

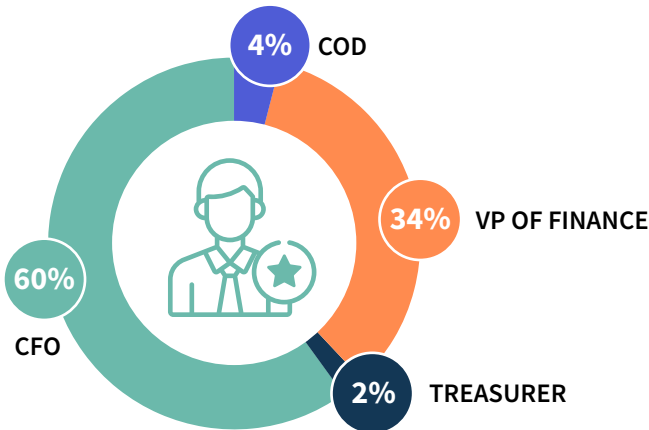
FP&A IN AN ERA OF RAPID CHANGE TREND REPORT



EXECUTIVE SUMMARY

Canam Research partnered with SimpleFi and SAP on the topic of Financial Planning and Analysis (FP&A). Responses were collected from CFOs, VPs of Finance, COOs, and Treasurers.

Respondents by seniority



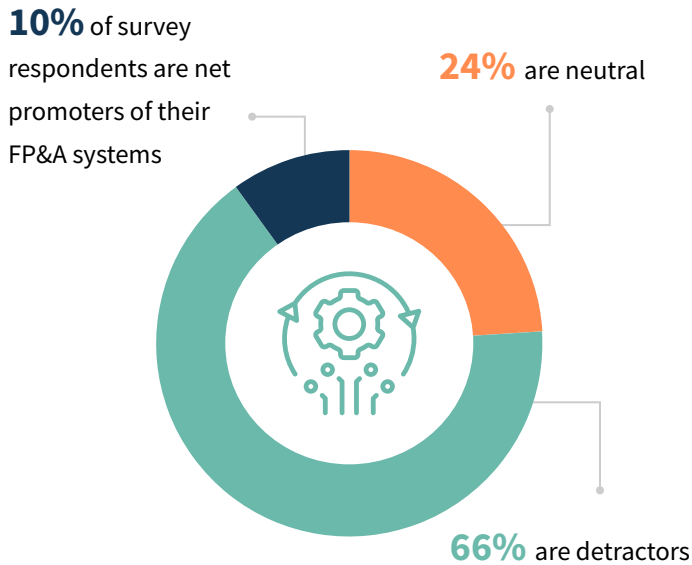
Research focused on:

- Satisfaction with current FP&A systems
- How finance teams spend their time on reporting, analytics and forecasting
- What technology is being used to do forecasting
- Challenges with financial planning and reporting tech stack
- The impact inflation has had on the business



KEY OBSERVATIONS

■ Satisfaction with FP&A systems



■ Challenges with FP&A tech stack

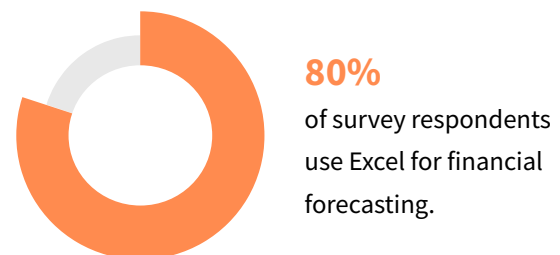


62% of survey respondents stated that manual processes are their biggest tech stack challenge, other challenges are integration and too many data silos.

■ Time spent on reporting



■ The technology used for financial forecasting



■ How FP&A technology is deployed



40% of survey respondents indicated their system is on-premise.



24% are 100% cloud or SaaS.



28% are a hybrid of cloud and on-premise.

■ Responses to inflation

The majority of survey respondents (**76%**) are increasing prices in response to inflation. Other responses to inflation include cost cutting or layoffs, reduced borrowing, changes to the business model and increased capital spending.



