Revenue Planning Buyers Guide

Software Provider and Product Assessment

EXECUTIVE SUMMARY

ISG Research

Revenue Planning

Planning software is designed to refine and expedite the budgeting process, boosting the productivity of the financial planning and analysis (FP&A) group, while also enabling executives to set objectives and allocate resources in alignment with an enterprise's strategy. The primary objective is to generate the revenue needed to fund the resources necessary to achieve short- and long-term goals. Until recently, this top-line number was simply the sales target for the coming period. However, in many businesses, there has been a shift in focus from sales to revenue. This, combined with the increasing sophistication of available software, has made projecting revenue an essential part of the planning process.

ISG Research defines revenue planning as a holistic approach to detailed forecasting of revenue sources and associated sales operations elements, including territory and quota planning, sales capacity planning, incentive compensation and demand planning for revenue.

The term "revenue" is replacing the once ubiquitous "sales" in planning because, in many enterprises, the sales department is being superseded by revenue teams. These revenue teams support a broader set of traditional sales functions that include not only gaining new customers but also focusing on customer retention, expansion and cross-sell to existing customers. ISG Research asserts that by 2026, over one-half of enterprises will establish a Chief Revenue Officer leadership role, focusing on all channels and sources of revenue, not just direct sales.

Office of Revenue

Market Assertion

By 2026, over one-half of enterprises will establish a Chief Revenue Officer leadership role, focusing on all channels and sources of revenue, not just direct sales.

Stephen Hurrell
Director of Research, Office of Revenue

ISG Research

The shift from a one-time sale approach to one that includes recurring revenue, such as subscriptions, has increased the importance of accurately forecasting these multiple streams. As enterprises embrace additional sales channels, whether through more typical indirect sales from partners or new digital selling channels like e-commerce, revenue management will require a higher degree of alignment and coordination. This highlights the importance of aligning all elements necessary for generating revenue, including the parallel efforts in managing territories, setting quotas and designing compensation plans that reflect the rising importance of self-service buying.

Managing the gamut of sales and revenue operations requires well-designed and continuously optimized territories and accounts aligned with quotas that are designed to achieve an enterprise's full revenue potential. Territories can be based not only on geographies but also on a variety of alternate drivers, leading to virtual territories that meet current needs. Quotas need to be linked to both overall organizational objectives and product and service category targets. With the advent of self-service and digital channels, and as customers engage across multiple channels for a single purchase, both quotas and territories need to ensure sales individuals are not penalized or disincentivized. This foundation must be established through modeling and planning that provide the analytics and metrics necessary to guide revenue leadership and operations for the coming month, quarter, year and beyond. To remain flexible and responsive to market conditions, enterprises should incorporate the concept of continuous revenue performance monitoring into their planning process, adjusting territories, quotas and incentives based on data-driven insights and forecasts.

> **Enterprises should incorporate the concept of continuous revenue performance monitoring into their planning process.**

Using analytics and data from operations and planning is essential for designing revenue-related compensation plans that utilize commissions and incentives to influence and align behavior and priorities. To optimize revenue performance, enterprises must design and apply incentives that motivate those supporting revenue generation to reach their targets. To evaluate the effectiveness of compensation plans and incentives, revenue leadership needs tools to assess the relationship between plans, targets and actual performance. Comparing compensation and incentive plans among all revenue personnel and other parts of the enterprise can help managers determine whether what they provide is appropriate. Goals and objectives must be defined, established, tracked and linked to incentives and rewards to guide revenue performance. Moreover, enterprises need to know whether their compensation is competitive in their market.

Enterprises that adopt a revenue focus find that they need dedicated software to handle the complexities associated with this strategy. Using spreadsheets to manage revenue planning, operations and performance is ineffective and can be problematic when trying to achieve optimal outcomes. Spreadsheets are two-dimensional constructs, while planning, analyzing and reporting revenue are inherently multidimensional. These dimensions include customers, geographies, product and currencies, among others. Spreadsheets are not well equipped to manage the data needed to plan multiple revenue channels or the varying types of buying and selling channels that must be measured against goals and targets. They typically produce scattered and inconsistent information, which serves as a major impediment to planning revenue. Spreadsheets also cannot scale well to support an enterprise as it grows.

