

WHITE PAPER

December 2020

Integrated Business Planning  
**Gets Unified**  
**with OneStream™**



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# Modern Times Require Modern Business Plans

Modern finance leaders are adopting integrated business planning (IBP) to evolve their corporate performance management (CPM) processes. Such adoption increases awareness and collaboration to align financial goals with detailed operational plans while creating agility to quickly react and adapt to macroeconomic uncertainty and changes in consumer preferences.

To support effective IBP, sophisticated global enterprises are turning to purpose-built CPM platforms to simplify financial processes and align financial goals with operational plans within a singular application. This approach gives organizations increased levels of agility, real-time collaboration, insightful analysis and increased business value by empowering them to make decisions with confidence.

This was the focus of a companion whitepaper titled “Integrated Business Planning – Driving Business Action with Agility,” which discusses the following key platform features required to optimize return on investment and business value for IPB:

- **Extensibility:** An extensible platform for IBP enables sales, product management, marketing and operations to plan at a granular level, such as a business driver, while still adhering to a corporate standard for consolidated reporting
- **Data Blending:** Data blending aligns both cube and relational database technology to IBP processes by enabling users to develop operational plans that dynamically impact financial statements in real-time
- **Financial Data Quality:** Financial data quality adds depth to variance analysis and business insights by providing transparency and drill-through back to source systems and guided workflows to ensure accuracy when moving data between source systems
- **Purpose-Built Applications for Sales, Operations and HR:** Generate value for all IBP business partners with specialty applications to capture plans at the opportunity level (sales planning), by capital project (operations) and with detailed human capital data (HR)
- **Flexible Reporting and Analysis:** Once detailed plans are complete, finance & business leaders build scenarios, conduct sensitivity analysis and leverage dashboards to align financial and business plans for IBP executive reviews

For finance and business leaders evaluating a move to IBP, a modern and unified platform will help support collaboration by technically enabling finance and operations to make decisions with confidence while achieving optimal performance and return on investment. By leveraging the right platform, sophisticated global enterprises will benefit from the ability to create real-time, rolling forecasts with the speed and agility

required to address the needs of today's business climate. In fact, companies who leverage IBP perform better too. According to the Aberdeen Group<sup>1</sup>, companies that leverage IBP can achieve the following:

- Profit margin: 12% higher than industry norms and 21% above laggard companies
- Better customer service: order fill rate 11% above the industry and 13% above laggard companies
- Superior customer retention levels: 91% customer retention vs. 70% customer retention for companies that do not leverage IBP

<sup>1</sup>Aberdeen Group: "S&OP: Non-Negotiable as a Process"

With an Intelligent Finance Platform that has replaced disconnected spreadsheets, point solutions and legacy applications for hundreds of medium to large global enterprises, OneStream is an ideal choice to support IPB. These organizations have streamlined planning and reporting processes, improved visibility into their businesses and increased alignment between finance and operations — drastically reducing their total cost of ownership in the process.

# OneStream for Integrated Business Planning

OneStream provides a single, unified platform supporting multiple CPM processes (see figure 1), including financial consolidation; financial, statutory, and management reporting; planning; forecasting; and analysis. OneStream's built-in capabilities include guided reporting for end-users, Extensible Dimensionality®, relational blending, user-defined calculations and workflows, formatted and ad-hoc reports, Excel®-based reporting and interactive dashboards. It also provides seamless integration with Microsoft Office®, automating the creation of board books and presentations.

The OneStream MarketPlace™ enables customers to extend the value of their investment with over 50 purpose-built business and productivity solutions to address complex processes across the enterprise. For IBP, the MarketPlace contains powerful applications for sales planning, capital planning, people planning and more. These applications enable business users to create detailed business plans that are dynamically updated with financial data — all within the same application — and



Figure 1: Corporate Performance Management (CPM) Framework

allow finance and business leaders to review assumptions and make decisions in real-time with full drill-through ability, from financial statements back to operational metrics.

OneStream's architecture makes it an ideal platform for supporting IBP with a unified database of actuals, budgets, forecasts, etc. that all live together in a singular application.

Through the power of OneStream's Extensible Dimensionality®, actuals can be captured at a different level of detail than budgets and

forecasts. And operating units can plan and report at a more granular level than is required at division or HQ levels.

