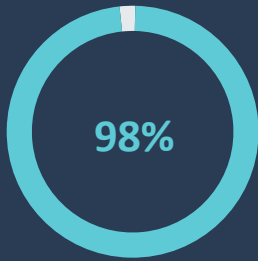
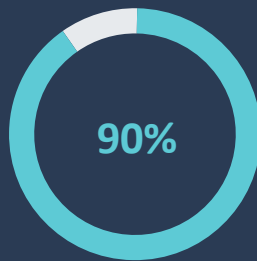


WHAT IS CONSIDERED THE SCOPE OF FP&A?¹

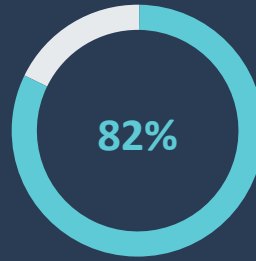
STANDARD PRACTICES



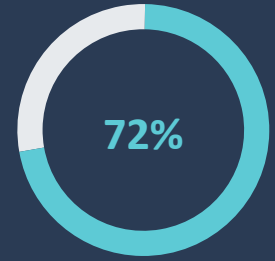
Planning,
budgeting and
forecasting



Management
reporting

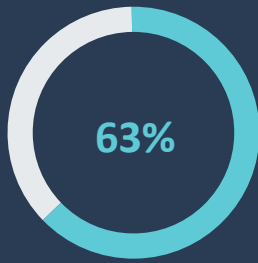


Business
performance
analysis

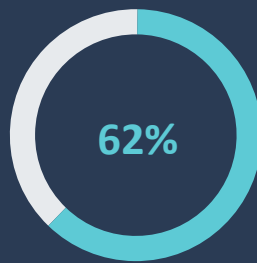


Long-term
planning and
strategy

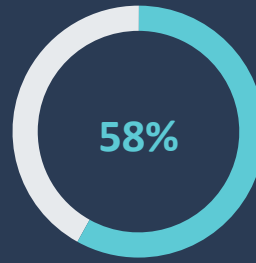
BEST/EMERGING PRACTICES



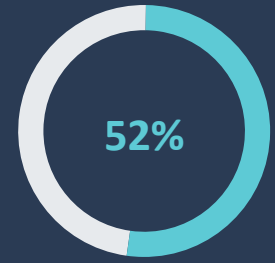
Business case
and decision
support



Financial
statement
modelling



Capital
investment
decisions

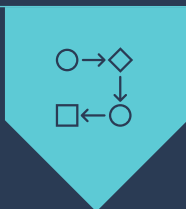


Business
advisory

WHAT CHALLENGES DO FP&A INITIATIVES FACE?¹



61%
Inadequate
systems and
tools



59%
Issues with
process
efficiency



51%
Organizational
constraints



49%
Time
limitations

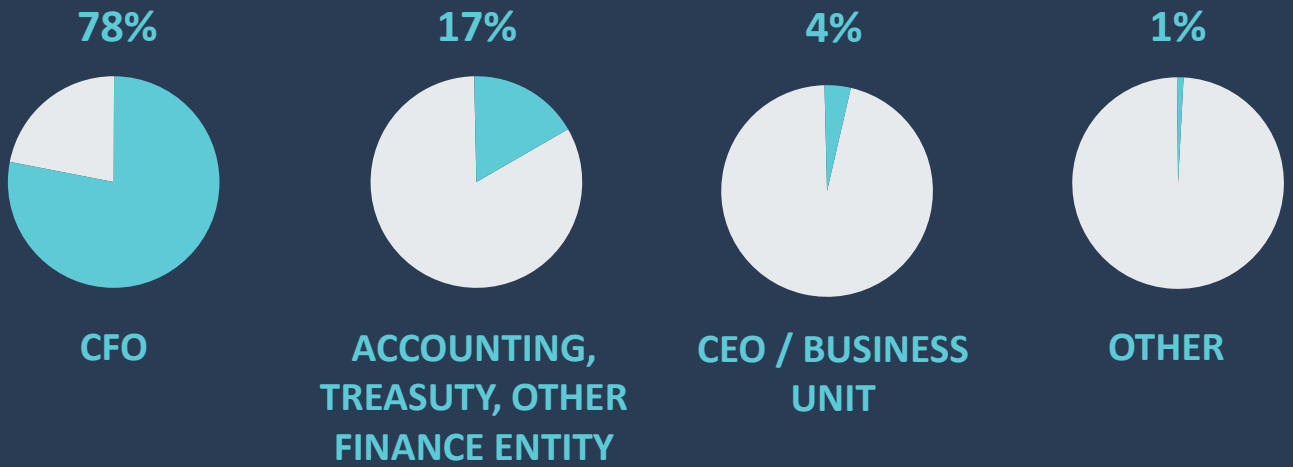


43%
Poor data
management



25%
Lack of skills

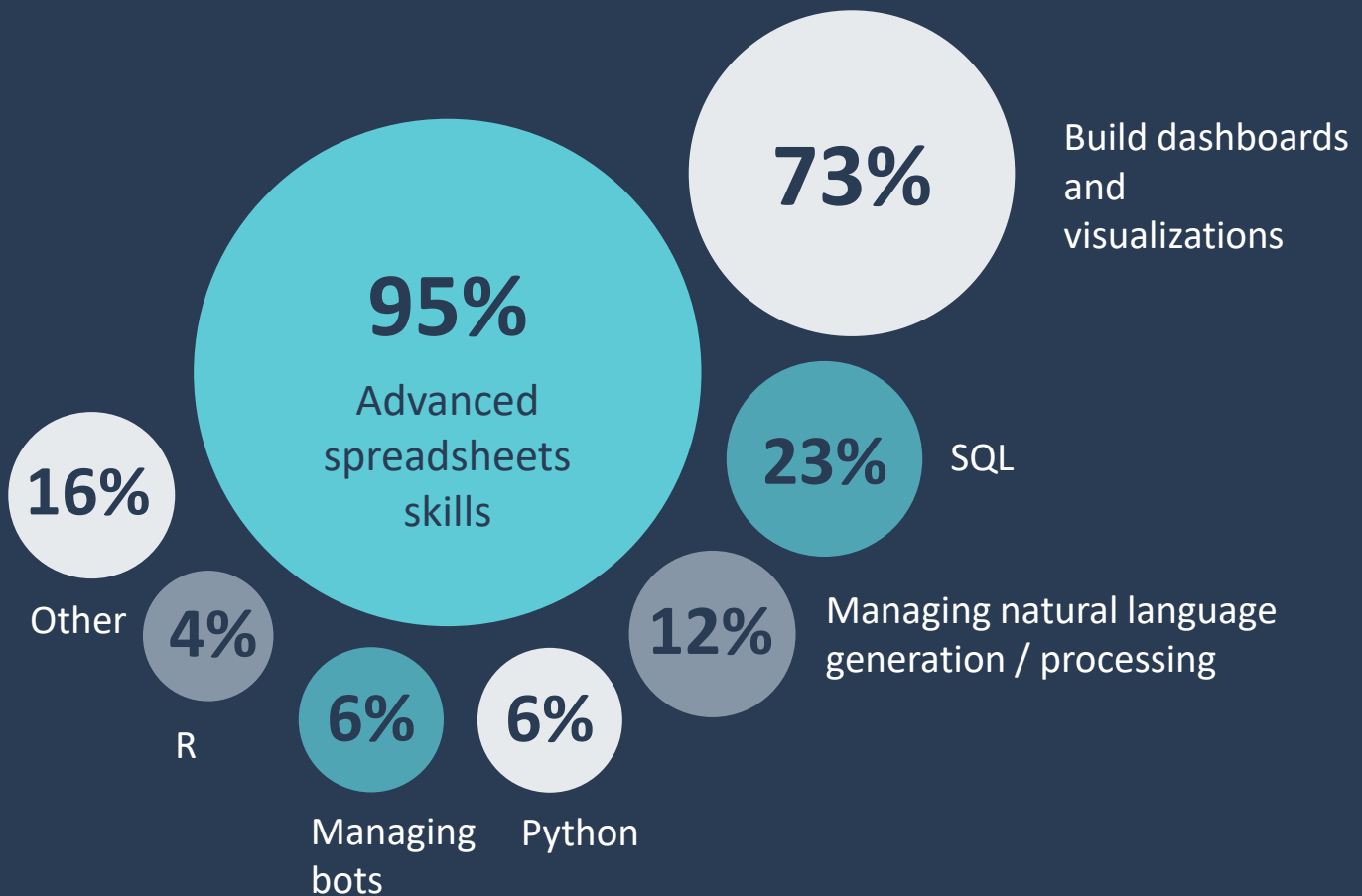
REPORTING STRUCTURE OF THE FP&A FUNCTION¹



5

Median number of staff in the FP&A function⁹

SKILLS LISTED IN A TYPICAL FP&A MANAGER JOB DESCRIPTION⁸



TOP-10 REASONS WHY STAKEHOLDERS HATE BUDGET AND PLANNING⁶



It takes too long



It doesn't help run business



It is outdated before it is even finished



Too much game playing



Too many iterations



Too many people involved



Cast in stone while business conditions are constantly changing



Includes allocations that can't be controlled



It is difficult to recognize the numbers by the time it is done



Doesn't match the objectives the stakeholders are accountable for

NUMBER OF BUDGET VERSIONS BEFORE FINAL APPROVAL²

4



TOP PERFORMERS

5



MEDIAN

8



BOTTOM PERFORMERS

ANNUAL BUDGET CYCLE TIME³

25 DAYS



TOP PERFORMERS

32 DAYS



MEDIAN

58 DAYS



BOTTOM PERFORMERS

NUMBER OF STAFF (FTE) TO PREPARE BUDGETS AND FORECASTS⁴

2



Median number of staff (FTE) to prepare periodic forecasts

2



Median number of staff (FTE) to prepare periodic budgets and plans

0,5



Median number of staff (FTE) to develop and maintain budget policies and procedures

