

# Why Most EPM Implementations Fail After Year One



Tim Kelly, April 2026

## Executive Summary

Enterprise Performance Management (EPM) programmes are consistently positioned as transformational. They promise faster close cycles, integrated planning across the enterprise, improved forecast accuracy, and more informed, data-driven decision-making.

At go-live, many of these outcomes appear to be realised. Planning cycles shorten, reporting becomes more consistent, and finance teams gain improved visibility across the organisation.

However, within 12 to 18 months, a different pattern often begins to emerge.

Planning cycles gradually extend again — not due to system limitations, but because users revert to offline workarounds to regain flexibility. Finance teams begin reintroducing manual adjustments to reconcile differences between planning, consolidation, and reporting outputs. Forecast accuracy plateaus. Business engagement declines.

What was intended to be an enterprise-wide decision-making platform becomes, over time, a finance-owned reporting tool.

This is rarely a failure of technology.

In most cases, the platform is capable, and the implementation has been delivered successfully from a technical perspective. The issue lies elsewhere — in how EPM is positioned, implemented, and, most critically, how it is sustained beyond go-live.

The failure is structural.

It reflects a disconnect between system design and business reality, between ownership and accountability, and between planning processes and actual decision-making.

This paper explores the underlying reasons why EPM programmes fail after year one, drawing on practical delivery experience across planning, consolidation, and performance management. It also outlines what organisations must do differently to establish EPM not as a one-time implementation, but as a durable, evolving business capability.

## The Promise vs. Reality

EPM programmes typically begin with a clear and compelling vision.

A single, integrated platform connecting planning, consolidation, and reporting. A consistent set of numbers across Finance and the business. Faster planning cycles, improved data quality, and enhanced insight to support decision-making.

During the design and implementation phases, this vision feels both tangible and achievable. Stakeholders are engaged, requirements are captured, and models are constructed to reflect how the organisation intends to operate.

At go-live, there is often genuine progress.

Planning cycles are reduced, in some cases significantly. Reporting becomes more standardised. Data is more accessible, and the organisation begins to move away from fragmented, spreadsheet-driven processes.

However, over time, the gap between the designed state and operational reality begins to widen.

Planning often remains centrally driven by Finance, with business participation limited to data submission rather than ownership. Operational teams disengage when models fail to reflect the nuances of how they actually run the business. Reporting requirements evolve beyond what the original design anticipated, placing strain on existing models.

Excel, rather than disappearing, quietly re-emerges — not as a failure of the system, but as a response to its limitations in flexibility and speed of change.

In one global organisation, a standardised planning model was successfully implemented across more than twenty markets. At go-live, planning cycle time reduced by over 30 percent, and data consistency improved significantly.

Within a year, however, regional teams had begun to recreate local planning models outside the system. These were not attempts to bypass governance, but pragmatic responses to market-specific dynamics that the central model could not easily accommodate.

The result was fragmentation.

The central system continued to serve as the official source of numbers, while local models became the operational tools for managing the business. Reconciliation between the two became an ongoing effort.

This is the critical inflection point.

EPM ceases to function as a platform for decision-making and instead becomes a system of record.

## 1. Implemented as a System, Not a Transformation

One of the most consistent characteristics of underperforming EPM programmes is how they are initiated and governed.

They are positioned as technology implementations.

Ownership is typically assigned to IT functions or delivery partners. Success is measured through system configuration, data integration, and adherence to delivery timelines.

While these elements are necessary, they are not sufficient to deliver meaningful business value.

What is often missing is a clear articulation of how decision-making will improve as a result of the programme.

Without this, design decisions tend to prioritise system capability over business usability.

Organisations frequently build highly detailed models — enabled by modern EPM platforms — without fully considering who will use them, what decisions they will support, and whether they can be maintained over time.

For example, it is common to see organisations attempt to implement fully driver-based planning models across all areas of the business. While conceptually attractive, these models often require levels of data accuracy, ownership, and ongoing maintenance that the organisation is not equipped to sustain.

The result is a technically sophisticated solution that struggles to gain traction with users.

The programme achieves technical success, but falls short of delivering business impact.

Organisations that succeed take a fundamentally different approach.

They start by defining the decisions that need to be made, the information required to support those decisions, and the frequency at which they need to occur.

Only then do they design the processes and models that underpin those decisions.

Technology is used to enable this capability — not to define it.

## 2. Ownership Does Not Extend Beyond Finance

EPM is often positioned as a Finance-led initiative. While Finance plays a central role, effective planning and performance management depend on inputs and accountability across the wider business.

Revenue assumptions sit with Sales.

Cost drivers sit with Operations.

Workforce plans sit with HR.

When these functions are not genuinely embedded into the process, engagement declines rapidly.

Planning becomes a periodic exercise driven by Finance, rather than an ongoing process owned by the business.

In practice, this leads to the emergence of parallel processes.

Business functions continue to manage their own forecasts using familiar tools, while Finance consolidates and adjusts these inputs within the EPM system. Differences between the two are reconciled manually, often under time pressure.