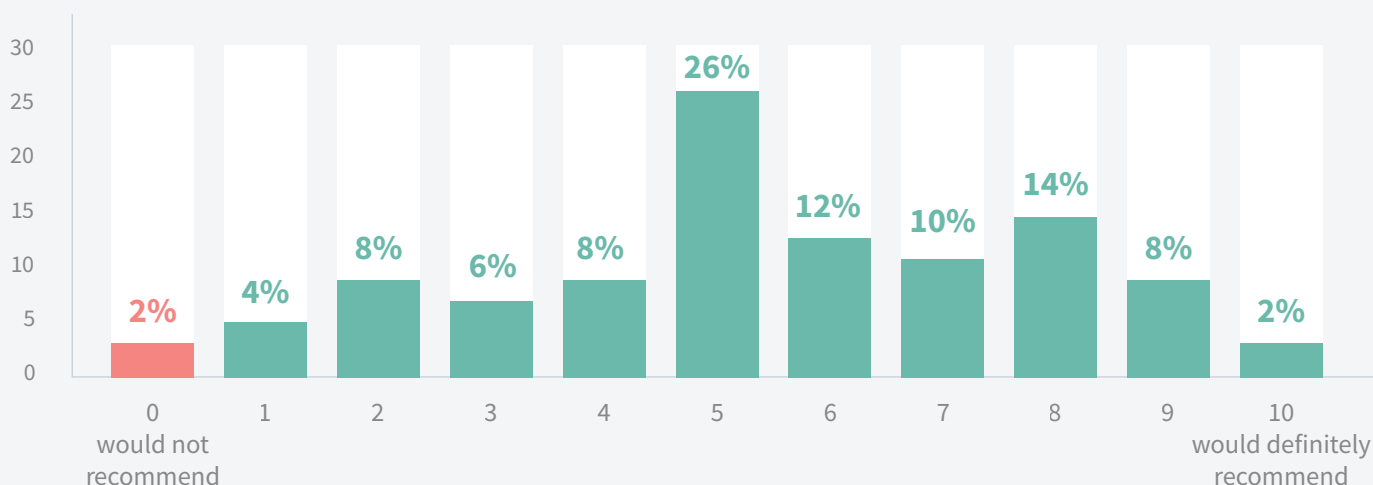
■ Most important skills for the finance team

When considering new candidates for their finance team, the majority of survey respondents ranked the following as the most important skills:



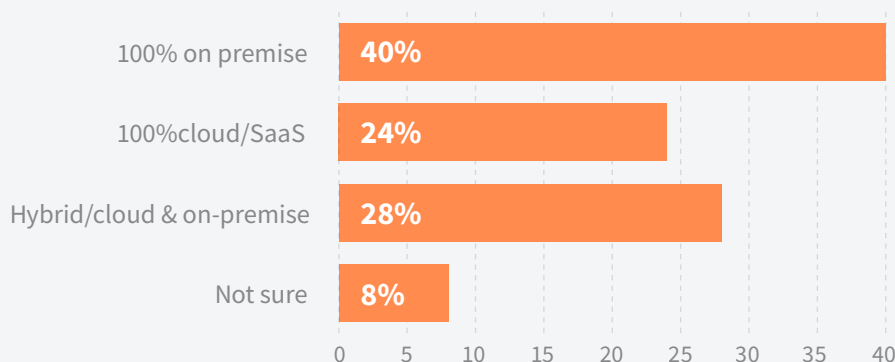
■ On a scale of 0 to 10, how likely are you to recommend your current FP&A solution?

Satisfaction with FP&A technology is quite low with only 10% of respondents being net-promoters for their current solution. The majority of survey respondents are CFOs so it's safe to say the C-suite is not happy with their FP&A planning and reporting with Excel.



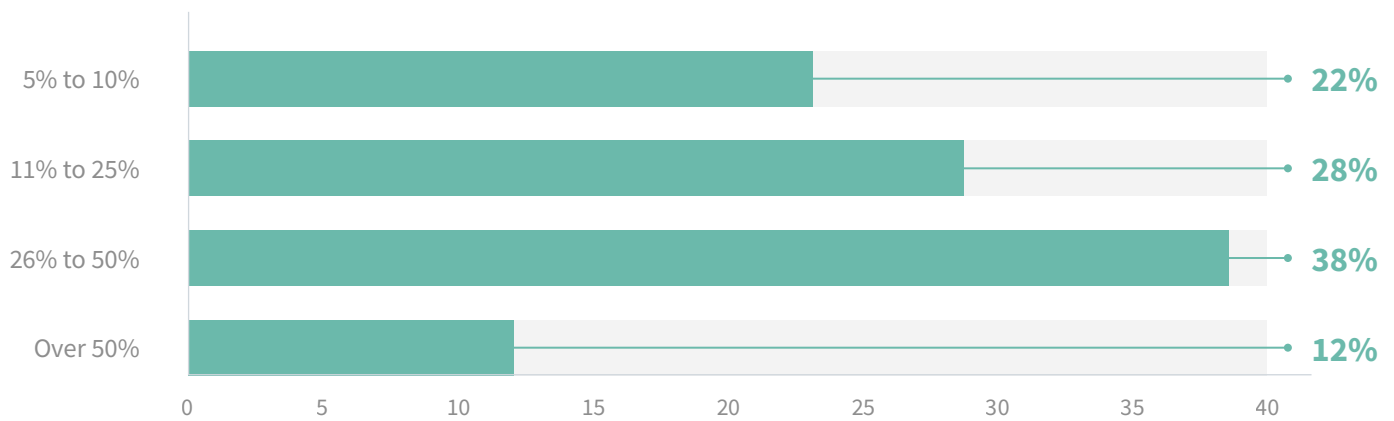
■ Which of the following best describes how your FP&A technology is deployed?