CYCLE TIME TO PREPARE FINANCIAL FORECAST^{3,5}

7 DAYS



TOP PERFORMERS

15 DAYS



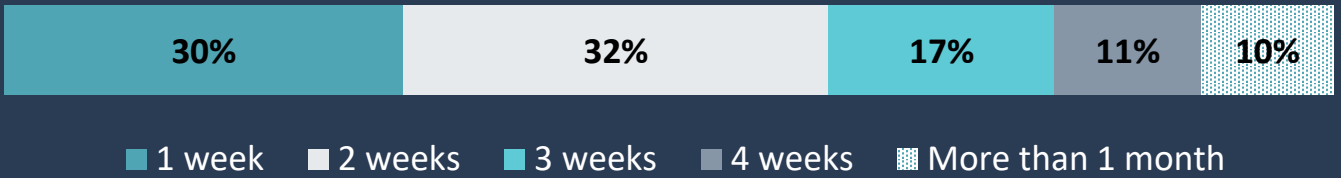
MEDIAN

18 DAYS

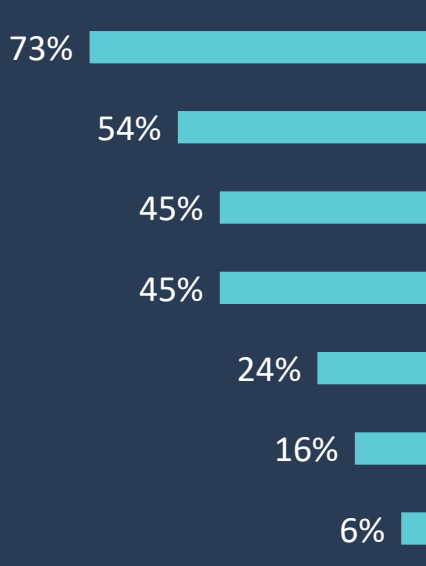


BOTTOM PERFORMERS

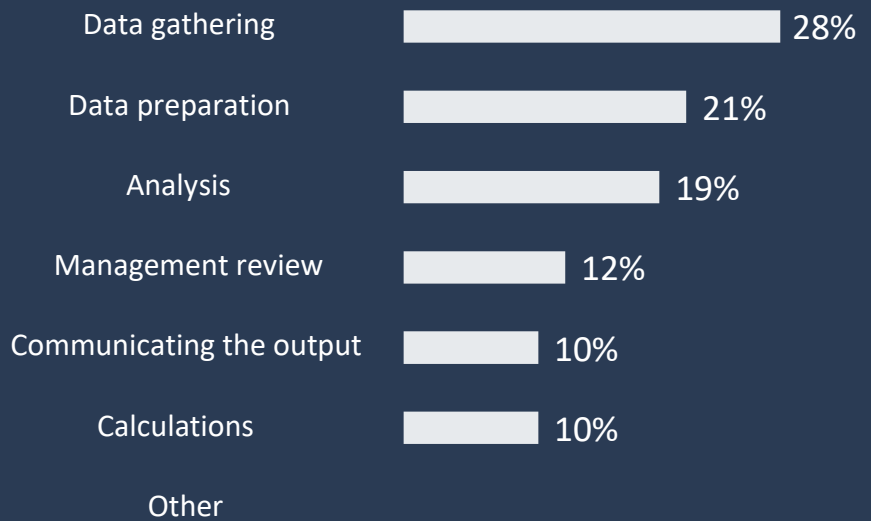
TIME REQUIRED TO PREPARE A TYPICAL FORECAST⁸



