PLANNING AND PERFORMANCE MANAGEMENT PARADIGM
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Planning and performance management are two key aspects of the responsibilities that a finance function has in an organisation. As the world continues to face challenging economic times and uncertainty, so the relevance of effective collaborative processes and a culture of planning is important to assist navigating the rough waters.

ACCA, Chartered Accountants Australia and New Zealand (CA ANZ) and PwC have been conducting a series of research projects that have considered the future role of the finance function and the use of data and insight. Planning and performance management represent a combination of these. Through a series of globally conducted roundtables and interviews, combined with a survey of nearly 3,000 respondents – ACCA and CA ANZ members together with PwC contacts – several recommendations to ensure the effectiveness and relevance of this activity have been identified and are presented in this report. The survey was conducted in July 2022 as the economic prognosis in many developed economies was starting to worsen. The economic uncertainty we are now facing serves only to increase the importance of the role finance plays. Regional, location-based and sectoral breakdowns of the key survey results are available as separate documents.
Foreword

Finance professionals have a key role to play in guiding their organisations through uncertain times, towards their strategic objectives. Arguably, this role has never been as important as it is now, given the level of economic, geopolitical, and environmental volatility. By playing a leading role, financial professionals can reduce risk exposure for their organisation, and maximise their positive contributions to society.

Achieving success will be challenging, but it can be done with robust planning and performance processes that are agile and flexible. This requires processes, skills, technology and therefore cultures that are sufficiently flexible, adaptable, and forward looking in times of uncertainty. Organisations face challenges on multiple levels: inflation, resource allocation, sustainability, and social issues. It is a complex picture.

Finance professionals need to shake off the traditional view of annual planning cycles and replace them with adaptable, technology-enabled processes and collaborative planning driven by data. This whitepaper aims to fast-track this change.

It won’t be easy, however. In many organisations, it will necessitate a transformation of people, processes, technology, data and organisational culture. The forward-looking finance professional will be recognised for their skills to analyse and interpret data and to present cogent evidence-based arguments to stakeholders to support the inevitably challenging decisions that their organisations must make.

This is an opportunity for the finance profession to think differently about its approach to planning, forecasting and budgeting. It also represents a significant opportunity for finance teams to demonstrate that they possess the skills to add significant value to the organisations for which they work. To do so, the individuals in the team need to build upon their core skill sets and to ensure that they learn continuously.
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Planning and performance management are key activities for finance functions. They are long established and occupy significant amounts of time within the function. This report considers the options for finance functions to make them more relevant, especially in the light of the challenging climate of the early 2020s.

Several perceived issues for this process are explored in Chapter 1. There is a contention that the budgeting process is too financially focused and does not embrace the broader operational needs of the organisation; that it provides limited insight and in its assessment of performance it focuses more on the historic than on discovering implications for the future. Its timescales are too long. Finally, it is contended that for the typical organisation the process is disjointed, does not use technology and data efficiently and relies upon many spreadsheets to share information between activities in the planning process. The results of the survey that was undertaken for this research found that while there is some validity in some of these assertions, equally, progress is being made by finance teams.

What is clear, from the nearly 100 people who participated in the roundtables conducted as part of the research, is that there is a need for finance functions to develop the process and ensure that it is relevant.

Chapter 2 discusses several drivers of change. Firstly, the uncertainty of the economic climate of the early 2020s means that annual plans have limited validity, being at best statements of intent at a point in time. While scenario analysis may assist in some respects, the rapid changes in circumstances that many organisations are facing may mean that extreme volatility becomes the order of the day. Dealing with this is becoming a mantra.

The need to embrace the environmental, social and governance (ESG) agenda and commitments towards net zero, not least driven by forthcoming expanded disclosure requirements, means that finance teams need a broader view of performance to be able to discharge these responsibilities. There is also a need to be agile in the process: one plan will not suffice for a year and this agility relies upon the availability of data and systems to provide insights into customer behaviour and across supply chains. Integration of the planning process is a complex multidimensional narrative of people, process, technology and data.

It is therefore to a broader view of performance that we need to look (Chapter 3): one that is forward looking, embraces both financial and non-financial aspects and is integrated across the organisation. The evolution of integrated planning in an organisation can be expressed through the following maturity model (Figure ES1).

In turn, this means that the role of finance in the performance process needs to evolve. In Chapter 4 we explore several hypotheses for the future of the activity (Figure ES2).

