7 reasons to replace your planning spreadsheets
Spreadsheets. Love them or hate them, we all use them. However, as useful as spreadsheets can be, they are often pushed beyond their limits in a business setting when teams or departments need to collaborate to develop complex plans, budgets, and forecasts. Yet despite their failings and frustrations, many companies continue to use spreadsheets for planning and analysis. In fact, 9 out of 10 businesses still use spreadsheets to plan, budget, analyze, and report.¹

Why? There are many likely reasons, ranging from simple familiarity to the belief that spreadsheets are a low-cost option when compared to other solutions. Or maybe it’s because businesses believe no other viable alternative technologies are available that are as flexible as a spreadsheet.

But there are options—it’s merely a matter of doing the due diligence necessary to determine which solution is the right one. Smart businesses that replaced their spreadsheets with an integrated business planning platform have transformed their planning and analysis across numerous lines of business, providing the security, scalability, versatility, and collaboration that spreadsheets lacked.

In our research, we have found that there are seven common reasons why companies have chosen to replace their spreadsheets with an integrated business planning platform.
Gain control over corporate data while increasing collaboration

Business data is confidential. But a lot of times, this confidential data—which can include salaries, corporate budgets, and sales commissions—is stored and updated in disconnected spreadsheets and then shared in emails, presenting a potentially large security issue. Yes, spreadsheets can be password protected; however, they were never intended to be shared among multiple users where different access rights and authorizations are required. In short, spreadsheets were never meant to be a collaborative tool.

To address this issue, the ideal integrated business planning platform should offer flexible security levels so that anyone, from the executive level to the front line, can safely participate in the planning process—ultimately improving collaboration across the business. Changes should be easily tracked for audit purposes, and the solution should have built-in version control with the ability to restore old versions to avoid the potential loss of data.

“In our old territory management process, we took a month to assemble the data. Then we took another half a month to put it into spreadsheets, cut it all up, and email our entire customer list globally—talk about a security concern. Now with Anaplan, we got rid of all the front-end data gymnastics and the simple user interface makes gathering sales input much easier, arming the sales team with more insight. All of this has gone from weeks to seconds”

Brett Butler, Business Architect, WW Sales & Service Team, Lexmark
Eliminate errors

Did you know that more than 90 percent of spreadsheets contain serious errors? And on top of that, more than 90 percent of spreadsheet users are convinced that their models are error-free. Yes, fixing syntax errors and repairing broken macros will eventually make everything work again. But because spreadsheets are so difficult to audit, there’s no way of knowing if all errors were caught and fixed if you can find the errors to begin with—effectively preventing business leaders from making decisions with confidence. And while some errors are inconsequential, some are big enough that it’s not unusual for companies to issue earnings warnings due to errors in forecasts that were pulled together using spreadsheets.

UK consulting services provider Mouchel experienced this spreadsheet snafu firsthand. Several years ago, a spreadsheet error resulted in a pension fund being wrongly valued by £4.3 million. The subsequent profit warning led to a steep drop in Mouchel’s stock, and the company had to be rescued by its banks. Now, imagine the same thing happening, but to a bigger, multinational company. In 2012, errors made while copying and pasting data from one spreadsheet to another were partly responsible for a single $6 billion trading loss at J.P. Morgan.

Both instances likely could have been avoided by replacing spreadsheets with an integrated business planning platform—but how do you decide which solution is the right one? Ideally, the right solution is a self-service platform that allows users to write business rules themselves using natural syntax and store them in a single worksheet (aka the master repository of custom rules), making them easy to locate and audit—all without needing help from IT.

Additionally, the complex and overlapping relationships between core dimensions, such as cost centers, locations, and products, should be intelligently mapped so that when any member of a hierarchy is moved, all of its connections and history automatically move with it—without any of the restructuring that spreadsheets would require, allowing your business to be nimble and react to unexpected events on-the-fly. It should also have the ability to synchronize data across connected plans, and automatically aggregate and identify discrepancies, enabling real-time course correction.

“A really interesting feature in Anaplan is the end-to-end transparency of the data. All the data is in one place. It’s all modeled in one place, so that multiple users in different parts of the organization—whether it’s finance, operations, sales, or supply chain folks—they can all collaborate together.”

Bill Cate, Senior Director of Global Operations, Motorola
Leverage existing skills

One of the main attractions of spreadsheets is that users can build and modify models without having to learn a specialist programming language like they do when working with a lot of enterprise applications or legacy systems. Even so, in a recent paper, Forrester Research explained that high-growth companies are "likely to spend more proportionately on business technology than mature companies ... they are also more likely to adopt technology innovations like SaaS"—which is good news since such technology will empower the business user rather than making them dependent on IT.

A smart integrated business planning platform should offer self-service capability, enabling users to use natural language and drag-and-drop functionalities for conducting business rules so that it is familiar to any regular spreadsheet user and therefore is easily adopted.