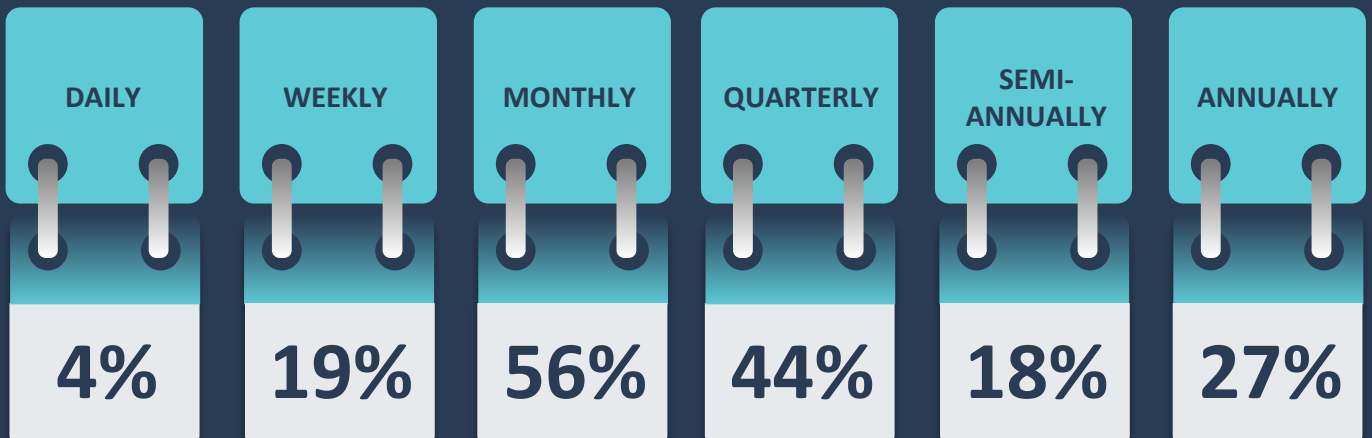
OBSTRUCTIONS ACCELERATING CYCLE TIME TO COMPLETE A FORECAST⁸



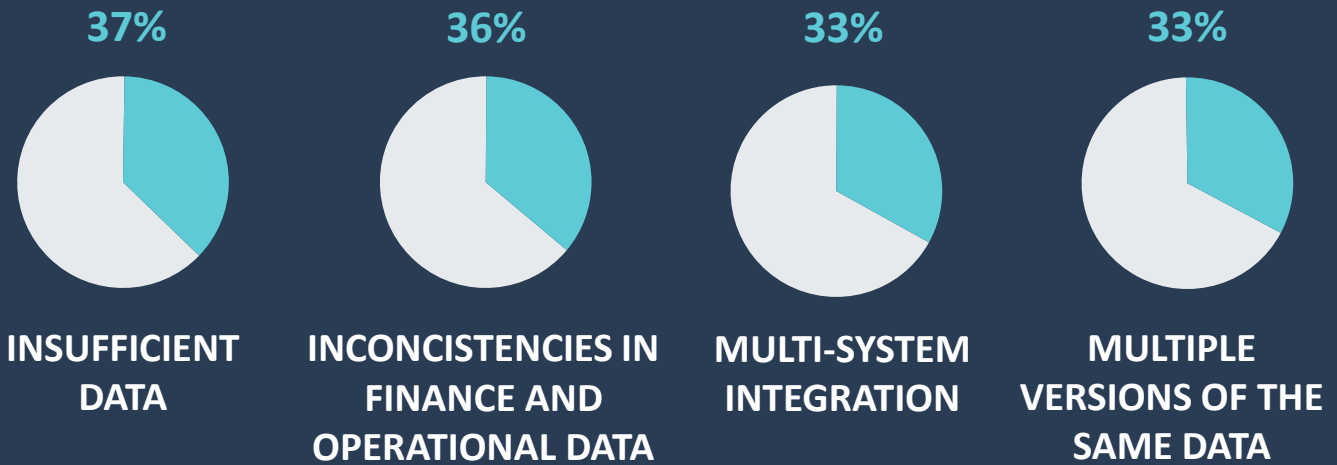
ALLOCATION OF TIME SPENT BY FP&A ON VARIOUS STAGES TO COMPLETE A FORECAST⁸



FREQUENCY OF FORECASTS⁸



DATA CHALLENGES FACED BY FP&A TEAMS (DAILY OR OFTEN)⁸



HOW BINDING IS THE BUDGET?⁹

25%

34%

38%

3%

- The budget is fixed and we manage it
- The budget is a guideline that we try to meet unless the management exception is granted
- The budget is a point in the time plan, but we managed based off the forecast
- We do not use budget

