

Trend Watch: The Future of Extended Financial Planning & Analysis

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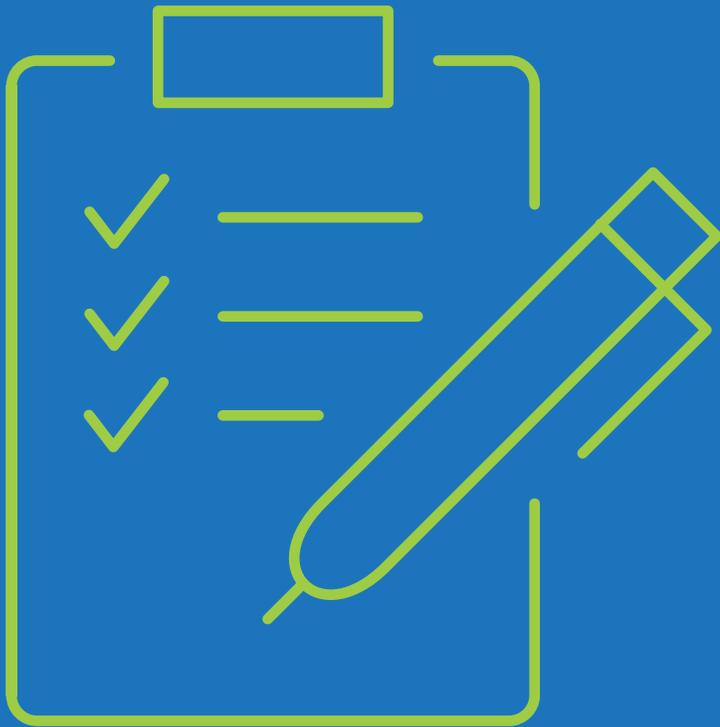


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Executive Summary

Adopting extended financial planning and analysis ([xFP&A](#)) software is a popular solution for the often-burdensome tasks of monitoring business performance metrics, running and sharing reports, and taking actionable steps. Using this software to analyze key performance indicators can provide businesses with indispensable insights into a company's health. The data empowers businesses to react more swiftly to shifting corporate landscapes, providing companies an advantage over their competitors and increasing their profits.

While xFP&A software is not new, experts predict that businesses will harness its capabilities in new ways in 2025 and beyond. xFP&A is evolving rapidly in response to technological advancements, changing economic conditions, and a greater emphasis on data-driven decision-making. From the increasingly prominent role artificial intelligence plays in making software work smarter, to the growing desire to implement advanced tools outside a company's finance department, developing trends in xFP&A demonstrate that this powerful solution will continue to shape business operations and outcomes for the foreseeable future.

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Introduction

Gone are the days when basic budgeting, forecasting, and planning tools offered everything a business needed to thrive. Facing an increasingly competitive and dynamic marketplace, many companies now rely on “extended” financial planning and analysis (xFP&A) solutions to secure and enhance their place in the economy.

xFP&A software is a one-stop suite that provides CFOs, financial departments, and stakeholders greater visibility into their company performance, leading to better management and control of operations, revenue, capital investment, and expenses. Easy to use, but complex in scope, these suites offer advanced functionality for [planning, budgeting, and forecasting](#) to [multi-dimensional reporting, consolidation](#), and analysis. Businesses that rely on these xFP&A solutions for financial and operational needs are better equipped to react to ever-changing corporate landscapes, providing companies a significant advantage over their competitors and increasing their profits.

While xFP&A software is not new, experts predict that businesses will harness its capabilities in new ways in 2025 and beyond. xFP&A is evolving rapidly in response to technological advancements, changing economic conditions, and a greater emphasis on data-driven decision-making. Developing trends in xFP&A show this powerful solution will continue to shape

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Five xFP&A Trends to Watch in 2025

Advanced planning and analysis tools have transformed the way businesses manage their finances—and plan for their future. These xFP&A solutions set a company or organization up for [long-term success](#) through more effective control of operations, revenue, capital investment, and expenses—and their influence is only expected to grow. From the increasingly prominent role of [artificial intelligence](#) (AI) to incorporating advanced planning and analysis tools [outside of a company's finance department](#), developing trends in xFP&A show these powerful solutions will continue to shape business outcomes and operations in 2025.