In addition, the relational blending capability of OneStream aligns technology to business processes by enabling users to capture detailed operational data and dynamically calculate the financial impact without compromise — all within a single application. The specialty planning solutions available in the OneStream MarketPlace, such as People Planning and Capital Planning, take advantage of relational blending to support budgeting and planning

# All the Ingredients for Effective IBP in One Platform

down to the individual position or asset level.

OneStream for IBP enables organizations to align and unify financial goals and strategies with detailed sales, operations, marketing and HR plans — creating accountability across the entire organization on critical initiatives that are required to achieve corporate goals. By leveraging a unified platform, business leaders will have a clear advantage vs. using fragmented, point solutions.

1 Extensible Dimensionality®

2 Relational blending (e.g., data blending)

3 Financial data quality

4 Purpose-built applications for sales, operations, HR, capital planning

5 Flexible reporting and analysis

# Extensible Dimensionality®: Enabling Diverse Businesses to Manage and Plan Without Compromise

To allow businesses to achieve optimal return on investment and benefits, OneStream includes several critical platform advantages to support effective IBP:

One of the biggest shortfalls with point solutions is that they lack extensibility — meaning that there is only a limited number of dimensions the business can use for planning and reporting while still meeting corporate standards. This can impact a global business with multiple product lines and diverse businesses that have common planning and reporting requirements. For example, consider the following scenario:

- Sales may have detailed revenue categories the business would like to track
- Business units may have different products or services the business would like to track revenue and expenses for
- Marketing may want to make business plans at the program or marketing initiative level

Without an extensible platform, the business will not have the ability to plan and/or report at the level it requires. Instead of enabling the business, inflexible point solutions force business leaders to adhere to a summary-level revenue or expense structure that is used for consolidated company reporting. This often results in a loss of visibility into business plans or creates fragmented business processes built around the technology — doing little to align the business and becoming counterproductive to the goal of leveraging technology to support IBP.

OneStream's extensible platform enables the organization to manage the business without compromise. For example, by “extending” beyond a standard corporate set of accounts (see figure 2), business leaders have the flexibility to plan and report on the business exactly how they manage it — enabling them with visibility into business plans and the ability to hold their teams accountable. With extensibility, corporate teams have the ability to