WHAT PLANNING/FORECASTING PRACTICES DO FP&A TEAMS USE?¹

Activity-based costing

48%

42%

Driver-based planning

Scenario planning

53%

33%

Zero-based budgeting

Rolling forecast

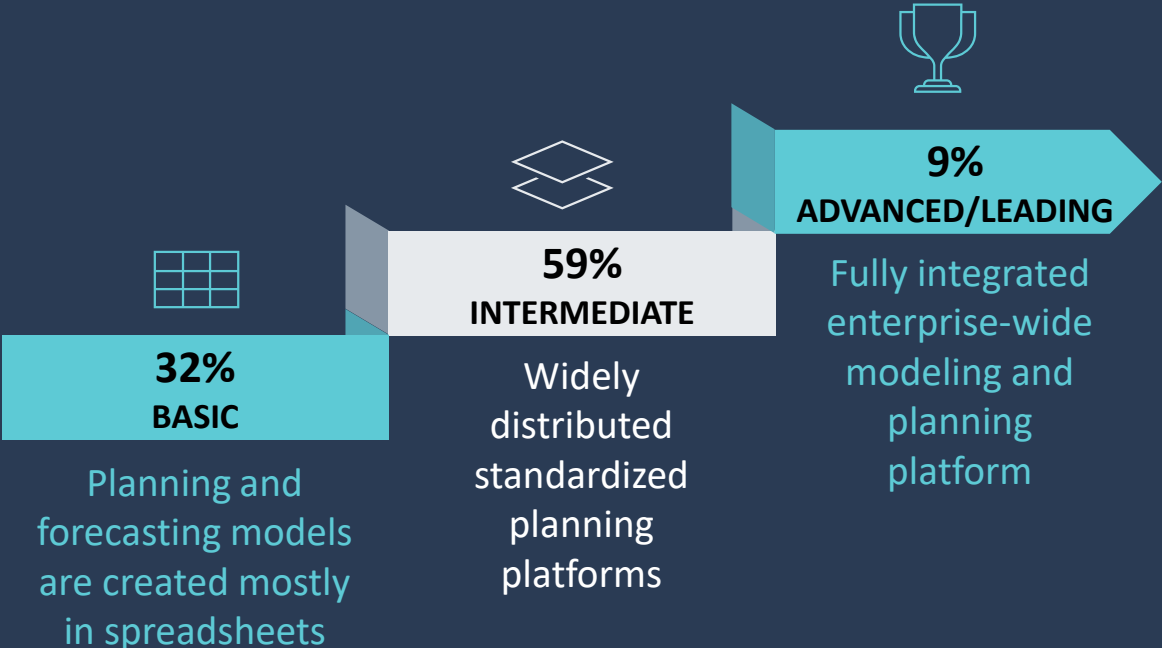
63%

22%

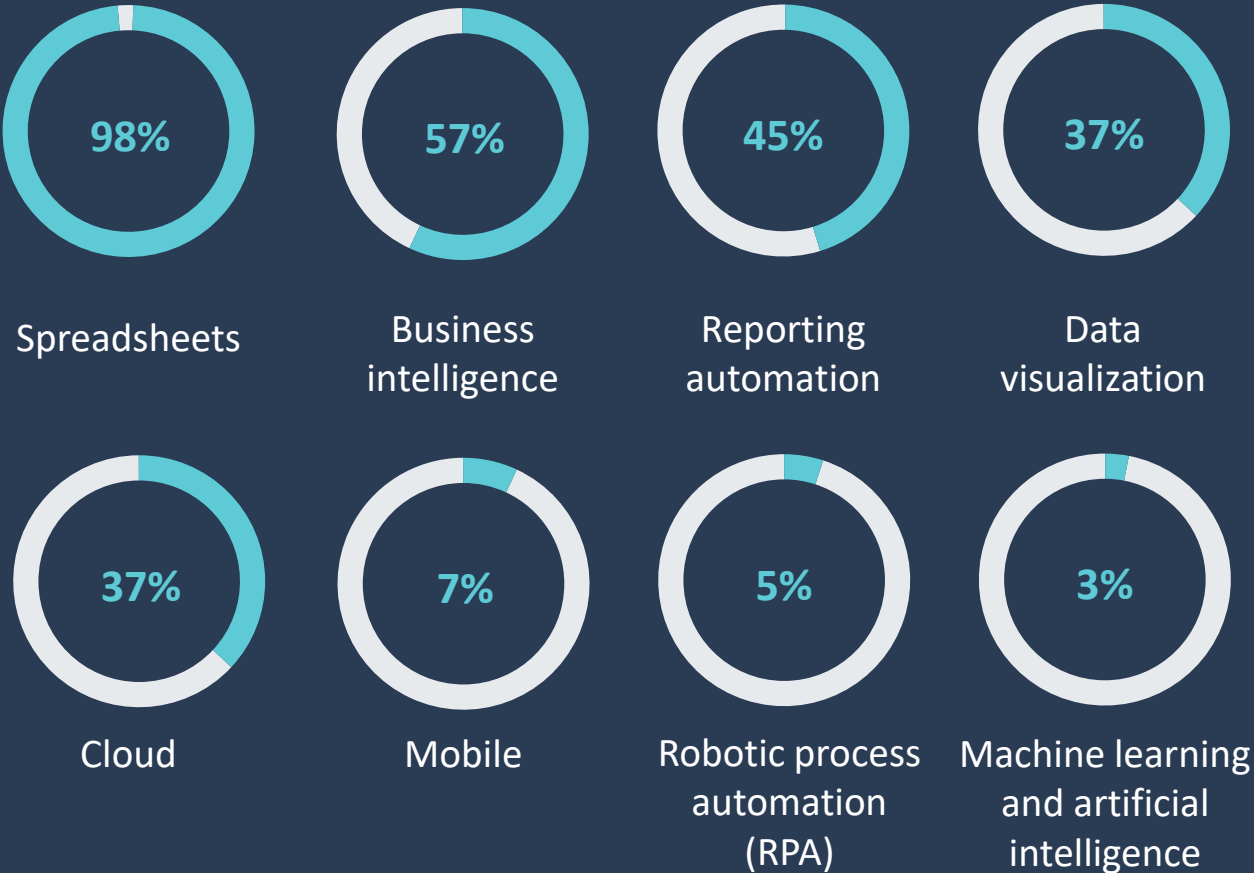
Predictive analytics



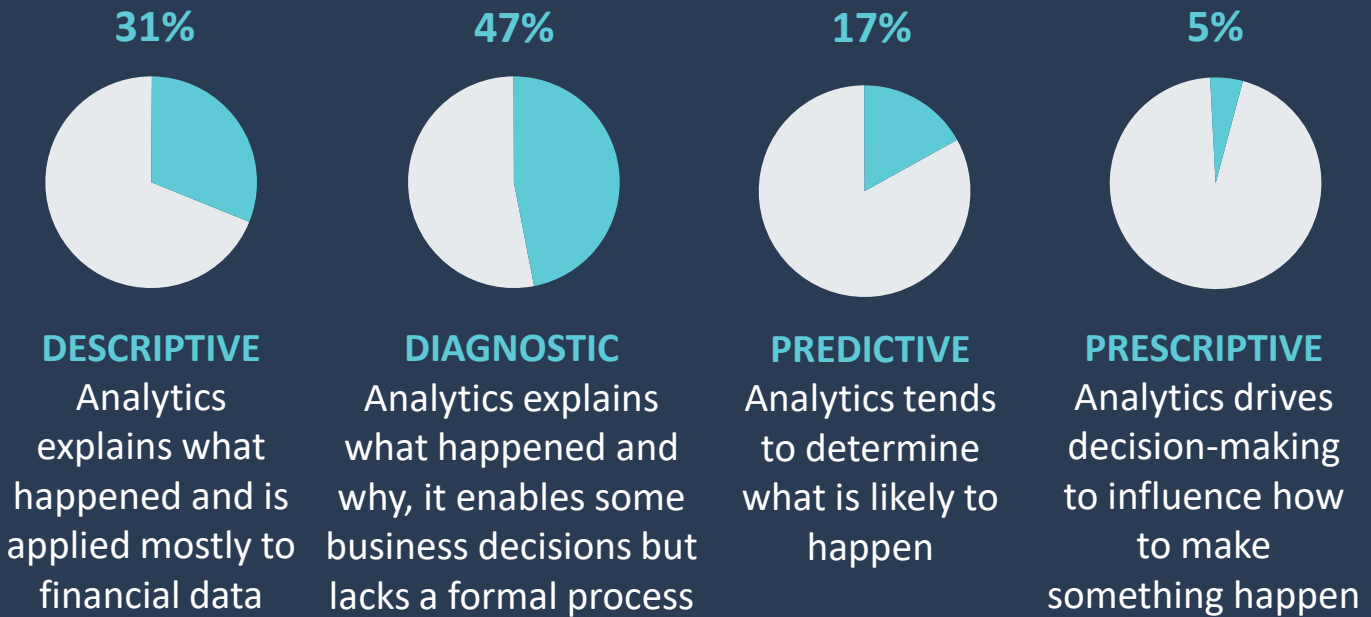
FP&A MATURITY IN TERMS OF TOOLS AND TECHNIQUES ¹



