

# Unlocking The Future of FP&A

*How FP&A can drive the right strategic choices in the company*



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# Why should you read this book?

*Here is how to transform your FP&A team and make it future ready*

This book is written as a guide to the CFO on how to transform FP&A to significantly increase the ROI of the department.

It is also directed at FP&A professionals for them to understand WHY the transformation is needed, WHAT needs to be transformed, HOW it should be done, and the SO WHAT happens next.

The WHY stems from both the CFO and the CEO wanting more from FP&A.

Significant technology investments have been made in FP&A, yet the ROI has been poor. That needs to change!

The WHAT breaks down FP&A into subcomponents and combines it with the transformation framework of mindset, technology, process, and people.

It also deep dives into a new capability model for FP&A.

The HOW is a simple transformation plan that helps you map current and desired future state.

The SO WHAT happens next is a call to action for the CFO to get started. It also discusses the outcomes that the transformation should deliver.

FP&A should be impacting strategy and the last section tries to answer how to create this impact.

Let this eBook be your guide to a successful transformation of FP&A and see your impact grow with it!

# Why do we need to change FP&A?

*External factors dictate change while intrinsic motivation pushes us into action*

## The business wants more!

The demand for agility is changing all businesses, either as part of their effort to lead their industry or to stay competitive. Market forces compel the change away from top-down, control-oriented hierarchies to flexible systems that highlight responsiveness and risk-taking.

Our business partners, including the CEO, do not have time for a lengthy budget process and outdated forecasts because the market is moving too quickly. They are demanding quick financial closes, rapid interpretation of the data, and insights that they can convert to action.

These insights need to be data-driven and combined with business judgement; if finance cannot supply that, they will develop their own analytics capabilities or worse make worse business decisions.

## The CFO needs more!

These demands have pushed the CFO into action. The CFO role is shifting to become a strategic business partner while maintaining the traditional finance role as the steward of resource allocation.

Change needs leadership buy-in to be successful, and the CFO is the logical sponsor of a finance transformation.

Resources are scarce; however, hence the transformation must be self-funded and produce quick wins to gain momentum and be successful

To deliver on this, here are two governing principles to realign and reinvigorate FP&A to drive forward the transformation.

**71%\***

...of all CFOs have improving FP&A at the top of their agenda

**1.**

**Free up resources to invest into the transformation. By increasing efficiencies across the finance function it becomes a self-funded transformation - not an uphill battle!**

**2.**

**Create a compelling mission and a framework that will govern the design of the future FP&A team. The aim should be a holistic transformation that addresses mindset, technology, processes and people.**

## The Mission

*FP&A's mission is to drive the right strategic choices in the company strategy.*



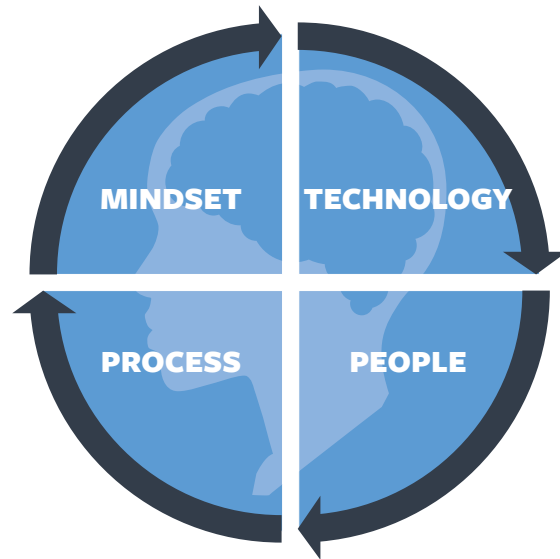
# A framework for the future way of working

*It is all about impacting the strategic direction of the company*

<b>F</b> Financial	<p>FP&amp;A must look more at leading indicators and business drivers rather than historical numbers. Only by becoming forward-looking can be deliver actionable insights.</p> <p>The democratization of data and tools will give many departments analysis and projections. However, FP&amp;A must become “bi-lingual” and gain the ability to speak the language of business and finance.</p>
<b>P</b> Planning	<p>The tasks of budgeting, forecasting and planning will remain, but a lot of it will be done by algorithms which are more accurate at forecasting than humans.</p> <p>Re-forecasting and fast reactions to external events will replace obsessive budgeting. This means that the planning discussion will be around strategic choices and implementing contingency plans when your assumptions do not hold up. This will be qualified by multiple what-if scenarios.</p>
<b>A</b> Analysis	<p>With great data comes great challenges of how to sift through it all, know what is relevant, and focus on adding value. Easier said than done, so here is a guiding principle: alignment for finance means to link the mission and the money.</p> <p>The mission is the company’s purpose, enacted through strategy and objectives; money is how the company funds itself. The KPIs, business cases, and budgets are all ways of expressing that basic responsibility. When conducting analysis, ask yourself am I adding value to this task.</p>

# A new transformation paradigm

*We need a holistic approach to transform FP&A*



## The transformation paradigm

The push from the business, the demands from the CFO, and the creation of a compelling mission and practical framework should bring about a golden age for FP&A. Opportunities are abundant to make an impact in the company.

