



WHITE PAPER

The Planner's Dilemma: How Outdated Software Pricing Restricts Enterprise Agility

September 2025

A critical examination of how legacy pricing models, including those followed by 'modern' SaaS planning products, undermine the promise of collaborative enterprise planning

Planning Platforms: Promise vs. Reality

The Vision

Collaboration

Enterprise-wide participation in planning processes

Capability

Powerful features for supporting complex business rules and processes

Data-Driven Agility

Quick scenario analysis and responsive planning

The Hidden Cost

While planning platforms have evolved technologically, their commercial models are relics of the past.

The dominant pricing structure remains the Named-User License (NUL), sold in **expensive, multi-year contracts** that grant access to specific planners, collaborators and viewers.

This **rigid** per-user pricing model is fundamentally misaligned with the episodic nature of enterprise planning. It actively encourages practices that **cripple** collaboration and drastically **reduce** the ROI of the planning software itself.



The Root Cause: Why Legacy Per-User Pricing Persists

Why do modern enterprise planning software vendors persist with legacy pricing models that clearly frustrate their customers? The answer lies in powerful financial incentives that prioritize vendor profits over customer value and flexibility.

Predictable Revenue

Wall Street and private investors prize the predictability of Annual Recurring Revenue (ARR). A multi-year contract for a fixed number of users provides a guaranteed, stable revenue stream that is simple to forecast and report.

High Switching Costs

Once an enterprise has invested millions in implementation and training, the operational cost and organizational pain of switching platforms are enormous. This lock-in creates high barriers to exit, giving vendors immense pricing power.

Forced Upsell

The scarcity of licenses is used as a commercial lever. As the business grows, the need for more users becomes a trigger for large, periodic contract expansions, often with steep price increases.

⊗ **The Fundamental Mismatch:** Planning is an episodic activity, but the pricing is continuous and fixed. A department manager may only need to enter budget data for two months out of the year, but the company is forced to pay for their license for all twelve.

Unintended Consequence #1: Creating a "Planning Elite"

Due to high per-seat costs, licenses are treated like a precious resource. Access is restricted to a small number of designated FP&A analysts or "power users," creating an immediate bottleneck where all planning activities must flow through a handful of individuals.

The FP&A team transforms from strategic partners into overworked gatekeepers, unable to focus on high-value analysis because they're drowning in data entry requests.

- All planning activities require approval from a limited number of power users
- Data requests create massive backlogs
- Scenario analyses become bottlenecked processes
- Strategic thinking is replaced by administrative tasks
- Democratizing planning data requires expensive processes



Unintended Consequence #2: The "Spreadsheet Shuffle"

The most damaging consequence is the widespread reliance on manual, spreadsheet-based workarounds that revert companies to the very processes the expensive platform was meant to replace.



Export Templates

The "planning elite" export data templates from the expensive central platform



Email Distribution

Spreadsheets are emailed to hundreds of managers and department heads for input



Manual Input

Casual users, denied licenses due to cost, fill out files and email them back



Manual Consolidation

FP&A teams spend days manually copying and pasting data back into the system

⚠ The Core Irony: Companies pay a premium for a centralized, collaborative platform only to revert to manual, error-prone, and insecure spreadsheet processes.





Unintended Consequence #3: The Seasonal Penalty

The annual budget cycle perfectly exemplifies the dysfunction of named-user pricing, creating maximum risk during the most critical financial planning period.

500

Managers Needed

Large enterprises require hundreds of managers to provide detailed budget input

6-8

Weeks Required

Critical input period for annual budget cycle

12

Months Charged

Full year payment required under traditional licensing

Under the named-user model, paying for all 500 managers for a full year is financially infeasible. This forces the "spreadsheet shuffle" at the most critical time of the financial year, maximizing the risk of errors and delays when accuracy matters most.

Unintended Consequence #4: Stifled Agility and Innovation

Killed by Commercial Constraints

Proactive, agile planning is systematically discouraged by licensing limitations. When strategic thinking is needed most, access barriers prevent rapid response to market changes.

- Product managers can't run quick "what-if" scenarios for new launches
- Regional sales directors can't re-forecast based on market events
- Strategic initiatives are delayed by access bottlenecks
- Data-driven impulses are replaced by frustration

The impulse to be strategic and data-driven is replaced by frustration and a reliance on siloed, offline analysis.

Organizations lose their competitive edge when planning agility is constrained by software licensing rather than enabled by it.