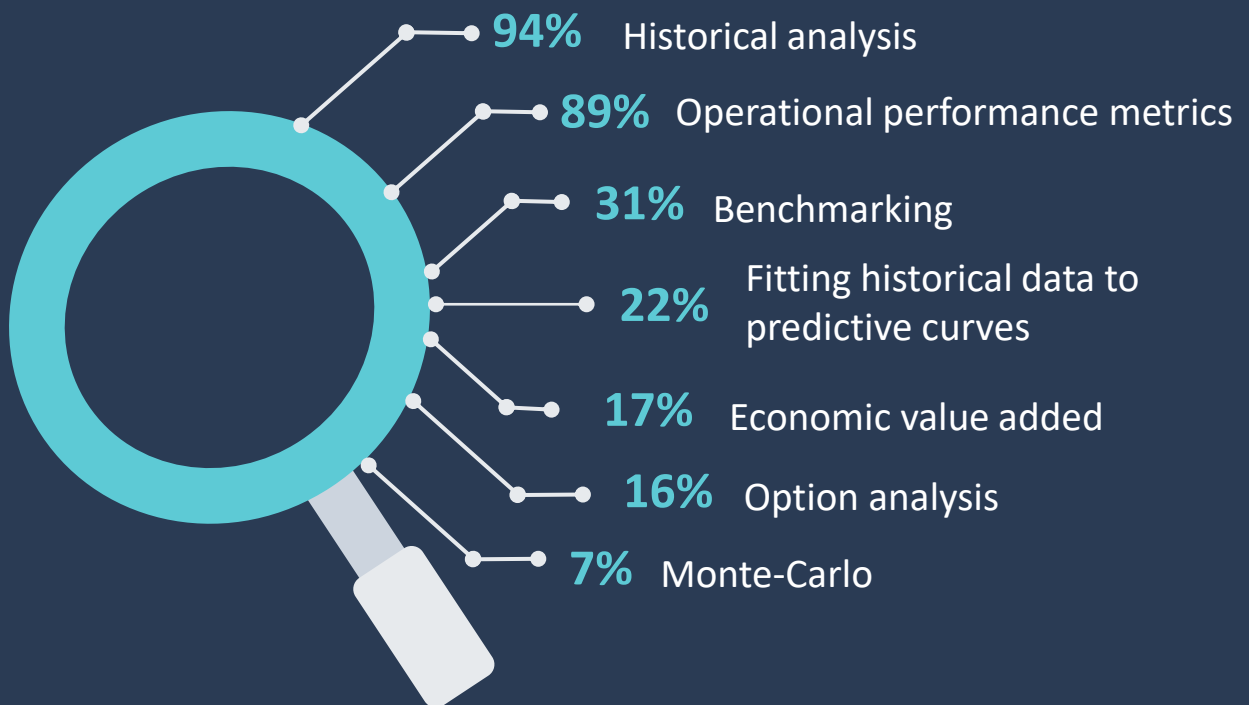
WHAT TOOLS AND TECHNOLOGIES DO FP&A TEAMS USE? ¹



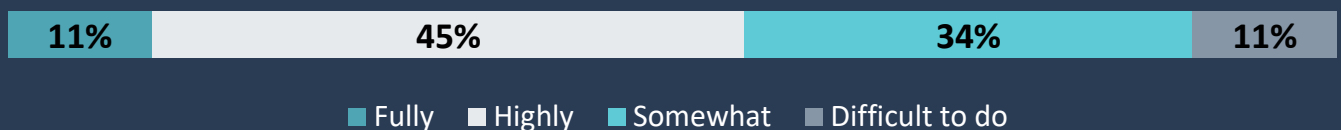
FP&A MATURITY IN TERMS OF ANALYTICS ¹



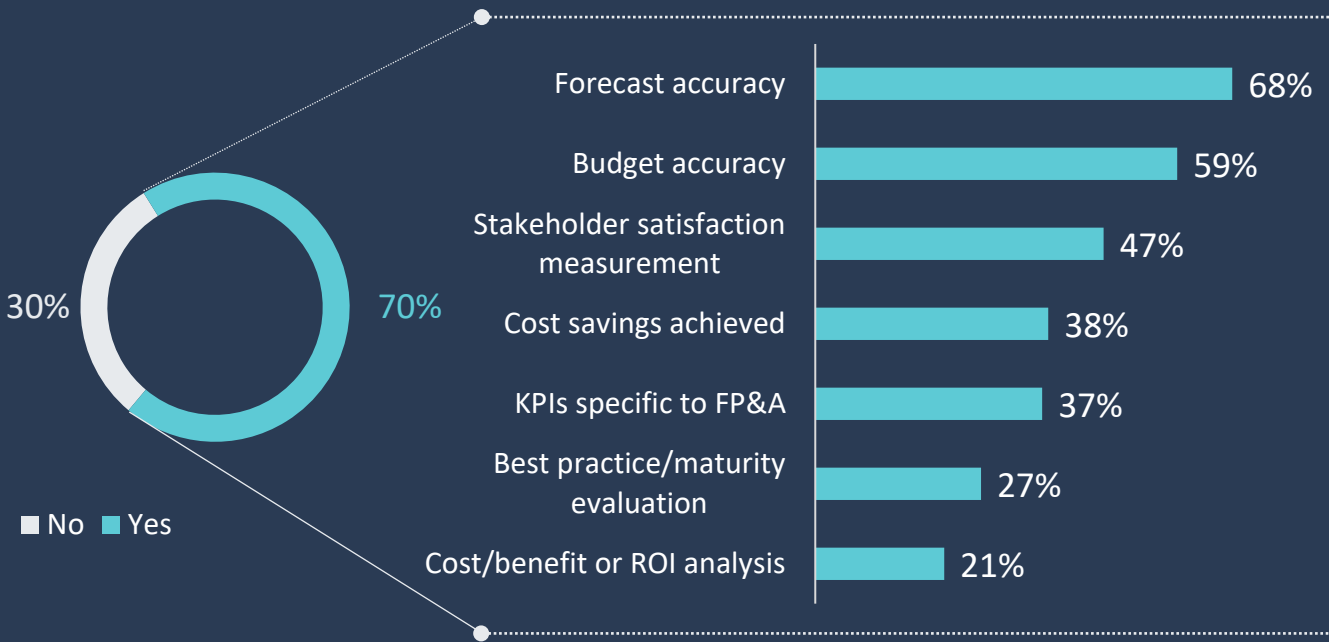
WHAT ANALYSIS PRACTICES DO FP&A TEAMS USE? ¹