It starts with the right mindset for FP&A. We must be ready to embrace new ways of working, looking up from our screens and seeking the interaction with other departments, and using the latest tools available to drive efficiencies and optimize processes.

The days of sending spreadsheet templates and linking the subsidiary sheets into a master model are over. FP&A requires efficient financial processes and business acumen that support our vision, combined with enabling technology and the capabilities to use it.

## New capabilities are needed!

These technical skills will only carry us halfway; we need the interpersonal skills to be effective partners who know our partners' business in-depth and earn a seat at the table.

The benefit for the company is a transformed FP&A team that can plan continually, reallocate resources quickly, increase decision velocity, and build agile operations.

It is a new era for FP&A, and we should rise to the occasion and seize the opportunity to leave a lasting impression on our company. That we do by making better strategic choices and creating more value for our shareholders and society while running the business in a sustainable manner.

# What is your WHY for transforming FP&A?

*Here you can take notes on your thoughts in the WHY*

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# The new mindset for FP&A professionals

*Live by curiosity, courage, crystal ball, and clarity and see FP&A re-defined!*

## The new mindset needed for FP&A professionals is centered around the 4 C's.

- **Curiosity** to explore historical data and external developments to reveal where there are risks to different strategy options.
- **Courage** to challenge and influence the strategic thoughts of key decision makers.
- **A Crystal Ball** to financially model the impact of the strategic options and create what-if scenarios.
- **Clarity** of the numbers, financial as non-financial, so that you have awareness and can adapt while navigating to the preferred strategy.

## How FP&A professionals can develop a strategic mindset



### CURIOSITY

You must ask questions to ensure:

1. That different options are explored
2. Each option is evaluated with the same rigor
3. Apply rigor to evaluate options by investigating the data, the business, and the assumptions behind each of them.



### CRYSTAL BALL

Foresight into what might happen if a certain choice is made. Develop your modeling abilities to predict multiple outcomes, press for clear and documented assumptions, and deliver a recommendation.



### COURAGE

You must have the courage to ask the questions in your curious mind, even if that means challenging senior management about which strategic options will be best for the business and debating the tactical options that will get you there.



### CLARITY

Strive for clarity in your presentations to foster communication and alignment. That may mean in-person meetings or visualizations; it involves listening and reading the reactions of your partners.

# Technology + Human > Technology

*It is not tech or people but  
tech AND people*

Empowering FP&A professionals with the latest technology will enable them to develop insights beyond imagination. It will help them drive efficiencies that can free up time for the important discussion of what actions to take and how to execute them properly. AI could do neither on its own and that is why Tech + Human > Tech. All it takes is the application of the new mindset!



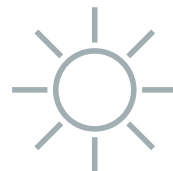
Technology will spark a newfound **curiosity** on how much can be automated, giving us more time to build relationships, listen to our key stakeholders and drive better strategic decisions.



It takes **courage** to embrace new technological solutions. These are often not “out of the box”, “plug n play” solutions and will require us to spend time learning new capabilities in process automation, analytics and financial modeling etc.



AI, machine learning and predictive analytics will give us more powerful **crystal balls**. This space is largely unexplored and represents immense potential for us to understand, interpret, communicate and execute on these predictions.



Technology will give us more **clarity** of insights driving better decision-making. It will also make it clearer to us exactly where human or soft skills can be a differentiator in creating and executing good strategies.



Data is at the heart of the technology revolution. We will get much more horsepower to process big data and better handle the travel from sources to uses.

More data is being created (IOT as an example) and captured (Cloud), and our ability to analyze it as humans is magnified by automation (RPA). We need the tools to keep up, but the tools also need us to be effective (Analytics).

The goal is to go from data to insight that can then be shared via several mechanisms (Mobile and Social being just examples).

