

Intelligent Planning Today and Beyond

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Cody Johnson
David Geiger
Jeff Zeidman

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The Association of
Accountants and
Financial Professionals
in Business



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Q&A

Asking Questions



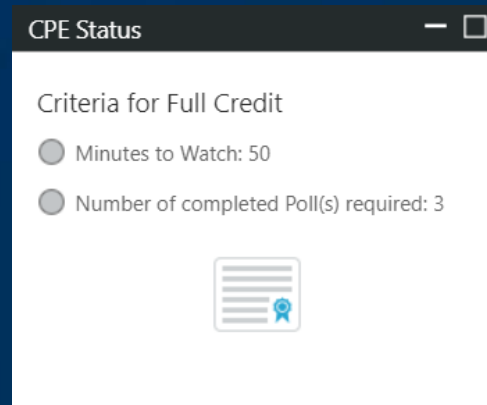
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Moderator

Steve Shannon

**Director of Partnership Marketing,
Business Development**

IMA



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Featured Presenters



Gregory Volpe
Solution Marketing Director
Workday



Cody Johnson
Principal, Product Manager
Workday



David Geiger
Director, Data & Analytics
KPMG



Jeff Zeidman
Director, Workday EPM
and Analytics
KPMG



Gregory Volpe's Biography

- Over 26 years working with customers and prospects at Workday, other Corporate Performance Management (CPM) software vendors, and professional services firms, specifically focusing on planning, forecasting, and analytics, across all verticals.
- Prior to joining (Workday) almost 10 years ago, Greg's experience included software implementation consulting, project management, and product development. Greg also has prior experience leading FP&A groups with planning and financial analysis. Greg has a MBA from Babson College, and a BA from University of Massachusetts.

Cody Johnson's Biography

- Cody is responsible for the Workday Intelligent Planning initiative. Cody has previously held many different planning roles including, solution architect, product management (machine learning) and sales, before entering the planning software field, Cody held several finance-related positions, including finance director for a retail organization and a FP&A manager at a defense contractor.
- Cody has a Bachelor's Degree in Accounting and Finance from Oklahoma State University.

David Geiger's Biography

- As an analytics leader with 17 years of experience, David uses a blend of business and technical skills to build cohesive, diverse teams delivering strategies, platforms, solutions, and analyses. He has cultivated teams who are passionate about their work and deliver with both collaboration and transparency. David's strengths are leading teams within innovative technology companies where influencing stakeholders across the organization turns data into meaningful insights, driving business growth.
- David has a BS in Industrial and Systems Engineering from Virginia Tech, and a ME in Systems Engineering from University of Virginia.

Jeff Zeidman's Biography

- Jeff leads cross-functional, large Finance Transformation engagements that drive process improvements by implementing technologies to align processes and people based on leading practices with a focus on FP&A and Accounting/Controllershship.
- Jeff has a BA in Finance from Michigan State University.

Learning Objectives

1. Explain what “intelligent planning” is and the potential value it can bring to your organization’s planning process.
2. State industry leading/best practices for intelligent planning.
3. Give examples of customer use cases, where intelligent planning played an integral part in their organization’s planning.
4. Describe what your organization should expect in the future from intelligent planning fueled by ML and AI.



Agenda

1. Introduction
2. Intelligent Planning Overview
3. Leading Practices
4. Intelligent Planning Use Cases
5. The Future
6. Key take away

Intelligent Planning



About Workday Adaptive Planning

Business agility is paramount in the rapidly changing world of planning. To think fast and move first, companies must embrace a planning process that allows organizations to make better, more informed decisions and confidently act on those decisions.

Workday Adaptive Planning provides the planning platform companies need to anticipate, identify, and quickly adapt to changing business conditions and enable an active planning process. Intelligent Adaptive Planning is:

- **Continuous**, continually recalibrating to offer a dynamic and ever-improving source of predictive insight
- **Company-wide**, offering unified, coherent, strategic-planning capability across the business
- **Cloud-first**, with a tech-forward, built-for-purpose foundation of planning intelligence, automation, and scalability



Poll Question 1:

What is your organization's status in utilizing Machine Learning for planning? (**Machine Learning** - finding and using patterns in data to come to some sort of prediction (leveraging advanced algorithms, like time series prediction))

