

EPM Strategic Roadmap: Why You Need It, and How to Do It Right

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Executive Summary

Leading businesses remain successful through Enterprise Performance Management (EPM). A successful, large-scale EPM rollout has the potential to fundamentally alter the ways in which your organization conducts business, how decisions are made, and how people work. With increasing pressure to respond in real time to changing business conditions, an outside assessment of your current state (people, process, and technology), evaluation of strengths and challenges, and short and long-term business objectives is one of the best ways to increase business confidence and improve business performance management.

The start of an EPM project is a great time to understand the current state of and collective user experience with all corporate financial systems. The way to do this is through an EPM Strategic Assessment. This assessment creates a vision for success for everyone in the organization by aligning plans, budgets, and goals with strategic objectives so that you can measure current performance, plan for the future, and adapt plans and take action with confidence. The EPM Assessment always concludes with a proposed solution that accommodates your current and future business needs and is successfully incorporated into your corporate culture. This recommendation is delivered in an EPM Strategic Roadmap, which is a concise, step-by-step plan presented and delivered in a final document that includes a tangible set of guidelines providing a single point of reference for everyone involved.

Considered to be the foundation for achieving a shared understanding of opportunities for improvement and recommended future state systems and processes, the EPM Strategic Roadmap details how to go about gaining common vision and vocabulary to work from through a proven approach that asks questions like—

- How did our current planning and forecasting process evolve over time?
- What do we like about the current process?
- How can we be more effective and efficient with our current processes? Do we need new processes?
- What is our organizational direction?
- What information do we need to manage, and how do we want to measure it?
- What configuration makes the most sense? On premise, Cloud, Hybrid (on-premise + Cloud)
- What's important?

The EPM Strategic Roadmap

An EPM Strategic Roadmap is a comprehensive strategic framework for guiding and measuring project initiatives. It helps companies identify problem areas, process and technology related improvement opportunities, and develop a plan that accommodates current and future needs. An EPM Strategic Roadmap allows stakeholders to clearly understand actions, necessary decisions—what needs, and what decisions need to be made, who needs to make them and when. It provides the business and IT groups that support EPM within an organization a holistic view of the collective user experience with all corporate financial systems. The EPM Strategic Roadmap looks past implementations of specialized system modules such as Hyperion Financial Management, Hyperion Planning, Essbase, etc. and focuses on how to build an EPM System—on-premise, Cloud, or Hybrid—that collectively helps your organization achieve its strategic goals.

In almost all cases the reason companies embark on an EPM project is a new EPM implementation or a need to update EPM systems no longer provide the hoped-for efficiencies. This is especially true in today's business environment when companies are considering if, and when, to leverage EPM Cloud. Some common examples of problems that companies experience while developing and maintaining EPM applications are:

- Reinventing the wheel
- Silos of development & administration
- Duplicative work efforts
- Poor communication
- Inconsistent Master Data & Master Data Management
- Inconsistent reporting
- Variations in infrastructure and software versions
- Competing priorities
- Overlapping work streams
- Limited resources
- Smaller budgets

There is no such thing as a “one-size-fits-all” EPM implementation or upgrade, and this is why an EPM Strategic Roadmap is foundational for creating a unique solution to meet the specific needs of your environment, and to achieve a measurable return on your investment. The roadmap is designed to provide a recommended implementation approach and identify project scope with a series of achievable initiatives and project wins. Given the large number of stakeholders and decision makers required to participate in an EPM deployment — ranging from C-level executives, Finance, IT and eventual end users — it is vital to have this tangible set of guidelines as a foundation and single point of reference for everyone involved.

Elements of the EPM Strategic Roadmap

A Strategic Roadmap is a comprehensive strategic framework for guiding and measuring project initiatives. The EPM Strategic Roadmap applies the necessary amount of structure, process, and accountability, which is critical for a successful EPM deployment. The roadmap begins with discussing your goals and strategy, then proceeds to a review your EPM/BI environment and specific applications, and results in a roadmap presentation and document with findings and recommendations for current and future success.

Step 1 – Strategic Vision/Goals and Strategy/End State

Creating an EPM Strategic Roadmap begins with establishing a common vision for the project—project, what information needs to be managed, and how it will be measured with an eye to making the final solution align with the broader corporate goals and objectives. During this phase, the project team will interview key stakeholders at all levels (C-suite, IT, finance and end users) to evaluate the perspective of each group to learn their vision and goals for the project.

- The C-suite might want increased confidence in numbers.
- IT might want to leverage the investment in Oracle and other data systems.
- End users' top priority is reducing administrative complexity by creating self-serve reporting environment that focuses on analysis and not on generating reports.

While the vision should be driven by the CFO — with the support of the CIO — the correct project vision and end state can only be achieved by engaging with all key stakeholders and gaining an understanding of their use cases and points-of-view.