# FP&A processes re-engineered

*F, P, and A will never be the same again!*



## FINANCIAL



## PLANNING



## ANALYSIS

 <b>CURIOSITY</b>	<p>Understand the business, the strategy (goals) and the numbers. Link financials and non-financials metrics. Develop a set of KPIs to track business performance.</p>	<p>Align forecasting to fit your business cycle. Discuss business drivers and developments, risks and opportunities instead of merely producing financials.</p>	<p>Create a clear overview of business performance that in an instance tells you where to deep-dive with your analysis. Analysis should aim to develop insights although it is explorative by nature and might not always lead to action.</p>
 <b>COURAGE</b>	<p>Be a strategic partner. Have the persistence to keep asking when numbers or assumptions do not make sense. Be proactive in performance management and always challenge to deliver better performance.</p>	<p>Challenge the current planning process if it keeps being outdated as soon as the new period begins. Align with your business partners on how best to support the business strategy and goals vs. just producing reports.</p>	<p>Challenge both good and bad performance. You need to analyze if good performance should be even better performance given market and other conditions. Draw conclusions from analyses even you have not investigated every single detail.</p>
 <b>CRYSTAL BALL</b>	<p>Do not just report on the past but predict the future. Become a champion in reading leading indicators to always know what is coming.</p>	<p>Model the future based on drivers and market information rather than static incremental growth and be specific about and document your assumptions. Create multiple scenarios and what-ifs to be ready to act when your Plan A does not work.</p>	<p>Analyze future performance by using past track records to estimate a confidence level in the business being able to deliver forecasted performance. Know what needs to change but equally important what should stay the same to deliver expected outcomes.</p>
 <b>CLARITY</b>	<p>Keep it simple. Ensure the financials are easy to explain to non-finance people. Implement self-service reporting.</p>	<p>Make a logical connection between business decisions, strategy and modeled financials. Ensure to have a clear follow-up model between planning vs. actuals and business cases vs. project performance.</p>	<p>Any analysis you do must be done from your business stakeholders' perspective. Focus on solving the key pain points the business is facing- short term and long term.</p>

# The new look FP&A capability model

*It is not enough to be right so influencing must be weighted equally*

## A capability model for the future!

In the past what made you a successful FP&A professional was likely your technical skills i.e. Excel modeling and the ability to analyze data.

These are now only the entry point for a career in FP&A, but not the determinants for your future success.

We must build a new capability model that builds upon the basics of an FP&A professional and adds critical elements that determine future success.

The model will be built around the mindset attributes and have more emphasis on capabilities needed to influence decisions.

## How can we build these skills?

We first need to differentiate between the soft and hard skills that are needed for the future FP&A professional.

The hard skills like modeling and technology can be gained with periodical training, with an emphasis on automation and making it easily replicable.

The hybrid skill of business acumen will be best gained with direct exposure to the other departments of the company.

That can be in the form of on-the-ground visits to production plants, workshops on current initiatives that marketing is working on, or just grabbing a coffee with people from sales to understand their challenges.

Finally, one way to improve soft skills such as influencing, and communication is via a mentorship program, where the mentors come from both Finance and non-Finance backgrounds.




That way they can guide FP&A on how to work with teams that may have a different decision and thought process as the one they are used to.

CURIOSITY	COURAGE	CRYSTAL BALL	CLARITY
Relationship-building	Empathy	Modeling	Communication
Problem-solving	Influencing	Technology	Storytelling
Active listening	Integrity	Business acumen	Creativity



