

FP&A Software Buyer's Guide

**Build a solid business case for
your financial software needs**

centage

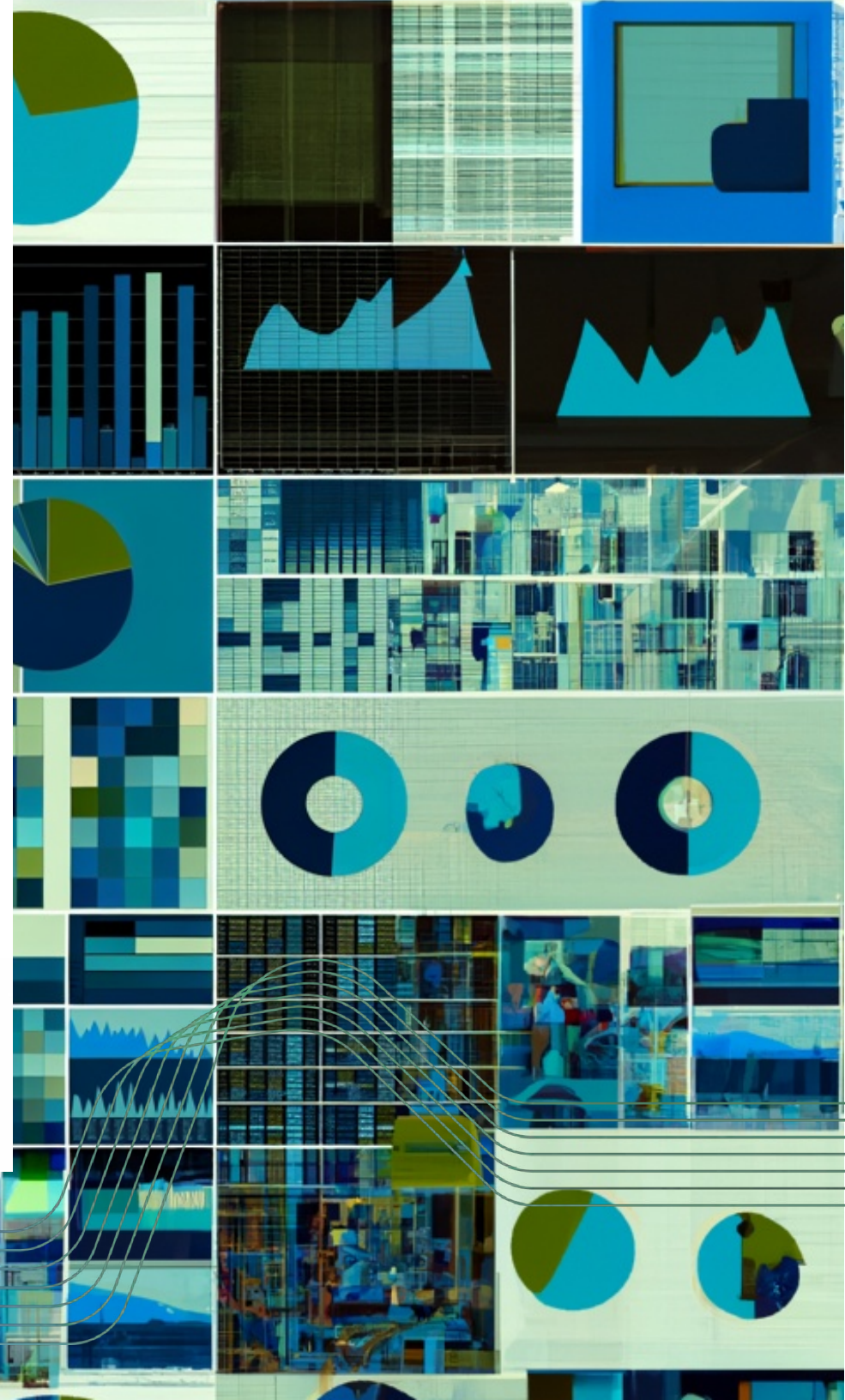


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Four steps to build a solid business case for FP&A software

The first step to build a business case for FP&A software is to determine whether you even *need* the software.

Understanding the need before presenting the features and cost of a software package creates a stronger case and keeps you from wasting time.

Instead of starting with a list of potential vendors and a features comparison chart, start by asking yourself what you're trying to accomplish.

What are your specific business needs?

What's the ROI on FP&A software for your company?