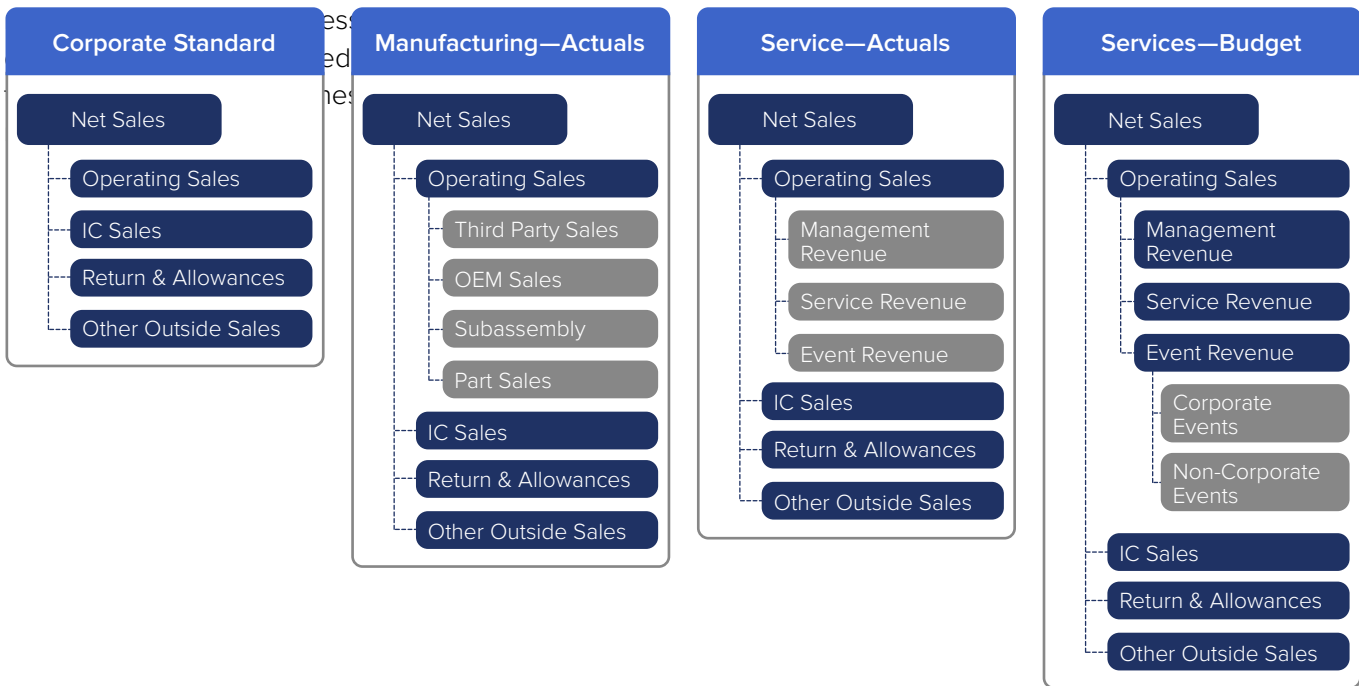


Figure 2 — OneStream’s Extensible Dimensionality®

# Relational Blending: Aligning Technology to Business Processes

Successful IBP requires the ability to align financial plans with detailed operational, sales and HR data — providing business and financial leaders with an understanding of how financial statement information, such as revenue and expenses, aligns with underlying operational data. IBP helps answer, for instance, the following questions:

- How do customer, pricing and unit volume assumptions translate to revenue?
- How do capital project assumptions contribute to revenue and expenses?
- How many new employees, and which comprise labor expenses?

Because of their fragmented architecture, point planning solutions contain financial and operations data in disparate systems or cubes — doing little to align the business. As a result, instead of technically enabling IBP, point solutions leave business users with an ongoing requirement to “connect” and maintain systems — as opposed to leveraging data to build insights and collaborate.

OneStream’s powerful relational blending feature aligns technology to IBP processes by unifying financial plans with operational details. For finance leaders, leveraging data to draw rapid insights and make recommendations is essential to effectively collaborate with business partners.

For finance planning, relational blending enables a complete view of how business drivers impact the overall financial plan while ensuring optimal performance. For business users in sales, operations and HR, relational blending enables the ability to plan at the lowest level of detail (e.g., opportunity, project, person) and dynamically calculate the impact to financial plans in real-time.

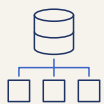
Relational blending allows detailed transactional data — such as customer, SKU, capital project and HR data — to live where it belongs while providing a simplified end-user experience for analytical modeling. This is accomplished by storing the data in a relational database vs. building multiple cubes that require “connections” and maintenance — which is typical of point planning solutions.

The result is that both finance and business leaders can have a dynamic experience reviewing financial information and operational details — all within the same user experience. Because the transaction history is stored relationally vs. a cube, users will get maximum speed and performance out of the application but also have full ability to reference transactional data as needed.

# Financial Data Quality: Connect to Data Sources with Full Transparency

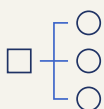
Sophisticated global enterprises can have hundreds of systems they use to run the business (e.g., ERP) vs. manage the business (e.g., CPM). To access ERP data, many point solutions rely on ETL tools (Extract, Transform, Load) to move data between their ERP and data warehouse — often resulting in a “black box” with little visibility to source data. Unfortunately, this lack of visibility creates a challenge for finance leaders seeking to share detailed insights with business partners when reviewing results vs. budget, forecast or prior year. Further, without transparency, finance leaders can lose credibility when they cannot explain what is “behind the numbers.” True IBP requires more.

OneStream for IBP not only aligns finance and operations — but also includes powerful financial data quality features that unify data between systems and provides users with full transparency into their data. Additional financial data quality features available with OneStream include the following:



## Direct Integration Connectors

Direct integration with any open GL/ERP or other source system. Drill-down, drill-back and drill-through to transactional details, including journal entries.



## Guided Workflows

End-user-focused processes to standardize and simplify data collections and analysis. Achieve data verification throughout financial consolidation, reporting and planning processes.



## Transparency and Audit Trails

Pre-built financial intelligence to deliver transparency, auditability and data protection for complete confidence and compliance.