# Curiosity sparks a conversation

*Build lasting relationships by being an active listener and solving problems*




 <b>RELATIONSHIP-BUILDING</b>	 <b>PROBLEM-SOLVING</b>	 <b>ACTIVE LISTENING</b>
<p><b>WHY:</b> Because we need to reach a stage where business leaders do not make any important strategic decisions without consulting FP&amp;A first.</p> <p><b>WHAT:</b> A win-win relationship built on a foundation of trust creating an intimate space where both business leaders and the FP&amp;A professionals can speak freely and have frank discussions about what is the best strategy.</p> <p><b>HOW:</b> Establish trust by understanding what makes you trustworthy and where you are challenged. The best framework for that is the trust equation*.</p> <p style="text-align: center;"><b>TRUST =</b> <math>\frac{\text{Credibility} + \text{Reliability} + \text{Intimacy}}{\text{Self-orientation}}</math></p> <p>Then develop higher emotional intelligence by focusing on these four key areas:</p> <ol style="list-style-type: none"> <li>1. Self-awareness</li> <li>2. Self-management</li> <li>3. Social awareness</li> <li>4. Relationship management</li> </ol> <p>Without trust you have nothing so creating trust must be a key priority for everyone in FP&amp;A!</p>	<p><b>WHY:</b> To ensure we are solving the right problems and produce the best options to solve them.</p> <p><b>WHAT:</b> A framework like the pyramid or SCQA principle that provides a structured way of solving and communicating any problem.</p> <p><b>S = Situation</b> described in widely accepted facts  <b>C = Complication</b> that makes the current situation unsustainable and prompts you to act  <b>Q = Question:</b> The key question that you want to answer posed in a SMART way  <b>A = Answer:</b> The solution to the problem</p> <p><b>HOW:</b> To go from question to answer you should follow this logical structure...</p> <ul style="list-style-type: none"> <li>...create an issue tree...</li> <li>...rank the issues...</li> <li>...brainstorming for solutions...</li> <li>...design solution...</li> <li>...build a prototype of the solution...</li> <li>...reverse engineer what would have to be true...</li> <li>... test the assumptions...</li> <li>...presenting the solution using top-down method</li> </ul> <p>This will help you solve any problem!</p>	<p><b>WHY:</b> Listen first to understand what the business leaders want to achieve rather than forcing your own agenda upon them.</p> <p><b>WHAT:</b> Any interaction you have with business leaders where you bring energy and direction to the conversation.</p> <p><b>HOW:</b> To be a good active listener you must be competent, likeable, and bring energy into the conversation.</p> <p><b>Competent:</b> It is when we have direct eye contact, low pitch/slow pace, downward inflection, still body, neutral stance, firm gestures, strong volume, short sentences, and pausing.</p> <p><b>Likeable:</b> It is when we are smiling, having a relaxed forehead, using people's names, upbeat energy, a friendly tone, casual relaxed moves, and use humor.</p> <p><b>Bringing energy:</b> 1) Do not go over the top, 2) Stay in the zone of 70-80% of max voice volume, 3) Stay neutral to the situation, 4) Be positive spirited and never bring bad mood, and 5) Get personal and show that you are willing to get to know the other person</p>

\*<https://trustedadvisor.com/whu-trust-matters/understanding-trust/understanding-the-trust-equation>



# Courage to go outside the comfort zone




*That is where you will find the answers to how you can change decisions*

 <b>EMPATHY</b>	 <b>INFLUENCING</b>	 <b>INTEGRITY</b>
<p><b>WHY:</b> It is about understanding other's situation and creating value for them – FP&amp;A can never be successful on its own.</p> <p><b>WHAT:</b> Showing an interest in other's goals and challenges and being genuine about helping them solve them.</p> <p><b>HOW:</b> By creating a safe space and establishing trust within the team or with the stakeholders.</p> <p><b>By listening</b> to others and not just what they talk about but also their body language and do so without interrupting.</p> <p><b>By paying attention</b> while you are listening.</p> <p><b>By talking</b> to others and pay attention to what they are doing, praise them for their achievements, and encourage them to voice their ideas</p> <p>Sharpening your empathy skills involves an understanding of your ambitions and sensitivities and the viewpoints of others, so it is necessary to reflect and assess your empathy levels. Increased awareness of self and others prompts a more deliberate, thoughtful decision-making process.</p>	<p><b>WHY:</b> FP&amp;A does not make the decisions so influencing is the only way to change them.</p> <p><b>WHAT:</b> Being able to change other's perspectives and re-direct their course of action.</p> <p><b>HOW:</b> As part of building an influence strategy there are broadly seven areas that you can focus on to achieve enhanced influence.</p> <p><b>Be flexible</b> and work actively to show your flexibility while holding firm on your beliefs.</p> <p><b>Build trust</b> with your colleagues as influence is intrinsically linked to trust. If someone trusts you, they will be open to influence.</p> <p><b>Be assertive</b>, not aggressive since being assertive is the only way to get your ideas noticed, especially when you are competing with others for visibility.</p> <p><b>Build reliability</b> through consistency as inconsistency ruins your reputation.</p> <p><b>Focus on actions</b> rather than arguments as trying to build influence through words does not work.</p> <p><b>Listen to others</b> as influence is a two-way street.</p> <p><b>Be personal</b> as a little personality goes a long way, when you are trying influence in the workplace.</p>	<p><b>WHY:</b> FP&amp;A remains the steward of company resource allocations and must be held to the highest standard of objectivity when doing the allocation.</p> <p><b>WHAT:</b> Practicing honesty and standards of professional care in all dealings without engaging in any activity that would prejudice the ability to carry out professional responsibilities competently and fairly.</p> <p><b>How:</b> Keeping one's integrity is an all-round effort with many pitfalls. Here are the main points to always be aware of in your daily work.</p> <ul style="list-style-type: none"> <li>• Avoid conflicts of interest</li> <li>• Support your company's code of conduct</li> <li>• Surface contradictory or negative information</li> <li>• Refrain from abusing the financial systems</li> <li>• Honestly and candidly report information</li> <li>• Disclose fully all relevant information that could reasonably be expected to influence decisions</li> <li>• Prepare business leaders with the fullest, best, and most relevant information.</li> <li>• Clearly articulate assumptions and unknowns.</li> <li>• Beware of cognitive biases</li> <li>• Represent data accurately and pay attention to scales and inclusion/exclusion of outliers</li> </ul>