Once the key elements of the vision are established, the discussion will next center on identifying a desired end state of the software and infrastructure. For example, in order to achieve the vision, is now the time to transition to EPM Cloud? Does a Hybrid solution makes the most sense for immediate and long term goals? Should Financial Data Repository be implemented to facilitate data movement? Is it time for DRM? Combining the strategic vision with the desired end state of the system gives all key stakeholders a clear view, both of how the project should positively impact the company, and ultimately, how the system must be composed to achieve the vision.

Step 2 – Current State Assessment

The next step in creating an EPM Strategic Roadmap is to assess the current levels of performance relative to the levels desired. This enables companies to identify the critical cause-and-effect relationships between process actions and desired results in order to choose improvement opportunities based on their ability to leverage competitive advantage. It is important to know where a company is in order to know how to get them to their target destination. A full view of the current solution and process will create the most comprehensive understanding of how it works.

The current state assessment provides an opportunity to take a close look at existing processes and procedures, and evaluate how to improve current ways of doing business. Review how current planning and forecasting processes evolved over time and identify what works, what is liked, and what is ineffective. Understand how the company's culture helped to shape those practices. Then, evaluate whether those processes map to the project's vision, and if there are new best practices that should be implemented. To ensure new end users successfully adopt processes, they are tailored to fit the company's culture and needs.

A system assessment is also a component of the current state assessment. This is a comprehensive review of the existing systems in which they are categorized and inventoried, and existing technical attributes are documented and compared to the target technical architectures. Will there be compatibility issues moving forward? Will the current system be able to support future phased improvements? How will the Hyperion applications integrate with the source data systems? These are just some of the questions you should ask during this assessment.

Overall, this review is done with an eye towards reducing workload, solving additional business problems, and increasing the value of your EPM investment. After a thorough assessment of the installed system and the utilization of your current applications, it is then possible to make recommendations for how to improve ROI, streamline processes, customize interfaces, and—if warranted—update the system as a whole.

Recommended Implementation Approach and Scope

The above actions are the basis of the recommended implementation approach and scope. The implementation approach maps out a series of achievable initiatives and project wins. Often done in phases, it is built around key milestones, executive availability and other critical elements that will drive a successful project by ensuring there's a clearly defined rollout plan and that the technology is being used for its intended purpose.

This step in the process often challenges the current state, and this provides the necessary data points for socializing the project's vision, solution and new processes. Achieving the desired end-user adoption requires effective change management. When facilitating these changes first look to leverage the support of executive leadership. They can lay the groundwork for successful adoption by sharing how this project supports the company's business goals, and will ultimately drive efficiencies, reduce costs, close times, etc. Also needed is buy-in from users at all levels, and an efficient way to achieve that is to work with the thought leaders in the organization to share information about the benefits of the project. Identify both the cheerleaders and the detractors in this group and communicate and involve them in the project. Listen to any potential concerns and empathize with them. Capture those concerns and ideas and factor them into planning when appropriate. It is important to maintain this level of communication throughout the project in order to maintain future end-user support.

High-Level Project Timeline

A high-level project timeline captures all elements of the project in a single view. It helps the project team stay on task, and provides a convenient way to communicate timing and workflow with the broader set of project stakeholders. Also, it shows timing for key junctures in the project that require involvement from specific stakeholders in order to avoid bottlenecks or other unnecessary delays.

Assessment and Roadmap Timeline Example

Week	1					2					3					4				
Day	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Interview Process - On Site																				
Prepare Interview Meetings																				
Conduct Interviews - Finance / FP&A																				
Conduct Interviews - IT																				
Client Review and Summary meeting																				
Document Preparation																				
Internal Team review - Create Solution overview																				
Write Strategic Roadmap document																				
Write Executive Summary Presentation																				
Document Review																				
Content review Roadmap, Executive Summary																				
Formatting/ Layout documents.																				
Deliver to Client																				

Resource Requirements

Before the implementation can be designed in detail, the resource requirements must be identified and documented. Another key to an ultimately successful project is making sure the correct requirements are being addressed. This can be challenging because executive leadership, IT, and end users might all have varying opinions about how to prioritize the requirements. Resolving potential conflicts are facilitated by asking some simple questions about why they feel the requirement is necessary, how it helps the process, provides insight or improves the ability to manage. This process helps in the development of a Roles and Responsibilities Matrix. This potential deliverable often developed during the course of a Strategic Roadmap Assessment is very useful when looking at next steps.

Preliminary Cost Estimates

The preliminary cost estimate breaks the costs out by each component of the project, the number of people required to complete that component, and the time required for completion. This gives an overall estimate of the full project, and provides a helpful view of costs for each phase giving you the ability to correctly allocate funds.

