

EBOOK

The partnership between finance and HR to overcome the talent imbalance

Placing intelligent bets on the
future of the organization

 **anaplan**



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Improving collaboration between finance and HR to drive better business outcomes

No business can achieve financial success without the ability to attract, develop, and retain a high-quality workforce. Unfortunately, these efforts have become more difficult and more costly than ever before. Momentous workforce challenges including talent shortages, skills gaps, staff burnout, mass retirements, and widespread resignations left many organizations dealing with project delays, overworked teams, and high turnover rates.

In addition to ongoing and significant shifts in revenue streams and operating models, these challenges led to one of most complicated employment markets in global history. No region, country, or industry has been immune to these widespread difficulties, although the scale, pace, and drivers of market changes do vary across geographies and industries.

In these trying times, finance leaders are left with more questions than answers. How can we maximize workforce returns and productivity while optimizing workforce costs? Have we included our talent needs, associated expenses, and potential risks when laying out our strategic targets and timelines? Is our HR team an active contributor to our strategic planning? How can we better plan to address skills needs and shortages, including upskilling internal resources, outsourcing, hiring, and how can we close those gaps? Can we develop an organizational roadmap, laying out the options with full visibility into its financial impact?

These questions are foundational to an organization's ability to thrive and grow. Answering them requires deep collaboration across the organization, especially between finance and human resources teams. HR has the practical expertise the finance organization needs to understand the full costs, benefits, and workforce configuration options available to the business, along with the savvy to help connect human performance with business performance and results.

It's time to strengthen the partnership between finance and HR, break out of siloed planning exercises, and elevate to a new level that helps the business thrive in the next normal.



Why aren't HR and finance on the same page?

Many organizations struggle to achieve a truly aligned and effective relationship between HR and finance. Why is communication and collaboration between HR and finance so challenging? Both functions work to support the organization's strategy and play critical roles in its overall success. However, each has their own unique focus, success metrics, and processes.

HR is focused on building the right workforce through recruitment, retention, training, development, culture, performance management, and total rewards. Finance is focused on delivery of revenue growth, cost containment, margin improvement, risk mitigation, short- and long-term goals important to investors and owners, identifying the best opportunities for profitable growth, and optimizing resources for efficiency.

While these two views are not directly at odds, the differing focus of each team can create divergent perspectives on hiring and retaining employees. Does HR have a line of sight into financial growth objectives and timing? Does finance understand the hiring and ramping timelines, expected

attrition rates, changing compensation, and workforce expectations for full visibility into productivity expectations? Do both teams jointly assess financial implications and scenarios to drive transparency, collaboration, and accountability? The answers to these questions are typically no, so both departments then operate separately. This disconnection widens as each team focuses on their independent goals.

Additional challenges stem from the inability to access information across the enterprise. Often, critical information is siloed with individuals, teams and departments — typically in spreadsheets — which can lead to issues with visibility, data integrity, and flexibility. When you have spreadsheets everywhere, nobody knows where anything is and everyone struggles to create a full picture for analysis, nor can they get to things quickly. When nobody shares information or knows how to access the data maintained by other teams, frustration and miscommunication are likely. More importantly, if each department maintains its own information and conducts its own independent analysis of that information, decisions can be made without all necessary data or full visibility.

Additionally, finance and HR don't share strategy ownership. Finance has historically taken a data feed from HR, but hasn't always been completely transparent about what the targets are, such as revenue growth or cost cutting, so HR can build the appropriate timeline for talent acquisition and development. It's not only process and procedure and historic attitudes or assumptions, but also a lack of collaborative technology that has prevented finance and HR from being on the same page.