# Purpose-Built Applications for Specific Planning Tasks

One of the main objectives of IBP is to unify and align finance and operations — enabling collaboration and accountability with cost center and budget owners. While cloud-based planning applications can help improve collaboration across the organization, most point solutions are not purpose-built to support operations. Consider the following:

**1**

Do point solutions enable sales teams to analyze CRM data and incorporate it directly into their business plans?

**2**

Can HR plan at the same level of detail it would in its HCM application?

**3**

Can operations leaders manage the details of their capital projects and dynamically calculate the impact to financials in real-time?

The answer is “no” to all the above.

But effective IBP enables business leaders to plan without compromise in a unified platform with financial plans — not offer another disparate application that will be required to “connect” data to and maintain.

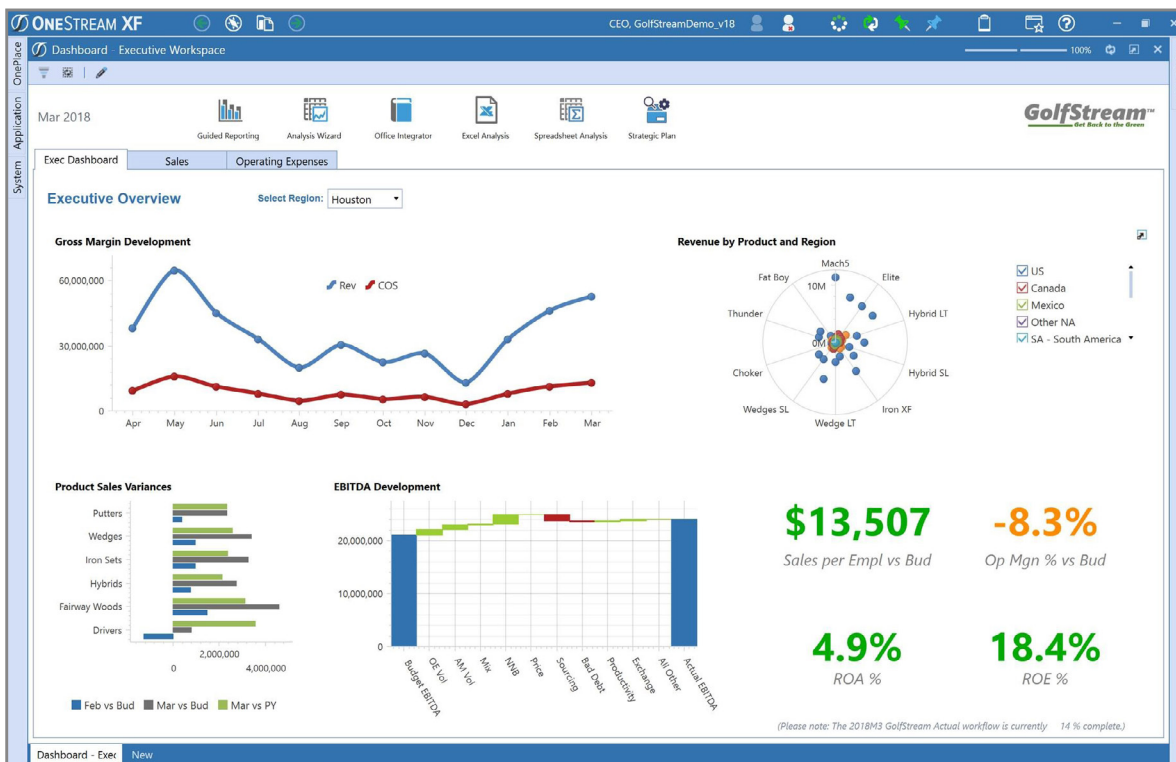


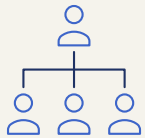
Figure 3: OneStream Executive Dashboard and Reporting

With OneStream's MarketPlace, users can download and deploy purpose-built business and productivity solutions to manage critical forecast inputs and drive accountability within the lines of business. Plus, as the needs of the business evolve, users can extend their investment with additional applications that all co-exist within a single, unified platform — at no additional charge for licenses. These applications include the following:



### Sales Planning

Enables global regions to analyze CRM and backlog data down to the customer level and incorporate the new revenue recognition guidelines into sales plans



### People Planning

Provides HR and line of business managers with an easy-to-use tool to plan and manage headcount by entity and department



### Capital Planning

Gives global operations a consistent way to manage fixed assets, including the ability to set global useful life drivers to ensure depreciation is calculated in accordance with company policy



### Cash Planning and Others

Models the changes in cash by understanding the impact of all cash sources and uses — including payables, receivables, investments, capital expenses, financing and more

By extending their investment with the MarketPlace, finance and business leaders can leverage OneStream's unified platform approach as their IBP processes evolve — generating incremental ROI as marketplace solutions are downloaded and deployed across the enterprise.

