



Harness the Power of Continuous Planning

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Foreword

While long considered the norm, traditional planning and its many limitations have led a growing number of finance professionals to shift to a dynamic approach.

In this eBook, we'll explore the fundamental Beyond Budgeting principles underpinning continuous planning and the role of technology in enabling more robust planning processes.

We'll also discuss the change management challenges associated with transitioning from traditional to continuous planning and show real-life examples of successful continuous planning in action.

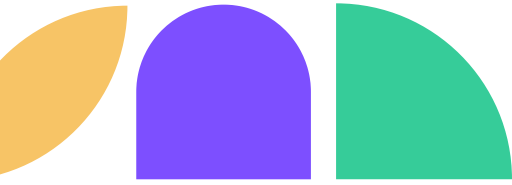
As we delve into the intricacies of continuous planning, we invite finance professionals to reimagine their roles within their organizations. No longer merely custodians of financial data, CFOs, and their teams are now pivotal drivers of strategic agility, equipped to guide their organizations through the uncertainties of the 21st century with confidence and foresight.

Discover how continuous planning can transform your approach to financial strategy and empower your organization to not only navigate change but thrive in it.



Christian Frantz Hansen

Partner, Head of Product
Business Partnering Institute



The Evolution From Traditional to Continuous Planning

With its annual budgets and fixed targets, traditional planning has long been the primary means of translating strategy into action.

But with traditional planning comes several limitations for organizations:

- Being locked into specific courses of actions.
- Limiting an organization's ability to respond to unexpected change.
- Inflexibility as markets fluctuate.
- Despite accelerated technological innovation, market volatility is now the norm rather than the exception.

[According to a 2024 Gartner Report](#), on average companies face 180 exception-based decisions requiring FP&A support per stakeholder per year

Recent global events, including higher borrowing costs, mass GenAI availability, workforce planning uncertainty, the Russian-Ukraine conflict, supply chain shortages, and the blockage of trade routes, illustrate the constant disruptions affecting global businesses. This uncertainty means that companies quickly stumble in their financial planning.

For many finance professionals, the need has arisen for a more flexible and responsive planning process: continuous planning.

Continuous planning champions agility, continuous learning, and adaptability. This transition is undoubtedly on the agenda in many finance teams: [According to a 2024 Gartner Report](#), on average companies face 180 exception-based decisions requiring FP&A support per stakeholder per year.

Unlike its traditional counterpart, continuous planning is not a linear, set-in-stone process but a cyclical, iterative approach that embraces changes as a constant. It prioritizes real-time data analysis, regular forecasting updates, and the flexibility to adjust plans in response to new information and emerging trends.

Key Differences Between Traditional & Continuous Planning

Traditional Planning

Annual Focus: Traditional planning typically revolves around annual budget cycles, setting fixed targets and allocations for the entire fiscal year.

Rigidity: Once set, budgets and plans are rarely adjusted, making it difficult to respond to unforeseen changes in the market or economy.

Top-Down Approach: Planning is often centralized, with senior management setting goals and budgets that are cascaded down through the organization.

Predictability Over Agility: Emphasizes stability and predictability, prioritizing adherence to the plan over the ability to adapt to new information or opportunities.

Limited Stakeholder Involvement: The planning process may involve limited input from lower-level employees or cross-functional teams, potentially overlooking valuable frontline insights.

Continuous Planning

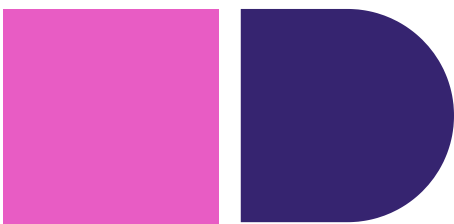
Continuous Process: Continuous planning involves regular review and adjustment of plans and budgets to reflect current realities, often on a quarterly or even monthly basis.

Flexibility: Embraces change by allowing for reallocation of resources and revision of targets as new information becomes available or priorities shift.

Bottom-Up Feedback: Encourages input from all levels of the organization. This inclusive approach ensures that financial plans are informed by diverse perspectives, leading to more robust and adaptable strategies that reflect the collective knowledge of the organization.

Agility Over Predictability: Prioritizes the organization's ability to quickly respond to changes in the external environment, valuing flexibility and responsiveness emphasizes stability and predictability, prioritizing adherence to the plan over the ability to adapt to new information or opportunities.

