

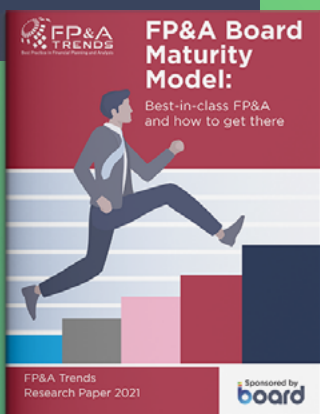


FP&A Board Maturity Model Mini-Guide

Leadership




Key insights from:



In this mini-guide, we've extracted the top tips and best practices for finance leadership from the [FP&A Board Maturity Model](#) research report. Use it to focus your transformation efforts and increase your overall FP&A maturity.

Best-practice leadership: what you're aiming for

Best-in-class FP&A leadership has the following attributes:

-  The organization has cultivated openness to change, analytical orientation, and encouraged alignment of plans across the organization.
-  Every part of the organization collaborates actively in planning, forecasting, and scenario planning. Top-down and bottom-up planning activities are harmonized throughout the entire organization.
-  From the top and the bottom, there is recognition of the need to accept and foster the need for change. The world is "multivariant" and there are multiple futures in multiple scenarios, rather than just "one plan and forecast".
-  The organizational culture embraces analytics as a crucial element in supporting informed decisions.
-  The organization has moved beyond periodic budgets and forecasts and has a multi-period strategic view.

Practical steps for increasing your leadership maturity

- 1 Identify and recruit a champion in the Boardroom and work together with them to influence cultural change.
- 2 Build a case for moving towards an analytical mindset.
- 3 Add key strategic elements into planning to encourage longer-term thinking.
- 4 Work with the wider organization to create an appetite for aligned and integrated plans.
- 5 Build and execute a development program across the organization with a focus on change or collaboration.
- 6 Share and celebrate each success with the Board and across the organization via case studies.

Peer advice

A new wave of FP&A leaders is emerging, not just from finance backgrounds but also from business and analytics, and is influencing the entire business to embrace change and analytical progress.

Rex Gu, CFO at Maersk Far East, believes that this category is the best place to start the FP&A maturity transformation:

Business buy-in is key and one way to do that is to ensure we internally sell our success on the path to excellence. We shared each successful program with the Board using case studies, and the whole program gained momentum.

Pasquale della Puca, Sr. Finance Director at Beckman Coulter, tells the story of how his team started the FP&A journey via the Leadership category. The team decided that they first needed to treat lagging data, because they were looking for a quick positive impact. First up was the drive to succeed with Executive support behind them. They used several techniques – Kaisen, PSP's value stream mapping (VSM), all with the real team spirit (huddles). They were then ready to build a model and used an Excel-based tool. This approach yielded rapid fruit and they were able to identify opportunities with clients and contacts to build the sales pipeline and increase profits. As they progressed along their maturity curve, FP&A became more predictive and was instrumental in improving profit and retaining clients through a difficult period.

For Thomas Kogelberg, Head of Controlling at Avira, there was a different factor used to motivate the leadership to influence culture — data. For Avira, a company-driven data culture is key. It had to be driven from the top so that all parts of the organization embraced it, not just finance. Beyond data, as part of the path to maturity, the goal was to create an analytical mindset. The basis of decisions has to be analytic so that the leadership could confidently apply their judgement on top. As Thomas comments:

It is not expensive to start improving these aspects via the FP&A team itself, as they learn about the business and develop commercial acumen and a challenging approach.

In academia too there is recognition of the pivotal role of business leaders. As Paulo de Souza, Head of School of ICT at Griffith University, advises:

You need to touch the hearts and pockets of the Executives.

In other words, play to their motivations, because traditional budgeting has been underpinned by its strong links to targets, analyst expectations, and therefore share price.

Strong leadership has such a pivotal role to play in moving FP&A along its path to excellence. During an uncertain period, budgets become less relevant. FP&A teams find themselves spending their time on continuous planning, scenario management, and steering the business out of the crisis towards greater heights. A great example of this shift is at Roche, the Swedish pharmaceutical company, where relieving the organization from traditional budgeting has allowed managers to concentrate on their job and deliver what their customers want. Bill Anderson, its CEO, says:

We're not going to spend our time planning and budgeting and gaming and micromanaging targets. The answer to everything is go ahead, and we'll talk about how you did later.

Need further guidance?

The text above was extracted from the FP&A Board Maturity Model research report. If you'd like to expand your knowledge by reading the full report, you can download a copy [here](#).

If you'd like to discuss any of the advice above or discover how the Board Intelligent Planning Platform can help increase your financial maturity, our team would love to help. Get in touch via [board.com](#) today.



About the FP&A Maturity Model

For many years, the [International FP&A Board](#) has been developing an [FP&A Maturity Model](#). The aim is to highlight the attributes of an FP&A department that is best able to support management in achieving organizational objectives. We based our FP&A Maturity Assessment Tool on this research, and the content on this page is taken from the final report.

The model was conceived by the London FP&A Board in 2016 and further developed by hundreds of practitioners in all 27 chapters in 16 countries across 4 continents. It reflects extensive research, current realities, and the latest developments in FP&A best practices. As the result, it is a collective, balanced view of thousands of professionals from different organizations around the globe.