In no certain order, here are five trends to watch; how many of these mirror the trends in your business?

1. The Growing Role of AI

No matter what industry a company works in, executives, staff, and stakeholders are sure to be familiar with AI, arguably one of the buzziest technology trends of the last few years. Once thought of as a threat, AI has morphed from business leaders being skeptical about how it will affect their livelihoods to developing an understanding of how AI will help them make smarter decisions.

Designed to complete complex human tasks with efficiency, AI, among other functionalities, has become an increasingly sought-after tool for everything from disease [diagnosis to gaming](#)—and its [applications for business](#) have become especially popular. In fact, [Microsoft reports](#) that company leaders increased their usage of generative AI from 55% to 75% in 2024—a figure that many only expect to grow.

In terms of financial planning and analysis, AI-powered xFP&A solutions offer numerous benefits. AI automates time-consuming financial tasks, boosts efficiency, and minimizes the likelihood of errors typically associated with manual data entry. AI also enhances predictive analytics and financial modeling, and according to [Forbes](#), flags outliers in data sets—a huge help for busy finance teams eager to manage risk.

2. An Emphasis on Data-Driven Decision Making

When it comes to financial planning and analysis on any level, data—and the ability to understand it in as much detail as possible—is crucial. The best xFP&A solutions pull,

consolidate, and analyze accurate financial and operational data from a [single source of truth](#), making it easier to spot trends and exceptions in performance for smarter business decisions.

As the quantity of data and its usefulness in guiding decision-making grows, the need for solutions equipped to store and process information quickly will also increase.

“The future of FP&A will be characterized by data-driven decision-making processes,” writes the [CFO Club](#). “Real-time data analysis will become the norm, enabling finance professionals to react swiftly to market shifts and seize emerging opportunities.”

Data helps an organization make better decisions by providing objective evidence and insights into trends and patterns, allowing you to base your choices on facts rather than assumptions or gut feelings, ultimately leading to more informed and strategic decisions with reduced risk. Improved data also enables an organization to understand its customers needs, identify market opportunities, and optimize operations based on solid data analysis.

“The biggest challenge that is solved with Solver is pulling data from financial reports and other data sets within the organization that I can now report on. The flexibility in the data warehouse and the reporting side give me a lot of flexibility to produce what’s most important to my team.”

—Art Fletcher, CEO of [xFPA Consulting](#)

3. Agile Planning and Analysis Processes

The flexibility to change in a short time frame is rampant in all organizations, regardless of the industry or sector, or how large or small they are. Much like their counterparts in product development and operations, finance teams will focus even more intelligently on agile processes involving shorter planning cycles, regular reviews, and the flexibility in responding to the constantly changing business landscape.

Agile is a way of working that seeks to harness the inevitability of change rather than work against it, according to a [McKinsey & Company report](#). As such, organizations that have fostered agile processes are better able to pivot when the situation demands it.

Take the concept of [rolling forecasts](#), for example. While annual budgets are proving less relevant in today’s increasingly fast-paced business environment, companies are turning to these forecasting tools. It’s easy to see why: They are continuously updated throughout the year to reflect actual performance and emerging market conditions.

“Solver is so incredibly trustworthy, flexible, and agile.”

—Ienura Whitener,
senior partner manager at [Ottimate](#).

4. Cloud-Based Tools are Center Stage

The shift to cloud-based platforms, particularly those with xFP&A capabilities, will continue to advance. Cloud software fosters real-time collaboration, while providing easier scalability and better integration with other business systems. Working in the cloud also enables finance teams and other stakeholders to access data from anywhere, a critical functionality in modern hybrid and remote work environments.

The advantages of cloud-based financial planning and analysis tools aren't restricted to the finance department. Other areas of a business, including sales and operations, are also likely to benefit.

“Migrating to a cloud-based environment is not limited to FP&A, Rudie van Dijk writes for FP&A Trends. “Other departments in finance and back-office functions in the company are migrating IT applications to a cloud-based environment, too. [The cloud] helps us to increase flexibility and rapidly deploy these applications.”

