# The "Messy Middle" – an obstacle to Connected Planning

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Enterprise value optimisation is the *raison d'etre* of the CEO and his/her executive team. Optimised financial performance is one side of it and minimising the cost of capital being the other side. Optimising enterprise value must be embedded in all business functions; it is paramount to highly effective planning, enterprise performance management, as well as risk management.

The challenge for any organisation is not only to shorten the planning process, but also increase the frequency. During the planning process, right through the entire budgeting cycle, all the organisational functions e.g., marketing, sales, operations, supply chain, HR, and finance must be fully aligned. The current business environment, as demonstrated by the COVID pandemic, demands that the organisation must be agile in adapting to rapid changes, and therefore decision quality must be improved. Time to market must be faster than the competition to capitalise on new opportunities, time to action should be swift. *Ex post facto* reporting on, and analysis of, failed strategies and tactics are not considered good enough any longer.

*In today's increasingly fast-paced economy, leading global organizations all have the same goal: to be agile and responsive to swiftly react to market volatility and shifting consumer demands.*

What is required is a disruption of the "business-as-usual" way of running an organisation. Interconnected management processes, with an end-to-end feedback loop, ensuring continuous synergies between people, systems, and processes, to produce a Gestalt effect, where the whole is greater than the sum of their separate effects, is required. This can be achieved by connecting strategy, people, processes, assets & information across all business functions. The time for silo-ed planning and analysis is long gone!

**What is holding you back?**

The cause of a disjointed planning organisation is the "Messy Middle" where it bridges the gap between the transactional systems and strategy planning. It is characterised by having data, people, and plans that live in isolated functional focussed spreadsheets, DW, reporting tools, and emails making effective cross-enterprise collaboration nearly impossible. On top of that it is happening in functional silos within the organisation. Typically, it results in debates on whose data is correct and not on the message let alone the decisions required.

*Traditional planning approaches and technologies lack the collaboration, insights, and predictive, self-learning capabilities necessary to inform strategic decision-making.*

**What is the answer?**

The Connected Planning shift is taking place because traditional, legacy planning tools and processes can block businesses from achieving the visibility and agility needed to stay ahead of uncertainty, and dealing with increasing complexity and the exponential velocity of change.

Connected Planning means shifting the focus from data consolidation to analysing and determining risks and opportunities to ensure optimised business performance.

Connected Planning joins together people, data, and plans to help accelerate better business performance. The static business plans of yesterday are often ill-equipped to quickly respond to today's dynamic market conditions and external events. Connected Planning breaks down information silos to eliminate any inefficiencies among financial planning, corporate planning, and operational planning.

**Five Connected Planning truths are[1.]: -**

1.   *Plans as we have known them are dead.*

     Whether built in legacy software systems or spreadsheets, we've all experienced plans that are out-of-date the moment they are created. When planning processes are overly rigid, manual, and time-consuming, revising the plan is daunting. When you combine this rigidity with a lack of connectivity in the rest of the organization, the result is sluggish planning and counterproductive backtracking. The most successful organizations use Connected Planning to modify plans on-the-fly and identify the drivers of the business with forward-looking data. This way, the implications of any adjustments are automatically seen and implemented across plans and business units.

2.   *Plans have historically provided an agreement about the past; Connected Planning defines the future.*
     When it comes to planning cycles, many teams spend most of their time trying to gather the data or determine what happened in the past. Even with all the energy spent questioning the data and agreeing on the plan, they are still relying on past performance as an indication of future performance despite the ineffectiveness of this approach. Connected Planning means shifting the focus from data consolidation to analysing and determining risks and opportunities to ensure the best future performance.

3.   *The distance between planning and real-time decision-making must be zero.*

     Think about how much time gets spent on consensus-building when putting together a plan before acting on that plan. When data and plans are connected across the organization, you can slash the amount of time spent on data agreement and interlock, reduce the decision-making cycle, and stop making significant decisions based on plans or assumptions that, as noted, are based on the past.

4.   *Connected Planning will be "every day for everyone".*
     Many planning cycles are done by the few and ignored by the many. As you start to execute on a plan, having widespread participation and feedback is important if you want to successfully make adjustments. When all planning activities are executed within a single platform and leverage shared data, getting everyone to trust the plans becomes simpler. This generates speed in the decision-making cycle and enables groups to collaborate in real-time, making immediate adjustments based on feedback.

***Connected Planning frees fearless leaders.***

Planning systems can make people prisoners of the past. (Think about that dreaded phrase, "This is how we've always done it.") However, the tools and plans that got your business where it is today are not necessarily what can get it where it needs to go tomorrow. Standing up, taking notice, and deciding to drive transformational change within an organization requires three key people:

- An executive sponsor providing top-down support who can advocate for the success they have seen in their organization and bring it into other functions.
- A change agent empowered to challenge the as-is state of the organization, build connections with colleagues, and push the transformation through.
- A model builder who can track the value of the transformation from start to finish, from conceptualizing the first model to the full implementation.

*Note 1: https://www.anaplan.com/blog/5-truths-of-connected-planning/*

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