The shift to a revenue focus has significant implications for finance departments, largely due to the fundamental change to revenue recognition accounting principles that took place in the late 2010s. Whereas closing a one-time sale is almost always contemporaneous with the receipt of cash and the ability to report the full amount of that sale, subscriptions and recurring revenue business models pose complications for planners. They need to accurately determine when sales commissions on closed business are due, when cash is received and when revenue can be recognized for financial reporting purposes. Spreadsheets might be adequate for revenue planning in static environments and simple commercial structures, but they pose burdens on FP&A and sales operations groups in real-world situations. These burdens translate to a substantial amount of unproductive time required to make changes and adjustments, as well as delays between when decision-makers ask questions and when they get answers.

> **Artificial Intelligence (AI) built into revenue planning functionality will have a growing impact on how enterprises operate.**

This shift has expanded the scope of forecasting, planning, analyzing and reporting capabilities related to revenue by providers of business planning software, most of which have included in-depth revenue planning features and functions in their application. Artificial Intelligence (AI) built into revenue planning functionality will have a growing impact on how enterprises operate in coming years. Although software providers will be increasing their applications' capabilities, adoption will be measured. We assert that through 2026, fewer than 1 in 5 enterprises will utilize AI and data to align incentives that ensure the right balance between direct, indirect partner and digital commerce channels to achieve revenue targets. Those that are in this vanguard will likely outperform their peers.

The ISG Buyers Guide™ for Revenue Planning evaluates products based on our comprehensive assessment of how well the software facilitates the creation and update of sales forecasts, supports territory and quota planning as well as sales capacity planning, its ability to calculate and update incentive compensation, and how well it supports demand planning for revenue. The guide also examines the extent to which the software provides embedded revenue analytics that improve performance, the depth and breadth of specific embedded AI to facilitate and improve the timeliness and accuracy of revenue planning, and how it supports executives, participants and administrators in the process. Additionally, it evaluates how the software facilitates advanced planning techniques, whether it offers out of the box reporting and dashboards, and the impact of provider investments in this area.

To focus on the specific needs of revenue planners, this guide excludes our evaluation of the providers' capabilities for integrated business planning, other departmental and functional planning, and enterprise budgeting. The applications evaluated in this revenue planning buyers guide are those that broadly facilitate business planning. We therefore do not include

software providers that do not have support for financial planning and, thus, did not consider providers that focus mainly or exclusively on revenue planning.

This research evaluates the following software providers that offer products that address key elements of revenue planning as we define it: Anaplan, Board, IBM, Jedox, OneStream, Oracle, Pigment, Planful, Prophix, SAP, Vena Solutions, Wolters Kluwer and Workday.

Buyers Guide Overview

For over two decades, ISG Research has conducted market research in a spectrum of areas across business applications, tools and technologies. We have designed the Buyers Guide to provide a balanced perspective of software providers and products that is rooted in an understanding of the business requirements in any enterprise. Utilization of our research methodology and decades of experience enables our Buyers Guide to be an effective method to assess and select software providers and products. The findings of this research undertaking contribute to our comprehensive approach to rating software providers in a manner that is based on the assessments completed by an enterprise.

> **ISG Research has designed the Buyers Guide to provide a balanced perspective of software providers and products that is rooted in an understanding of business requirements in any enterprise.**

The ISG Buyers Guide™ for Revenue Planning is the distillation of over a year of market and product research efforts. It is an assessment of how well software providers' offerings address enterprises' requirements for revenue planning software. The index is structured to support a request for information (RFI) that could be used in the request for proposal (RFP) process by incorporating all criteria needed to evaluate, select, utilize and maintain relationships with software providers. An effective product and customer experience with a provider can ensure the best long-term relationship and value achieved from a resource and financial investment.

In this Buyers Guide, ISG Research evaluates the software in seven key categories that are weighted to reflect buyers' needs based on our expertise and research. Five are product-experience related: Adaptability, Capability, Manageability, Reliability, and Usability. In addition, we consider two customer-experience categories: Validation, and Total Cost of Ownership/Return on Investment (TCO/ROI). To assess functionality, one of the components of Capability, we applied the ISG Research Value Index methodology and blueprint, which links the personas and processes for revenue planning to an enterprise's requirements.

