

# The EPM Operating Model for CFOs

*From Systems to Sustained  
Performance*



**INTELLIGENT EPM**

FINANCE GROUP

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## Executive Summary

Enterprise Performance Management (EPM) programmes are consistently positioned as transformational. They promise faster close and reporting cycles, improved forecast accuracy, and better decision-making across the organisation.

At the point of implementation, many of these benefits appear to be realised. Systems are deployed, processes are standardised, and initial improvements in efficiency and visibility are achieved.

However, as explored across planning, consolidation, and data, many organisations fail to sustain this value beyond the initial implementation phase.

Over time, familiar patterns re-emerge.

- Planning becomes fragmented and finance-led.
- Consolidation relies on manual intervention and offline adjustments.
- Data remains inconsistent and difficult to trust.
- Outputs are produced, but not embedded into decision-making.

The issue is not the technology.

In most cases, organisations have already invested in capable platforms.

The failure lies in the absence of a clearly defined operating model that embeds EPM as a core business capability.

Without this, organisations default to disconnected processes, unclear ownership, and underutilised systems.

This paper outlines the EPM operating model required to deliver sustained performance — aligning strategy, planning, data, consolidation, and decision-making into a cohesive, enterprise-wide capability.

## The Problem: EPM Without an Operating Model

Most organisations approach EPM as a set of implementations.

Planning tools are deployed.

Consolidation platforms are introduced.

Data integration layers are established.

Each component is delivered with clear objectives and defined scope.

However, what is often missing is the overarching structure that connects them.

In practice:

- Ownership is unclear across functions
- Processes operate inconsistently across business units
- Data remains fragmented despite integration efforts
- Outputs are produced but not embedded into how decisions are made

EPM exists — but it does not operate as a cohesive capability.

I have seen this repeatedly in organisations that have invested heavily in EPM over multiple years.

In one case, a client had:

- A modern planning platform
- A separate consolidation system
- A centralised reporting solution

Each component was individually well designed and technically robust.

However, they operated largely independently.

Planning assumptions did not align with consolidation outputs.

Reporting required manual adjustments to reconcile differences.

Business stakeholders engaged with one system, while Finance relied on another.

The organisation had built the components of EPM.

But not the operating model.

## Symptoms of a Weak Operating Model

Organisations without a defined EPM operating model tend to exhibit consistent symptoms.

Planning, consolidation, and reporting operate in silos.

Business ownership of forecasts and performance outputs is limited.

Data definitions and structures vary across functions.

Manual workarounds persist across processes.

EPM tools are underutilised or used inconsistently.

Outputs are used primarily for reporting, rather than decision-making.

The result is activity without impact.

In one organisation, I observed that despite significant investment in EPM tools, senior leadership continued to rely on manually prepared briefing packs.

The systems provided data.

But not insight in a way that supported decisions.

As a result, parallel processes emerged — undermining the value of the original investment.

## The Root Cause: Capability vs System

Across all EPM domains — planning, consolidation, and data — a consistent pattern emerges.

Systems are implemented.

Processes are defined.

But capability is not embedded.

EPM is treated as a project, with a defined start and end point.

Once delivered, ownership becomes fragmented.

Processes drift.

Models become outdated.

Users adapt by introducing workarounds.

I worked with an organisation where, within 18 months of a major EPM implementation:

- Over 40% of reporting outputs were being adjusted outside the system
- Planning models no longer reflected current business structures
- Key stakeholders had disengaged from the process

The implementation had been successful.

The capability had not been sustained.

This is the critical distinction.

A system can be delivered once.

An operating model must be continuously maintained.

## **The EPM Operating Model**

To deliver sustained value, organisations must define EPM as an integrated operating model across five interconnected dimensions.

These dimensions are not independent.

They must operate together as a cohesive system.

### **1. Strategy & Alignment**

At the core of an effective EPM operating model is alignment between strategy, planning, and execution.

In many organisations, strategy is defined at a high level but not translated into operational plans.

Planning becomes disconnected from strategic priorities.

Performance is measured, but not against what matters most.

I have worked with organisations where strategic initiatives were clearly articulated at board level, yet were not reflected in planning models or performance reporting.

As a result, there was limited visibility of progress.

## What good looks like

- Clear linkage between strategy and planning assumptions
- Alignment of financial and operational objectives
- Defined performance metrics that reflect strategic priorities

Strategy becomes embedded in how the organisation plans and operates.

## 2. Planning & Forecasting

Planning must move beyond periodic cycles to become a continuous, business-driven process.

In many organisations, planning remains:

- Finance-led
- Static
- Detached from operational reality

In one organisation, I observed that planning was completed annually, with limited updates throughout the year.

Operational teams made decisions based on current conditions, while Finance continued to report against an outdated plan.

## What good looks like

- Driver-based planning models aligned to business operations
- Rolling forecasts that reflect current conditions
- Strong ownership of inputs and outcomes across the business

Planning becomes a tool for managing the business — not just reporting it.

## 3. Consolidation & Reporting

Consolidation must provide timely, accurate, and trusted outputs.

However, as discussed, many organisations still rely on manual processes and late-stage adjustments.

In one organisation, despite a modern consolidation system, final reporting still depended on a series of manual adjustments tracked in spreadsheets.

This created risk and reduced confidence in outputs.

What good looks like

- Standardised and streamlined close processes
- Embedded controls within systems
- Automated reconciliations
- Timely, trusted reporting

The close becomes predictable, controlled, and efficient.

## 4. Data & Integration

Data is the foundation that connects all elements of the operating model.

Without consistent, aligned data, integration between planning, consolidation, and reporting is not possible.

In one organisation, inconsistent data definitions across systems resulted in ongoing reconciliation challenges.