A New Approach

Pay Only for What You Use

Lumel EPM has pioneered a consumption-based pricing revolution in the planning space. This approach is built on a simple, powerful premise that aligns software cost with business value.

Flexible Licensing

Licenses are not tied to specific users (i.e., no named user licensing), avoiding wastage and minimizing administration overhead.

Pay Only for Active Use

Avoid the burden of expensive annual contracts. Pay only for what you use, ensuring your investment scales precisely with your planning needs

Empower Seasonal Users

Encourage the inclusion of seasonal, ad-hoc, and occasional planning users without prohibitive costs, fostering broader collaboration.

Leverage MACC Credits

Utilize Microsoft Azure Consumption Commitment (MACC) credits for simplicity and value.

The Financial Impact: "FreshFoods Inc." Case Study

Consider a typical enterprise scenario: 50 FP&A power users active year-round and 500 department managers active only during the two-month budget cycle.

\$1.375M

Traditional Vendor Cost

550 users × \$2,500/user/year (conservative blended average)

\$160K

Lumel EPM Cost

(50 users × 12 months × \$100) + (500 users × 2 months × \$100)

88%

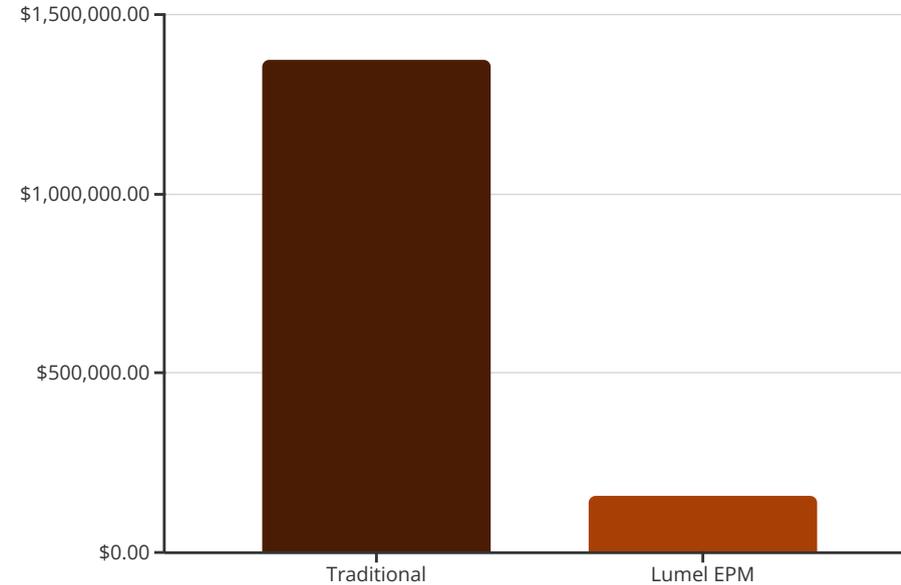
Cost Savings

Massive reduction while eliminating spreadsheet workarounds

The result is not just massive cost savings. The true value is the elimination of the "spreadsheet shuffle" and the ability to achieve 100% participation within the governed, secure platform.

Note: Traditional EPM implementations incur heavy implementation costs as they require specialists/consultants. Lumel EPM will incur additional charges for infrastructure compute and storage in Microsoft Fabric.

Disclaimer: This is not a price offer or commitment from Lumel and is only a token pricing used for calculation purposes. Reach out to us for a quote.





The Strategic Impact: Beyond Cost Savings

This pricing model enables a better planning culture, transforming how organizations approach collaborative planning and strategic decision-making.



Democratizes Data Entry

Every manager can input and own their numbers directly within the system, improving accountability and data quality. No more gatekeepers or bottlenecks preventing direct participation.



Encourages Ad-Hoc Analysis

The cost barrier to running a quick scenario disappears, fostering a more proactive and agile organization. Strategic thinking is no longer constrained by licensing costs.



Aligns Cost with Value

The software bill perfectly reflects the organization's planning activity, eliminating waste. Pay for actual usage, not potential usage that never materializes.

Cultural Transformation Through Pricing Innovation

From Exclusive to Inclusive

The consumption-based model transforms the planning platform from an exclusive tool for a few into an inclusive platform for the entire enterprise.