There is a significant opportunity for finance teams to take an organisation-wide view of performance and to use their business partnering skills to drive value from the planning process across the organisation. In so doing, they will be increasingly collaborative and data driven. Finance will become more value-centric than financial-centric. The need is to accept a broader view of performance. While the survey results indicate that over 80% are willing to accept that the performance measures need to change and to be broader, the requirements for resourcing, data and systems make this challenging. Embracing the broader view, for
example through adopting a stakeholder-capitalism approach, may be a key priority for finance teams amid the challenges of reinvigorating organisational strategy, planning and purpose.

Underpinning these hypotheses is the development of the finance function in relation to the organisation and of the skills of the team members for achieving good outcomes. Finance teams need to continue to invest in the development of the necessary skill sets, such as those in operational modelling, data, technology and business partnering, to ensure that they remain effective.

The risk is that if finance teams do not embrace this opportunity, they may watch as other teams take this pivotal role away from them. Chief financial officers (CFO) need to engage on the broader agenda of value and performance across the organisation. Finance teams should play a pivotal role in leading in troubled times. The challenge of the early 2020s is that the breadth of events means that many aspects of the operating model are challenged. Having a focus upon the culture of the organisation and leading through effective business partnering are essential. The role of the CFO is increasingly becoming value centric.

In planning and performance management, the planning process is a cycle that is changing fundamentally: are the finance teams ready for it?

‘I do not even think we have a planning cycle anymore. For the last six months the anticipation of what may be around the corner has driven our planning. It is turning into a game of chicken as to what you know, when do we blink and what do we do? And that is why cash is now so significant’. UK-based CFO
Overview of global survey results

The focus of planning and forecasting
What is the focus of planning and forecasting in your organisation?

- Financial profit is the sole focus: 8%
- To a significant extent however some other objectives, such as operational, are considered: 34%
- There is an equal focus on a number of both financial and other, such as operational, objectives: 56%

New forms of performance measures
Are new forms of performance measures needed for investors, analysts and capital markets as opposed to pure financial measures?

- Yes: 82%
- No: 10%
- Don’t know: 8%

The future focus of planning and forecasting
Which of the following characteristics of your planning and forecasting process do you envision will be implemented in your organisation in the medium term (3 to 5 years)?

- Driven by organisational purpose: 9%
- Include org objectives towards net zero: 5%
- Continuous and flexible: 12%
- Financial and operational integrated into operation and tech architecture: 7%
- Utilise big data and momentum: 9%
- Forward looking innovative culture: 9%
- Add value to org: 7%

The tools we use
To what extent are any of the following used to help manage planning and performance in your organisation?

- Spreadsheets Planning modules within financial applications: 14%
- Planning modules within financial applications: 5%
- xP&A tools: 13%
- Scenario modeling: 6%
- Nowcasting: 17%
- Foresight: 16%
- Application of machine learning: 10%

Incorporating ESG
To what extent is forecasting of environmental, social and governance (ESG) components either seen now, or do you expect to be seen in the medium-term (the next three to five years), as an integral part of the (financial) planning and performance process?

- Fully integral: 16%
- Partially integral: 23%
- Primarily on an ad-hoc basis: 24%
- Not integral: 18%
- Don’t know: 11%
- Not applicable: 9%

Key areas of focus
What are the key areas of focus for Financial Planning and Analysis (FP&A) activity in your organisation, if any?

- Real-time plans vs. historic variances after the event: 57%
- Predictive analytics and Forecasts: 47%
- Real time forecasts: 35%
- Robust what-if scenarios: 24%
- Other: 2%
- Don’t know: 6%
- None of the above: 2%
Key actions summary

The following actions are identified in the report for finance teams to consider as they evaluate their approach to planning and performance management. It is the sum of these individual actions that will create improvement. The references are to section numbers in the report for detailed explanations.

### ENABLING THE STRATEGY
- Do not be afraid to make radical recommendations for change, demonstrating the value that finance can bring to the table (see 1.1).
- Focus planning activities on cash and working capital management (see 3.5).
- Ensure that the range of stakeholder expectations of the planning process are met (see 3.6).
- Develop a roadmap that embraces a broader view of performance (see 4.1).

### ROLE OF FINANCE FUNCTION
- Develop a case for change and a business and value case for investment (see 1.5).
- As CFOs, focus on the development of value-based reporting, both internally and externally (see 4.7).

