



## Market Insight Report Reprint

# Anaplan leans into agile workforce management with deep focus on strategic HR planning

March 25 2021

by **Conner Forrest**

Although the planning stalwart has offered HR planning tools formally since 2015, it has since expanded its portfolio to support a variety of use cases in workforce planning, compensation modeling and talent strategy. It recently used those to address the changing needs brought on by COVID-19 and the new normal.

451 Research

---

**S&P Global**

Market Intelligence

This report, licensed to Anaplan, developed and as provided by 451 Research, LLC, was published as part of our syndicated market insight subscription service. It shall be owned in its entirety by 451 Research, LLC. This report is solely intended for use by the recipient and may not be reproduced or re-posted, in whole or in part, by the recipient without express permission from 451 research.

## Introduction

Catalyzed in part by hiring freezes and worker furloughs during the COVID-19 pandemic and ongoing discussions about returning to the workplace, businesses are starting to look more strategically at headcount and workforce planning. A lack of clarity around skills gaps, and operational frictions exacerbated by the pandemic, are butting up against an increasing need for data literacy in HR skill sets, as identified by 45% of the HR respondents to 451 Research's Voice of the Enterprise: Workforce Productivity & Collaboration, Employee Lifecycle & HR 2020 survey. This is creating a unique market opportunity for planning software vendors to support the HR function and its duties more effectively.

Anaplan's Connected Planning approach to corporate performance management (CPM) has long included a human resources element alongside its support of other business functions including finance, supply chain, sales and marketing. However, the firm has been expanding its efforts in HR and workforce planning to address new strategic and operational use cases, while tackling some of the core issues facing team managers during the COVID-19 pandemic.

### THE 451 TAKE

One of the biggest issues for CPM vendors looking to address HR needs is that both their product and messaging tend to be one-dimensional – focusing almost exclusively on headcount planning. What's more, those headcount planning products or features often deal primarily with the financial impact of planning, and not much else. While finance is still the nexus of corporate growth and planning, CPM has evolved over the past few years to include new owners and participants, and that in turn must also provide visibility into additional outcomes.

Anaplan launched its workforce planning applications for HR in late 2015, but has since doubled down on the progressive elements of its messaging (i.e., skills planning, workforce optimization, location strategy and scenario modeling) by widening the lens through which customers can view applicable use cases, and adding adjacent capabilities in talent strategy and compensation modeling.

This strategy addresses planning needs across HR, finance and operations. And it does so with messaging that hits on key trends we're seeing in the market today (namely workforce visibility, workforce agility, workforce optimization, and diversity and inclusion). Anaplan is far from the only CPM vendor addressing these needs, but it is one of the few vendors addressing this in a comprehensive way that extends planning ownership to HR, and prepares the planning function to truly support the future of work.

---

## Details

Anaplan has long referred to itself as a Connected Planning Platform, with the idea being that it can support all of the requisite personas involved in planning beyond finance. Conceptually, personas including HR, sales, IT and operations can be more involved in the planning process through this paradigm, because their requisite data is ingested in the same way financial data is; it is used to provide a contextual view of the budgetary and planning elements that impact that persona, while keeping everything ultimately tied back to finance at its core.

Although the early days of the connected planning narrative showed promise and potential, Anaplan has made investments over the past year to ramp up the value of its feature set for non-finance users. One of the biggest areas where its done this is HR and workforce planning efforts.

At the start of its HR planning journey, Anaplan was focused primarily on workforce planning, with areas like headcount, payroll and onboarding taking center stage. At the time, though, Anaplan was also talking about progressive functionality such as skills management, workforce scenario modeling, retention and recruiting planning. This may have been ahead of the market in 2015, but it has become a core selling point of many workforce and talent management offerings today.

Anaplan has since evolved its strategy to comprise three distinct pillars: workforce planning, talent strategy and compensation modeling. And as the company has extended the capabilities associated with each of these pillars, it has set itself up to address the shifting corporate and departmental needs of the new normal.

The workforce planning pillar encompasses workforce demand and headcount planning, but it also looks at a macro view of strategic workforce planning over the next few years, connecting business strategies to roles that can execute on them. Most relevant to the new normal, though, are skills, capabilities and talent mobility planning. Understanding skills gaps on teams to support more strategic hiring is one thing, but understanding skills and capabilities gaps within the context of a CPM platform could allow users to more effectively match employee skills to business goals and outcomes.

This was listed as the top change (43%) managers wanted to see in the way they manage employee skills on their teams, according to our *VotE: Workforce Productivity & Collaboration, Employee Lifecycle & HR 2020* survey. By measuring skills against a variety of KPIs, users could also potentially better understand skill proficiency – which was the second highest response at 35%.

Ultimately, however, respondents wanted to see skills and capabilities management combined with talent mobility to drive more dynamic workforce management, allowing team managers to break teams apart and rebuild them quickly to respond to changing business needs. A deeper integration with core workforce management vendors and time and attendance vendors could support this more fully for Anaplan.