Cross-Functional Collaboration: Promotes collaboration across departments, ensuring that planning is holistic and integrates a wide range of perspectives for more comprehensive strategy development.



The Concept of Beyond Budgeting



The shift towards continuous planning finds its most compelling ally in the Beyond Budgeting principles. This approach emerged nearly 20 years ago as a radical departure from the rigid, traditional budgeting processes.

Today, it's considered a more flexible, decentralized approach to planning and performance management for agile organizations.

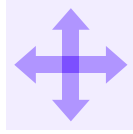
The rationale behind the Beyond Budgeting model is that traditional budgeting processes carry several flaws:

- Budget development is time-consuming and costly.
- Budgets are rarely focused on the company's strategy.
- Budgets generally do not stimulate value creation.
- Budgets may create obstacles to change.
- Budgets increase the centralization of power within an organization.

To counter these flaws associated with traditional planning, Beyond Budgeting builds on two core sets of principles: one focusing on leadership and the other on management processes.

The leadership principles emphasize autonomy, purpose, and value-driven decision-making, advocating for a culture of trust, empowerment, and transparency.

The management principles challenge the conventional budget-centric approach, promoting adaptive goal setting, dynamic resource allocation, and relative performance evaluation.



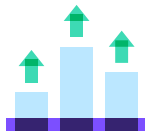
Adaptive Goals

Define objectives that can evolve as external conditions and strategic priorities change. This allows organizations to remain aligned with their strategic objectives while being responsive to market dynamics.



Dynamic Resource Allocation

Depart from the annual budgeting cycle, and instead, rely on resource allocation based on real-time financial analysis and strategic needs. This ensures resources are invested in areas with the highest potential for value creation.



Relative Performance Evaluation

Use relative metrics for performance evaluation instead of absolute figures. This fosters a more competitive environment internally and aligns performance assessment with market conditions and peer performance.

Embracing Continuous Planning



1

Autonomy and Empowerment

Empower employees to contribute and harness a broader spectrum of insights



2

Engagement and Feedback

Involve stakeholders in ongoing dialogue about objectives and performance



3

Flexibility and Adaptability

Adjust plans based on real-time data and feedback from the organization



4

Shared Values and Goals

Cultivate a collaborative culture and common objectives



5

Cross-Functional Collaboration

Leverage cross-functional teams in the planning process to broaden insights

Succeeding Together With Continuous Planning



"I firmly believe in the transformative power of making planning a collaborative team sport through the adoption of continuous planning methodologies. This evolution from isolated planning silos to a collective planning endeavor is not merely a procedural update; it marks a profound shift in how we harness collective intelligence to steer our organizations toward success.

When planning becomes a team sport, we unlock the diverse perspectives and expertise within our teams, enriching the strategic planning process with multifaceted insights. This collaborative approach ensures that decisions are not only informed by financial data but are also nuanced with operational realities and innovative ideas from across the organization."

Anders Liu-Lindberg

CMO and COO
Business Partnering Institute

Change Resistance When Implementing Continuous Planning

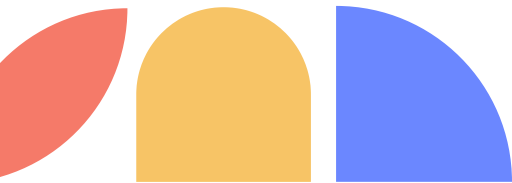
Transitioning from traditional to continuous planning is no simple change exercise. In most organizations, the sheer number of people being affected by such a change is enough to warrant serious considerations about the need for active change management.

First, there's the technological aspect, as new tools are often needed to succeed with a transition to continuous planning. This entails implementing modern FP&A tools that support a more flexible, iterative, and agile approach to planning. Secondly, there's the associated need for new planning processes, i.e., new ways of working that are inevitably going to cause a disturbance to the status quo.

Often, the technical solution is approached through a structured process including vendor selection and implementation aided by support from a relevant implementation partner.

However, there's rarely as formal a process related to organizational change aspects. Unfortunately, technically implementing an FP&A tool without properly communicating the benefits, facilitating adaptation, or nurturing new ways of working rarely proves effective.