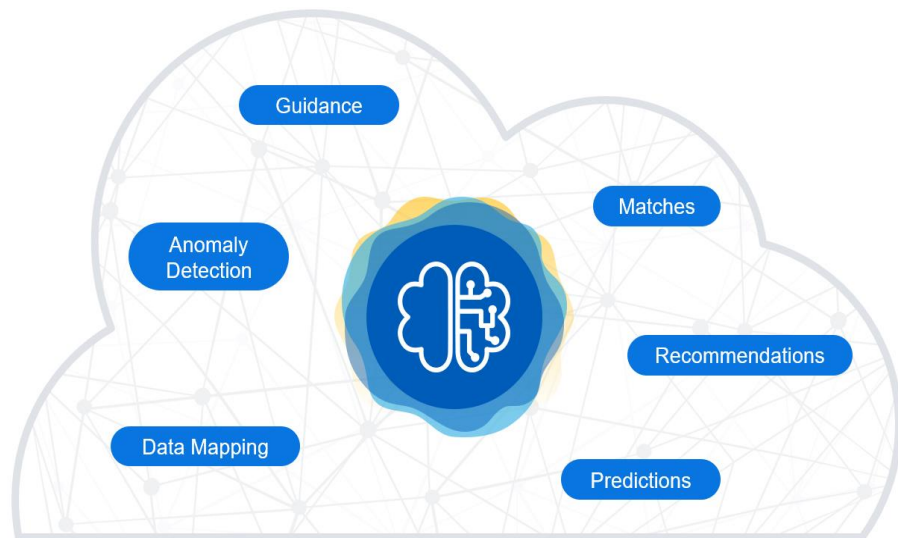
- a. Not currently using, but considering over the next 1-2 years
- b. Not currently using, but considering over the next 3-5 years
- c. Partially using Machine Learning for creating plans
- d. Extensively using Machine Learning for creating plans
- e. No plans to use to use Machine Learning

Poll Question 1 Results: (Placeholder)

Intelligent Planning Today

What is Intelligent Planning?

- **Machine Learning** - finding and using patterns in data to come to some sort of prediction (leveraging advanced algorithms, like time series prediction).
 - Machine Learning and Artificial Intelligence (AI) - are often used interchangeably. In reality, Machine Learning is a sub discipline of AI.
- **Intelligent Planning** - term used to describe Machine Learning plus data science as a way of planning.
- **Technology** – Intelligent planning capabilities are embedded, or “integrated,” into the leading technology platforms
 - Should be transparent & seamless to users
 - Deliver significant value to a plan as the system “learns.”



Machine Learning Drives Value



ACCURACY

Increase forecast accuracy and supplement current decision-making processes through a statistically-proven and data-driven approach

ROI: Ability to re-allocate revenue or cost savings to other growth initiatives, and lead to increased shareholder confidence



INSIGHTS

Gain additional understanding of internal / external drivers of business results; provide value beyond Finance

ROI: New signals supplement current decision making process through scenario modeling, and can serve as “early warning” through flash reports



SPEED

Be fast and agile; accelerate cycle times for the monthly forecasting process

ROI: Less time and resources required for planning; free up FP&A resource capacity (or business leader capacity) to focus on additional strategic analysis or distribute to other functions

Poll Question 2:

What area of your planning do you believe Machine Learning will have the most value for your organization?

- a. Revenue
- b. Workforce / Headcount
- c. Expenses
- d. Operational plans (marketing, manufacturing, supply chain, other)
- e. Managing Cash Flow

Poll Question 2 Results: (Placeholder)

Leading / Best Practices

Integrating ML into Budgeting and Planning Business Processes

Common Client Challenges in the Planning Process

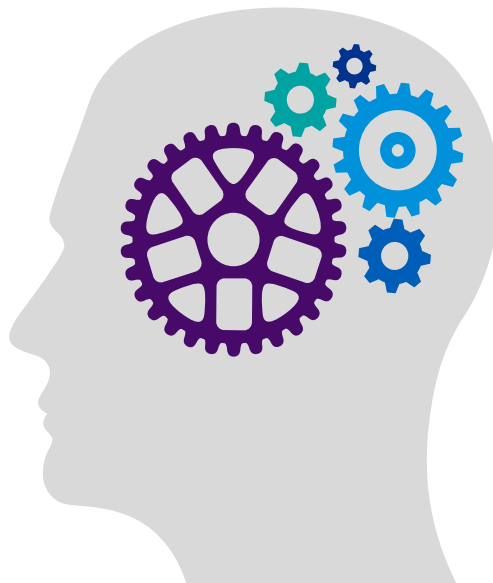
Do any of these questions sound familiar?