A majority of survey respondents indicated that their FP&A technology is on-premise. This could mean their technology requires modernization or that there is a lack of technology to support their processes.



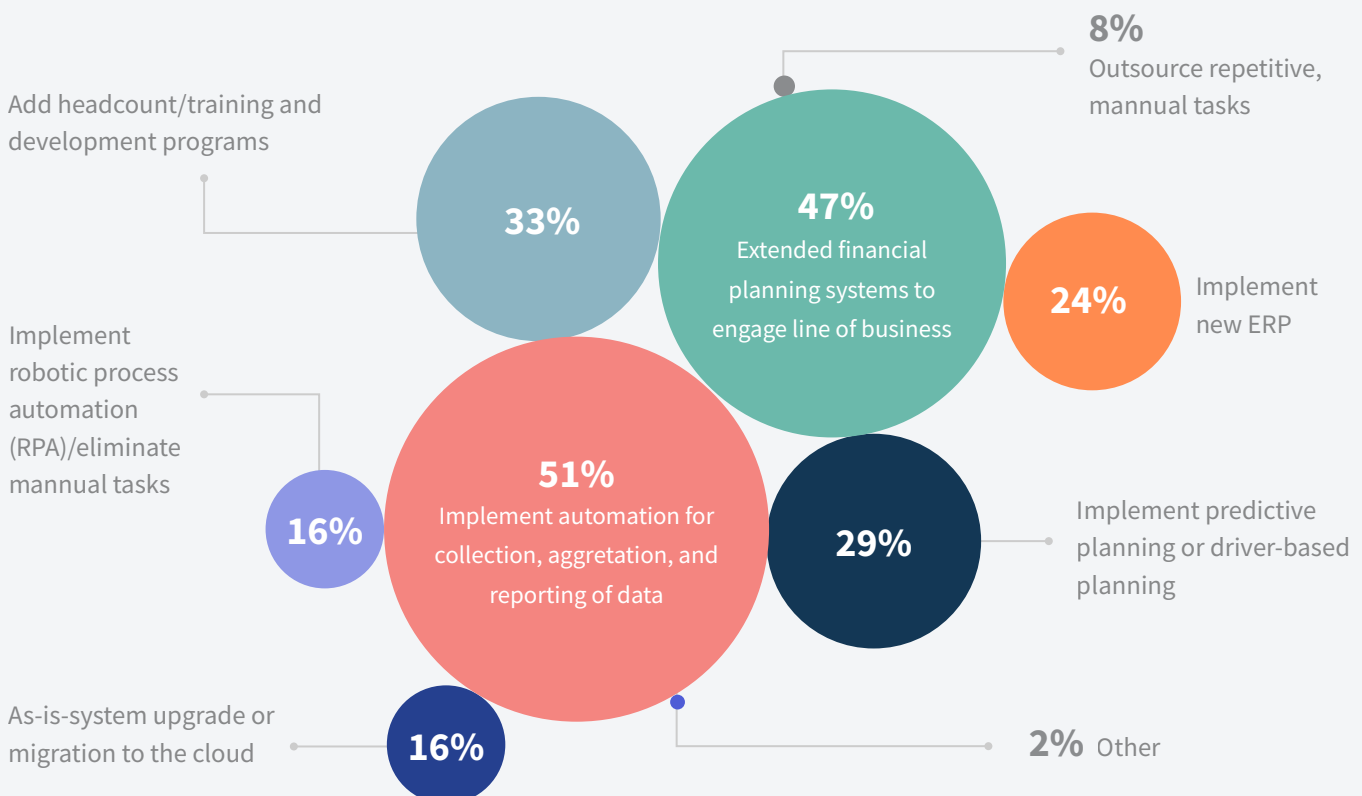
■ What percentage of their time does your finance team spend collecting, aggregating, and publishing reports?

