

# Planning & Forecasting: The Execution Gap

*Why EPM Planning Fails to Deliver in  
Practice*



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## Executive Summary

Planning and forecasting sit at the centre of most Enterprise Performance Management (EPM) programmes. They are intended to translate strategy into actionable plans, allocate resources effectively, and enable informed decision-making across the organisation.

In theory, planning provides the bridge between ambition and execution.

In practice, that bridge is often broken.

Planning cycles are slow and resource intensive. Forecasts quickly become outdated. Outputs provide limited value to the business. Despite investment in modern EPM platforms, organisations continue to rely on manual processes, fragmented data, and disconnected workflows.

The issue is not the capability of the tools.

In most cases, the technology is more than sufficient.

The failure lies in how planning is executed — and how poorly it is embedded into the day-to-day operations of the business.

Planning becomes a periodic activity rather than a continuous capability. It produces outputs, but those outputs do not meaningfully influence decisions.

This paper explores why planning and forecasting consistently break down at the point of execution, drawing on practical delivery experience across industries. It also outlines what organisations must do to move from process-driven planning cycles to execution-led performance management.

## The Problem: Planning Breaks at Execution

Most organisations invest significant effort in designing their planning processes.

The intent is clear:

- Align planning to strategy
- Engage stakeholders across the business
- Improve visibility and control
- Enable better decision-making

Workshops are held. Models are designed. Systems are implemented.

At go-live, the process often appears structured and robust.

However, once embedded into the business, a different reality emerges.

Plans are developed in isolation from day-to-day operations.  
Forecasts are updated too infrequently to reflect changing conditions.  
Outputs are used primarily for reporting rather than decision-making.

Planning becomes something the organisation *does*, rather than something the organisation *uses*.

I have seen this repeatedly.

In one organisation, a highly structured annual planning process was implemented, supported by a modern EPM platform. The process was comprehensive, involving multiple iterations and detailed input across the business.

However, within three months of finalising the plan, it was largely irrelevant.

Market conditions had shifted.  
Operational priorities had changed.  
Assumptions were no longer valid.

Yet the plan remained the reference point for performance.

The organisation had successfully delivered a planning process.

But it had not established a planning capability.

## Symptoms of the Execution Gap

Organisations experiencing weak planning execution tend to display consistent symptoms.

Planning cycles are long, often taking weeks or months to complete, with significant manual effort involved.

Business engagement is limited. Inputs are provided, but ownership of outcomes is weak.

Forecasts quickly become outdated, sometimes within weeks of completion.

Offline adjustments and shadow processes emerge, often in Excel, to compensate for limitations in the system.

Most critically, there is a weak linkage between planning outputs and actual decisions.

In one organisation, I observed that the monthly forecast process required input from over 50 stakeholders and took nearly three weeks to complete.

By the time the forecast was finalised:

- New information had already emerged
- Key assumptions had changed
- Leadership had already made decisions based on informal data

The forecast was accurate at the point it was created.

But it was no longer relevant.

This is the essence of the execution gap.

Planning outputs exist — but they are disconnected from the timing and context of decisions.

# Why Planning & Forecasting Fail in Practice

## 1. Planning Is Treated as a Periodic Process

In many organisations, planning is structured around fixed cycles:

- Annual budgets
- Quarterly forecasts
- Monthly updates

These cycles are designed for control and consistency.

However, they do not reflect the pace at which the business operates.

In dynamic environments, conditions change continuously:

- Demand fluctuates
- Costs shift
- Risks and opportunities emerge

When planning is tied to fixed cycles, it becomes inherently backward-looking.

I worked with a client in a fast-moving commercial environment where demand patterns shifted weekly.

Despite this, forecasting was conducted on a monthly basis.

By the time forecasts were updated, they were already outdated.

The process was disciplined.

But it was not effective.

### **What leading organisations do differently**

They move towards continuous planning.

Forecasts are updated dynamically, based on new information.

Planning becomes an ongoing activity, embedded into business operations.

## 2. Weak Business Ownership

Planning is often driven by Finance.

While this ensures structure and control, it can limit ownership across the business.

Operational teams provide inputs, but do not feel accountable for outcomes.

In one organisation, sales teams were required to submit forecasts into the planning system.

However, they continued to manage their own forecasts separately.

The system became a reporting requirement, not a decision tool.

Finance spent significant time reconciling differences.

This dynamic creates a fundamental disconnect.

Planning becomes something done *to* the business, rather than *by* the business.