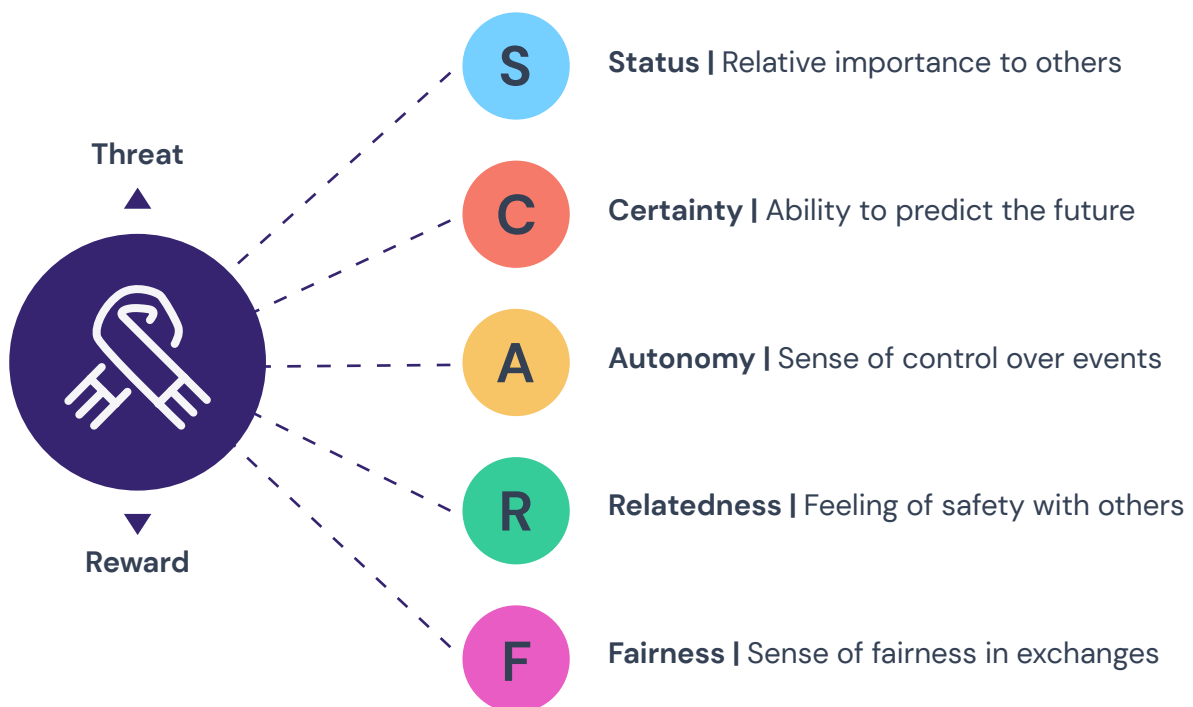
To aid adaptation of new processes associated with continuous planning, management must identify barriers to change for all affected stakeholders and prepare a deliberate change management plan to break down those barriers



Identifying barriers to change

The [SCARF model](#), developed by David Rock, identifies five domains that influence human behavior in social situations: Status, Certainty, Autonomy, Relatedness, and Fairness.

Understanding these domains can help predict how stakeholders might react to the transition from traditional to continuous planning.



Potential Sources of Change Resistance

Threat to Status

Some stakeholders might feel threatened by the shift to continuous planning, perceiving it as a challenge to their expertise or position within the organization, especially if they are accustomed to a more hierarchical or siloed structure. Stakeholders in FP&A roles in particular might be accustomed to a certain status related to their responsibility related to consolidating the numbers—a status that is challenged as continuous planning is implemented.

To overcome this, management must emphasize the value of each stakeholder's contribution to the new planning process and offer opportunities for skill development to adapt to the new approach.

Disruption of Routine

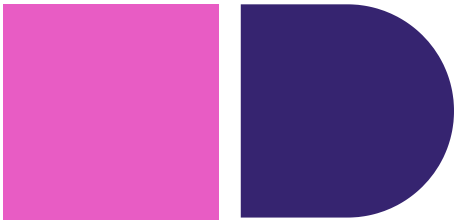
The move from a predictable, annual budget cycle to a more fluid continuous planning process might induce anxiety in stakeholders who prefer predictability and fixed routines. That is, the traditional planning process entails certainty about key milestones during an annual cycle, while continuous planning per default operates under the assumption of uncertainty.

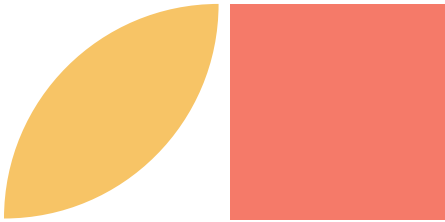
To increase the feeling of certainty, management must provide clear communication about the reasons for the change, the expected benefits, and a detailed roadmap for the transition.