Do you know which **external factors** drive your business?

Are your teams **sandbagging** their numbers?

Do you want to **set data-driven financial targets**?

Are you confident in the targets you provide to **wall street**?



Does your team **spend months creating a forecast** that is already outdated once finalized?

Does your organization do **too much detailed bottom's up planning**?

How **accurate** are your **current plans**? Budgets? Forecasts?

Is there **BIAS** in your budget and forecasts?

Application of Intelligent Forecasting in the Marketplace

Corporate-level earnings forecast with confidence intervals used for issuing external guidance (*CFO, Investor Relations*)



Brand-level volume forecasts by customer or channel used to make decisions on how to allocate trade spend (*Brand teams, Marketing, Sales*)



P&L sensitivity analysis used to cut down on time spent on forecasting non-essential P&L lines e.g., SG&A, freight, etc. (*FP&A analysts*)



Business-unit quarterly forecasts used for target setting and driving action-oriented business reviews (*CFO, VP FP&A*)



Weekly volume forecasts used to inform supply chain and production teams and help manage inventory levels (*Demand Planning, Supply Chain*)

Leading / Best Practices

Using Internal and External Data

Common Intelligent Forecasting Techniques



Forecast category

Trend-based forecasting

Driver-based forecasting



Common predictive techniques

- ARIMA (Auto Regressive Integrated Moving Average) model:
- BSTS (Bayesian time series model)
- Multiple Linear Regression (MLR)
- Random Forest Machine Learning Model
- Gradient Boosting Machine (GBM)

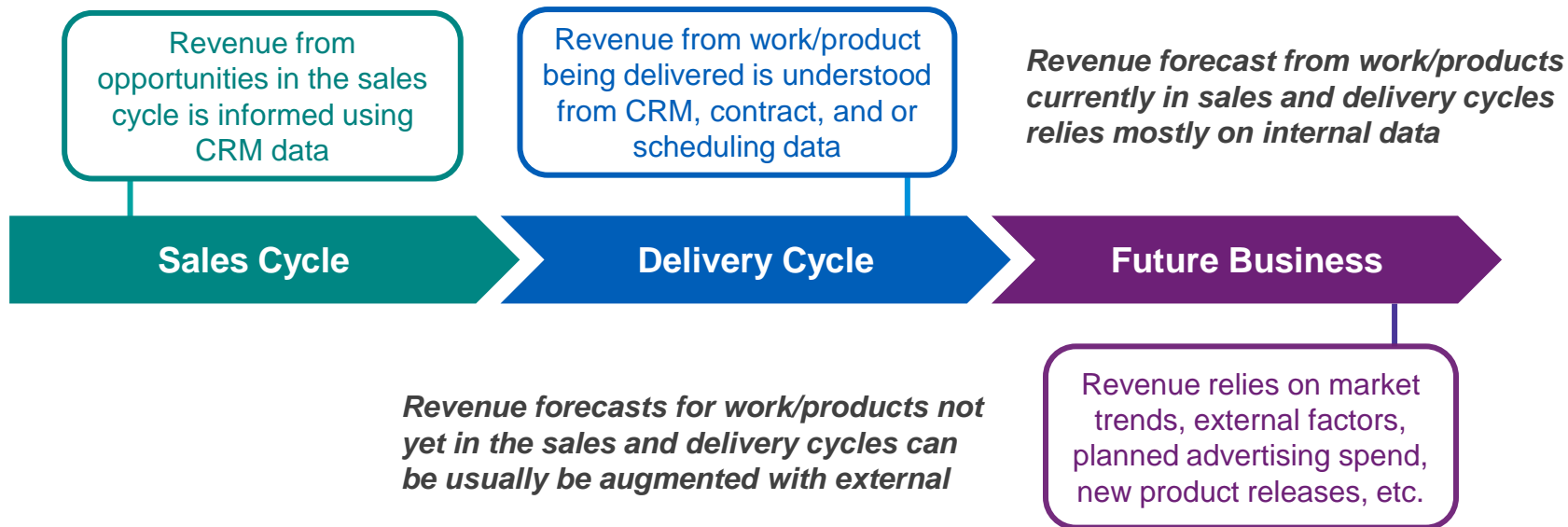


When to use

- Situations where data is non-stationary with trend and seasonal components (e.g., sales forecasts, raw material cost forecasts)
- Predict the change of an output variable based on value of input variables (e.g., change in sales volume based on price changes or external scenarios)