Despite integration efforts, trust in data remained low.

What good looks like

- Consistent data definitions across the organisation
- Strong governance and ownership
- Integration across systems and processes
- Scalable architecture supporting analytics and AI

Data becomes a trusted asset — not a constraint.

## 5. Decision & Performance Management

The ultimate objective of EPM is to support decision-making and performance management.

However, in many organisations, outputs are not effectively used.

Reports are produced.

But decisions are made elsewhere.

In one organisation, I observed that planning and reporting outputs were reviewed monthly, but had limited influence on operational decisions.

Teams relied instead on local data and informal insights.

What good looks like

- Outputs directly linked to decision-making forums
- Clear accountability for performance outcomes
- Continuous monitoring and adjustment
- Alignment between financial and operational performance

EPM becomes embedded in how decisions are made.

## How the Model Works Together

Individually, each component of the operating model can deliver incremental improvement.

Together, they create a connected performance system.

Strategy informs planning.

Planning drives execution.

Execution feeds consolidation and reporting.

Data connects all components.

Insights drive decisions.

Without integration, each component becomes a silo.

With integration, EPM becomes a performance engine.

I have seen organisations where strong individual components existed, but lack of integration limited overall impact.

Conversely, where alignment was achieved, even relatively simple systems delivered significant value.

## What Good Looks Like in Practice

Organisations with a mature EPM operating model demonstrate clear, consistent characteristics.

Planning, consolidation, and reporting are fully integrated.

Data is consistent, trusted, and accessible.

Ownership is embedded across Finance and the business.

Manual workarounds are minimal.

Cycles are faster, with more time available for analysis.

There is a clear linkage between financial outcomes and operational drivers.

In one organisation, aligning planning, consolidation, and reporting structures significantly reduced reconciliation effort.

More importantly, it enabled faster, more informed decision-making.

The technology did not change.

The operating model did.

## Implications for CFOs

For CFOs, establishing an EPM operating model requires a shift in mindset.

It is not about implementing systems.

It is about designing and sustaining a capability.

This requires:

- Defining clear ownership across Finance and the business
- Simplifying processes and models
- Strengthening data governance
- Aligning systems and processes
- Embedding outputs into decision-making

It also requires sustained leadership.

Operating models do not maintain themselves.

They must be actively managed and evolved.

## From Systems to Sustained Performance

For many organisations, EPM remains a collection of systems and processes.

However, this approach limits value.

Sustained performance requires integration.

It requires alignment across strategy, planning, data, consolidation, and decision-making.

It requires treating EPM not as a project, but as a core operating model.

Organisations that make this shift move beyond fragmented processes and underutilised systems.

They create a performance capability that:

- Adapts to change
- Supports decision-making
- Delivers measurable business impact

## Conclusion

EPM programmes do not fail because of technology limitations.

Modern platforms are highly capable. They can support integrated planning, automated consolidation, real-time reporting, and advanced analytics. In many organisations, the tools are already in place.

Yet value remains inconsistent.

This is because the challenge is not technological — it is organisational.

Across planning, consolidation, data, and performance management, a consistent pattern emerges. Systems are implemented. Processes are defined. But the underlying capability is not embedded.

EPM is treated as a programme — something that is delivered — rather than as an operating model that must be continuously managed, aligned, and evolved.

Over time, this gap becomes visible.

Planning drifts away from strategy.

Data becomes fragmented and difficult to trust.

Consolidation relies on manual intervention.  
Outputs are produced, but not used to drive decisions.

The organisation continues to “run” EPM processes — but not to *use* EPM as a performance capability.

This distinction is critical.

A system can generate outputs.

An operating model enables outcomes.

Organisations that fail to recognise this distinction often find themselves in a cycle of incremental improvement:

- Enhancing models
- Adding new tools
- Refining reports

Yet these changes rarely address the root cause.

Because the issue is not how individual components perform — it is how they operate together.

The organisations that succeed take a fundamentally different approach.

They define EPM as an enterprise capability, not a finance system.

They align strategy, planning, data, consolidation, and decision-making into a single, integrated model.

They establish clear ownership across the business — not just within Finance.

They simplify processes and models to drive adoption and usability.

And critically, they treat EPM as a living capability — one that evolves continuously as the organisation changes.

In my experience, this is the point at which EPM shifts from being a reporting framework to becoming a true performance engine.

In one organisation, aligning planning, consolidation, and reporting into a single operating model did not involve replacing systems or introducing new tools. Instead, it required clarifying ownership, simplifying structures, and embedding outputs into decision-making forums.

The result was not just faster processes.

It was better decisions.

Leadership discussions shifted from debating numbers to acting on them. Finance moved from coordinating processes to enabling performance. And the organisation began to operate with a level of alignment and clarity that had not previously been possible.

This is the real objective of EPM.

Not efficiency for its own sake.

Not system utilisation.

But the ability to consistently make better, faster, and more informed decisions.

For CFOs, the implication is clear.

The question is no longer:

*“Have we implemented EPM successfully?”*

It is:

*“Do we have an operating model that enables sustained performance?”*

Answering this requires stepping back from individual systems and processes, and taking a holistic view of how performance is managed across the organisation.

Where ownership is unclear, it must be defined.

Where processes are complex, they must be simplified.

Where data is inconsistent, it must be aligned and governed.

Where outputs are disconnected from decisions, they must be embedded into how the business operates.

This is not a one-time transformation.

It is an ongoing discipline.

The organisations that embrace this mindset move beyond fragmented processes and underutilised systems.

They build a connected, adaptive EPM capability that evolves with the business — and continues to deliver value over time.

The opportunity, therefore, is not to implement more technology.

It is to unlock the full potential of what is already in place.

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