"The most surprising thing that happened to me post-implementation was I had users coming to me and asking, ‘Can I use Anaplan for others things?’ Having a product that users are excited about and want to be more integrated into their day-to-day jobs was really exciting."

Andrew Chapello, Product Manager of Business Applications, Box
Improve productivity

Spreadsheets seem like a great low-cost option for planning and analysis because the software is so readily available. But throw in the time-consuming process of building and amending spreadsheet models, and it’s likely the cost is much higher than originally assumed.

Case in point: In a survey conducted during a CFO.com and Anaplan webcast, 42 percent of respondents said they spend more than 20 hours per week using spreadsheets for their planning, budgeting, and/or reporting. That’s a lot of time lost just maintaining and updating data—and prevents your business from being proactive. Choosing the right integrated business planning platform can increase the business’ return on time invested (ROTI) by allowing employees to spend more hours doing analysis instead of updating and maintaining data.

“Number one, my team is spending more of the time on the value-added FP&A and providing the analytic support to our business partners. Number two, we are doing it in a way that’s providing value-add to the business. We had our business leaders tell us that they love the information they are getting at Anaplan and the visibility they are getting into our business. We could not provide that when we were in Excel.”

Mike Lemberg, Vice President, Finance, ServiceSource
Expedite business processes

Is your business nimble? Or is it held back because team members have to manage processes, such as reviewing and approving forecasts, by attaching spreadsheets to emails—a labor-intensive task, especially in a large or fast-growing enterprise? Without a plan in place to migrate off spreadsheets, companies risk limiting their potential for growth and expansion because they limit their ability to course correct when changes arise.

Yet in a survey conducted during the CFO.com and Anaplan webcast, 35 percent of respondents said their company has no planned timeframe to evaluate alternative solutions other than spreadsheets—alternatives that could allow them to create an integrated workflow for users to configure and monitor the status of routine processes, as well as expedite submissions and approvals to create a more agile enterprise.

“Anaplan has liberated the finance function to act as a strategic partner. Historically, 30+ percent of our time was spent on planning, and if you’re spending that amount of time just trying to churn the numbers, you simply don’t have enough time to do anything above and beyond that.”

Strahan Wilson, CFO, EAT
Simplify your data management

Many companies still treat the spreadsheet as a database, but the size limitations and flatness of spreadsheets prevent businesses from being as agile as they could be simply because spreadsheets cannot handle the complex dimensionality of business data. Spreadsheets cannot support reporting functions such as reporting by alternative hierarchies or by different time periods. Any update or change in data has to be manually entered into disparate systems, dumped into various spreadsheets, and reviewed before it can be used.

This is a time-consuming and laborious process. In order to properly plan for the company’s future, users must have access to both past data and future possibilities by running scenario-based strategic planning and collaborating effectively across the business—both of which are impossible to do in spreadsheets. For a modern business to stay competitive, it must be able to predict the impact or risk a change will have on revenue and the workforce. With foresights gained through scenario-based planning, leading companies are able to strategically make changes that will beneficially impact business performance.

“One of the main capabilities that was appealing with Anaplan was geodimensionality. I think if you look at most planning systems, geo is typically an add-on to departments. So you have departments that are multiplied four, five, or six times, but that really isn’t truly deemed multidimensional, and so Anaplan enables us to just have one set of departments, one set of geos, and then be able to pivot it back and forth.”

Dennis Sevilla, Director of Strategic Planning, DocuSign
Become more proactive and agile

What does it mean to become more proactive and agile? It means the ability to clearly see an issue or opportunity and take action or course correct to find the best solution. Your business needs to be able to rapidly sense and understand internal and external changes, and respond appropriately.

To become more proactive and agile, companies should look for a solution that improves user productivity through faster business processes and streamlined data management. Employees should be able to copy and amend an existing model to create a new scenario, rapidly run through numerous iterations that potentially touch billions of data points to assess the most likely outcome, and then immediately share that information with their peers—enabling business leaders to make advanced decisions based on sound data and predictive analytics.

“The CEO asked us for some information on our new seven divisions. We were able to prepare that information in 30 minutes; he thought it was going to take us a week. We’ve got about 1.65 billion cells of data—no way would we be able to do that all on the spreadsheet.”

Andrew Price, Group Financial Controller, Legal & General
Summary

In the last 10 years, organizations have had to undergo a revolutionary shift in their processes, tools, and technologies as customers have become more empowered. With the rapid growth in data and cloud technology, organizations need to plan smart and be proactive to keep up with the only constant in business—change.

Though tools like spreadsheets serve a purpose, they do have limitations—limitations that will stifle the growth and performance of your business. To learn more about how businesses are using Anaplan for smart planning, request a personal demo at anaplan.com/demo.

“Anaplan is interesting because I don’t think it actually has any true competitors. There is nothing that actually has the level of detail reporting power without running calculation scripts and other things. The big ERP stacks are part of a stack and Anaplan isn’t—it’s the platform you can do almost anything with.”

Jeff Brobst, VP FP&A, Intel Security
Sources


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