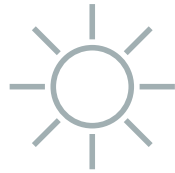


# The crystal ball guides future decisions

*FP&A must make qualified statements about the future*




 <b>MODELING</b>	 <b>TECH</b>	 <b>BUSINESS ACUMEN</b>
<p><b>WHY:</b> It is essential to build scenarios, what-ifs, business cases and forecasting tools.</p> <p><b>WHAT:</b> A model built in Excel or planning tool that allows you to model different outcomes by changing key assumptions.</p> <p><b>HOW:</b> Most models to this day are still built in Excel or Excel-like tools. Hence, mastering modeling starts with mastering Excel.</p> <p>To master Excel you need to know both functions and formulas but also formatting and modeling design.</p> <p>The key is to build dynamic models where different outcomes can be modeled through assumptions. This means no hardcoded numbers.</p> <p>Beyond the average Excel-user capabilities it is recommended that you become a certified financial modeler if you want to make this one of your key strengths.</p>	<p><b>WHY:</b> Technology will fuel innovation, free up time for building relationships, and boost your problem-solving capabilities.</p> <p><b>WHAT:</b> Understanding what tech platforms are available to solve a given task and how to apply it in a specific company context.</p> <p><b>HOW:</b> FP&amp;A professionals must understand the capability and resource gaps that exist in the company overall and in the FP&amp;A department. Otherwise, you will fail on the HOW of tech because you will not be able to implement solutions that work.</p> <p>Now it is all about understanding the WHAT. What can automation do? What can analytics do? What can apps do? What role do all these play in making the right strategic choices?</p> <p>Once you understand the WHAT you also need to know whom to turn to for implementation. It could be IT, BI &amp; Analytics, or even within the FP&amp;A department. If you do not have these available, then look around for vendors that have this specialist knowledge and can help you with implementation.</p>	<p><b>WHY:</b> Being in business is about making money and to understand how to make money you need business acumen.</p> <p><b>WHAT:</b> The understanding of how to make money in business often in a specific context.</p> <p><b>HOW:</b> To develop business acumen you must focus on developing these 11 sub-capabilities: Mindset, Foresight, Broad Scanning, Strategic Alignment, Collaborative, Resource Management, Systems and Process, Decision Making, Talent Development, Duty of Care, and Financial Literacy.</p> <p>Many should not be foreign to FP&amp;A as we can demonstrate an understanding in foresight (seeing things before they happen), resource management (including people, technology, money, and time), decision-making (effective, well timed and inclusive), and financial literacy.</p> <p>Broad scanning (checking the external environment for divergent inspiration), strategic alignment (getting others to see, understand and execute a strategic plan) and talent development (tapping, delegating, and building talent around us) are sub-capabilities where we need further development</p>





# You need clarity to be impactful

*Without clarity your actions will fall flat, and your influence will be minimal*