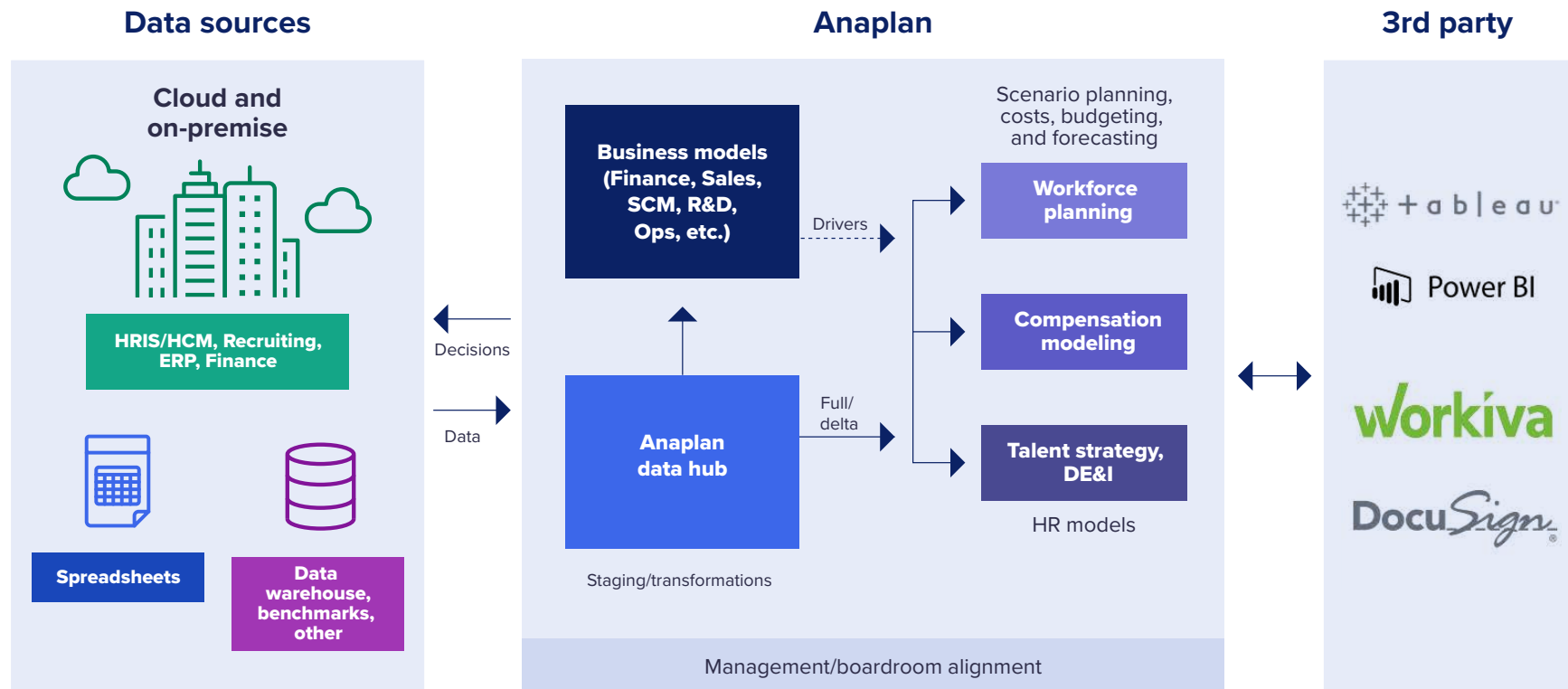
A few simple steps can transform interdepartmental collaboration and create well-informed decision-making tools and processes. This transformation can have significant and far-reaching impact on the hiring and retention efforts of HR and the budget management efforts of the finance team, and most importantly, on the future pace, growth, and profitability or efficiency of the organization.



How can finance and HR leaders help their teams improve collaboration?

Creating a mindset of shared ownership of the organization’s ongoing operations aligned to strategy is foundational to developing effective cross-functional collaboration. To build this shared perspective, HR and finance teams need a single source of truth for critical information and real-time insights into the organization’s current state, future goals, and gaps to address.

HR and finance teams also need to be able to conduct scenario planning and modeling based on these insights, analyzing the impact of timing, skills acquisition and development, employee investment, and more. This planning is impossible when organizations operate in silos. When you plan across the enterprise, such as research and development (R&D), sales, marketing, and supply chain, the outcome of one set becomes the input and driver to another, empowering HR to create the appropriate people plan.



Turn your partnership with HR into a driver of financial goals with Anaplan

When HR and finance both use Anaplan, finance is brought in on the art of balancing the differing priorities of talent acquisition, retention, and skills and development in service of achieving business goals. Additionally, finance gains visibility into the costs and timing in each of these areas, helping the two teams balance and predict the pace of hiring, turnover, and training supporting profitable business growth.

When HR uses Anaplan, finance has more opportunities to optimize costs, including:

- Training and upskilling instead of hiring from outside
- Making smarter decisions for potential staff optimization and reduction. For instance, keeping the talent that would be hard to hire back later

- Using location strategy to optimize cost and improve access to diverse talent pools
- Developing a more accurate cost analysis for attrition, retention, and succession, because the multiplier on talent loss is different for each tier of talent
- Enabling the agility to execute merger integrations, reductions in force, and other major workforce transformation initiatives

By bringing HR and finance teams together to work toward strategic objectives and operational targets, Anaplan can deliver significant value to your entire enterprise.



Proactive response through agile workforce planning

As a business evolves, the workforce must evolve with it. Considering scenarios for the multitudes of potential disruptions and their impact on workforce and finances, then developing proactive responses can help maximize agility. Workforce modeling based on operational data combined with market and environment analysis can help predict and plan for change. Anaplan enables organizational agility and helps businesses grow and meet its objectives by helping to model any “what-if” scenario. This helps assessments of role and skills gaps, enabling comprehension of financial impacts stemming from a range of potential scenarios, including rapid growth, reductions-in-force, mergers and acquisitions, and restructuring. This cohesive modeling makes it possible for finance and HR to come together to develop plans to proactively address business evolution and potential risks, thereby increasing speed in responding to any eventuality.