Survey respondents said that their teams are spending a lot of time on manual work involved with reporting. It would appear that there is plenty of room to improve this area of finance operations so that teams can spend more time on strategic initiatives.



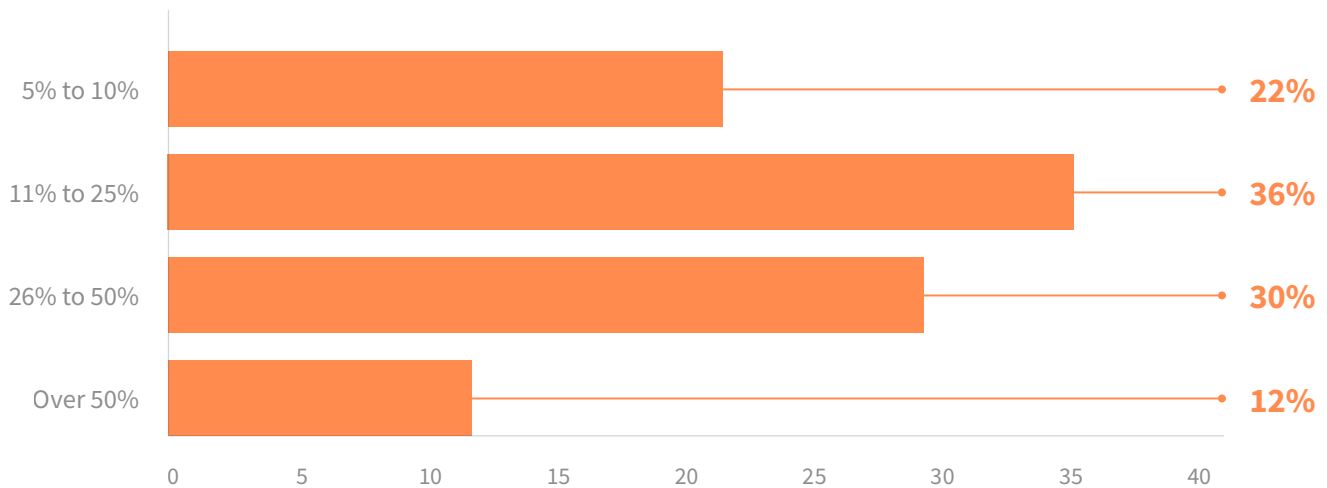
■ In the next 12 months, what will your company focus on to improve financial planning, reporting, and analytics processes?

Where will finance organization focus their time and budgets to improve FP&A? Automation is one of the most likely focus areas and based on responses to the other survey questions this makes a lot of sense.



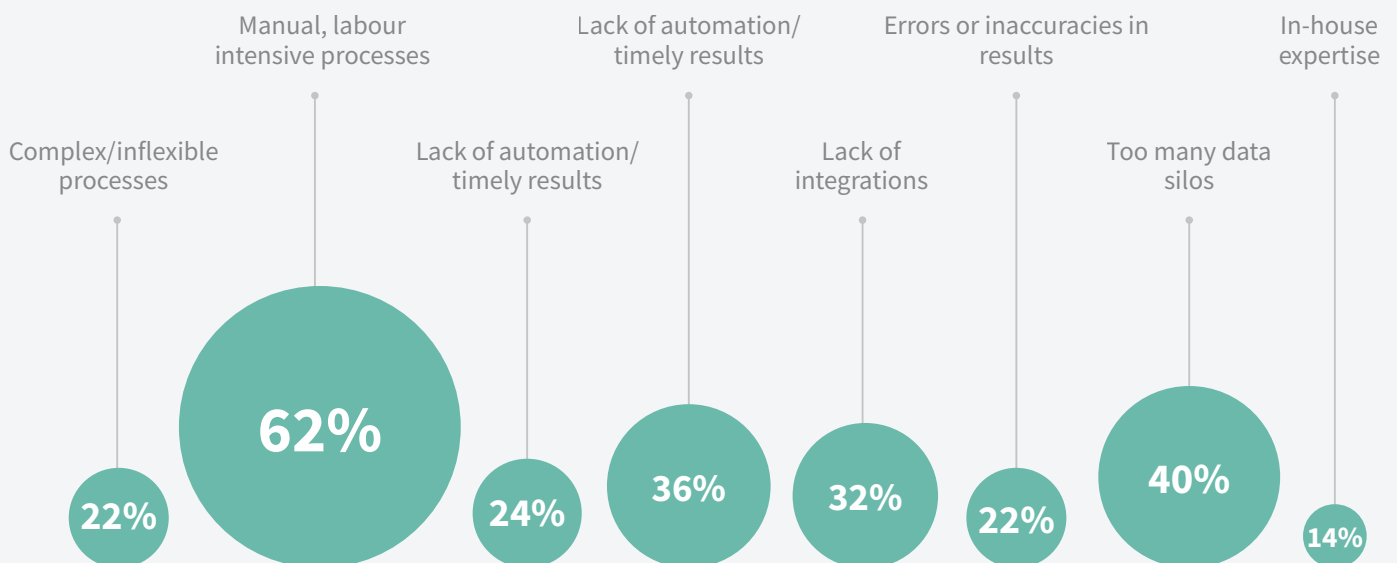
■ What percentage of their time does your finance team spend engaging with the business directly?