Comfort in Rigidity

Stakeholders accustomed to operating with a high degree of independence might welcome the increased flexibility and empowerment that continuous planning offers, seeing it as an opportunity to have more control over their work. Others might oppose the change due to a preference for more rigid rules and guidelines.

Management must encourage stakeholder input in shaping the new planning processes and decision-making frameworks to maximize the sense of autonomy and ownership.





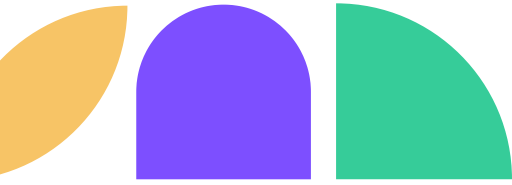
Established Relations

Some stakeholders might have had a central role in coordinating the traditional budget process thus having established a certain relatedness with some stakeholders across the organization. The collaborative nature of continuous planning aims to strengthen the sense of community and teamwork among stakeholders but will nevertheless affect existing relations.

Management must foster a culture of collaboration and open communication, highlighting the interdependencies between different roles and functions to strengthen social bonds.

Perception of Unfairness

The perceived fairness of the change can vary; stakeholders might view the shift as an opportunity for more equitable input into planning processes, while others might be concerned about the redistribution of resources and responsibilities. Consequently, management should ensure transparency in how decisions are made during the transition and actively involve stakeholders in discussions about changes to ensure perceptions of fairness.



Effective Change Management When Implementing Continuous Planning in Your Organization

Having identified potential barriers to change, management can leverage the [ADKAR model](#)—a goal-oriented change management model—to guide all stakeholders through the process of change associated with a new planning process.

The ADKAR model consists of five sequential steps: Awareness, Desire, Knowledge, Ability, and Reinforcement.

Here's how a finance organization can plan a successful transition from traditional to continuous planning using the ADKAR model.

1. Awareness of the need for change

Begin by clearly communicating the reasons behind the shift from traditional to continuous planning. This includes highlighting the limitations of the current planning processes and how continuous planning can better address the fast-paced and unpredictable business environment. Use presentations, workshops, and case studies to illustrate the benefits and successes achieved by other organizations that have adopted continuous planning.

2. Desire to support and participate in the change

Engage stakeholders by emphasizing the personal and organizational benefits of transitioning to continuous planning, such as increased agility, improved decision-making, and enhanced competitiveness. Facilitate discussions and forums where team members can express concerns, ask questions, and discuss how the change will positively impact their roles and the organization as a whole.

3. Knowledge on how to change

Provide comprehensive training and resources to equip finance professionals with the necessary skills and understanding to adopt continuous planning processes. This includes education on new tools, methodologies, and best practices.



Developing a structured training program with hands-on workshops, e-learning modules, and mentorship opportunities with experts in continuous planning can sometimes be necessary.