 <b>COMMUNICATION</b>	 <b>STORYTELLING</b>	 <b>CREATIVITY</b>
<p><b>WHY:</b> Your ability to communicate often determines your impact and with poor communication your insights will fall on deaf ears.</p> <p><b>WHAT:</b> Communicating in a clear and concise language, which non-FP&amp;A professionals understand, with confidence and empathy for the receiver.</p> <p><b>HOW:</b> Your stakeholders will pay any price for simple, step-by-step instructions, and support to fix their pain points, but they will only pay pennies for dashboards, KPIs, and graphs. Dashboards only diagnose pain. You must provide a clear path to curing that pain.</p> <p>The key for FP&amp;A to excel in communication, is to step back and recognize; when you might be trying to sell dashboards, KPIs and forecasts that are only meaningful to you and have a limited shelf life when what your stakeholders want is two or three simple, highly visual, actionable strategies to unlock value creation that is trapped in their business.</p> <p>As you improve at telling the story behind the numbers both your impact and your influence will increase exponentially.</p>	<p><b>WHY:</b> Everyone loves a good story and it makes it easier for them to understand the message.</p> <p><b>WHAT:</b> Facts and figures brought to life by “showing” people what happened rather than just “telling it”.</p> <p><b>HOW:</b> Understand what lies behind the numbers because that will provide a context which you need to create the story.</p> <p>Communicate with anything but numbers and instead use words or even better visuals because non-FP&amp;A professionals easily get lost in all your tables and long-worded bullets</p> <p>Go and experience the business so that you understand the reality your stakeholders operate in.</p> <p>Become a better presenter because you must move beyond the content and act your way through the story. That you cannot do if all you are thinking about is how to make sure you cover all the content.</p> <p>One thing is knowing how to do it but it is something else to execute when standing “on stage”!</p>	<p><b>WHY:</b> It is what drives our chase for insights and fuels our ability to communicate well and tell good stories.</p> <p><b>WHAT:</b> Originality and innovative thinking that lets you bring about new perspectives on any given situation.</p> <p><b>HOW:</b> Creativity or creative thinking involves six key components:</p> <ul style="list-style-type: none"> <li><b>Problem sensibility:</b> reflection upon the challenge</li> <li><b>Liquidity:</b> having many ideas leading to a good one</li> <li><b>Flexibility:</b> the ability to look at the problem from different angles or perspectives</li> <li><b>Re-definition:</b> viewing the challenge differently</li> <li><b>Originality of thought:</b> courage to try something different and not copy others around us</li> <li><b>Collaboration:</b> a process of engaging others to create solutions built on multiple perspectives.</li> </ul> <p>FP&amp;A professionals are required to tap into all six areas if we want to thrive in the face of complexity, ambiguity and solve the challenges facing FP&amp;A and our business stakeholders in the future.</p>



# WHAT should your future FP&A team be doing?

*Here you can take notes on your thoughts in the WHAT*

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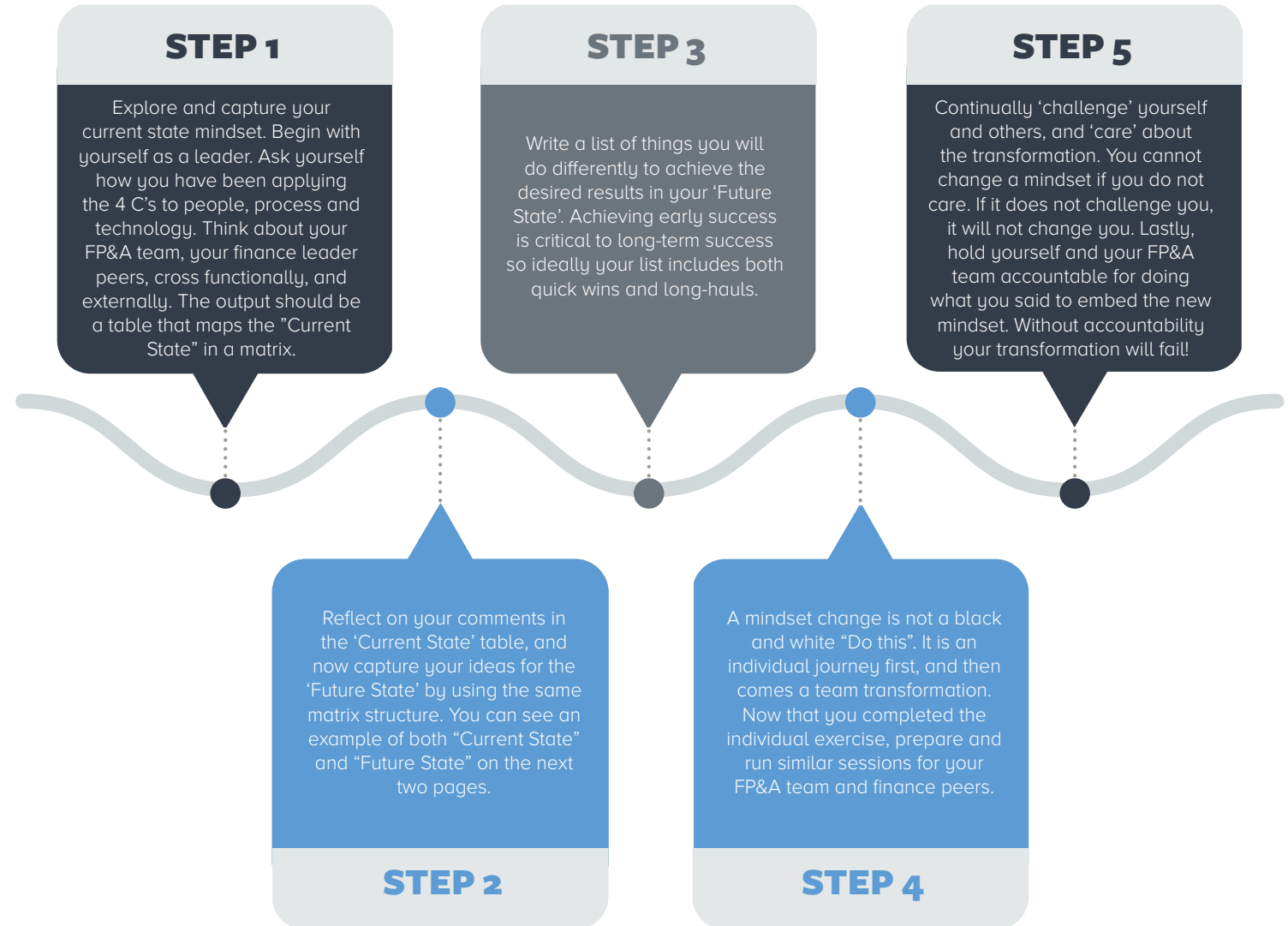
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# The transformation plan to the future