5. Implementing FP&A Tools in Other Areas of an Organization

Just like a cloud-based xFP&A platform benefits departments beyond finance, xFP&A tools and principles provide advantages in many other areas of an organization. At its core, xFP&A is all about uncovering insights and improving decision-making. It tracks, then, that crucial xFP&A functionalities such as advanced planning can also enhance the performance of non-finance teams.

According to [NetSuite](#), many organizations are expanding planning to other departments such as human resources for workforce planning and to sales for sales planning, with both plans connected back to the corporate financial model. This helps improve agility within an organization where decisions are made based on data-driven insight rather than instinct.

“There's a lot of revenue data in the GL, but it's the dollars, and in some industries, looking at units is far more indicative of what's going on. For a client in the medical device industry, we produce lots of reports that analyze the trend over eight years of unit sales by customer and by product group. It gives them a level of insight that they can't get with just GL data.”

—Mary Miller-Friedman, director of Business Intelligence, [NexTec Group](#)

How Three Industries are Affected by xFP&A

Understanding the influence of xFP&A is important to acknowledging future trends. xFP&A is different from basic accounting because it focuses on financial insights and scenario planning. By leveraging FP&A, businesses in any industry can gain the tools to make informed decisions, enhance operational efficiency, and align their financial objectives with overarching strategic goals.

Discover the ways xFP&A impacts three industries—[senior living](#), [construction](#), and [nonprofit](#)—and helps business leaders get their organizations where they want them to be.

Senior Living



[Senior living](#) is at a pivotal moment, driven by the demands of a rapidly aging population. For CFOs, controllers, and budget managers in senior living companies, the complexity of managing multi-location operations, fluctuating occupancy rates, and diverse payer sources present ongoing challenges. To thrive in this competitive landscape, senior living companies must adopt more agile, data-driven strategies that combine financial and operational insights into one comprehensive platform.

Financial Reporting and Consolidations

Managing financial [reporting](#) and consolidations for multi-location senior living organizations can be a complex and time-consuming process. Each facility often operates under its own set of accounts, requiring precise management of intercompany transactions, eliminations, and financial consolidations. This process can be simplified with an xFP&A solution because it will offer robust financial reporting capabilities that ensure reports are accurate, timely, and fully compliant with industry standards.

For senior living companies, maintaining accurate financial reports is not just about compliance—it's about ensuring the financial health of the entire organization. Therefore, having a solution that automates many of the repetitive tasks associated with financial reporting, such as reconciling accounts across facilities or generating monthly and year-to-date variance reports, is key. Automation can reduce the risk of human error, increase the speed of financial close, and free up finance teams to focus on more strategic initiatives.

Operational Reporting

For senior living companies, operational reporting is just as important as financial reporting. From occupancy rates, to staff efficiency and resident satisfaction, operational performance is a key driver of overall success. Leading xFP&A solutions empower senior living teams with the tools they need

to gain a comprehensive view of day-to-day operations, integrating financial and operational data into one cohesive system. This provides decision-makers with actionable insights that drive better outcomes.

Budgeting and Forecasting

Accurate [budgeting and forecasting](#) are essential for long-term financial stability and growth. xFP&A solutions simplify this process, making it easier for finance teams to create, manage, and update budgets across multiple facilities. With pre-built planning templates and customizable workflows, budgeting tools ensure that senior living companies can efficiently manage budget submissions and approvals while keeping an eye on future performance.

Traditional budgeting processes, which often rely on static spreadsheets, are ill-suited to the dynamic and fast-changing environment of senior living. A budgeting tool that offers a far more flexible and efficient approach helps build budgets based on real-time data and model various scenarios.

Construction



With increasing project complexity, fluctuating material costs, and labor shortages, [construction companies](#) are under intense pressure to deliver projects on time and within budget. In this challenging environment, financial leaders in this sector—CFOs, controllers, and budget managers—must [embrace innovative tools](#) and approaches to maintain a competitive edge.

Key Performance Indicators

Key Performance Indicators ([KPIs](#)) are essential for monitoring the health and progress of construction projects. Construction leaders need access to accurate, timely KPIs to make informed decisions that impact everything from project timelines to profitability.

For construction companies, where delays and cost overruns are common, clear visibility into metrics such as project completion rates, budget adherence, and workforce productivity can mean the difference between success and failure. Available in top xFP&A solutions, KPI dashboards provide this visibility, enabling executives to drill down into specific metrics, such as project profitability, labor productivity, and overhead costs.