4. Ability to implement required skills and behaviors

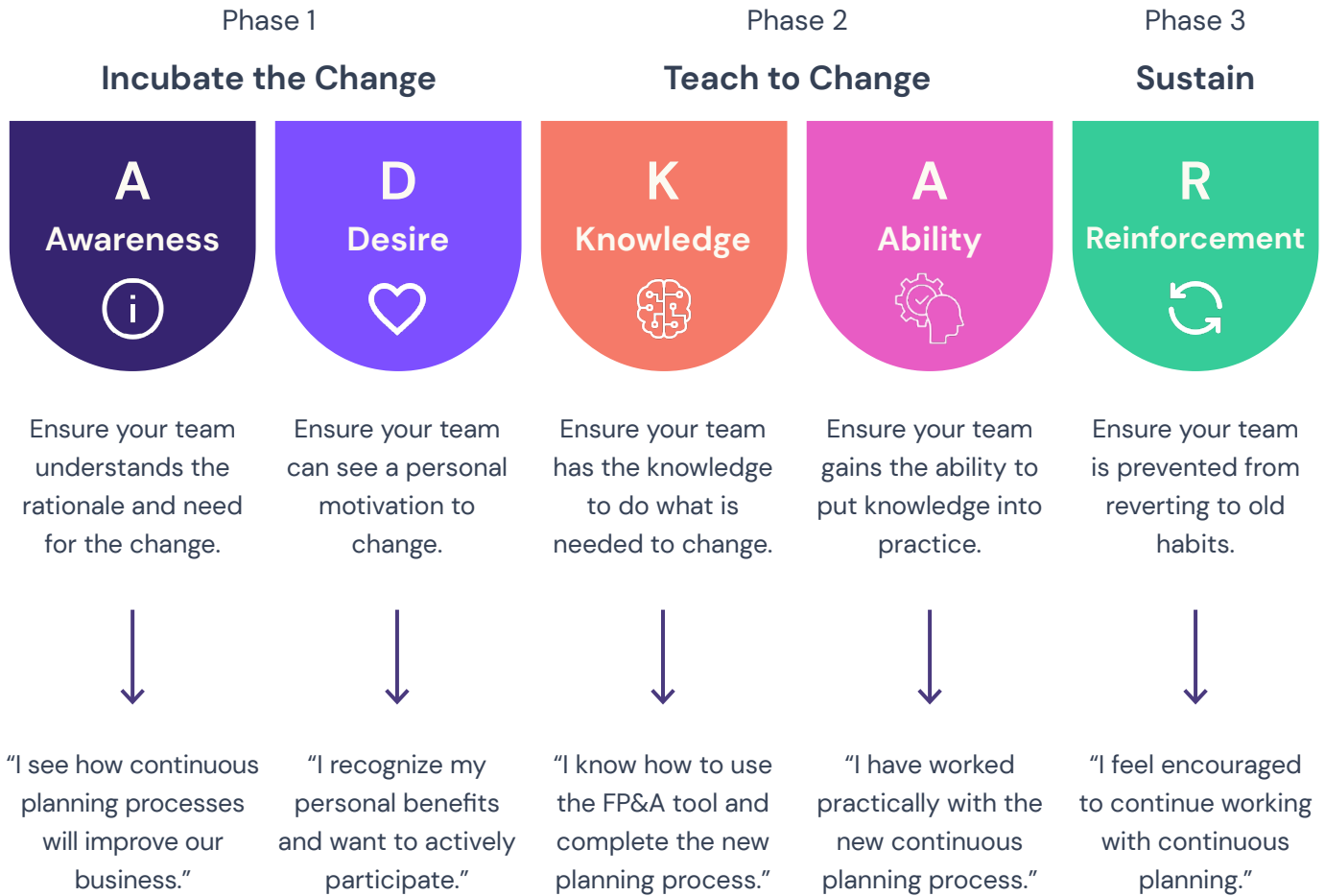
Ensure that finance professionals have the opportunity to apply their new knowledge in a supportive environment. This may involve pilot projects, simulations, or phased rollouts that allow team members to gradually build competence and confidence. Establishing a sandbox environment in your new FP&A tool offers relevant parties the opportunity to explore features and functionalities without the risk of affecting the business negatively.

Additionally, offer continuous feedback and support as team members practice new skills, addressing challenges as they arise and adjusting training programs based on feedback.

5. Reinforcement to sustain the change

Reinforce the adoption of continuous planning by recognizing and rewarding progress and success. Share achievements and positive outcomes achieved through the new approach to solidify the change. Also, consider implementing mechanisms for ongoing support and learning, such as regular check-ins, refresher training sessions, and a feedback loop for continuous improvement.

ADKAR in Continuous Planning



Two Planful Features That Support Continuous Planning

Planful simplifies continuous planning by streamlining the collection and analysis of essential data with its Dynamic Planning solution. This solution enables finance teams to make insightful decisions and take prompt actions without cumbersome manual processes.

Planful's Dynamic Planning solution

Dynamic Planning offers an advanced multi-dimensional continuous planning engine and analysis tool to support operational planning and sophisticated financial analysis.

Here's a glimpse at what Dynamic Planning can do:

- Create sub-models: Build and modify sub-models (analytic models) to cater to specific planning needs.
- Slice and dice data: Quickly generate and customize reports and charts, facilitating flexible data analysis and distribution.
- Conduct what-if analysis: Simplify scenario planning and what-if analysis using real-time data, enhancing decision-making capabilities.

Planful's Budget Manager Experience

Planful also offers its Budget Manager Experience (BME), an intuitive interface for budget managers. BME supports continuous planning by allowing budget managers to update budgets, forecasts, and planning templates effortlessly. Because it is native to the Planful platform, BME eliminates the need for spreadsheets or disconnected processes. It streamlines workflows and ensures that updates are timely, accurate, and aligned with ongoing business changes.