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Step 1: Establish your needs

If you're considering a move from Excel to a dedicated FP&A software, or from your current planning software to something better suited to your needs, start by listing out those specific needs:

- Do budgets take too long?
- Do you need what-if scenarios to meet growth targets?
- Are the reports generated by your current FP&A process inaccurate?
- Do you regularly reforecast balance sheets and cash flow reports for your bank and investors?

What about your co-workers and other members of the organization that have an interest in the process? They might identify different goals.

As you define the particular set of problems you're trying to solve, make sure that all parties impacted by this decision have an opportunity to give input. You'll likely learn of related business needs you hadn't considered.

Only 30% of CFOs are confident in their technology being aligned with the future success of their business.¹



1. Smarter With Gartner, How CFOs Build a More Digital Finance Function, Feb. 2021

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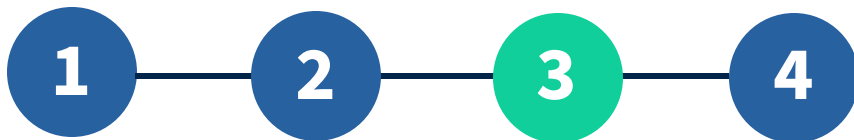
Step 2: Articulate your goals

Once you know what you're trying to achieve, examine how your current process fails you. If you're trying to speed up the budgeting process, maybe it's the manual and error-prone nature of managing work in Excel that's slowing you down. If rolling budgets are a better solution for your organization, does your current process support or prevent transitioning to a more efficient budgeting system?

Did you know that **59% of organizations still use spreadsheets** for their budgeting and planning processes?²

Don't just look at where your current software fails you. Proactively test (and ask coworkers) where your internal processes are creating friction today. Identifying holes in your processes allows you to understand and communicate where they can be improved.

This exercise will lead you toward a detailed business case for how adopting new FP&A software will accomplish your goals. It also makes clear to leadership that you've considered all avenues before suggesting a solution that represents (to them) an additional expense.



Step 3: Understand stakeholder concerns

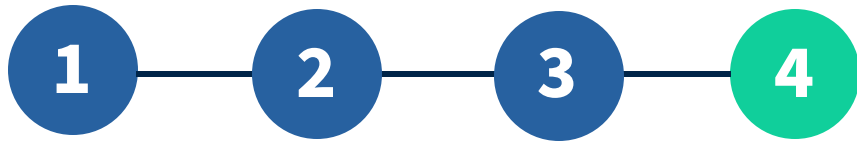
Don't wait until you're ready to present your business case to start engaging potential stakeholders, like leadership and your technical team. Once you understand the goals as well as the challenges, you can start shopping the idea around.

Leadership may already know of a project being launched to address your exact goals, and put you in touch with the team working on that project. Your IT team may have technical requirements or specs you need to consider. By discussing your proposal with stakeholders before you narrow down the choice, you're less likely to get shot down because you weren't aware of a recent policy change or organizational need.

According to Gartner, **70% of CFOs and finance leaders plan to increase their digital technology spend.**³