*The road ahead is long but follow these five steps diligently and you will succeed!*



# Example of a current state mapping

*Without knowing your starting point you do not know what needs to change*

CURRENT STATE	PEOPLE	PROCESS	TECHNOLOGY
<b>CURIOSITY</b>	Resources appear busy generating Business as Usual reporting.	Providing explanations on some insights, however no common approach to identifying insights, and not prioritising what needs further investigation.	Awareness of the new tools that exist and are being used in pockets internally, and external organisations i.e. Tableau, Power BI.
<b>COURAGE</b>	Often fall into urgent business issues, saying 'yes' and generating ad-hoc reporting.	Sticks with the budgeting process despite everyone loathing it as an example.	Afraid of breaking current reporting that generates month end, budgeting and forecasting results. Fear of the unknown. Fear of implementation failure of a new tool/system.
<b>CRYSTAL BALL</b>	Department heads provide strategic direction and are responsible, however often disconnected with FP&A and latest financial projections. Focus on historical financial data due to business targets and explanations.	Financial modelling of forward estimates and strategy often do not align with current financials. Weekly forecasting builds in forward looking insights, however the consolidation is largely manual and time consuming.	Reporting, analysis and insights are historical looking. Heavy excel dependency for scenario models with too many variable inputs, and levels of manual intervention (Analyst, Finance Manager, Business SME) Tools used to generate reports are not always reliable, are out-dated versions, and not supported by IT.
<b>CLARITY</b>	Minimal sharing of strategic direction within finance & cross functionally. This poor alignment is impacting the shared understanding, value add opportunities, and does not allow for assumptions to be challenged.	Sharing and updating of information is often informal which leads to errors and omissions.	FP&A activities do not align with the business and do not give the business the answers they need. Peers and stakeholders appear caught in Business as Usual. Advanced tools to model and capture assumptions and financials are not used.

# Example of a future state mapping

*To know where to go you must paint a clear picture of the future!*

FUTURE STATE	PEOPLE	PROCESS	TECHNOLOGY
<b>CURIOSITY</b>	<p>Team is focused on business partnering and the technology generates 80% of the reporting.</p> <p>Sense of excitement to investigate data.</p>	<p>Capacity built into the process (weekly, monthly, quarterly, etc.) to look for insights.</p>	<p>Attend external events from technology partners to see what tools are available and what other organisations are using.</p> <p>Ask Experts for help. (Technology + Human &gt; Technology alone)</p>
<b>COURAGE</b>	<p>Take risks with new reporting and seek feedback from stakeholders.</p>	<p>Challenge peers on financial and non-financial assumptions.</p> <p>Fail Fast – try a new forecast process. If it is superior use it and if not, try again.</p>	<p>Present peers and CIO with preferred solutions and options on new tools/systems.</p> <p>Disrupt your own role with technology.</p>
<b>CRYSTAL BALL</b>	<p>80% of reporting and business partnering is forward looking.</p>	<p>Align financial modelling of forward estimates and strategy with current financials.</p> <p>Automate the consolidation of weekly forecasting.</p>	<p>Ensure new technology solutions are forward looking and capable of integration.</p> <p>Look beyond what you can see. Do not wait for necessity to breed innovation.</p>
<b>CLARITY</b>	<p>Pick and choose where humans add more value i.e. storytelling.</p>	<p>Select processes to automate that support the business strategy.</p> <p>Request feedback from the business.</p>	<p>Pick and choose where technologies add more value.</p> <p>Outsource modelling where capability is not present internally or to keep up with analytical tool trends.</p>

# HOW do you intend to transform FP&A?

*Here you can take notes on  
your thoughts in the HOW*


# The CFOs Call To Action

*It is up to senior leaders to action the transformation but here is how you get started!*

All change management programs start at the top, and the CFO must champion the transformation.