The structure of the research reflects our understanding that the effective evaluation of software providers and products involves far more than just examining product features, potential revenue or customers generated from a provider's marketing and sales efforts. We believe it is important to take a comprehensive, research-based approach, since making the wrong choice of revenue planning technology can raise the total cost of ownership, lower the return on investment and hamper an enterprise's ability to reach its full performance potential. In addition, this approach can reduce the project's development and deployment

time and eliminate the risk of relying on a short list of software providers that does not represent a best fit for your enterprise.

ISG Research believes that an objective review of software providers and products is a critical business strategy for the adoption and implementation of revenue planning software and applications. An enterprise's review should include a thorough analysis of both what is possible and what is relevant. We urge enterprises to do a thorough job of evaluating revenue planning systems and tools and offer this Buyers Guide as both the results of our in-depth analysis of these providers and as an evaluation methodology.

How To Use This Buyers Guide

Evaluating Software Providers: The Process

We recommend using the Buyers Guide to assess and evaluate new or existing software providers for your enterprise. The market research can be used as an evaluation framework to establish a formal request for information from providers on products and customer experience and will shorten the cycle time when creating an RFI. The steps listed below provide a process that can facilitate best possible outcomes.

1. Define the business case and goals.
   Define the mission and business case for investment and the expected outcomes from your organizational and technological efforts.
2. Specify the business needs.
   Defining the business requirements helps identify what specific capabilities are required with respect to people, processes, information and technology.
3. Assess the required roles and responsibilities.
   Identify the individuals required for success at every level of the enterprise from executives to frontline workers and determine the needs of each.
4. Outline the project's critical path.
   What needs to be done, in what order and who will do it? This outline should make clear the prior dependencies at each step of the project plan.
5. Ascertain the technology approach.
   Determine the business and technology approach that most closely aligns to your enterprise's requirements.
6. Establish software provider evaluation criteria.
   Utilize the product experience: Adaptability, Capability, Manageability, Reliability and Usability, and the customer experience in TCO/ROI and Validation.
7. Evaluate and select the technology properly.
   Weight the categories in the technology evaluation criteria to reflect your enterprise's priorities to determine the short list of software providers and products.
8. Establish the business initiative team to start the project.
   Identify who will lead the project and the members of the team needed to plan and execute it with timelines, priorities and resources.

The Findings

All of the products we evaluated are feature-rich, but not all the capabilities offered by a software provider are equally valuable to types of workers or support everything needed to manage products on a continuous basis. Moreover, the existence of too many capabilities may be a negative factor for an enterprise if it introduces unnecessary complexity. Nonetheless, you may decide that a larger number of features in the product is a plus, especially if some of them match your enterprise's established practices or support an initiative that is driving the purchase of new software.

Factors beyond features and functions or software provider assessments may become a deciding factor. For example, an enterprise may face budget constraints such that the TCO evaluation can tip the balance to one provider or another. This is where the Value Index methodology and the appropriate category weighting can be applied to determine the best fit of software providers and products to your specific needs.

Overall Scoring of Software Providers Across Categories

The research finds OneStream atop the list, followed by Anaplan and Oracle. Companies that place in the top three of a category earn the designation of Leader. OneStream has done so in six categories; Anaplan and Oracle in five; IBM and SAP in two; and Board in one category.