3. 9 Actions for Winning Through a Recession, Gartner 2022



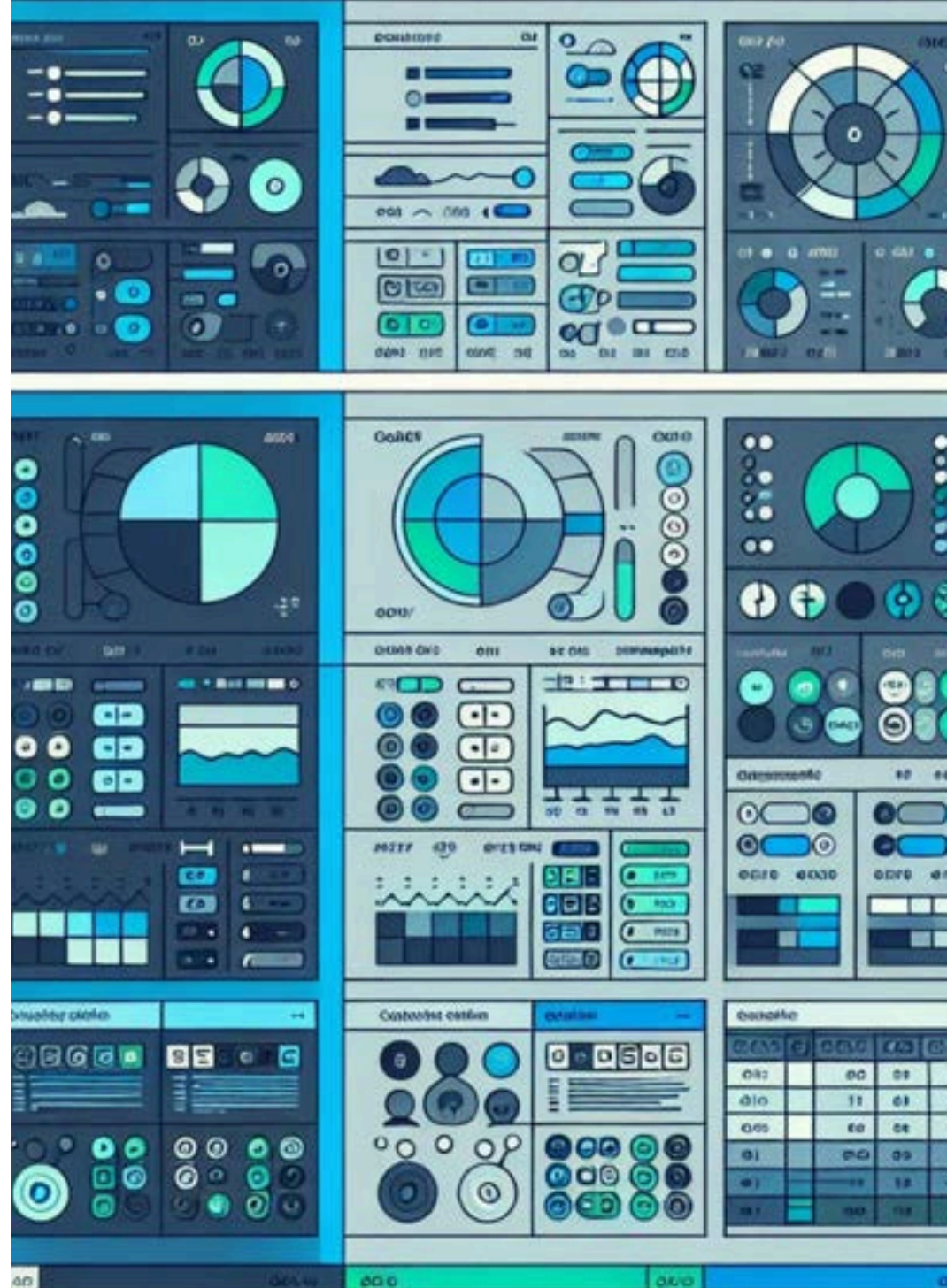
Step 4: Evaluate FP&A software vendors and build your case

The last step is to evaluate potential vendors and create a cost analysis. With all of the prep work you've done to this point, you'll have a clear vision of what the planning software must do to solve the challenges that your team is faced with, and to reach the specific goals you've identified.

With these challenges and goals in mind, along with the concerns of IT and leadership, it should be easy to shortlist two or three vendors that meet your needs. If any have shortcomings, call those out in your business case, and discuss how they would be addressed to still meet the company's needs.

If you follow these four steps, you'll end up with a solid business case for purchasing FP&A software that meets the particular needs of the organization, accounts for your team's current challenges, and addresses stakeholder questions and concerns. A thorough business case answers leadership's questions before they ask them, making it easier for them to approve the purchase of new software.

Once your company is ready to move away from a spreadsheet-based system or migrate from another service, the next task is to identify the software vendor that most closely meet your needs.



Key questions when determining the right budgeting & planning software for your business

Setting aside the important issue of cost, there are other crucial factors to consider when vetting potential budgeting and planning platforms. Evaluating software for potential adoption means understanding what it can do for you today, tomorrow, and well into the future.



How quickly can I start using it?

After spending time evaluating features and software vendors, the last thing a team wants to do is wait a few more months to start using it. Some financial planning and budgeting software platforms necessitate an extended onboarding timeline due to an extensive and complicated implementation process.

A lengthy onboarding delays you from reaping the benefits of the platform for days, weeks, or months after you decide to make the purchase. It also drives up costs and disrupts the business. It's important to understand how much involvement will be required of your own internal resources for implementation tasks. For long, complicated implementations, both finance and IT teams may need to dedicate long hours to ensure proper setup of the software.

Pro tip: If any of the platforms you're considering offer a cloud-based solution, implementation time from IT should be minimal, costs are reduced, and disruption to your existing process can be all but eliminated.