### **What leading organisations do differently**

They establish clear ownership of planning drivers across functions.

Sales owns revenue assumptions.

Operations owns cost drivers.

HR owns workforce plans.

Finance enables, but does not control.

## **3. Disconnected Data and Drivers**

Planning models are often not aligned to the underlying drivers of the business.

They are structured around financial line items, rather than operational metrics.

As a result, they struggle to reflect real-world dynamics.

In one organisation, revenue planning was based on high-level growth assumptions, rather than pipeline, conversion rates, or customer behaviour.

This limited the ability to:

- Analyse performance
- Adjust forecasts
- Understand variance

The model was technically sound.

But it was not connected to how the business operated.

What leading organisations do differently

They align planning models to business drivers.

This enables:

- More accurate forecasting
- Better scenario analysis
- Stronger linkage to execution

## 4. Overly Complex Models Reduce Agility

Complexity is a common issue in planning.

In an effort to capture all requirements, organisations build highly detailed models.

While this can improve theoretical accuracy, it often reduces usability.

In one case, a planning model required multiple steps to update even simple assumptions.

As a result:

- Changes were slow
- Users avoided the system
- Workarounds emerged

The model became a constraint, rather than an enabler.

What leading organisations do differently

They prioritise simplicity and flexibility.

Models are designed to be:

- Easy to use
- Easy to adapt
- Focused on key drivers

## 5. Lack of Integration with Execution

Perhaps the most critical issue is the lack of integration between planning and execution.

Plans are created.

But they are not embedded into decision-making processes.

In many organisations:

- Planning outputs are reviewed periodically
- But not used to drive operational actions
- Decision-making occurs outside the planning framework

I have worked with organisations where:

- Plans were agreed at senior levels
- But operational teams continued to make decisions independently

The link between planning and execution was weak.

What leading organisations do differently

They integrate planning into decision-making.

Planning outputs are used in:

- Weekly performance reviews
- Operational decision forums
- Strategic discussions

Planning becomes a tool for execution.

## The Impact on Performance

When planning fails at execution, the consequences are significant.

Decisions are based on outdated or incomplete information.

Resources are misallocated.

Risks and opportunities are identified too late.

Finance is seen as a reporting function, rather than a strategic partner.

In one organisation, delayed forecasting meant that a significant cost overrun was identified only after it had already impacted financial performance.

Earlier visibility could have enabled corrective action.

Instead, the organisation reacted after the fact.

This is the cost of the execution gap.

## The Shift: From Planning Process to Execution Capability

To deliver value, organisations must fundamentally rethink planning.

This requires a shift:

<b>From (Traditional Planning)</b>	<b>To (Execution-Led Planning)</b>
Periodic planning cycles	Continuous planning
Finance-led processes	Business-owned planning
Static assumptions	Driver-based models
Process completion	Decision support
System usage	Business impact

This shift changes the objective of planning.

It is no longer about producing plans.

It is about enabling better decisions and execution.

## What Good Looks Like in Practice

Organisations that close the execution gap demonstrate clear characteristics.

Planning is aligned to operational and commercial drivers.

Forecasts are updated regularly and reflect current conditions.

Ownership is embedded across the business.

Models are simplified and flexible.

Most importantly, planning outputs are directly linked to decision-making.

In one organisation, planning was integrated into weekly operational reviews.

Forecasts were updated dynamically.

Decisions were made based on current data.

The result was faster, more responsive decision-making.

The system did not change significantly.

The way it was used did.

## Implications for CFOs

For CFOs, closing the execution gap requires a shift in focus.

Success must be defined in terms of execution impact, not process completion.

Planning must be embedded into business operations.

Ownership must extend beyond Finance.

Models must be simplified to improve usability.

Data must support timely and actionable forecasting.

This requires leadership.

It requires challenging existing processes.

And it requires sustained focus.

## From Planning Process to Execution Capability

For many organisations, planning is seen as a process to be completed.

However, this mindset limits its value.

Planning should be a capability that enables execution.

A process delivers outputs.

A capability drives outcomes.

Organisations that recognise this shift:

- Embed planning into operations
- Align planning with decision-making
- Continuously adapt to change

They move from producing plans to driving performance.

## Conclusion

Planning and forecasting do not fail because organisations lack tools.

They fail because execution is weak.

The gap between planning and execution is where value is lost.

Closing this gap requires more than better systems.

It requires aligning planning with how the business operates and makes decisions.

Organisations that make this shift move beyond planning as a process — and begin to use it as a tool to drive performance.

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