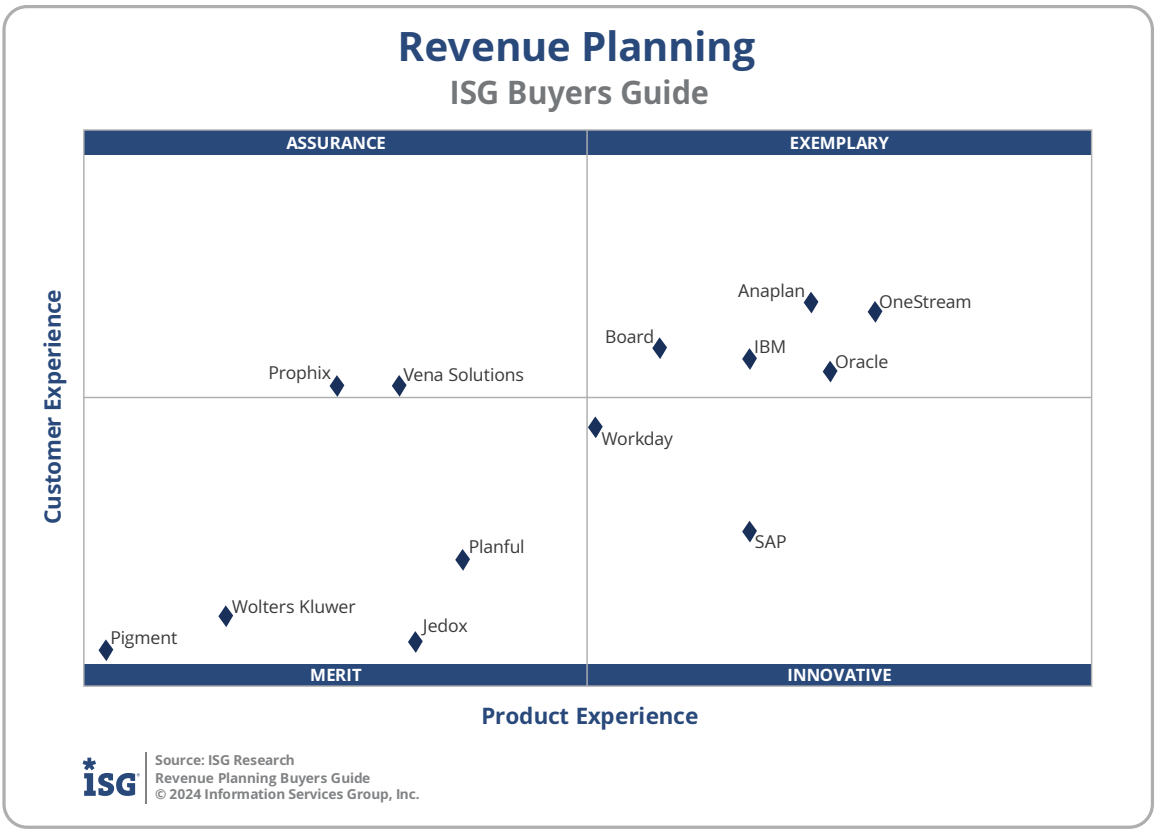
The overall representation of the research below places the rating of the Product Experience and Customer Experience on the *x* and *y* axes, respectively, to provide a visual representation and classification of the software providers. Those providers whose Product Experience have a higher weighted performance to the axis in aggregate of the five product categories place farther to the right, while the performance and weighting for the two Customer Experience categories determines placement on the vertical axis. In short, software providers that place closer to the upper-right on this chart performed better than those closer to the lower-left.

Revenue Planning
Overall

Providers	Grade	Performance
OneStream	A	*Leader* 88.4%
Anaplan	A-	*Leader* 87.4%
Oracle	A-	*Leader* 86.7%
IBM	A-	84.4%
Board	A-	82.9%
SAP	A-	81.9%
Workday	B++	79.7%
Vena Solutions	B++	76.3%
Prophix	B+	74.9%
Planful	B+	73.9%
Jedox	B+	72.8%
Wolters Kluwer	B+	69.2%
Pigment	B	64.6%

Source: ISG Research
Revenue Planning Buyers Guide
© 2024 Information Services Group, Inc.

The research places software providers into one of four overall categories: Assurance, Exemplary, Merit or Innovative. This representation classifies providers' overall weighted performance.



Exemplary: The categorization and placement of software providers in Exemplary (upper right) represent those that performed the best in meeting the overall Product and Customer Experience requirements. The providers rated Exemplary are: Anaplan, Board, IBM, OneStream and Oracle.