# Flexible Reporting & Analysis Brings IBP to Life

Once business and financial plans are complete, effective IBP brings the entire organization together to collaborate. This includes bringing together leadership from the lines of business, finance and executives to review financial results/business metrics and to create alignment on future plans. To help facilitate this critical dialogue, finance leaders often turn to executive dashboards and reporting (see figure 3) to assist. Here are just some benefits of this approach:

- **Ensure one version of the truth** by standardizing how executives across the business review and discuss financial and operational results
- **Create focus** by ensuring the audience is focused on the information (financial and operations) that matters most to making effective decisions

- **Encourage collaboration** by using dynamic dashboards and reporting to enable collaboration by providing users with real-time ability to conduct drill-through analysis and focus on making critical decisions

While there are many third-party business intelligence tools available today, they do little to align finance and operations. Instead, they are typically “connected” to a data warehouse that requires regular maintenance and the need to push and pull data from source systems — negatively impacting performance for IBP.

As part of its single, unified platform, OneStream’s reporting and analytics dashboards technically enable finance and operations to build integrated dashboards and reports that leverage financial and operational data all from the same data model. This approach also includes additional benefits:

- Maintain only one security model, with all users residing in the same platform.
- Reduce license costs on third-party tools
- Eliminate data latency associated with moving data between systems and get real-time data access to live data

