

THE CONNECTED ENTERPRISE:

How Anaplan customers make better decisions that drive higher financial returns

Anaplan Enterprise Decision
Excellence Report™

Anaplan

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Introduction

Anaplan's Enterprise Decision Excellence Report™ highlighted research establishing that enterprise connectedness — the extent to which an enterprise joins or links its decisions and operations — is a fundamental enabler of better decision-making.

The research, which is based on research from 500 senior executives, demonstrates that organizations achieving elevated decision excellence¹ through enterprise connectedness realized a remarkable 14-percentage-point improvement in total shareholder return (TSR) when compared to their less connected industry peers.

Simply put, our research validates that better-connected enterprises make better decisions, and those decisions lead to demonstrably improved financial returns.

Moreover, it provides a formula to quantify the impact improving enterprise connectedness can have on business performance: An improvement of 1 point of enterprise connectedness drives a 0.7 point improvement in decision excellence which translates to a 0.4% improvement in TSR relative to a company's industry competitors.

But how can enterprises drive higher connectedness? Do Anaplan customers, using the Anaplan connected planning platform, actually realize higher levels of connectedness and do they in turn achieve higher levels of decision excellence? We delved deeper into the research to find out.

Our findings demonstrate that Anaplan customers achieve greater levels of connectedness as well as higher levels of decision excellence, implying up to a 2.8-percentage-point higher annualized TSR when compared to non-Anaplan users. From a financial perspective, this equates to \$2bn of additional TSR.



\$2bn

higher median annualized TSR for Anaplan customers when compared to non-Anaplan users.

The results underscore the transformative impact of an increasingly broad Anaplan deployment across an enterprise, demonstrating its impact not only as an enabler of connectedness but also in amplifying financial success.



¹ We define "decision excellence" as a measurable trifecta of quality, velocity, and efficiency in decision-making.

² The Decision Excellence Index measures an organization's proficiency of decision excellence.

The results

The power of Anaplan:

Enterprise connectedness drives decision excellence

Our research indicates that barriers to enterprise decision-making arise from a lack of connectedness across all elements within an enterprise. Our findings highlight that inadequate connectedness results in:



A lack of integration between strategic and financial plans with those at an operational level.



Siloed systems, people, processes, and plans with disparate data across the business.



Laborious manual integration processes with no single source of truth and accuracy.



Ineffective scenario planning caused by disjointed systems, processes, and data sources



Lack of real-time visibility of financial data, performance, and goals.

More specifically, our research revealed a significant gap in overall Enterprise Connectedness Index³ scores between Anaplan customers and non-users. We grouped the companies included in our survey into three categories: those without Anaplan, light Anaplan users, and Anaplan “power users”.

We found that companies with light implementations of Anaplan realized higher levels of enterprise connectedness than those without Anaplan, and companies classified as power users of Anaplan had connectedness levels even higher. Adding Anaplan improves enterprise connectedness, and the more broadly Anaplan is deployed, the higher the levels of enterprise connectedness achieved. Anaplan power users, characterized by those enterprises deploying more than eight use cases or maintaining over 700 users, outperformed their non-Anaplan counterparts by an impressive 12% higher level of overall enterprise connectedness.



12%

Power users of Anaplan outperform non-customers by 12% on overall connectedness and excel further on every element of connectedness.

Not only that, but they experience the advantages of enhanced connectivity across their entire business. For example, when we examined all three elements of organizational connectedness — vertical, horizontal, and external — we discovered that, with respect to each individual element of connectedness, Anaplan customers scored more highly across the board.