Accurate Forecasts depend on key drivers

To forecast with accuracy during times of stability and change, we must know the right business drivers



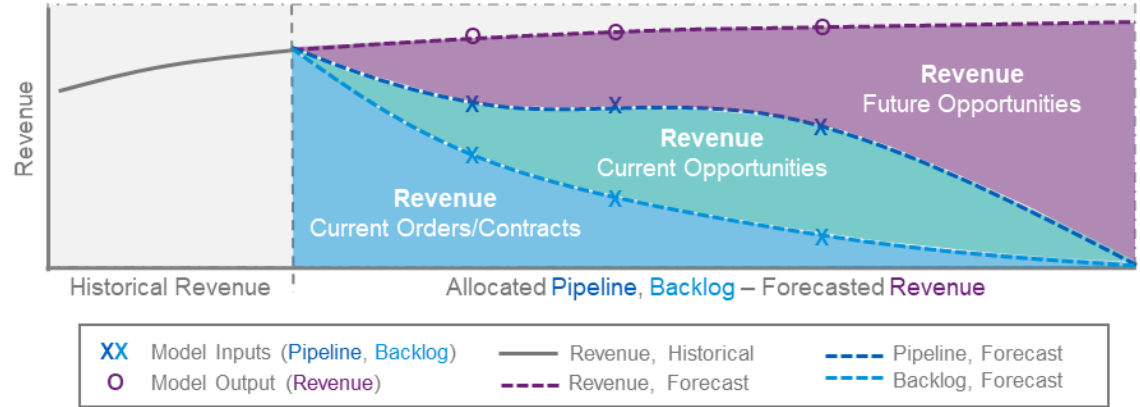
The longer the sales/delivery cycles of a business, the greater the importance of leveraging internal contract/CRM systems

Segment Future Revenue for Business Insight

By leveraging internal data we can understand the immediate business outlook

Future Revenue can be viewed by these business cycle phases:

- **Sales Cycle** – Revenue from current opportunities
- **Delivery Cycle** – Revenue from current orders, engagements, contracts
- **Future Business** – Revenue from opportunities which have not yet been identified