Innovative: The categorization and placement of software providers in Innovative (lower right) represent those that performed the best in meeting the overall Product Experience requirements but did not achieve the highest levels of requirements in Customer Experience. The providers rated Innovative are: SAP and Workday.

Assurance: The categorization and placement of software providers in Assurance (upper left) represent those that achieved the highest levels in the overall Customer Experience requirements but did not achieve the highest levels of Product Experience. The providers rated Assurance are: Prophix and Vena Solutions.

Merit: The categorization of software providers in Merit (lower left) represents those that did not exceed the median of performance in Customer or Product Experience or surpass the threshold for the other three categories. The providers rated Merit are: Jedox, Pigment, Planful and Wolters Kluwer.

We warn that close provider placement proximity should not be taken to imply that the packages evaluated are functionally identical or equally well suited for use by every enterprise

or for a specific process. Although there is a high degree of commonality in how enterprises handle revenue planning, there are many idiosyncrasies and differences in how they do these functions that can make one software provider's offering a better fit than another's for a particular enterprise's needs.

We advise enterprises to assess and evaluate software providers based on organizational requirements and use this research as a supplement to internal evaluation of a provider and products.

© 2024 Information Services Group, Inc.

Product Experience

The process of researching products to address an enterprise's needs should be comprehensive. Our Value Index methodology examines Product Experience and how it aligns with an enterprise's life cycle of onboarding, configuration, operations, usage and maintenance. Too often, software providers are not evaluated for the entirety of the product; instead, they are evaluated on market execution and vision of the future, which are flawed since they do not represent an enterprise's requirements but how the provider operates. As more software providers orient to a complete product experience, evaluations will be more robust.

Revenue Planning
Product Experience

Providers	Grade	Performance
OneStream	A	*Leader* 70.1%
Oracle	A-	*Leader* 69.2%
Anaplan	A-	*Leader* 68.7%
SAP	A-	67.3%
IBM	A-	67.3%
Board	A-	65.3%
Workday	B++	63.6%
Planful	B++	60.8%
Jedox	B+	59.8%
Vena Solutions	B+	59.4%
Prophix	B+	58.0%
Wolters Kluwer	B+	55.5%
Pigment	B	52.8%

Source: ISG Research
Revenue Planning Buyers Guide
© 2024 Information Services Group, Inc.

The research results in Product Experience are ranked at 80%, or four-fifths, of the overall rating using the specific underlying weighted category performance. Importance was placed on the categories as follows: Usability (15%), Capability (25%), Reliability (15%), Adaptability (10%) and Manageability (15%). This weighting impacted the resulting overall ratings in this research. OneStream, Oracle and Anaplan were designated Product Experience Leaders. While not Leaders, SAP and IBM were also found to meet a broad range of enterprise product experience requirements.

Customer Experience

The importance of a customer relationship with a software provider is essential to the actual success of the products and technology. The advancement of the Customer Experience and the entire life cycle an enterprise has with its software provider is critical for ensuring satisfaction in working with that provider. Technology providers that have chief customer officers are more likely to have greater investments in the customer relationship and focus more on their success. These leaders also need to take responsibility for ensuring this commitment is made abundantly clear on the website and in the buying process and customer journey.

Revenue Planning
Customer Experience

Providers	Grade	Performance
Anaplan	A	*Leader* 18.2%
OneStream	A	*Leader* 18.0%
Board	A	*Leader* 17.5%
IBM	A-	17.4%
Oracle	A-	17.2%
Prophix	A-	16.9%
Vena Solutions	A-	16.8%
Workday	A-	16.4%
SAP	B+	14.9%
Planful	B+	14.5%
Wolters Kluwer	B	13.7%
Jedox	B	13.3%
Pigment	B	13.2%

Source: ISG Research
Revenue Planning Buyers Guide
© 2024 Information Services Group, Inc.

The research results in Customer Experience are ranked at 20%, or one-fifth, using the specific underlying weighted category performance as it relates to the framework of commitment and value to the software provider-customer relationship. The two evaluation categories are Validation (10%) and TCO/ROI (10%), which are weighted to represent their importance to the overall research.