Of course, talent mobility bleeds into the talent strategy pillar as well, which also touches on succession planning, sustainability, organizational design, risk, location planning, and diversity, equity and inclusion initiatives. The mass shift to remote work brought on by the COVID-19 pandemic raised quite a few concerns in these areas. Of course, with 64% of organizations making a permanent, significant increase in remote work, and 33% planning a permanent reduction in their physical office footprint (according to our *Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey October 2020*) – location planning will be critical.

However, remote work also impacts an organization's sustainability goals by lowering the number of commuters, and lessening the energy and water consumption at their physical office; in turn, impacting the usage of janitorial, IT and security services, among other things. Large-scale remote work, however, also impacts organizational design and leadership efforts while introducing new areas of risk, which are all areas that Anaplan claims to support through its talent strategy pillar.

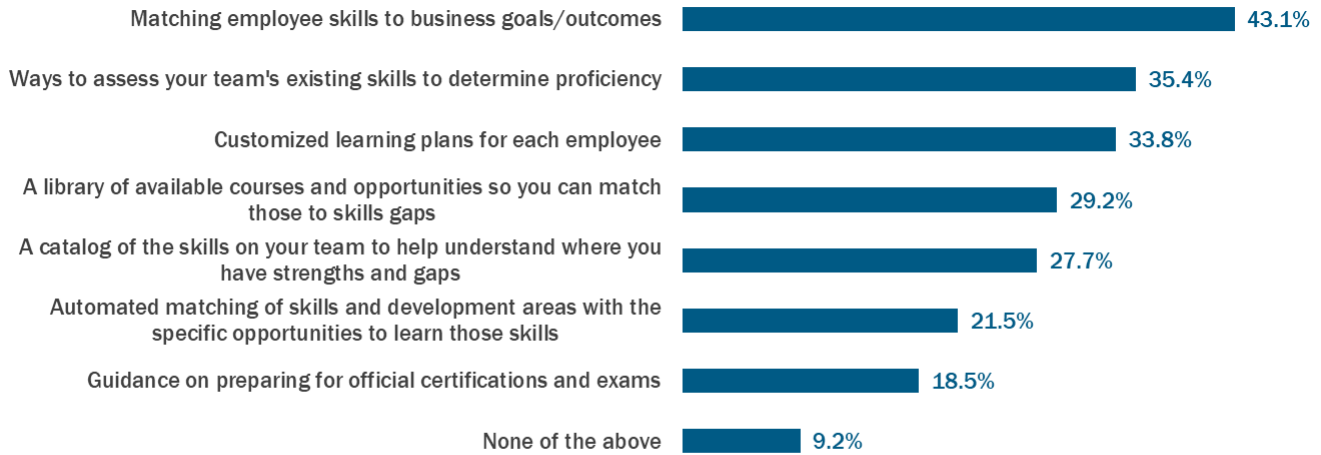
Talent strategy blends into compensation modeling on a few fronts, while mixing with workforce planning on capacity and utilization, and contingent and gig workforce planning. Workforce cost, salary, bonuses and benefits are all included here. Getting visibility into contingent and gig workforces will likely be critical since many companies have turned to these workforces to supplement their full-time workforce in times of hiring freezes.

This creates financial confusion, because these workers are often paid through procurement, while full-time employees go through payroll. Visibility across all workforce populations will be key. Health and benefits are also an area of HR that is getting a second look during the pandemic, as organizations look to support the mental health of their remote workforces, and offer benefits that fit into their new lifestyle.

While no HR planning platform can address all of the various nuances and details that a practitioner may encounter in their daily work, platforms like Anaplan's go a long way toward accounting for the various angles through which HR and its adjacent functions can be involved in strategic planning. That said, HR is still a nascent persona in planning, and it may take some time for an organization's planning culture to evolve in a way that prioritizes HR's involvement.

Anaplan will also need to be wary of competitors like Adaptive Insights, which is now owned by Workday and has a readymade connection into the HR department where Workday is deployed. Still, Anaplan's Connected Planning narrative continues to grow and evolve to address the current needs of pandemic work society, while leaving room for new issues that may arise in the future of work.

### Top Changes to Improve Management of a Team's Employee Skills



Sample Size = 65

Base: Respondents who are team managers

Source: 451 Research's Vote: Workforce Productivity & Collaboration, Employee & HR 2020 Q: Which of the following changes, if any, would most improve the way you manage employee skills on your team? (Check all that apply)

## CONTACTS

### **The Americas**

+1 877 863 1306

[market.intelligence@spglobal.com](mailto:market.intelligence@spglobal.com)

### **Europe, Middle East & Africa**

+44 20 7176 1234

[market.intelligence@spglobal.com](mailto:market.intelligence@spglobal.com)

### **Asia-Pacific**

+852 2533 3565

[market.intelligence@spglobal.com](mailto:market.intelligence@spglobal.com)

[www.spglobal.com/marketintelligence](http://www.spglobal.com/marketintelligence)

Copyright © 2021 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not endorse companies, technologies, products, services, or solutions.

S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge) and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).