The majority of survey respondents said that under 25% of the finance team’s time is spent engaged directly with the business. The unanswered question is whether this is a problem and represents an aspect of the finance department’s operations that should be improved.



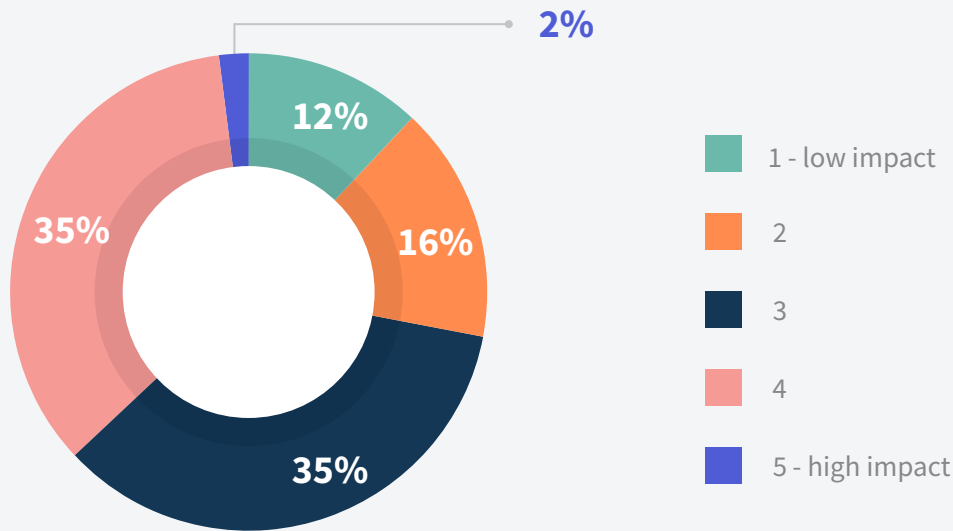
■ What are the biggest challenges your finance planning and reporting team is experiencing with your tech stack?

The responses to this question align with what is shared in previous questions – clearly, finance teams are spending too much time doing things that could be automated. Lack of integration with other systems and data silos are the other major challenges.



