors, the Internet of Things (IoT), and machine learning are bringing about a digital transformation that's fundamentally changing organizations across virtually every industry, from manufacturing to healthcare, hospitality, financial services, and more.

Digital transformation begins with gathering all the data these devices are generating and using that data to make decisions that create new value and new sources of revenue. The biggest part of optimizing processes involves rethinking the ways in which an organization uses data and what tools it uses to make the best use of that data.

This is where EPM software can work together with enterprise resource planning (ERP) systems to give organizations the most complete and effective way to use all the data they're generating.

ERP systems are optimized for back-office transaction processing and operational processing support. They're meant to manage processes like purchasing, accounts payable, order processing and billing, accounts receivable and collections management, and general ledger accounting.

In addition to handling operational reporting on transactional data, ERP systems also support basic financial and management reporting. This includes top-level financial statements, such as a balance sheet, income statement, and statement of cash flow.

However, ERP systems can't support more complex financial processes like:

- Consolidating and reporting financial results from multiple ERP and general ledger systems
- Iterative collecting, compiling, and managing of financial and operational budgets
- Managing a rolling forecast process; and "what-if" scenario modeling of financial or operational scenarios

EPM software delivers these capabilities. These solutions add value by focusing on *how* organizations develop, implement, and monitor strategic plans, allowing for constant improvement to make processes more efficient. In addition, EPM software offers the flexibility and self-service analytics that CFOs need to provide value-added decision support.

EPM software works in combination with ERP systems to replace spreadsheets and proprietary applications often used for financial management processes like:

- Financial consolidation and reporting
- Budgeting, planning, and forecasting
- Management reporting and analytics

In addition, EPM software adds the breadth of analytics needed for more effective decision-making—something ERP systems were never built to support.

Along with analytics, EPM software handles the collecting and compiling of budgets and forecast data, adding workflow and process support that recognizes the iterative nature of the planning process. This can help organizations accelerate the budgeting process, while improving the accuracy of source data.

An EPM system can transform the finance department by providing teams with the tools to track strategic activities against past performance, while also better ensuring financial accounting accuracy. When the CFO and finance departments have accurate and actionable operational data, the entire organization is empowered to make better business decisions.

Diving deeper, here are four ways an EPM system can help an organization become more competitive and successful:

## 1. Improve strategy and business insight

### Big data is one of the drivers of digital transformation.

And the organization that can process and extract actionable insight from those massive data sets is the organization that will thrive in this new environment. With EPM software, organizations can gather data from across departments, process it, analyze it, and turn it into something that can be used to power the enterprise. Organizations can use EPM to map out strategic goals, tie them to tactical plans, monitor progress toward those goals, and take action.

Plus, with EPM software, organizations can:

- Use scenario analysis and forecasting to improve their ability to predict outcomes—and manage strategic risk
- Better understand the financial impact of key strategic and operational decisions
- Provide better and faster information to key stakeholders, from investors to regulatory and supervisory boards
- Combine financial and non-financial data to improve enterprise performance measurement

## 2. React more quickly to new opportunities

EPM systems deliver deep analytics and business intelligence that enable organizations to recognize emerging trends—and risks—and respond to them more quickly. EPM systems deliver a real-time view of performance across the organization and a single source of truth to help speed decision making and unlock siloed data between enterprise applications. This helps uncover new opportunities and positions the organization to respond to them quickly enough to seize a competitive advantage.

The predictive analytics and powerful forecasting capabilities provided by EPM software drive strategic, tactical, and operational decisions. With the access to accurate, consistent data and analytics across multiple systems, organizations can make faster, better informed decisions—in the context of their business plans collaboratively across teams, rather than manually sharing spreadsheets.

## 3. Streamline financial performance management

By combining consolidation, planning, budgeting, and forecasting in a single system, EPM provides better predictive modeling and an agile platform for operational planning, workforce budgeting, and sales estimates. Organizations can incorporate their strategic plans and monitor against actual performance, as well as consolidate holdings for end-to-end financial reporting.

Budgeting and planning capabilities allow organizations to create deep plan hierarchies, compare plans to forecasts, and adjust plans on the fly. Task management, decision packages, workflow, and versioning capabilities bring a new level of discipline and flexibility to the budgeting processes.

EPM systems also provide financial consolidation tools, so organizations can consolidate multiple sets of books quickly and seamlessly from each of their legal entities, process elimination entries, and generate a single set of financial statements.

The integrated planning functionality that EPM systems provide allows business leaders to run “what-if” scenarios to measure the projected impact of their decisions on the business.

#### 4. Minimize risk

Navigating risk in complex business environments requires system-wide visibility, evaluation, and response. With EPM software, organizations can streamline external audits, cut the cost of compliance, and gain a holistic view of data and user access across multiple business environments—all with continuous and automated monitoring. They gain the visibility and access they need to minimize the organization’s risk of noncompliance and security breaches. Plus, because this is all automated, they eliminate tedious, error-prone manual preparation activities, freeing up key personnel for more strategic tasks.

EPM software helps with transaction monitoring, user access monitoring, and master data monitoring to help organizations promote compliance with applicable industry regulations and requirements and mitigate a variety of risks—from fraud and data breaches to overpayments, wasteful business activities, and excessive compliance costs.

## EPM software: The right tool to drive business growth

As global competition heats up, organizations that can keep pace with change and pivot quickly will be those best positioned to grow and thrive.

Leading organizations need to implement the right tools to capture and mobilize data and enable an insights-driven enterprise. To build a competitive advantage and gain a holistic view of business performance, organizations need EPM software integrated with their ERP systems.

These systems work together to gather and manage operational and financial data, so organizations can understand and act on all the valuable data that exists within their operations.

EPM software and financial best practices allow organizations to consistently report with confidence, measure past and current performance, and forecast future performance. EPM software delivers modern intelligent business and financial performance management capabilities, so organizations can drive their overall business performance with greater agility and confidence. With EPM tools, organizations gain greater insight, so they can make more informed decisions—any time, from any device—to operate more strategically, uncover new business opportunities, minimize risk, drive growth, and foster success.

[Learn more about EPM solutions >](#)



Follow us:   



Copyright ©2017 Infor. All rights reserved. The word and design marks set forth herein are trademarks and/or registered trademarks of Infor and/or related affiliates and subsidiaries. All other trademarks listed herein are the property of their respective owners. [www.infor.com](http://www.infor.com).

Cranborne House, 10A Earl Street,  
Watford, Hertfordshire, WD17 2PD

[www.cfmsystems.com](http://www.cfmsystems.com)

INF-2142563-en-US-0319-1