### COLLABORATION
- In developing an integrated view of planning, consider how resources can be mobilised to create a responsive planning infrastructure for the organisation (see 1.5).
- Implement a culture of integrated planning and collaboration around the process (see 3.3).
- Ensure that the culture of the finance function is collaborative and not siloed (see 4.2).

### SKILLS AND TALENT
- Develop / reinforce the finance team’s business partnering skills (see 4.4).
- Hybridise talent, combining business and analytics (see 4.5).
- Provide access to data custodians / stewards (see 4.5).

### BROADER VIEW OF PERFORMANCE
- Ensure that there is sufficient understanding of the conflicting pressures on the business model to ensure that a robust sensitivity analysis can be undertaken (see 2.1).
- Create a strong link to the risk-management function / risk assessments and develop an understanding of the early warning signs that risks could be crystallising (see 2.1).
- Define a broader view of performance that embraces purpose, people and profit and ensure that that planning process is aligned to this (see 3.2).
- Ensure that the relevant metrics of non-financial information are included in the planning process, including sustainability and social components (see 3.3).

### PROCESSES
- Look to integrate data across the value chain to facilitate agility in the planning process (see 3.3).
- Define a set of key performance indicators (KPIs) that reflect a broader view of performance (see 4.3).
- Re-evaluate performance systems to focus on team and organisational performance rather than individual contribution (see 4.3).
- Develop business / value cases for performance engagement (see 4.3).
- Reflect on-going changes in the operating model in the performance management metrics (see 4.3).

### TECHNOLOGY
- Ensure that an appropriate set of planning tools is included within the overall systems architecture, using xP&A capabilities where appropriate (see 2.5).

### DATA
- Look closely at the data model to ensure that you are developing a more integrated and collaborative view of planning, necessary to support the dynamic operating environment (see 2.5).
- Consider the risk of data availability bias in formulating integrated plans (see 2.5).
- Integrate operational big data sources into the planning models using real-time links where appropriate (see 4.6).
- Ensure that the focus is on reporting on data-driven performance measures (see 4.6).
Preface

As we began to emerge from the effects of the pandemic I do not think many people could have predicted the challenging environment we would all be facing now with rising inflation, supply chain problems, labour and skills shortages and a range of geopolitical events which have affected organisations of all shapes and sizes not just the complex multinational giants.

With that backdrop it has becoming increasingly difficult for organisations to plan and to generate the insight needed to make critical decisions in real time. Our frame of reference is shortening as we look to make the short-term decisions needed to survive but we need to balance this with the longer-term decisions needed to thrive in the future.

In our roundtables supporting this research we heard CFOs refer to this balance many times and a number of them were struggling to provide the support needed given a backdrop of complex and outdated systems, poor data and, in some cases, finance teams who did not possess the skills or experience to adapt.

It is clear from the research that organisations are demanding more insight, more quickly, and often finance teams are struggling to respond. Many have tried to adapt their planning cycles and look to develop plans that can be quickly and easily flexed, with scenarios modelled to reflect a number of potential complex outcomes across a range of cost and revenue drivers. But others seem stuck in the annual planning cycle with, at best, quarterly refreshes of the plan and a long process to generate a five-year strategic plan which, for many, is wrong from the moment it is generated. Accelerating the turnaround time for planning and forecasting and building in more scenario-based analysis is a key focus for most of the CFOs we spoke to but challenges around data, technology and the organisational structure itself were hampering progress.

From a data perspective finance teams are increasingly looking for data from across the organisation to support their forecasting, for example from supply chain, marketing and infrastructure teams. Many are also looking outside their organisation for data and reference points they can factor into financial plans which might give them a view of future market conditions or customer behaviours. This can include speaking to suppliers, retailers or other firms operating in similar markets to get their sense on how the markets are responding to the challenges we mentioned earlier and how the challenges in one sector may feed into another. Often this insight is qualitative rather than quantitative and finance teams then need to consider how they reflect it in their planning models. This requires a broad business understanding from the finance team and collaboration across the organisation.

The roundtables and survey showed us that for many spreadsheet models still form the core of their planning and performance reporting processes. Although we have seen lots of institutions move to the Cloud in an attempt to standardise process, reduce cost, focus on value and create a platform for rapid analytics using complex and large datasets, the humble spreadsheet is still central to finance’s activities. In part this is due to the flexibility spreadsheets bring and in part it is down to the fact that finance teams are comfortable with the tools they have and are not seeking to drive change.