The software providers that evaluated the highest overall in the aggregated and weighted Customer Experience categories are Anaplan, OneStream and Board. These category Leaders best communicate commitment and dedication to customer needs. While not Leaders, IBM and Oracle were also found to meet a broad range of enterprise customer experience requirements.

Software providers that did not perform well in this category were unable to provide sufficient customer case studies to demonstrate success or articulate their commitment to customer experience and an enterprise's journey. The selection of a software provider means a continuous investment by the enterprise, so a holistic evaluation must include examination of how they support their customer experience.

Appendix: Software Provider Inclusion

For inclusion in the ISG Buyers Guide™ for Revenue Planning in 2024, a software provider must be in good standing financially and ethically, have at least $50 million in annual or projected revenue verified using independent sources, sell products and provide support on at least two continents, and have at least 50 customers. The principal source of the relevant business unit's revenue must be software-related, and there must have been at least one major software release in the last 12 months.

The software must have the ability to support revenue planning, including sales forecasting, territory and quota planning, sales capacity, incentive compensation, demand planning and revenue-specific analytics and planning.

The research is designed to be independent of the specifics of software provider packaging and pricing. To represent the real-world environment in which businesses operate, we include providers that offer suites or packages of products that may include relevant individual modules or applications. If a software provider is actively marketing, selling and developing a product for the general market and it is reflected on the provider's website that the product is within the scope of the research, that provider is automatically evaluated for inclusion.

All software providers that offer relevant revenue planning products and meet the inclusion requirements were invited to participate in the evaluation process at no cost to them.

Software providers that meet our inclusion criteria but did not completely participate in our Buyers Guide were assessed solely on publicly available information. As this could have a significant impact on classification and ratings, we recommend additional scrutiny when evaluating those providers.

© 2024 Information Services Group, Inc.

Products Evaluated

Provider	Product Names	Version	Release Month/Year
Anaplan	Anaplan Platform	October Platform Release	October 2024
Board	Intelligent Platform	Board 14	Summer 2024
IBM	IBM Planning Analytics with Watson	Version 2.0.99	October 2024
Jedox	Jedox	2024.2	Autumn 2024
OneStream	OneStream Platform	8.3.0	October 2024
Oracle	Oracle Fusion Cloud Enterprise Performance Management	September 2024 Update	September 2024
Pigment	Pigment	2024.3	September 2024
Planful	Planful	24.10	September 2024
Prophix	Financial Planning & Analysis	2024.3.0	October 2024
SAP	SAP Analytics Cloud	Q3 2024	October 2024
Vena Solutions	xP&A	July 2024	Summer 2024
Wolters Kluwer	CCH Tagetik	2024.3	October 2024
Workday	Workday Adaptive Planning	2024 R2	September 2024

© 2024 Information Services Group, Inc.

Providers of Promise

We did not include software providers that, as a result of our research and analysis, did not satisfy the criteria for inclusion in this Buyers Guide. These are listed below as "Providers of Promise."

Provider	Product	Good Standing	Revenue	Geography	Software Releases
Centage	Centage	Yes	No	Yes	Yes
Cube	Cube	Yes	No	Yes	Yes
Datarails	FinanceOS	Yes	No	Yes	Yes
Jirav	Jirav	Yes	No	Yes	Yes
Kepion	Kepion	Yes	No	Yes	Yes
Sage	Sage Intacct Planing	Yes	No	Yes	Yes
Unit4	FP&A	Yes	No	Yes	Yes

© 2024 Information Services Group, Inc.

About ISG Software Research

ISG Software Research provides expert market insights on vertical industries, business, AI and IT through comprehensive consulting, advisory and research services with world-class industry analysts and client experience. Our ISG Buyers Guides offer comprehensive ratings and insights into technology providers and products. Explore our research at www.isg-research.net.

About ISG Research

ISG Research provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research delivers guidance that helps businesses accelerate growth and create more value. For more information about ISG Research subscriptions, please email contact@isg-one.com.

About ISG

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 900 clients, including more than 75 of the world's top 100 enterprises, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including AI and automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006 and based in Stamford, Conn., ISG employs 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data. For more information, visit isg-one.com.

© 2024 Information Services Group, Inc.