Flexible, comprehensive compensation planning

Compensation is not a one-size-fits-all scenario. Instead, compensation plans can be tailored and managed for specific employee populations. Understanding the impact various retention models and programs have on the bottom line can be difficult. Anaplan makes it easy to track and model all facets of your talent budget, including standard compensation, bonuses, and stock options. You can conduct extensive modeling to create the budget alignment needed for finance and HR to work together to attract and retain talent and adjust compensation equitably based on employee performance and market trends. This detailed view of the compensation budget also enables the finance team to generate more accurate cost analyses for attrition, retention, succession, and internal training.

Insightful measurement of performance

With Anaplan, your business can track, measure, and analyze the performance of individuals, teams, and programs. You’ll be able to measure KPIs and quantify non-traditional ROI resulting from programs addressing diversity and inclusion, equity, culture, employee engagement and training, and social responsibility. Anaplan’s Management Reporting capabilities make it easy to generate highly formatted reports for communicating key measures and insights to executives and leadership, the board, and external stakeholders. Use the knowledge gained from these measurements to develop a clearer view of your organization’s actual performance and health.

Informed business cases

Business cases for new programs or talent expenditures must clearly and accurately demonstrate the value of the investment. This partnership between finance and HR will not only align human capital to the growth targets, but data gathered by each team can be modeled to most effectively demonstrate business value. Anaplan helps your HR team use data for strategic workforce planning to build comprehensive and informed business case for investment in hiring, learning and development programs, and bonus programs to support mission-critical initiatives.



Place intelligent bets on the future of your organization by connecting HR and finance

Do your finance and HR teams struggle to stay on the same page? Are these teams sharing data and insights to build the full picture needed to make essential decisions? Are you forced into using spreadsheets and slide decks to maintain transparency and collaboration across teams?

If you answered yes to any of these questions, you aren't alone. Countless organizations face similar challenges — many without awareness of the issue until someone key to maintaining the spreadsheets changes roles or leaves the organization.

Fortunately, these challenges can be overcome. With full transparency and a Connected Planning approach, you can align your finance and HR teams to work cohesively together to define and shape the future of your business.

Resolving these challenges and optimizing your processes cannot be done overnight. They can take several iterations and require change management. Start small and refine and expand your model and plans iteratively to break through the barriers between teams. Develop a change management program to limit the impact on operations. Most importantly, remember you do not have to tackle these issues alone. Anaplan and its partners are here to help you implement the Connected Planning technology needed to ensure access to information, full transparency, and the modeling and planning capabilities necessary to unlock the potential of your workforce to build the organization of the future.



Anaplan helps you move from siloed planning to **Connected Planning** in which a change in one part of the business or the process is immediately refreshed in other impacted points in the process so stakeholders get early visibility and warning signs into areas of concern or consideration.

How does Anaplan break down silos? It eliminates many of the roadblocks impeding cross-functional collaboration and communication by:

- ✓ **Secure access to information.** Capturing and analyzing the required data to make informed planning decisions can be challenging. Anaplan enables the collection and analysis of your organization's data to securely give all teams the information needed to make the most effective decisions possible.
- ✓ **Connecting data and processes.** When departments maintain their own information sources, valuable cross-functional insights may be missed. Anaplan provides the ability to aggregate data from across systems into a single source of truth to enable all teams to work from the same data set with real-time updates when plans are modified, involving the right decision-makers across the organization.
- ✓ **Always up-to-date data.** Bad data is as good as no data. Planning the future of your organization using outdated data can lead to a disaster. Anaplan delivers real-time insights to ensure modeling and planning are conducted with the most accurate information possible.
- ✓ **Appropriate transparency.** Understanding what other teams are doing, planning, and thinking is critical to collaboration. Anaplan provides the transparency into the key metrics needed to help connect the dots between teams. With Anaplan, you can drill into detail from the aggregate data (based on access level setting) so everyone understands what makes up a number, and time is not wasted in discussions about source and quality of information.
- ✓ **Magnifying analyst impact.** The individuals analyzing finance and HR data today bring a wealth of knowledge about the business, data, and analytical methods. Anaplan provides a solid platform for them to benefit from data already cleaned and integrated so they can focus on new challenges, sharing their models and insights securely and easily with leaders and other teams. With Anaplan, teams can integrate with external data science tools or leverage our built-in machine learning and statistical engines instead of maintaining slow and outdated spreadsheets.

By removing common hurdles impeding collaboration, Anaplan provides a solid data foundation for your HR, finance, and business teams to work more effectively, both together and as individual units. The outcome is not just about improving your planning processes and driving efficiencies. It's about putting accurate and complete information about the workload, workforce, and costs in the hands of the leaders that need to make decisions for your business.

To learn how Anaplan can help you place intelligent bets on the future of your workforce, [request a demo today](#).



About Anaplan

Anaplan (NYSE: PLAN) is a transformative way to see, plan, and run your business. Using our proprietary Hyperblock™ technology, Anaplan lets you contextualize real-time performance, and forecast future outcomes for faster, confident decisions. Connecting strategy and plans to collaborative execution across your organization is required to move business FORWARD today. Based in San Francisco, we have 20 offices globally, 175 partners, and more than 1,800 customers worldwide.

To learn more, visit anaplan.com