- **Eliminates the Planning Elite:** No more artificial scarcity of access
- **Removes Manual Workarounds:** Direct system participation replaces spreadsheet chaos
- **Enables Real-Time Collaboration:** Immediate access when planning needs arise
- **Encourages Ownership:** Managers take direct responsibility for their data

Operational Excellence

When cost barriers disappear, organizations can focus on what matters: creating accurate, timely, and actionable plans that drive business success.

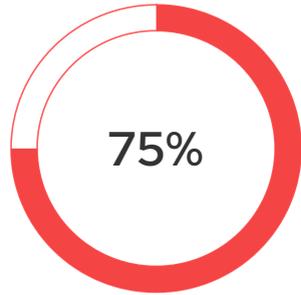
"It's time for business leaders to demand a pricing model that matches their business rhythm."



The Shelfware Problem

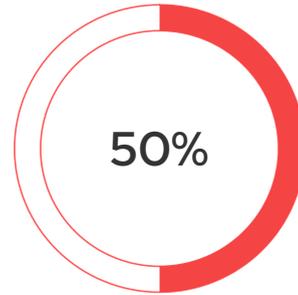
Stop Paying for Digital Dust

The per-user, per-year licensing model forces companies to pay millions for "shelfware"—licenses that sit unused for most of the year, gathering dust while providing zero business value.



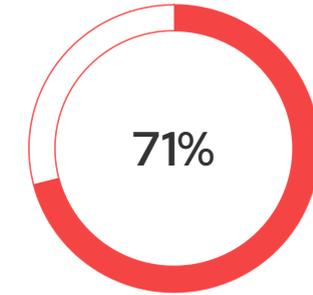
Unused Capacity

Average percentage of planning software licenses that remain inactive¹ during non-budget periods



Wasted Investment

Portion of software spend that delivers no active business value² due to episodic usage patterns



Manual Workarounds

Percentage of planning activities that revert to spreadsheets due to access limitations³

Every unused license represents a barrier to agility and a step backward from the digital transformation goals that drove the initial software investment.

1 - Inference from BPM 2024 "Pulse of Performance Management" survey

2 - According to Gartner research, 30-35% of enterprise software spending is wasted on underutilized software; Nucleus Research found this figure increases up to 50% for traditional planning systems.

3 - The Hackett Group reports 71% of finance organizations still rely on spreadsheets for planning and analysis.

Implementation Roadmap: Making the Transition

01

Assess Current Usage Patterns

Analyze your existing planning cycles to understand when and how many users actually need access throughout the year

02

Calculate True Costs

Compare your current annual licensing costs against a consumption-based model using real usage data

03

Present the Business Case

Make a case to your executives on the value delivered by a platform like Lumel EPM - on both quantitative and qualitative terms

The transition to consumption-based pricing isn't just a cost optimization—it empowers all users to collaborate in planning initiatives, own their projections, and deliver agility to the enterprise.

The Competitive Advantage of Agile Pricing

Organizations that embrace consumption-based planning software pricing gain significant competitive advantages in today's rapidly changing business environment.

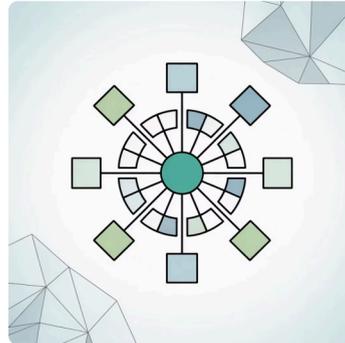
Speed to Insight

Immediate access to planning tools when market conditions change enables faster strategic responses and competitive positioning.



Quality Decision Making

Direct input from all stakeholders eliminates data quality issues and ensures decisions are based on complete, accurate information.



Innovation Culture

Removing barriers to scenario planning and what-if analysis encourages experimentation and strategic innovation across the organization.



In a world where business agility determines market success, pricing models that restrict access to planning tools become competitive disadvantages that compound over time.

Conclusion: Demand Better Alignment

Stop Paying for Shelfware

Start investing in a planning platform that encourages and rewards participation

The Problem

Per-user, per-year licensing is an anachronism that restricts access, creates manual work, stifles agility, and forces payment for unused capacity

The Solution

Consumption-based pricing removes commercial barriers and transforms planning platforms from exclusive tools into inclusive enterprise-wide resources

The Impact

Aligned costs, enhanced collaboration, improved agility, and the elimination of inefficient workarounds that undermine planning effectiveness

The per-user, per-year licensing model is the single greatest obstacle to achieving a truly collaborative planning environment.

It's time for business leaders to demand a pricing model that matches their business rhythm. [Contact us](#) to learn more.