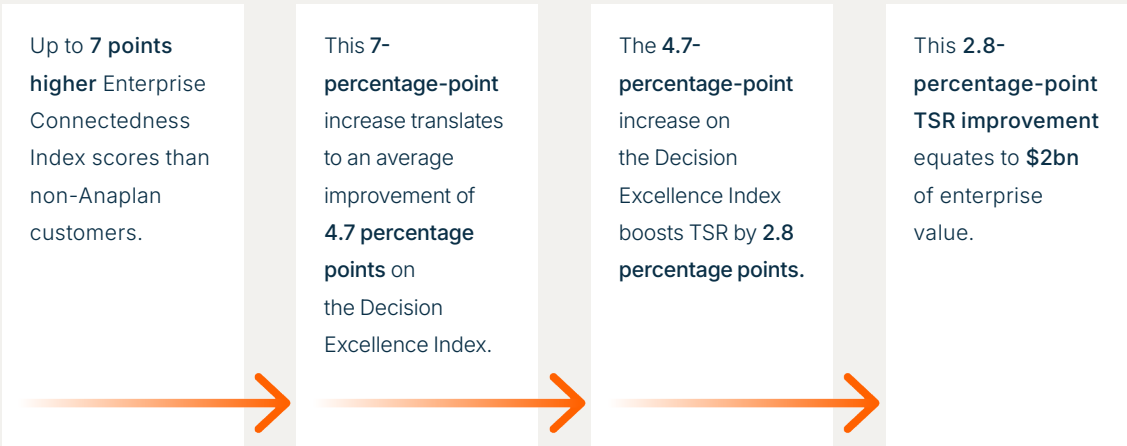
The ultimate measure of decision excellence: Higher total shareholder returns

The substantial gap that exists between Anaplan power users and non-users enabled us to develop a quantifiable formula, allowing us to gauge the impact of Anaplan on TSR.

We can quantify the value of this by using the broader formula established by the research and described above. When compared to companies with no Anaplan deployment, Anaplan power users, have, on average, 7 more points of decision excellence (a difference of 12%), this leads to a 4.7-point increase in decision excellence, resulting in a notable 2.8-percentage-point TSR overperformance versus industry peers. From a financial perspective, considering the average market capitalization of the top 1,000 companies at approximately \$70bn, this TSR uplift equates to a remarkable \$2bn.




Anaplan customers demonstrate



How Anaplan enables connectedness

It's clear power users of Anaplan outperformed non-customers across all elements of connectedness in our research. But how?

In this section, we examine how Anaplan acts as an enabler of the various dimensions of organizational connectedness — vertically, horizontally, and externally. We also provide examples from our customers highlighting how Anaplan facilitates enhanced connectedness throughout their operations and the tangible and demonstrable benefits.⁴




Vertical connectedness: From leadership to the front line

Vertical connectedness is characterized by how well strategic plans are connected to financial, operational, sales, and product plans. This includes the granularity of the data used to make decisions and access to real-time insights to dynamically change plans. Essentially, it correlates the extent to which strategic plans are aligned with day-to-day operations.

As illustrated in the chart below, Anaplan power users demonstrated superior performance compared to non-users in all aspects of vertical connectedness. More specifically, with respect to financial and operational planning connectedness, Anaplan customers achieved scores six to nine percentage points higher than non-users.

Notably, real-time visibility stands out as the strongest advantage, with a 13-percentage-point lead for our customers. This real-time access to data for decisions empowers Anaplan power users to swiftly adjust plans in response to market dynamics, thereby maximizing opportunities and mitigating risks.

Elements of connectedness		Anaplan power user advantage vs. non-customers
	Strategic plans connected to operating plans	Quality of financial plans Cascading goals Quality of operational plans
	Granularity of operating plans and forecasts	Granularity of P&Ls
	Real-time steering of performance	Real-time visibility Effective variances analysis
		6% 9% 9% 6% 13% 6%

⁴ These case studies do not form part of the research data or findings but are Anaplan case studies created independent of the research.

Strategic plans connected to operating plans

How quickly can goals be cascaded across and down the organization? Is there real-time visibility to compare any version of a forecast with the actuals? And can strategy goals be broken down by market, business unit, P&L, and product?