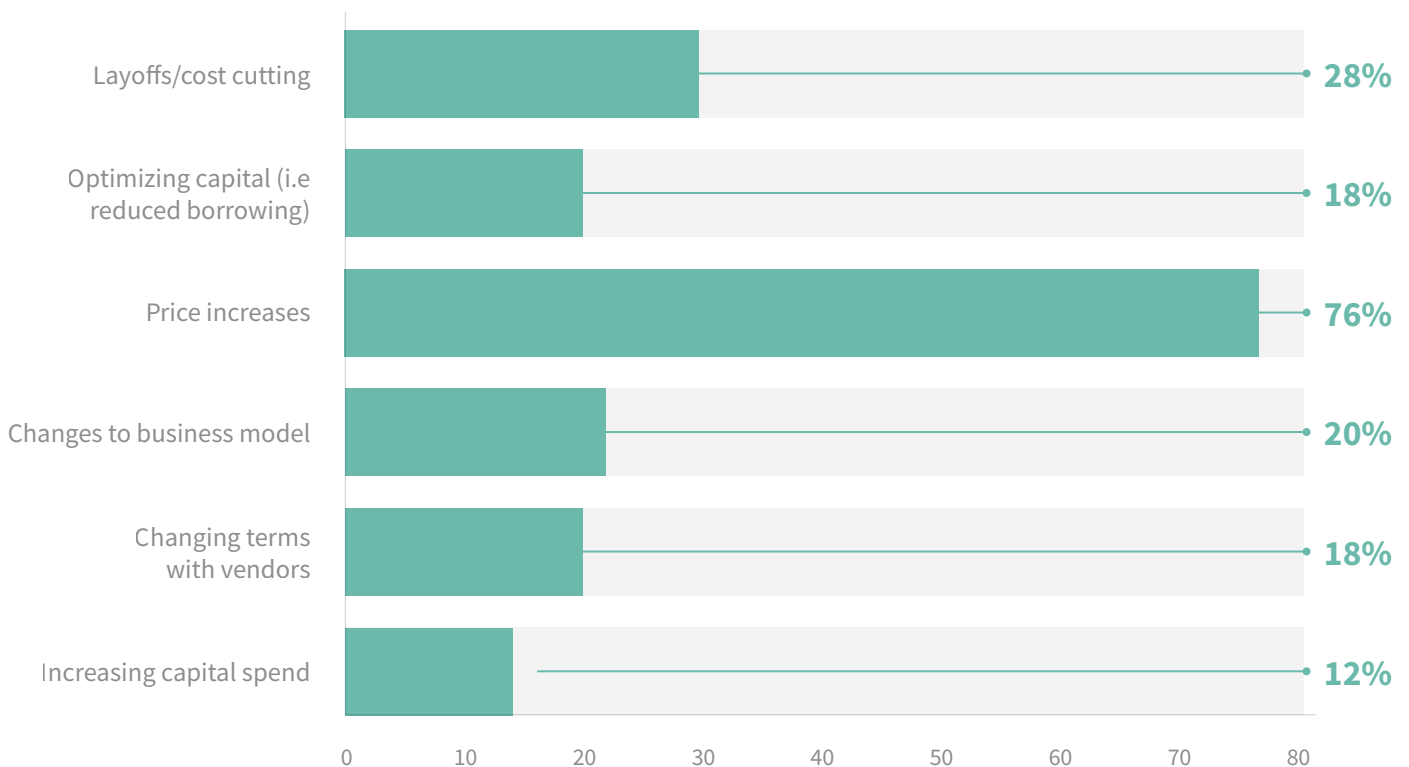
■ On a scale of 1 to 5, rate the impact inflation has had on cash flow management at your company.

A minority of survey respondents indicated that inflation has had a minimal or low impact on cash flow management. A majority are experiencing at least a moderate impact on cash flow management due to inflation.



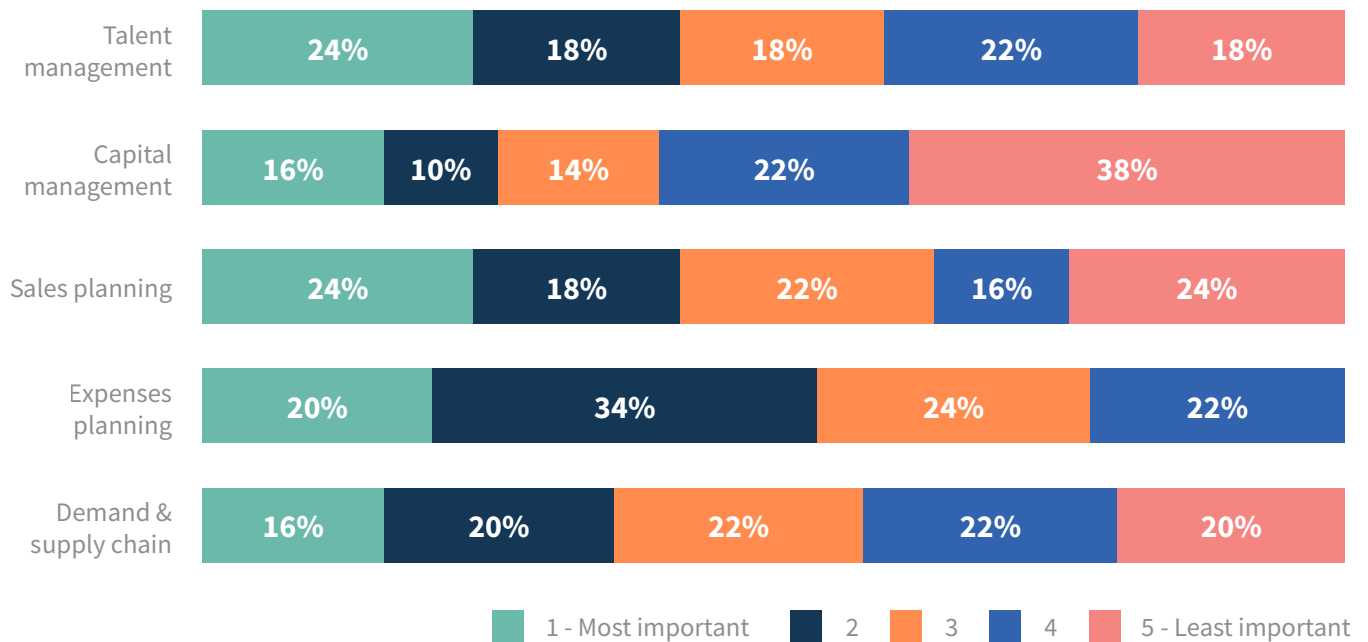
■ How is your company responding to inflation?

