FROM BPC TO THE HONEYCOMB

PART 2 OF A MULTI-PART SERIES

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SAP BPC as made a living bringing revenue, headcount, capital expense, and operating expenses together to produce a comprehensive set of financial statements. If you had a versed consulting partner, you may have layered in some project planning, consolidations, and a long-range plan. This is what you did – over and over again– because anything beyond that was either not supported by functionality, dimensionality, performance, and/or flexibility.

So how can you possibly achieve connected planning if you can't connect every organization? It's difficult, and you end up with some core data furnished by external processes and supporting data living in Excel. What is the point if your planning system is disconnected? This typically means your plan is falling mercy to old assumptions and reduces your nimbleness.

Furthermore, SAC is not the answer to the BPC problem. It is the same architecture, but it is available in the cloud. To quote Austin Powers: "Whoop dee doo! What does it all mean Basil?" The answer is clear. There is a reason why SAC has been on the market for 4 years and does not have a catalog of case studies. Consolidations aside, any other planning functionality in BPC is being done at the cost of any other connected planning across your organization.

This is where the Anaplan Honeycomb comes into play. Launched at CPX 2019, the Honeycomb set out to illustrate the potential of connected planning in a way that every organization can relate to. Your Honeycomb will take on its own life dictated heavily by your industry, strategic priorities, and the processes you have in place. Each use case is supported by the dimensionality and level detail appropriate to the task.

Imagine this Revenue and/or Sales Planning scenario: Perhaps your single biggest fluctuating monthly expense is incentive compensation. ICM is the logical starting point, but as you pull back the layers you realize adding T&Q and revenue forecasting offers more information needed to dial in the compensation figure. During phase 1, your company tackles some core building blocks to both Sales and Revenue planning. Somewhere along the way, your finance and sales team realize their forecasts don't align. The Allitix architect points out that a next phase item is to bring top-down finance revenue figure against bottoms-up sales planning. Regional misalignment between Sales and Finance is subsequently a concern to the executive sponsor. After all, 'Easy wins' were the primary goal of the initial phase.

After a follow up deep dive conversation, the team's architect shows stakeholders how they could synch up these two divergent data sets through a real-time allocation engine. This enables the team to conclude that adding this functionality not only increased accuracy on compensation forecasts, but the finance team's revenue forecast would be more accurate, and sales management would have greater insight into hiring requirements over the next 3-12 months. Before now, insights were based on gut feelings rather than empirical evidence.
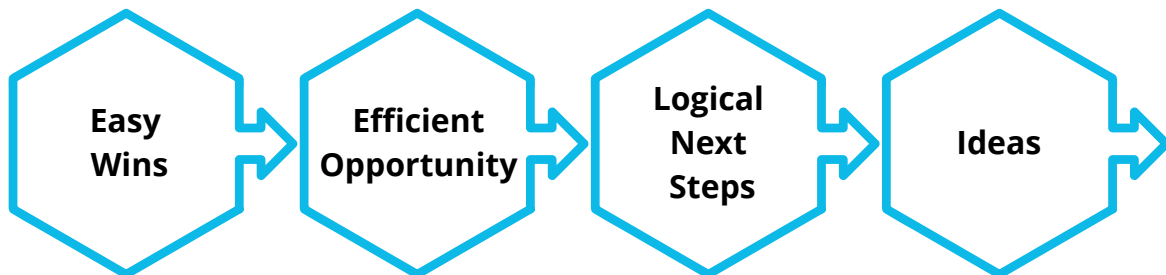
At the next COE meeting, the project manager brings up the proposal. Achieving said benefits provides a rather pedestrian uplift because most of the core build was already complete. However, the value proposition is there so the VP of Finance chimes in with "you mean we can gain insights with this tool that guide our hiring plan? Salary and benefits are 60% of our P&L." The ensuing discussion is spirited as the entire group talks about the possibilities of integrating headcount, recruiting, and employee management applications.

Further down the road, the team figures out how they can use the revenue forecast to drive a demand and production plan which would, in turn, drive more headcount insights.

1.) The Anaplan Honeycomb has taken shape.
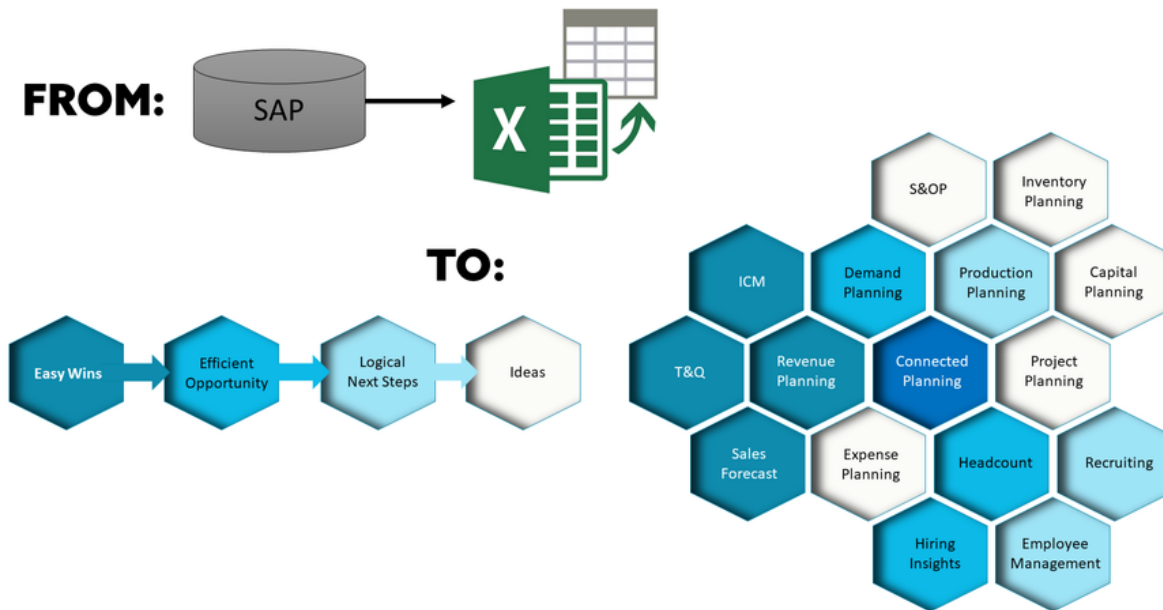
<u>Further Questions? Ready to Begin Your Connected Planning Journey?</u>

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About the Author

Jon has been working on advancing connected planning for over 15 years. Previously a solution architect in the SAP EPM space, Jon brought both industry insights and delivery experience to the Anaplan platform.

He is a connected planning specialist who has demonstrated the ability to adapt software tools to multiple industries, technology platforms, and business needs. Using a combination of technical knowhow, creativity in adapting cutting edge software capabilities, and the understanding that business process is a key ingredient to success Jon consistently delivers "value-add" projects for his clients.