With fully integrated, connected plans and budgets, as well as the ability to effortlessly integrate vast volumes of both internal and external data, Anaplan enables decision-makers to accelerate well-informed and better choices. Employees at all levels gain access to the most current and precise insights, with “what-if” scenario modeling to enable swift outcome assessment and fine-tuning of plans.



The insurance giant moved from 300 disconnected spreadsheets and four siloed planning tools to Anaplan, reducing costs and accelerating business processes.



With Anaplan we can react very quickly to global economic events and volatility. Previously it took two months to build a global financial plan, and now we keep pace with fast changing economic conditions.”

Raphael Guilman, Strategic Planning Director, Generali

Granularity of operating plans and forecasts

How granular is the planning process? Is there data available to drive the deep insights needed for accurate forecasting and operational decision-making at every level of the enterprise?

The more unit economics are understood and modeled, the more effectively these models can be applied to improve decision-making.

Anaplan enables organizations to achieve detailed operating models — daily or event-based — that measure transactions and resources at the deepest level, such as average hold times and real-time sales data. This enables granular forecasting at the customer, account, geography, channel, and product level, with the ability to leverage external indicators to further enhance forecast accuracy.



This integrated producer manages 600,000 acres of forest and manufactures wood production at 12+ facilities. The firm conducts LRP, CapEx planning, SIOP, and other supply chain activities with Anaplan. The company's comprehensive Anaplan solution includes Roseburg's full integrated production process, enabling everyone to act in best interests of the entire company.



When everything's running full tilt, we all benefit. We have a global understanding of our status in Anaplan, versus one facility maximizing their situation over others.”

Mike Carr, Supply Chain Director, Roseburg

Real-time steering of performance

How quickly do we need to pivot to adapt to market changes? Is there access to up-to-the-minute accurate financial and sales data, by region, product, and currency? Can decision scenarios be modeled in real time?

Allowing users to conduct “what-if” scenario analysis and see variances in real time is essential to accelerating decision-making. Anaplan customers use interactive statistical forecasting variables (e.g., seasonality), to model scenarios in real time and understand variance drivers such as volume mix and price. Integrated artificial intelligence (AI), linear programming, and other predictive indicators further enable the analysis of hundreds of variables and constraints and provide insights into the reasons behind variances.



At this leading winemaker, small decisions filter upward and drive management choices that ripple across the organization.



Ultimately, it all flows up to the C-suite, where leaders make big decisions and answer to Wall Street. ... By leveraging Anaplan, we're able to get one source of truth and we can collaborate in real-time and make meaningful decisions about our business."

Paul Finn, Director of Business Planning and Analytics,
The Duckhorn Portfolio



One thing I really like about Anaplan is the relationships that it helps me create as we grow and evolve. Using the same information on a cutting-edge platform builds trust. And when we trust each other, we build strong relationships, make good decisions together, and have fun along the way."

Paul Finn, Director of Business Planning and Analytics,
The Duckhorn Portfolio



Horizontal connectedness: Across functions and business units

Horizontal connectedness is characterized by the extent of organizational-wide alignment. From clear roles and responsibilities to fully connected data and processes, horizontal connectedness evaluates how effectively a business can move in unison.

As the chart shows, the most significant contrast in average connectedness scores between Anaplan power users and non-Anaplan customers is for interconnected data and systems. Specifically, Anaplan customers surpassed non-users by 19% in terms of both connected data and agile business-friendly systems. Integrated data combined with agile tools are undeniably crucial for gaining a competitive edge in today's rapidly evolving business environment.

 **19%**

Anaplan customers surpassed non-users by 19% in terms of connected data and agile business-friendly systems.

Elements of connectedness



Aligned processes,
practices, and roles

Collaboration
Clarity in roles
Planning processes

Connected data
and systems

Connected data
Tools for management reporting
Agile business friendly systems

Anaplan power user advantage vs. non-customers

11%

11%

9%

19%

11%

19%



Aligned processes, practices, and roles

Is there end-to-end alignment that empowers autonomous, coordinated action across the organization? How well-aligned are processes, practices, and roles? Do these allow collaboration in a way that breaks down functional and divisional silos?