In one organisation, a detailed revenue planning model was implemented, linking pipeline data to financial forecasts. Despite this, Sales teams continued to manage their forecasts independently, citing concerns around flexibility and ownership.

Finance ultimately became responsible for reconciling differences between the two views, consuming significant time and effort.

This dynamic fundamentally limits the value of EPM.

Instead of enabling alignment, it institutionalises fragmentation.

Organisations that realise sustained value take a different approach.

They establish clear ownership of planning drivers across functions, align incentives to participation and accuracy, and embed planning into the rhythm of the business.

EPM becomes a platform for collaboration and alignment, rather than consolidation.

### 3. Complexity Erodes Adoption

Modern EPM platforms provide significant flexibility, enabling organisations to build highly sophisticated models.

However, this flexibility often leads to over-engineering.

During implementation, there is a natural inclination to capture all requirements, design for every possible scenario, and maximise granularity.

This results in models that are:

- Highly dimensional
- Complex in their calculation logic
- Time-consuming to process
- Difficult to maintain

While these models may meet all documented requirements, they often fail in practice.

Users find them difficult to navigate. Changes are slow and resource intensive. Small adjustments can have unintended consequences, requiring extensive testing.

In one case, a relatively minor structural change — introducing a new product category — required updates across multiple components of the model, including metadata, calculation rules, and data integration processes.

Over time, the effort required to maintain the model discouraged further evolution.

The business adapted by introducing manual adjustments outside the system.

This highlights a critical principle.

When the business evolves faster than the system, the system becomes irrelevant.

Organisations that succeed prioritise usability and adaptability over theoretical completeness.

They design models that support the majority of real-world use cases, while allowing for flexibility at the edges.

They recognise that simplicity drives adoption — and adoption drives value.

## 4. No Model for Continuous Evolution

EPM programmes are typically delivered as projects, with clearly defined phases: design, build, test, and deploy.

Once go-live is achieved, focus shifts to support.

However, support is not the same as evolution.

The business continues to change. New products are launched, organisational structures evolve, and strategic priorities shift.

Without a structured mechanism to reflect these changes within the EPM environment, misalignment begins almost immediately.

In one organisation, significant changes occurred within the first year of implementation, including acquisitions and restructuring. However, no formal governance model existed to update planning models or reporting structures.

As a result, users adapted by working around the system.

This is where value begins to decay.

Organisations that sustain value treat EPM as an ongoing capability.

They establish clear ownership, often through a dedicated Centre of Excellence, and implement regular enhancement cycles aligned to business priorities.

They recognise that EPM is not a static solution, but a dynamic capability that must evolve alongside the organisation.

## 5. Strategy, Planning, and Execution Remain Disconnected

Many EPM implementations focus heavily on budgeting, forecasting, and reporting.

However, they often fail to connect these activities to strategic priorities.

Strategy is defined at the executive level, but not translated into planning assumptions. Plans are developed, but not used to drive operational decisions. Reporting focuses on explaining past performance, rather than shaping future outcomes.

This creates a disconnect between what the organisation intends to achieve and what it actually delivers.

In several organisations, strategic initiatives were clearly articulated but never embedded into planning models or tracked through performance reporting.

As a result, EPM processes became compliance-driven, rather than decision-driven.

Organisations that realise the full value of EPM take a more integrated approach.

They explicitly connect strategy, planning, execution, and performance.

Strategic priorities are translated into quantifiable drivers within planning models. Plans are used to inform operational decisions. Performance is tracked against both financial and strategic objectives.

EPM becomes a framework for managing performance — not just reporting it.

## The Real Root Cause

Across all of these challenges, a consistent pattern emerges.

EPM is implemented as a system, but not embedded as a capability.

Technology is delivered. Processes are configured. Data is integrated.

But ownership remains unclear, models are not maintained, and processes do not reflect how decisions are actually made.

Without these elements, value cannot be sustained.

## From System Deployment to Business Capability

For many organisations, the decline in EPM value is gradual rather than immediate.

It manifests through increasing reliance on manual workarounds, declining stakeholder engagement, and growing effort required to produce outputs.

At this stage, organisations often consider enhancing or replacing the system.

However, these actions rarely address the root cause.

The issue is not the platform.

It is that EPM has been implemented as a solution, rather than established as a capability.

A system can be delivered once. A capability must be continuously developed.

Organisations that sustain value recognise that EPM depends on clear ownership, aligned processes, adaptable models, and effective governance.

Without these, users do not escalate issues — they work around them.

And value erodes silently.

## Conclusion

EPM programmes do not fail because of technology limitations.

They fail because the capability is never fully established.

The organisations that succeed move beyond implementation and focus on embedding EPM into how the business operates.

They align ownership, processes, and models, and continuously evolve the capability over time.

The opportunity is not to replace the system.

It is to unlock the value that already exists.

## Next Step

For organisations seeking to realise greater value from EPM, the starting point is not additional investment in technology, but a reassessment of how EPM operates today.

An EPM Health Check provides a structured approach to evaluating current capability, identifying gaps, and defining a roadmap for sustained value delivery.

[Speak to Intelligent EPM about unlocking value from your EPM investment.](#)