Risks and Challenges

Any project comes with potential risks and challenges, but including potential risks in the Strategic Roadmap is the best way to communicate concerns to the key stakeholders and collectively work to avoid the occurrence of anything that will derail the project. Since each project is unique, it will come with its own set of potential challenges and risks, but some common issues include:

- Data availability, cleanliness, comparability, and integrity
- Resource availability
- Change in reporting requirements
- Change in organization priorities
- Dimensionality differences among GL's, HFM, Enterprise and Essbase

Definition and Measurement of Success Factors

The final component of the EPM Strategic Roadmap includes a description of the benefits desired from the proposed solution and identifying the measures of success. Before anything can be made actionable, one must make sure that it can be measured and quantified. It's how your return on investment is measured. But, this is not as simple as just assigning some key metrics. Just like there will be conflicting opinions within the organization about key requirements, there may also be potential internal conflict about how to measure success.

This step in the roadmap is designed to create an organizational culture that fosters alignment with every organization department and member.

Determining potential success factors begins with an analysis:

- Understand the audience
- Determine who will be most affected by the project at each level in the organization:
 - Executives
 - IT
 - End users
 - Project team

Each will have different perceptions of the benefits they expect to receive and what business challenges they are trying to solve via this project. It's important to understand their expected outcomes. For example, do they want to shorten the planning and close cycle, reduce support calls, or do they want improved reporting and analysis? There are also less tangible factors such as someone having more down time or the ability to take personal time off.

Another critical thing to note is not all success factors will be achieved when the project goes live. Identifying success factors that occur during the project is the best way to build momentum and enthusiasm for the project with key stakeholders.

The result of the success factor analysis is ensuring there are no conflicting factors. Each of the different groups of users will understand all the requirements and what their desired outcome is, and that they are balanced across the organization. The chart below provides examples of success factors across the stakeholder groups.

AUDIENCE	TANGIBLES	EXPERIENCE	REALIZE
Executives	<ul style="list-style-type: none"> Ability to perform "what-if" scenarios quickly Monthly close efficiencies Shorten planning cycle 	<ul style="list-style-type: none"> Confidence in reports Improved analysis and forecasting Compliance 	<ul style="list-style-type: none"> Report earnings in ?? days Forecast more accurately Reduce audit fees Execs using Dashboards
Project Team	<ul style="list-style-type: none"> Go Live on schedule Get internal recognition Improve data quality # of users on solution 	<ul style="list-style-type: none"> Deliver project on time and within budget Become self-sufficient Simplify processes Make users happy 	<ul style="list-style-type: none"> Set target date and budget Reduce maintenance by ?? Reduce errors by ?? User satisfaction rating Measure ROI
End Users	<ul style="list-style-type: none"> Ability to perform "what-if" scenarios quickly More time spent on analysis, less on data entry 	<ul style="list-style-type: none"> Easy of use Better access to data More timely reporting Less manual input 	<ul style="list-style-type: none"> Identify amount of time saved Improve accuracy
IT	<ul style="list-style-type: none"> Reduce cost of IT support Verify compliance Ability for internal team to support solution 	<ul style="list-style-type: none"> Stable environment Integrate security Fits internal standards Compliance 	<ul style="list-style-type: none"> Supportable Achieve internal standards Measure performance

TopDown Consulting Delivers Value

EPM as a roadmap isn't new. It's a result of combining all these processes together and understanding the direct relationship between them. The roadmap ensures that your EPM implementation or upgrade focuses on user experience, providing them with ease of use for consolidations, financial planning, operational planning, strategic planning, management and legal reporting; thereby introducing the efficiencies necessary to allow your team to spend more time on the key deliverables you promised to your senior leadership team.

TopDown Consulting offers comprehensive strategic services tailored to address the most unique, complex, and multi-faceted business problems. Our services extend beyond the widely accepted, strictly financial implications of EPM/BI and consider business functions that encompass virtually every aspect of the enterprise. Over the past 20 years, the TopDown team has gathered vast amounts of comparative experience, allowing us to quickly recognize commonalities and emerging trends.

By leveraging this accumulated experience, we have developed a methodology and approach where we quickly assess client requirements, understand business requirements, and design and deliver a tailored solution that increases productivity, reduces risk, and helps you become more effective operationally.

It's important to remember that TopDown's commitment to the client's EPM solutions does not end with the go-live. Our team's detailed knowledge of the client's specific configuration will always remain as available as needs warrant. We can provide supplemental on-site personnel during critical periods – such as major migrations and upgrades — or constant remote oversight.

If you'd like to learn more about TopDown Consulting please visit: www.topdownconsulting.com.



TopDown Consulting, Inc. serves clients nationally and internationally from our San Francisco headquarters. For more information or to inquire about our services, please contact us.

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