

# End-to-end planning

End-to-end planning creates up-to-date models of the future using real-time data, improving strategic decision-making and financial reporting. John Simpson of **Simpson Associates** tells Jim Banks what the latest performance management technology offers.

Improving decision-making at every level is a priority for large companies, many of which are now grappling with corporate performance management (CPM). However, while the popularity of CPM is growing, it is not clear that all these companies are making the most of it.

Definitions of CPM vary. John Simpson of performance management specialists Simpson Associates, however, has a clear definition: 'Performance management has three elements: planning your business, monitoring your business and understanding your business. You basically need to set your key performance indicators to help you develop your plan, then you monitor your actuals to plan with scorecards and dashboards, then you look at different levels of detail to work out how various situations have come about.'

## A helping hand

Founded in 1991, Simpson Associates became one of a select few UK platinum partners of world-leading performance management vendor Cognos in 1995. Since then, it has specialised in delivering business intelligence and CPM solutions.

Simpson explains: 'We help companies use their data to understand their business better, enabling them to backtrack, monitor and change their plans, creating a virtuous circle that feeds into strategy and day-to-day activities.' He believes that decision-making will improve when business intelligence is tailored to each user and when it is easy to access.

He adds: 'Information must be pervasive and available when needed, and users must not have to struggle to extract, reshape or manipulate it.'

In a large organisation that generates huge volumes of data, it is difficult to get the right data at the right level of detail to the right person in a timely manner. If

## CPM defined

Performance management has three elements:

1. **Planning.** Set key performance indicators to develop your business plan
2. **Monitoring.** Use actuals to plan with scorecards and dashboards
3. **Understanding.** Work out how various situations have come about

**'Information must be pervasive and available when needed, and users must not have to struggle to extract, reshape or manipulate it.'**

this challenge can be overcome, however, strategy changes can quickly result.

For instance, day sales outstanding analysis can identify which customers have bad payment performance, allowing a company to focus on alleviating problems with those specific customers.

## Beyond business intelligence

There is certainly room for greater adoption of business intelligence among large organisations, but it is important they recognise that there is more to CPM than just business intelligence.

Simpson explains: 'While business intelligence is the key to performance management, its adoption has been limited,

as it has sometimes been too complicated to use, but that is changing.

'A system must be a trusted source of information, upon which a business can rely to provide the right dimensionality through a web browser. Users should be able to access relevant data, analyses and functionality reports, interacting with that information just as they would browse pages on the internet.

'That is the pervasive nature of performance management. It allows users to access and comprehend the data through a role-based portal. Data is organised to suit different roles in the organisation, which mainly consist of 'consumers' of data, though there are also analysts and IT or business professionals who need a different perspective.'

Many businesses produce historical budget plans which may simply be incremental to previous budgets. For Simpson, this is about command and control, not driving a business.

The alternative is end-to-end planning, which models an unconstrained future, then adds real-world constraints on factors such as the supply chain as they apply to specific verticals. The model is more realistic and responds as data change.

He says: 'We are trying to enlighten people with a different view of planning, where the future scenario is constantly updated and is driver-based. This helps a business push forward into new areas by coordinating and communicating with the company around budgeting and planning.'

End-to-end planning enables joined-up thinking throughout an organisation to drive value creation, and it is available now. ■

## Further information

Simpson Associates  
Website: [www.simpson-associates.co.uk](http://www.simpson-associates.co.uk)