Anaplan enables organizations to work collaboratively on a single platform and a single set of data. By connecting multiple data sources within distinct functions, organizations can continuously plan and forecast across the entire enterprise value chain. Integrations with identity management and governance platforms ensure that only relevant users get pulled into decision-making.



Revenue Growth Management at The Coca-Cola Company is a multidimensional planning puzzle that requires input from many geographically dispersed contributors.



We have to figure out how to align [plans] across our 67 bottlers in the United States. Anaplan is a great solution for us in that regard. We can collaborate effectively [and] all contribute to this aligned plan that we come up with together."

Alex Durham, Director, Enterprise Solutions & Deployment, The Coca-Cola Company

Connected data and systems

Is the data trusted, easily accessible, and from a single source of truth? Is data collection and analysis unified in a single platform, enabling both high-level, granular insights and facilitating data-sharing with all stakeholders? Can APIs, extract, transform, load (ETL) connectors, and built-in integrations be leveraged to ingest data quickly and easily?

Customers of Anaplan use rapid scenario and multi-dimensional modeling through a user-friendly interface to enable their teams to focus on value-added tasks rather than time-consuming and unreliable manual processing.

Anaplan eliminates the need for manual data reconciliation efforts and error correction by leveraging data from transactional systems to feed budget and forecast models. The platform integrates with any upstream or downstream system using pre-built connectors, or self-service import and export.



With 86 offices worldwide, getting expense management processes aligned was challenging. After moving all offices to a shared expense management solution on Anaplan, Mizuho Bank's expense ratio reduced from 72% in FY2017 to 55% in FY2020, with the reduction attributed in part to Anaplan by Mr. Shotaro Satori, Manager of Mizuho's Financial Control Team.

Before Anaplan, it was difficult for Mizuho leaders to see how money was spent at each location. Now, leaders can visualize the breakdown of expenses across all offices and identify cost-reduction measures. For example, some routine data-entry tasks have been shifted to different locales.



Transferring such work from a country with high labor costs to a country with low labor costs will lower the overall cost."

Mr. Shotaro Satori, Manager of Mizuho's Financial Control Team



External connectedness: With suppliers and customers

External connectedness is defined by the degree to which an organization is integrated with its suppliers, customers, and third-party data sources. This encompasses the organization's capacity to link internal data and systems seamlessly with various third-party services.

Our research highlights that Anaplan power users show an average of 18% higher connectedness scores to both customers and external databases. This heightened level of external interconnectedness empowers employees at all levels with deeper insights into demand planning and facilitates greater business agility and resilience when market and demand changes occur.

 **18%**

Anaplan power users show an average of 18% higher connectedness scores to both customers and external databases.

Elements of connectedness



External
Connectedness

Customers
Suppliers
Other: External databases

Anaplan power user advantage vs. non-customers

18%

12%

18%



Connectedness with customers

Do systems connect seamlessly with customers? Can real-time insight into customer sales forecasts be accessed to better correlate potential demand spikes?

Without systems that connect to external customer systems, planning and tracking are manual and expensive, and often too late to address real-time business needs. In addition, teams will spend valuable time collecting and reconciling data, a slow process that is open to human error.

With Anaplan, joint business plans can be created with customers to analyze their demand data, such as inventory or promotional information, for more accurate forecasting. Anaplan's tools and platform integrate with customer syndicate and POS data to make ongoing changes to finalize investment and annual plans.

With customer-centric AI forecasting tools, analysis of demand from customers using additional customer-specific data — such as inventory or promotional information — can also be leveraged.



Regional Brewing Company

Sales promotions are important levers in the beer business, so the Anaplan solution was built to manage volume planning by distributor and SKU, and was integrated with the company's sales promotion tool. This ensures promotions offered to distributors move in parallel with consumer behavior, as signaled by volume data from distributors.