POTENTIAL FOR FP&A AUTOMATION ⁷



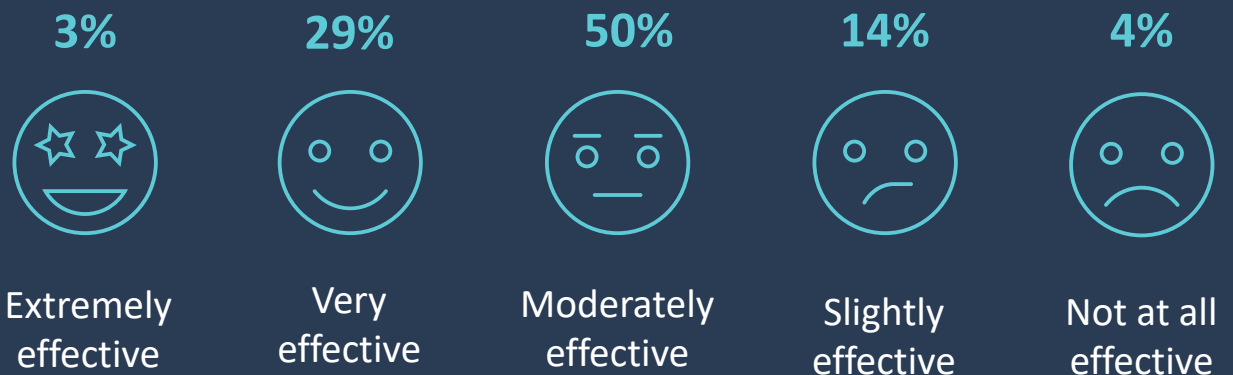
DO COMPANIES MEASURE FP&A EFFECTIVENESS AND HOW? ¹



TIME ALLOCATION OF FP&A PRACTITIONERS ¹



EFFECTIVENESS OF ANALYSIS AND ITS CONTRIBUTION TO STRATEGY ¹



WHAT SKILLS FP&A PROFESSIONALS SHOULD IMPROVE?¹

55%



TECHNOLOGY /
ANALYTICAL SKILLS

- 79% Data management
- 68% Predictive analytics
- 64% Performance management

27%



FINANCE /
ACCOUNTING SKILLS

- 91% Financial / Business modeling
- 65% Capital investment / Planning analysis
- 61% Activity-based costing / Cost management

18%



INTERPERSONAL /
SOFT SKILLS

- 78% Business partnering
- 62% Communication / Presentation
- 54% Leadership

AVERAGE FORMAL TRAINING AND DEVELOPMENT HOURS BUDGETED PER YEAR PER FP&A PROFESSIONAL⁹

43%

28%

12%

10%

7%

■ Less than 10 hours ■ 10 to 20 hours ■ 21 to 30 hours ■ 31 to 40 hours ■ More than 40 hours

EFFECTIVE TRAINING AND DEVELOPMENT TECHNIQUES FOR FP&A⁹

75%



On the
job
training

65%



Mentoring
and
coaching

60%



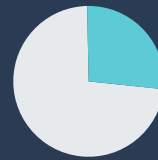
Stretch/Cross-
functional
projects

46%



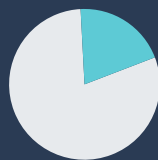
Job
rotations

27%



External
classes

20%



Conferences

REFERENCES

1. [APQC, AFP Next level of FP&A study, 2019](#)
2. [APQC's Open Standards Benchmarking® Performance Assessment in Planning and Management Accounting](#)
3. [APQC's Open Standards Benchmarking® Performance Assessment in Planning and Management Accounting](#)
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8. [FP&A Survey: The technology and data platform supporting finance decisions, AFP 2020](#)
9. [Preparing for the next level of financial planning and analysis, APQC, AFP, 2019](#)