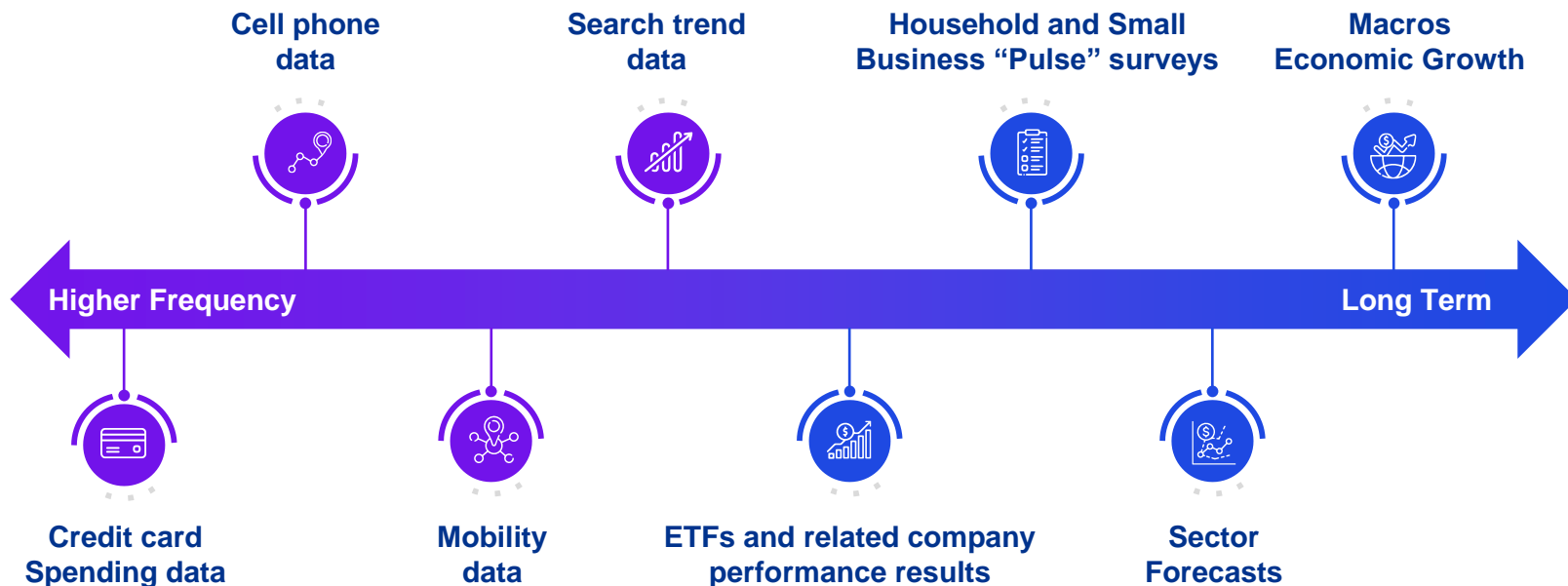
Sales Cycle

Delivery Cycle

Future Business

Different types of businesses will have varying cycle times between these phases

Combine High-frequency & Long Term data



Poll Question 3:

What is the biggest challenge you foresee in incorporating Machine Learning effectively at your organization?

- a. Not having the appropriate Machine Learning software / application
- b. Do not have access to skill sets needed to implement
- c. Slow adoption rate across our planning users
- d. Quality of our data is not good enough to be used for Machine Learning
- e. Something else

Poll Question 3 Results: (Placeholder)

Intelligent Planning Use Cases Today & the Future

Intelligent Planning Use Case Examples

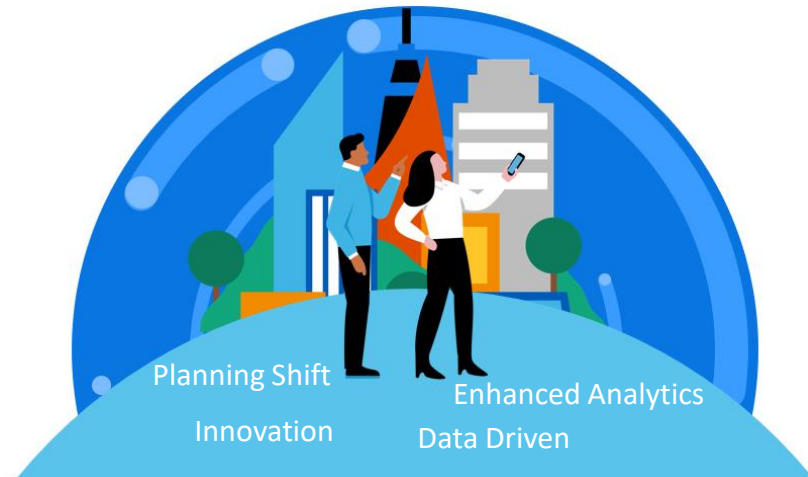
- Anomaly Detection
- Outlier Reporting & Analysis
- Machine Learning Forecasting



Use Case Overview / Presentation

What Does the Future Hold? Trends?

- **Planning Shift** - Machine Learning will fundamentally change the way organizations plan (data driven, plan by exception, more continuous planning, increased automation).
- **Enhanced Scenario Analytics** – ML-enabled planning will eliminate “heavy lifting” of today's most advanced planning. Open the door for entirely new kind of scenario planning. Delivering insights at the right time to augment planning.
- **Technology** - Intelligent Planning technology capabilities will become richer, more robust & user friendly (should be seamless experience). Innovation in this area is increasing rapidly across select technology providers.
- **Built-In Capabilities** - Machine Learning will become built into core planning applications, to effectively leverage key data sources, transactions, and core innovative algorithms.
- **Broader Use Cases** - Continued support for a broader range of planning use cases. Expect to see significant adoption for industry-specific planning.



Poll Question 4:

Would you like to receive more information about the Workday and/or KPMG products and services?

If you check yes, please note that this will nullify any previous requests you've made to IMA to not share your contact information with Workday and/or KPMG.

- a. Yes, Workday only
- b. Yes, KPMG only
- c. Yes, both Workday and KPMG
- d. No, thank you.

Questions and Answers



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Thank You to Our Featured Presenters!



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Final Reminders

- ▶ **Complete the Evaluation poll** – 2 options
 - On your screen
 - Evaluation Survey icon at the bottom of your console
- ▶ **Access to your CPE Certificate** – 2 options
 - Click the “CPE” icon at the bottom of your console
 - or
 - Click the link in your post-event e-mail
- ▶ Please print a copy of the CPE certificate for your records.
- ▶ Your CPE credit will be automatically recorded in your transcript.

Thank you!

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