In the current inflationary cycle, many companies are raising prices to offset increased costs and to possibly take advantage of an opportunity to improve profits. Inflation is also bringing about other responses such as cost-cutting and reduced borrowing.



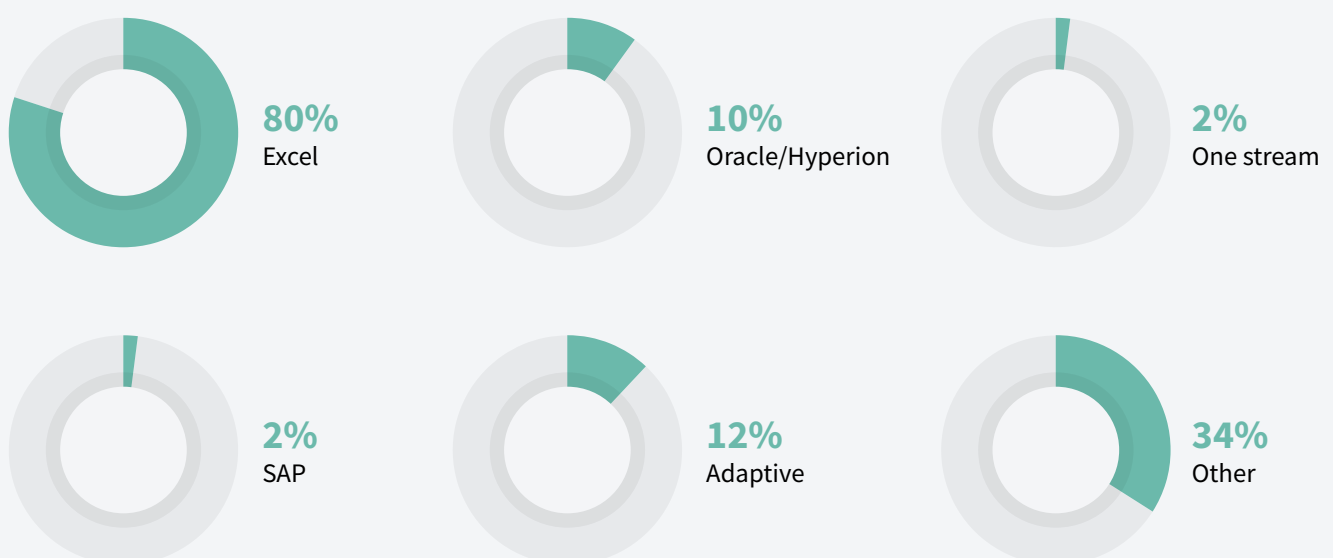
■ In the current inflationary cycle, what are the most important planning areas? Rank 1 through 5 with 1 being the most important.

Inflation is putting pressure on talent acquisition, sales, and expenses. It's no surprise then that survey respondents are placing more importance and attention on these aspects of the business so they can remain competitive.