The most successful part of our journey with Anaplan was the introduction of volume planning by customer and SKU. Anaplan gave us the ability to adjust rapidly during COVID-19, as beer drinkers switched from frequenting bars and restaurants to staying at home. Without Anaplan, this would have been very tough."

Strategic Reporting Manager, Regional Brewing Company

Connectedness with suppliers

Can data be imported from suppliers for a unified view of spend and categorization? Can opportunities be identified for cost saving through volume pooling, supplier consolidation, or other goals? Are stakeholders in finance and procurement able to easily see how CapEx and OpEx are being spent?

With the Anaplan platform, data can be imported from multiple transaction sources (e.g., ERP and P2P) to create a unified view of spend across the company. Using the platform to import spend data for any number of execution systems (e.g., procurement, travel, IT, real estate) creates alignment across current and future financial planning, allowing departments and BUs to collaborate with other stakeholders to identify cost savings opportunities across the company.



The identity management provider's Anaplan environment has automated integrations with NetSuite, Salesforce, Workday, RevPro, and Coupa, with Snowflake as the data warehouse and Boomi as the integration platform. This automation and integration accelerated and alleviated pain points around financial close.



Financial close went from two weeks to eight days. That's a significant decrease in time to close, and a significant increase in the speed to decision-making."

Will Lederer, Director, Business Technology, Okta

Connectedness with external databases

Can systems integrate with a wide variety of other external database sources? Can aggregated external business intelligence be easily accessed to help drive decision-making?

With Anaplan, teams can connect their internal tools and data with multiple third-party services such as Informatica Cloud, SnapLogic, Mulesoft, Dell, Boomi, Docusign, Workiva, and Tableau. This not only accumulates all the data in one place for easier analysis, dashboarding, and insights, but it also drives competitive advantage through wider data sets and simplified workflows.



This medical device manufacturer uses Anaplan for global revenue forecasting, global demand planning, and workforce planning.

Automated data flows move transactional data from Penumbra's SAP S4 HANA ERP system into a data warehouse. From there, it's loaded into Anaplan using Boomi for ETL and select outputs are loaded into Tableau for visualization.



We've been able to plan new product launches more accurately, which has tightened up our revenue forecasting and inventory builds. Our overall forecast accuracy is better — certainly on the top line, but also on gross margins and operating margin. ... Moreover, demand planning — the start of the supply planning chain of events — links up with revenue and uses the same data, so we can very quickly understand how everything aligns."

Alex Reeves, Senior Director, Corporate Strategy & Finance, Penumbra

Conclusion

As businesses continue to evolve in an interconnected world, the [Anaplan Enterprise Decision Excellence Report™](#) establishes the direct correlation between enterprise connectedness, decision excellence, and financial performance, and demonstrates how Anaplan's industry-leading customers are already benefiting from this blueprint for success.

Our research explores the dimensions of connectedness, highlighting the significant advantages Anaplan offers in fostering vertical, horizontal, and external connectedness. Anaplan power users outperform non-customers in all aspects of connectedness, from strategic and financial planning to real-time visibility, interconnected data and systems, and external collaborations.

We deliver compelling evidence that Anaplan power users outshine their non-Anaplan counterparts by an impressive seven points in connectedness. This marked difference, creating a 12-percentage point delta, equates to a significant rise in TSR return of \$2bn and serves as a testament to the transformative impact of Anaplan on connectedness throughout the entire organization.

In a business landscape where rapid, data-informed decision-making is paramount, our research underscores a simple but powerful proposition: Anaplan is an enabler of enterprise connectedness which powers improved decision-making and drives financial success.

About Anaplan

Anaplan is the only scenario planning and analysis platform designed to optimize decision-making in today's complex business environment so that enterprises can outpace their competition and the market. By building connections and collaboration across organizational silos, our platform intelligently surfaces key insights — so businesses can make the right decisions, right now.

More than 2,500 of the world's best brands have continually optimize their decision-making by planning with Anaplan.

To learn more, visit www.anaplan.com