What's the learning curve?

Learning a new tool can be daunting. Having worked from spreadsheets for years, many teams are afraid of a new way of doing things, and may not trust a different platform. Some software mirrors the complexity of the application's inner workings in the user interface — in other words, some software is just hard to use.

When considering different FP&A software platforms, pay special attention to how easy the software is to use. Is there a steep learning curve and a lot of training required just to get up and running? How easy is it to create reports? Can the finance team manage the software internally, or will they need IT's help?

Pro tip: Make sure the vendor you choose is ready and willing to help you with any questions you run into during setup and use. Does their support extend beyond the initial implementation?



What's the technology stack?

When investing in FP&A software, you want to be sure that it will run well for years to come, that it will run smoothly, and that it will operate well with current technology.

An up-to-date tech stack is a must. If the technology underlying the software is old, you're making unwanted sacrifices in speed, efficiency, and the ability to import and integrate data from a multitude of sources. Advanced functions, like dashboarding and reporting, likewise require a rock solid technological foundation. The solution you choose should leverage the power of the cloud to give you fast and accurate results.

The tech stack of the software you choose also has implications for the security of your data. Applications developed on dated technology will have a difficult time with security updates and patches. Cloud-based applications are more likely to be kept up to date and secure, all of the time, with no intervention from you.



How flexible and accessible is the software?

Flexibility and accessibility are key to getting the wide variety of input needed for an accurate budget. If the budgeting and financial planning software you choose doesn't allow for collaboration, or requires the finance team to reconcile data from multiple sources, your company might miss opportunities or experience detrimental data errors.

The tool you purchase should be more than just a budgeting tool. It's an investment. It should have all of the features and functionality you need to budget, forecast, analyze, and demonstrate where the company is and where it's headed.

How to sell your CEO on FP&A software

The Finance department doesn't generate revenue directly like Sales or Marketing. But that doesn't mean that investing in the Finance department won't pay off. In fact, equipping Finance with the right tools is essential to your bottom line and your company's financial future.

In order to get your company's CEO or CFO on board with the solution you've chosen, you'll need to support the business case you outlined above by highlighting the tangible benefits of moving to a modern FP&A solution designed to save your team time and money.

Supporting your business case with tangible benefits

Highlight key business challenges, and how the FP&A software you've chosen will help your organization achieve its goals.

The right FP&A software helps you:



Save time: Shorter budgeting cycle, quicker month-end close



Improve accuracy: No more broken links or formula errors



Increase accountability: Enable and encourage collaboration



Provide more flexibility: Quickly generate unlimited budget & forecast versions



Enhance security: Eliminate version control issues



Increase visibility: GL & ERP integration to easily compare budget to actuals

The pitch: Consider your audience

As your CEO is probably not involved in the intimate details of your budgeting and planning process, you'll need to consider the material impact that FP&A software will have on their day-to-day:



Executive dashboards and board-ready reports

Dedicated FP&A software lets high-level stakeholders like your CEO easily access KPI analysis, data visualization, and slice-and-dice data for a direct line of sight into corporate performance. You'll be able to build and format presentation-style reports, adding graphs, charts, and other visualizations to make the report easy to consume.



What-if scenario planning & agile decision-making

With scenario planning functionality, you can test multiple assumptions and predict their impact on the financial statements ahead of time. Know with increased certainty how sensitive the plan is to a specific variable, such as sales or insurance rates, as well as the impact on your financial position and cash flow.



Year-round value

The features and functionality of modern FP&A software deliver year-round value through budgeting, planning, forecasting, and reporting. Sit with your CEO to consider upcoming deadlines and outline the resources you will save throughout the year if you adopt time-saving software at the start of your budgeting & planning process.



FP&A made simple

Upgrading your FP&A software to automate core tasks and provide a line of sight into your organization's financial health helps future-proof your business. As the finance team, you'll be empowered to drive a new era of agile decision-making, enabling the company to react quickly to market changes, take intelligent risks, and capitalize on new opportunities.

About Centage

Our FP&A software tools make sophisticated budgeting, planning, and forecasting easy and accessible. Intuitive automation accelerates workflows and improves accuracy, enabling Finance leaders to deliver reliable information and meaningful insights quickly and without straining resources. Centage gives finance professionals the tools needed to thrive in today's dynamic economy, backed by a team of dedicated specialists committed to their success.

**Learn more about Centage's
formula-free FP&A software:**

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