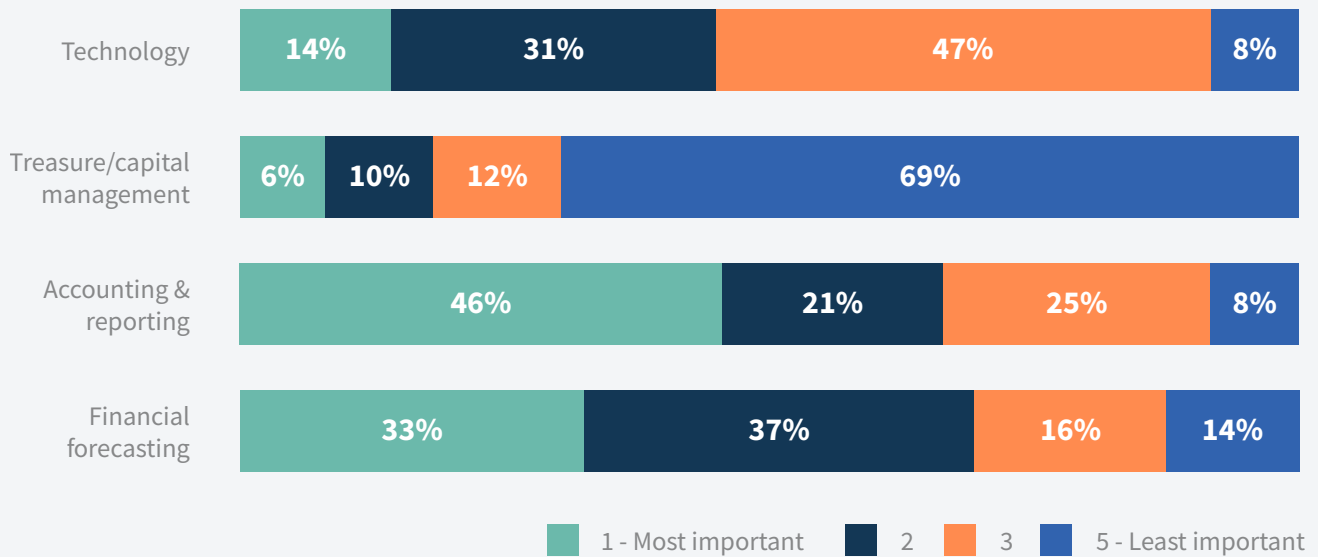
■ What technology do you use for financial forecasting?

Clearly, finance departments aren't going to give up Excel anytime soon despite a wide array of other technologies being available. There are a lot of other forecasting tools available and this survey did not identify a dominant player. The "other" responses were quite varied.



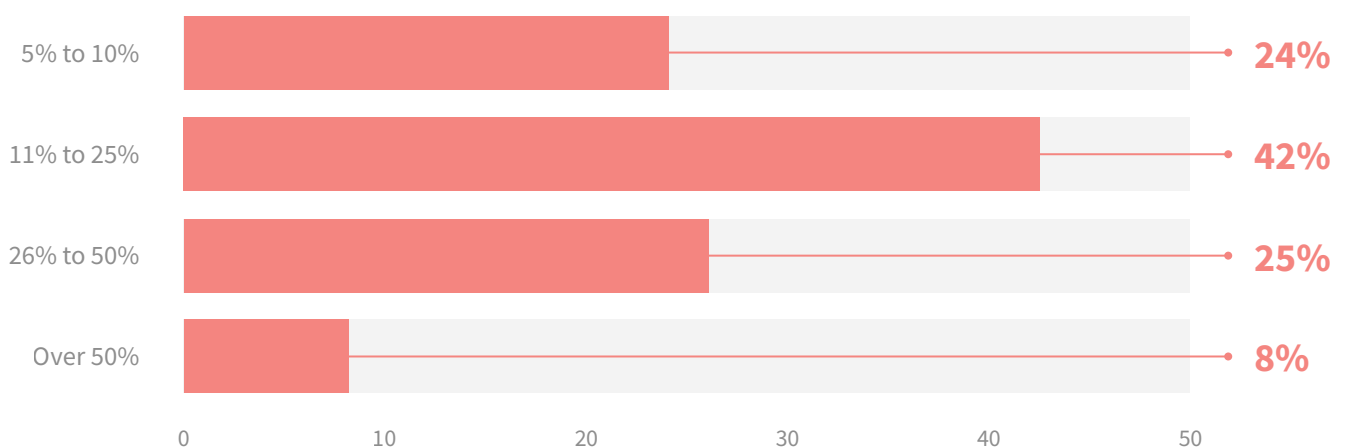
Rate the importance of the following skills when considering applicants for your finance team. Rate 1 to 4, with 1 being the most important.

Finance organizations are placing a lot of importance on the core skills of finance when they consider a new hire for the organization. Technology skills came in third in the results of this stack ranking; perhaps surprising considering the technology challenges shared in the survey?



What percentage of their time does your finance team spend on analysis?

Overall, survey respondents indicated they are spending a lower percentage of their time on analysis. There is the possibility that more time is spent on compiling results, leaving less time to devote to analyzing data.



SimpleFi delivers SAP planning and analytics solutions helping finance teams drive better performance.

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