



xP&A – Extended Planning & Analysis

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What Does xP&A Mean for Modern Planning and Analytics Solutions?

As we emerge into the post-COVID business landscape, it has become apparent that organisations need to embrace digitalisation in order to ensure longevity and success. To achieve this, it is vital for companies to become more agile to meet the challenges of the fast-paced digital economy, and have reliable access to actionable insights across all levels of their organisation.

The limitations of traditional financial planning and analysis (FP&A) approaches are becoming increasingly transparent, with CEOs putting pressure on finance teams to lower the costs of planning and budgeting cycles while expecting the timely delivery of real-time data insights to inform executive decision-making.

Defining Extended Planning and Analytics

In their **2021 global planning, budgeting and forecasting survey**, Deloitte discovered that the financial forecast data being used by the majority of surveyed organisations was three months old, severely limiting the efficacy of predictive planning and forecasting. Furthermore, it was found that operational functions are on average becoming data-driven at a faster rate than their comparative finance functions, preventing the creation of a holistic and efficient financial planning process.

Global research firm Gartner had already seen the metaphorical writing on the wall, coining the term 'xP&A' in 2020 to **herald the transformation of strategic, financial and operational planning**. In their report, the Gartner team stated that a single platform needed to be provided in order for finance and business teams to effectively collaborate, align on strategic goals, and implement integrated planning across organisations.

xP&A, which stands for Extended Planning and Analysis, is an enterprise planning strategy which combines strategic, financial, and operational planning and forecasting while providing a single source of truth for data, an invaluable advantage for businesses. By using xP&A, finance teams can consolidate and analyse data both multi-dimensionally and collaboratively, drawing on the combined insight of multiple departments to plan more accurately and comprehensively than ever before.

Benefits of upgrading to xP&A for organisations

The main incentive for organisations to embrace xP&A is the potential to create a more streamlined and effective planning process which unifies strategic, financial, and operational aspects, and produces a more accurate, valuable picture of the present and future state of their business. With ongoing access to enhanced strategic insights and predictive analytical tools, executives are also able to anticipate potential risks in dynamic post-pandemic marketplaces and make important decisions with more confidence.

Another major benefit for organisations is becoming more adaptable and responsive to change by digitally enhancing and automating their planning and forecasting processes. Embracing agility has significant advantages for organisations, including improved financial performance, operational performance, and overall efficiency, although a 2017 Forbes Insights survey found that **only 27% of senior executives** considered their company to be highly agile. One of the potential risks of achieving agility can be a **loss of internal stability**, which is countered by the enablement of easier and faster collaboration within enterprises through xP&A solutions.

Moving from FP&A to xP&A

Making the shift from manual or outdated FP&A solutions and processes

in your existing system landscape to xP&A might be easier than you think. If your company already utilises SAP technology, innovative products like **SAP S/4HANA** and **SAP Analytics Cloud** provide the capability to combine financial, supply chain, sales, and workforce planning into an inclusive and clarified process across diverse lines of business, resulting in strategic alignment enterprise-wide and fostering productive collaboration practices. Alternatively, if you are at the beginning of your digital transformation journey, the **creation of a transformation roadmap** should be your first concern, with xP&A enhancement included as one of your main goals for digitalisation.

With **approximately 30% of FP&A implementations** expected to be upgraded to support operational and finance processes by 2024, the time to implement xP&A-enhanced solutions is now. Bluetree Solutions are a proud **SAP Gold Partner** and leading service provider specialising in planning and data analytics solutions. We believe that Extended Planning and Analytics can significantly improve the way businesses operate, plan, analyse, and act. **Contact us to discuss your xP&A vision today.**