Financial Reporting

[Financial reporting and consolidation](#) are critical to any construction company's financial health, but managing financial data across multiple entities, intercompany transactions, and varied financial periods can be incredibly complex. Many companies struggle with manual processes that are time-consuming, error-prone, and difficult to scale. Financial reporting and consolidation tools offered by leading xFP&A solutions are designed to simplify and automate these processes, enabling construction leaders to deliver timely, accurate reports with minimal manual intervention.

Budgeting and Forecasting

Construction companies rely on accurate [budgeting and forecasting](#) to ensure financial stability and project success. Traditional budgeting processes, often dependent on manual data entry and spreadsheets, are time-consuming and prone to errors. An xFP&A solution's budgeting and forecasting tools automate and streamline these processes, enabling construction companies to create accurate budgets and forecasts with greater efficiency.

The best software offers pre-built templates that simplify the budgeting process, allowing financial leaders to manage budget submissions, approvals, and revisions with ease. By integrating these tools with an xFP&A solution's reporting capabilities, companies can align their budgets with strategic goals.

Nonprofits



In the nonprofit sector, the way organizations manage their resources and finances greatly matters, and in some sectors, it's even more important based on accountability to boards, donors, and the public. However, variable funding and small staff numbers can make it difficult to plan for the future. Nonprofit organizations are also required to follow tight reporting guidelines to maintain grants and compliance. To succeed in this challenging space, organizations must operate as true businesses, and as a result, rely on powerful financial planning tools that help report and analyze data for smarter management decisions while also saving time and maximizing resources.

Budgeting and Forecasting

The right xFP&A solution can help nonprofits effectively allocate their limited resources. This is essential because nonprofits tend to rely on donations, grants, and fundraising, which can change quickly and sometimes with little notice.

Advanced budgeting tools—particularly those that allow users to create multiple budget scenarios—enable organizations to prioritize their spending, ensuring that funds are used efficiently to achieve an organization's goals. Equally capable forecasting tools, meanwhile, can help nonprofits project future revenue from donations, events, and grants, empowering organizations to work toward attainable fundraising targets.

The Future is Here

With powerful planning, budgeting, forecasting, and reporting functionalities, xFP&A solutions have become go-tos for companies looking to thrive in increasingly complex markets. Businesses that rely on these advanced planning and analysis solutions for financial and operational needs are better equipped to react to ever-changing corporate and nonprofit landscapes, providing them with a significant advantage over their competitors and boosting their net income.

As the needs of contemporary companies evolve, the xFP&A solutions designed to support them will also change. While productivity-boosting and streamlining have always been central to these formidable tools that are engineered to simplify crucial financial tasks while yielding decision-driving insights, the future of xFP&A in 2025 and beyond show these qualities are more important to business leaders than ever.

Whether it is the allure of automation and AI, the collaboration-fostering potential of cloud-based programs, or the use of planning and analysis tools in non-finance departments, the latest movements in xFP&A reinforce the value teams place on efficiency—and pave the way for more advancements to come.

About Solver

[Solver](#) is a global provider of a cloud-based extended financial planning and analysis solution (xFP&A) that increases access to actionable insights beyond the finance department to accelerate better decisions. Providing mid-market businesses with planning and reporting software tailored to their specific needs, the all-inclusive Solver Suite consolidates information from any data source to provide a single source of truth. Connected with Solver's budgeting and forecasting, Solver's comprehensive planning tool enables organizations to manage budgets, create detailed reports and automate forecasts all in one place. These insights are then presented in easily shareable graphs and dashboards. Solver provides organizations with a trusted data source to efficiently drive intelligent and accurate decisions.

With Solver, organizations can automate and streamline operational data to pave the way for business leaders to make high-level decisions against the backdrop of an ever-shifting economic landscape. Adaptability is key to scaling and success.

Accelerate Better Decisions With Solver

Our expert team is ready to help you with all your financial planning, budgeting, forecasting, and reporting needs. Contact Solver today to learn more about how our innovative xFP&A solution can help you achieve your goals and support your company's success.

[CONTACT SOLVER](#)