

## How do we stack up to leading-edge FP&A Organizations?

FP&A is more important than ever due to the pace of change and uncertainty in today's business environment. Management is seeking better, more refined analysis and critical evaluation and insight into business performance. Finance leadership must respond to the high expectations on the FP&A organization. The first step should be a thorough and objective performance evaluation of the FP&A organization.

1. **Evaluate Talent and Organization.** Is your organization structured for best service and effectiveness? Does your talent pool have required skills and competencies to succeed (Communication, Data Visualization, Analytics, Process Improvement, Business Acumen, Modelling, etc.)? How many training hours per year does the team average? How diverse is your team and the experience of team members (Finance, Accounting, Operations, Analytics, general management, etc.)?
2. **Evaluate Current Reports, Presentations and Delivery Mechanisms.** Gather all reports and analysis generated by the finance team. Estimate the time required to prepare each and note the distribution list of each report. Are these reports utilized? What themes are we emphasizing? Do the reports support the attainment of Strategic Objectives and monitor critical performance drivers? Are the reports professional and consistent with the image the finance team strives to achieve? Which of these reports can be eliminated? Improved?
3. **Survey "clients."** The best way to find out how well you are serving your clients is to ask them. What finance reports do you utilize? What business areas do you need more insight and analysis? What improvements are needed? What are your biggest challenges and initiatives? How can we help you with these? Do you consider FP&A as a value-add resource? The answers to these questions will help you move forward. Simply asking your internal clients will also build credibility and engagement.
4. **Use of FP&A Best Practices.** Stack your team up against best practices in FP&A, including Outlooks on Demand (aka Rolling Forecasts), Client Surveys, Report Evaluation, Training, Team development, Data Visualization, Key Performance Indicators and Dashboards. Do you extend FP&A beyond traditional areas to Competitor and Customer Analysis, Agility, Human Capital Management and Innovation? Is our annual plan process a financial exercise(budget) or does it develop an operating plan for the organization? Do our analysis and projections routinely include sensitivity and scenario analysis? What

percentage of your time and analysis is focused on past performance versus forward looking?

In order to make forward progress, the assessment is an essential starting point. After finding your current location, you can set your destination and plot a course to get there.

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