Let us start with an ambitious vision to which the FP&A department can aspire i.e. **“Drive the right strategic choices in the company”**.

Changing culture and expectations is hard; we must get into people’s heads and make this a habit.

To do this we need to address the mindset, people, processes, and technology that drive FP&A’s actions.

First start with implementing a mindset of the 4 C’s.

Next, we need to upgrade our technology platform and capabilities. We cannot fulfill our vision with slow technology that is error-prone, disconnected from the overall corporate roadmap, and utilizes untrustworthy data.

We must challenge our current processes. Why are we doing what we do? We do not want to simply automate bad habits.

And what about the people? We need a new capability model for FP&A professionals. One that is linked to the mindset but drives us to learn concrete capabilities to deliver on the vision.

With a demand to learn new skills comes a need for training and upskilling. Fear not the needed investment. Done well, the ROI will be sky high!

## It is time to start your five-step transformation plan!

- 01 Map the current state of your FP&A department combining the mindset attributes with people, process and technology.
- 02 Map your desired future state i.e. how would you like your team to work in the future along the same dimensions.
- 03 Write a simple list of things your department will do differently post the transformation.
- 04 Broaden the exercise to the whole department or as a minimum all leaders.
- 05 Gain commitment from everyone and write some questions that you will be asking yourself post the transformation. The answer to the questions should tell you if you are successful!

# Now you must start driving the right strategic choices

# 80%

...of the value measured as Economic Profit created by companies globally comes from 20% of the companies. Yes, the pareto principle applies here too! What is the secret sauce? The bad news? There is indeed a sauce and a recipe for how to make it. The good news? Now the recipe is not a secret anymore! Enough talking and planning. It is time to start actioning. Here are some first steps you can take to get started on driving the right strategic choices.

*Are you ready to get going? If not, here are some first steps you can take.*



# It is all on you to get started!

*But do not forget that many people around the world are ready to help you.*

## The final words

The case for change should be clear by now and there is a full transformation plan laid out for you. What is stopping you from getting going?

There is no doubt that it is a significant undertaking to succeed with such a transformation. However, you must ask yourself what is the alternative?

Automation will only become a larger part of FP&A taking over transactional tasks, reporting, business intelligence, data management, etc. It will provide self-service capabilities to senior leaders making the “what happened” easily accessible.

FP&A must step up the value chain and become a strategic partner to the C-suite and there is no delaying getting started!

I hope you have enjoyed this book and feel free to reach out for a conversation around how to make the transformation happen.

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## About the author

The book is published by Anders Liu-Lindberg, a long-time finance blogger on LinkedIn with 45,000+ followers, co-author of the book “Create Value as a Finance Business Partner”, and currently COO and CMO of Business Partnering Institute.

Anders has ten years of experience working in various FP&A related roles from global transport and logistics company Maersk.

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# SO WHAT will be different when you are done?

*Here you can take notes on your thoughts in the SO WHAT*

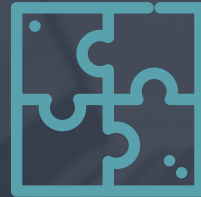

# BPI at a glance

How BPI can assist on your journey

<b>WHY</b> Our passion and purpose	 <p>To unlock the <b>value potential</b> for individuals, organizations and the finance community <b>through business partnering</b>.</p>		
<b>HOW</b> What makes us different?	 <p><b>People</b></p> <p>We understand Finance</p> <p>We understand People.</p> <p>Our sweet spot is the intersection between the two!</p>	 <p><b>Simple &amp; practical</b></p> <p>We make business partnering simple, hands-on, and easy to apply.</p> <p>Because this is what works!</p>	 <p><b>Impact with you</b></p> <p>We work from the inside!</p> <p>Impact is sustainable when we elevate your organization</p>
<b>WHAT</b> Our value proposition	<p><b>1 Research &amp; Networks</b></p>  <p>Thought leadership, publications and conferences.</p>  <p>Connecting people via BPRT and FBP Forum</p>	<p><b>2 Learning &amp; Development</b></p>  <p>Business partnering development programs</p>  <p>Leadership coaching</p>	<p><b>3 Consulting</b></p>  <p>Interim Business Partnering</p>  <p>Projects &amp; Advisory</p>

# Need inspiration for your journey?

*Advance your journey  
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