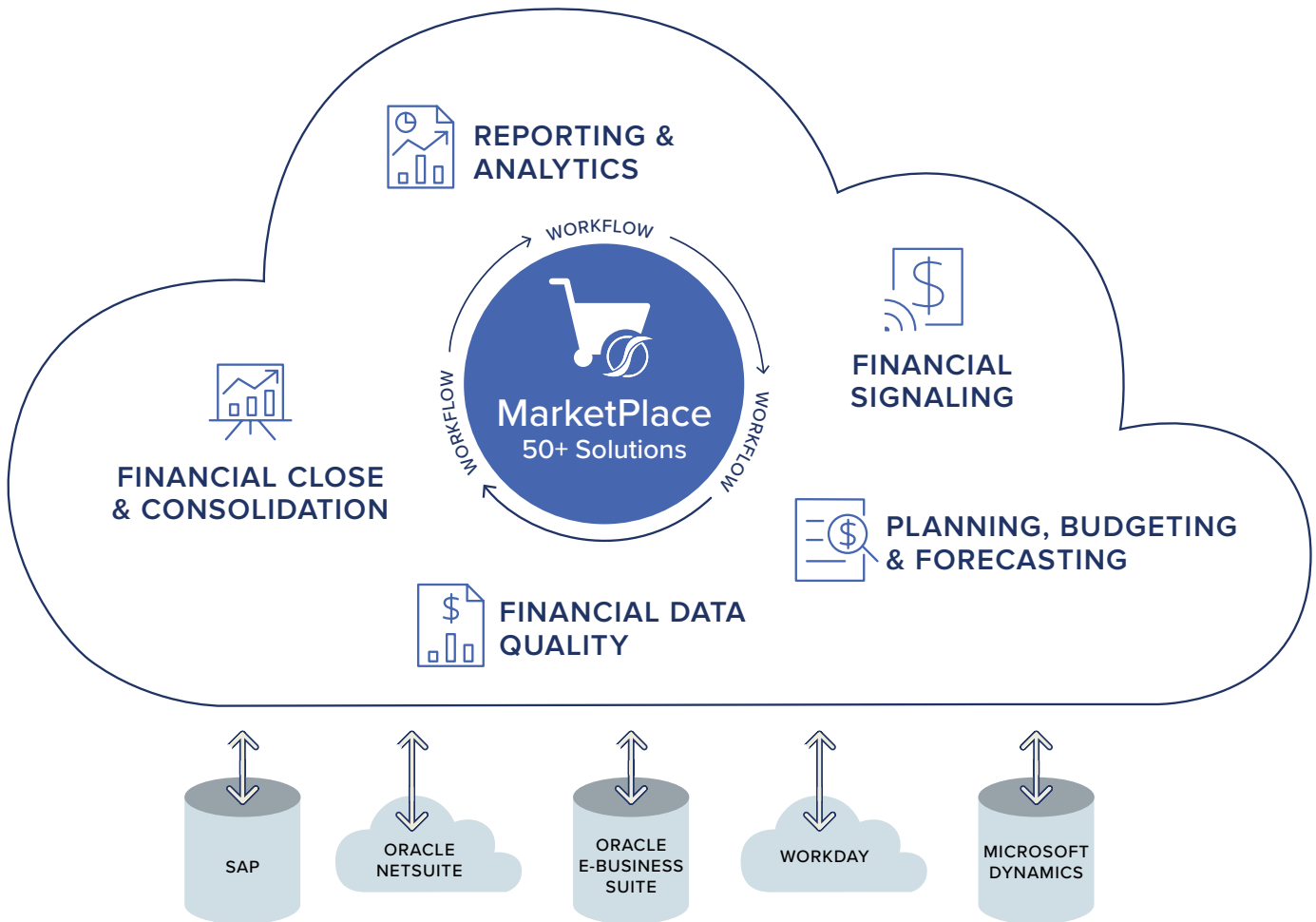


Figure 3: OneStream's Intelligent Finance Platform

# Conclusion

## It's About the Business Not Just the Budget: Bringing It All Together with OneStream for IBP

As modern finance leaders take on expanded leadership roles, many are leveraging executive dashboards as a natural tool to collaborate with their business partners and facilitate recurring executive meetings. This creates alignment between financial goals and business plans through the use of visualizations to tell the business story behind the numbers while creating focus on the highest priorities and decision needs.

For sophisticated global enterprises, IBP requires a technical solution that is flexible and scalable across the entire organization while enabling the business to plan without compromise. With a unified architecture and function-forward Extensible Dimensionality® and relational blending features, OneStream is an ideal solution to support IBP, enhance collaboration and help organizations achieve optimal return on investment for IBP. With OneStream, finance and business leaders will spend less time “connecting” and managing data — ensuring they have the agility to get back to business.

Several hundred medium to large global enterprises have already modernized their CPM processes with OneStream's unified platform for financial consolidation and reporting, planning, budgeting and forecasting, and analytics — replacing disconnected spreadsheets and legacy applications while reducing total cost of ownership and optimizing the business benefits of IBP. Here are a few of the benefits:

- **Unify and align** corporate plans and forecasts to more detailed operating plans. Dynamically link business initiatives to financial statements with complete drill-through ability.
- Enable **real-time** collaboration and communication between finance and functional leaders in the lines of business, sales, marketing, operations and HR. Make recurring executive reviews actionable
- Support more agile planning, such as **rolling forecasts and driver-based** plans and scenario modeling.
- Deliver **return on investment** by lowering cost of ownership and business value creation. Download and deploy purpose-built business and productivity applications without incremental cost, and reduce license costs associated with multi-point solutions — generating incremental return on investment as business needs evolve

To learn more about why modern enterprises are evolving their CPM processes to IBP, please read our companion white paper titled “Integrated Business Planning — Driving Business Action with Agility.”

## OneStream Software

OneStream Software provides a market-leading intelligent finance platform that reduces the complexity of financial operations. OneStream unleashes the power of finance by unifying corporate performance management (CPM) processes such as planning, financial close & consolidation, reporting and analytics through a single, extensible solution. We empower the enterprise with financial and operational insights to support faster and more informed decision-making. All in a cloud platform designed to continually evolve and scale with your organization.

OneStream's Intelligent Finance platform can easily be extended with over 50 solutions from the OneStream MarketPlace. These downloadable solutions are fully battle-tested and optimized for the OneStream platform. They allow customers to easily extend the value of their investment to meet the changing needs of finance and operations. MarketPlace solutions in use by customers include Account Reconciliations, Lease Accounting, Tax Provision, Predictive Analytics, People Planning, Capital Planning, Cash Planning, Sales Planning and many others.

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For more information, visit our website at [OneStreamSoftware.com](https://www.onestreamsoftware.com).

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