How National DCP Implemented Planful's Dynamic Planning Solution

National DCP is a global provider of innovative supply chain solutions for the food service industry.

The company wanted to move faster and make decisions in less time, but manual processes delayed the flow of information to the business. So, its finance team implemented Planful's [cloud-based financial planning and analysis \(FP&A\) solution](#) to streamline finance and accounting processes and provide faster access to data.

Planful's Dynamic Planning and report collections feature automated the creation of financial statements and added flexibility to reporting.

With Planful's Dynamic Planning capabilities in place, National DCP achieved the following results:

- Reduced month-end close time from 10 days to 3 days.
- Increased agility and accelerated decision-making.
- Improved collaboration between Finance and business colleagues.
- Empowered budget managers and others across the business to take action directly in Planful.

Read more about how [National DCP speeds business decisions with Planful](#).

“Before Planful, we had a much longer month-end process, about ten days, and now we’re now at three days. We get month-end close done very quickly and can get back to the fun stuff.”

– Michael Zambetti, Manager of Finance and Data Analytics, National DCP

Why Invest in Planful to Support Your Continuous Planning Process?

As a finance-owned solution, Planful empowers finance teams to take full control of their planning processes without relying on IT support.

The level of autonomy achieved by using Planful enhances agility and responsiveness, allowing finance professionals to make real-time adjustments that reflect the latest business conditions.

Implementation is carried out by Planful's team of experts, ensuring a smooth transition and optimal configuration tailored to your organization's needs. This professional support aligns with the ADKAR change management model, helping teams build Awareness, Desire, Knowledge, Ability, and Reinforcement for successful adoption and sustained use of continuous planning practices.

5 Benefits of Planful's Continuous Planning Solution

1. Enhanced Agility and Responsiveness:

Planful empowers FP&A teams to make real-time adjustments, reflecting the latest business conditions without relying on IT support. This agility ensures that planning processes are always up-to-date and aligned with current business realities.

2. Seamless Data Integration:

Planful integrates effortlessly with various data sets, including ERPs, through a single sign-on. This seamless integration allows users to leverage all stored data, perform critical tasks, and maintain a holistic view of the financial landscape.

3. Flexible Architecture:

Built on a robust, flexible architecture, Planful enables users to add, remove, or modify models and hierarchies easily. This adaptability ensures that your planning processes can evolve with your business needs, providing timely and relevant insights.

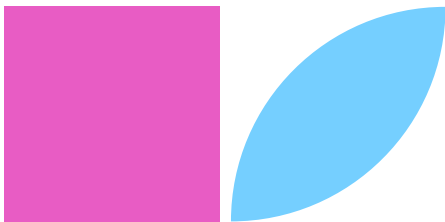
4. Predictive Forecasting Capabilities:

Utilizing advanced AI/ML algorithms, Planful offers predictive forecasting to generate accurate and actionable insights. This capability allows for continuous updates of baseline projections, detection of trends and anomalies, and integration of human expertise for refined predictions.

5. Professional Implementation Support:

Planful's team of experts ensures a smooth transition and optimal configuration tailored to your organization's needs. This support aligns with the ADKAR change management model, helping teams build Awareness, Desire, Knowledge, Ability, and Reinforcement for successful adoption.

By investing in Planful, FP&A professionals can ensure robust, continuous planning that enhances strategic decision-making, improves agility, and supports dynamic business environments.



Ready to transform your FP&A processes with Planful's Dynamic Planning solution?

[Visit planful.com](https://planful.com) to learn more, [enjoy an interactive demo](#), or [talk with an expert](#).



Business Partnering Institute is a niche management consulting company specializing in Business Finance, Financial Planning and Analysis, and Controlling. We are Finance practitioners and management consultants who strive to create lasting impact – not just for you, but with you!



Planful is the pioneer of financial performance management cloud software. The Planful platform, which helps businesses drive peak financial performance, is used around the globe to streamline business-wide planning, budgeting, consolidations, reporting, and analytics. Planful empowers finance, accounting, and business users to plan confidently, close faster, and report accurately. More than 1,400 customers, including 23andMe, Bose, Boston Red Sox, Five Guys, and Zappos, rely on Planful to accelerate cycle times, increase productivity, and improve accuracy. Planful is a private company backed by Vector Capital, a leading global private equity firm.

Learn more at planful.com.