Anaplan

The Impact of Decision Excellence

Unlocking superior financial performance
through Enterprise Connectedness

The billion-dollar impact of Decision Excellence and Enterprise Connectedness

Senior leaders face a myriad of decisions on a daily basis. The key lies in ensuring that these choices lead to optimized outcomes. But how?

The Anaplan Enterprise Decision Excellence Report™ 2024 sheds light on the critical interplay between decision-making, connected enterprises, and financial performance.

For the first time, our research provides compelling evidence that "enterprise connectedness" is fundamental to enhanced decision-making, and that improving decision excellence leads directly to increased financial returns, including Total Shareholder Return (TSR).

Defining "Decision Excellence" and "Enterprise Connectedness"

We surveyed 500 senior executives from the largest 1,000 organizations in the US, UK, and Canada, as well as conducted more than 20 in-depth interviews, and collected more than 50,000 data points.

Our research focused on the correlation between decision performance and organizational connectedness. We created two indices — the Enterprise Connectedness Index and the Decision Excellence Index — calibrated on a scale of 0 to 100 to give us quantifiable scores to plot each organization on both indices to collate, compare, and contrast the data.

ENTERPRISE CONNECTEDNESS INDEX	DECISION EXCELLENCE INDEX
The extent to which an enterprise joins or links its decisions and operations.	Measures the ability of an enterprise to make informed and effective decisions.

VERTICAL CONNECTEDNESS	**QUALITY OF DECISIONS**
How extensive is the ability to consume and act on customer intelligence and supplier insights?	Are decisions data informed, backed with the right perspectives, and acted upon?

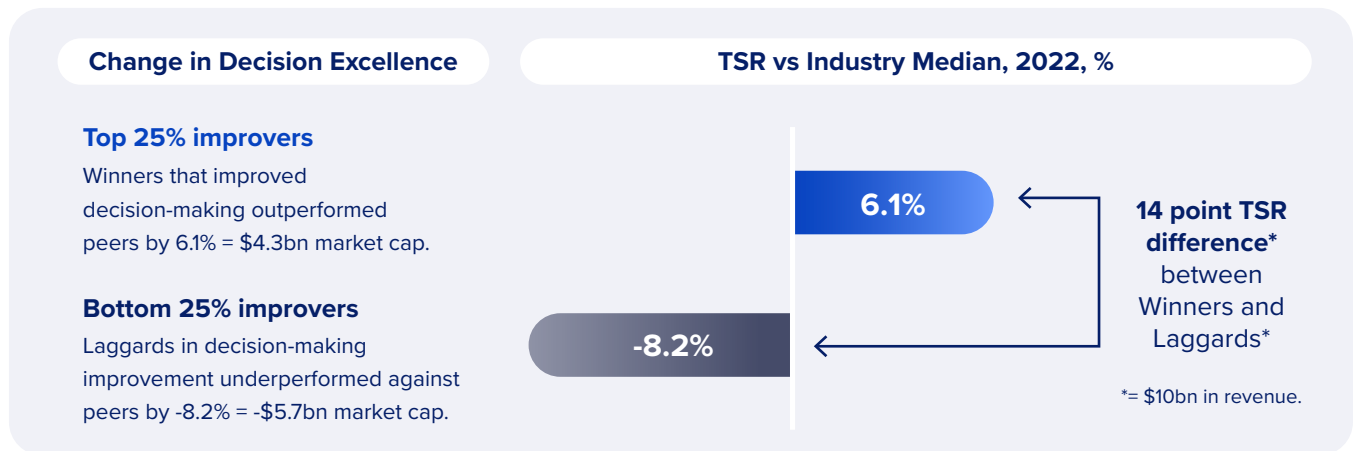| **HORIZONTAL CONNECTEDNESS**	**VELOCITY OF DECISIONS**
How well are strategic plans aligned with day-to-day operations?	Are decisions made at the right level in the company, focused on what matters, and is there clear pathway or process to make decisions?

EXTERNAL CONNECTEDNESS	**EFFICIENCY OF DECISIONS**
How extensive is the ability to consume and act on customer intelligence and supplier insights?	How much time is spent making decisions, and how productive are decision-making meetings?

Companies achieving the most improvement in decision excellence outperformed peers by 6.1% in TSR which equates to $4.3bn in market cap. Organizations that improved decision-making the least underperformed against their peers by -8.2% or -$5.7 bn, resulting in a significant 14 percentage point difference, or $10bn in TSR.

Change in Decision Excellence

Top 25% improvers
Winners that improved decision-making outperformed peers by 6.1% = $4.3bn market cap.

Bottom 25% improvers
Laggards in decision-making improvement underperformed against peers by -8.2% = -$5.7bn market cap.

TSR vs Industry Median, 2022, %

6.1%

-8.2%

14 point TSR difference* between Winners and Laggards*

*= $10bn in revenue.

Improve decision-making across the board

We discovered a direct correlation; organizations with higher Enterprise Connectedness Index scores, also scored higher on the Decision Excellence Index.

Additionally, well-connected enterprises were not confined to decision excellence in specific areas; they outshine throughout the Decision Excellence Index.

Internally and externally connected

Organizations scoring highly on the Enterprise Connectedness Index exhibit a significantly higher connection inside and outside their walls, enabling them to navigate external factors influencing their business and act with greater agility. They are also more aligned and conduct greater levels of real-time monitoring, allowing them to pivot with market **changes**.

Organizations with high Decision Excellence scores achieve:

43% less
time spent in unproductive meetings

25% increased
focus on crucial matters

28% more likely
to make data-informed decisions

Organizations with high connectedness scores achieve:

58% higher
level of connectedness with customers and suppliers

42% more aligned
processes, practices, and roles

50% more
real-time monitoring and steering of performance

Conclusion

The Anaplan Enterprise Decision Excellence Report™ 2024 illuminates the integral relationship between connectedness, decision-making, and financial performance within the largest 1,000 organizations in the US, UK, and Canada. The $10bn TSR difference between performing companies and their less well-performing peers underscores the pivotal role of connectedness in driving decision performance and superior financial outcomes.

[i] We evaluated relative TSR for 2022 against the average for companies within the same or similar sectors, normalizing the effect of the difference in stock appreciation for different industry groups.

Embark on a journey to redefine decision-making within your enterprise and see how Anaplan can unlock your decision excellence. Anaplan.com/connected-enterprise