A number of finance teams also referenced the planning and performance process in their organisations and the fact that structure and history meant the process was slow to adapt. They spoke about top-down and bottom-up budgeting and periods of rework and debate to align the two views together with the need to plan for short term performance whilst balancing this with a longer-term view around investments and strategic decisions. The length of this process is not a problem in itself if the time is spent on understanding and debating the plans, exploring the data and generating insight but all too often it seemed the time was spent in sourcing, cleansing and reconciling data or following governance processes without quality conversations.

For me, five clear actions came from the discussions and our research and never have they been more important than today. Finance teams need to:

- Drive the organisation to adopt a more holistic view of planning and business performance considering non-financial performance and elements such as the organisation’s purpose and ESG.
- Search for new data sets and insights that might help inform their planning either from within the organisation or outside.
- Develop a deep understanding of the business and what affects its performance so that they can explore this data, include that which is relevant, filter out the noise and provide a balanced view that can drive challenge and debate across the organisation.
- Re-examine their planning and performance processes to ensure they are fit for purpose given the levels of volatility we are seeing and which will be with us for some time.
- Consider how the vast array of new Cloud-based planning and performance management tools can support the process and facilitate faster analysis of more complex scenarios.

In conclusion, the finance teams that are most valued will be those that are closest to the business, have people with the right skills and behaviours and support and challenge their organisations around their short-term decision making and longer-term plans. The mood of those we spoke to was buoyant about the future and excited about finance’s role in helping organisations deliver on their corporate purpose... all we need to do now is get on with it!
1. Planning and performance today

The reality has changed and those old ways now are just not fit for purpose’. Australia-based roundtable contributor

1.1 An assessment of planning and forecasting today

Planning and performance have long been key activities in finance functions. Budgeting cycles consume significant amounts of time and effort, and many organisations create specific financial planning and forecasting (FP&A) teams to oversee the process. Many of the roundtable participants highlighted how the importance and relevance of the planning processes had increased through 2020 and 2021, with finance teams providing valuable input into strategic decisions. One finance leader commented that in their organisation finance became part of the organisation’s crisis management team for the first time, placing finance at the top table, but it was important to have something to contribute, otherwise that place would be lost.

There is a sense, however, from the roundtable participants that, as one CFO described it: ‘we are very much stuck in the traditional way, [but] it is so volatile at present and things are changing so much that your planning has to be a lot more agile, and your forecasting has to be that too’.

In contrast to this, another CFO commented: ‘the bank still wants an annual budget, the board want to see a five-year plan’. The challenge for finance teams is to use a planning and performance process that adds value while satisfying varying stakeholder needs.

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1 The quote itself may have been first recorded by Reverend H. K. Williams in 1919 although it was in circulation before this (Quote Investigator 2018); its origin is unknown.

2 Several terms are explained in the Glossary.
A finance leader commented that: ‘the planning process is pretty much the same in every single place that you go to. It is what people are taught. It is what they are comfortable with, and it rarely changes. When you get disruption in the way that we have had disruption and [consequently] that need to respond quickly, there is often a distinct lack of ability…to do that because everybody just falls back on what their process is’.

A CFO noted that:

‘The budget necessarily doesn’t have value. But I think it is probably a benchmark to set something for the year going forward, or for six months going forward. The problem… is that in today’s world things are dynamic. Budgets have a purpose but it has to be a reference point more than anything else’.

Yet 2020 and 2021 might be seen as an exceptional period, one where staff across the organisation pulled together in challenging times. A return to ‘normality’ may have led to the expectation of a return to a pre-pandemic position. Yet another series of ‘black swan’ events has disrupted organisational behaviours (Taleb 2007). How are finance teams placed to manage these challenges? To start to address this it is important to consider the several comments made generically about the effectiveness of this process, which should be considered before analysing the opportunity that now presents itself for these teams. Is it time to unlearn the traditional ways of approaching these activities and relearn new ways and new purposes for activities?

This report explores the planning and performance paradigm for finance teams in a continually disrupted world. It starts by reviewing several comments that stakeholders assert about the apparent failings of the current approach.

1.2 Financially focused

The first such comment is that the budgeting and planning cycles are too financially focused: that the effort expended relates only to the financial aspects of the organisation.

The survey respondents were asked to consider their perspective on whether the process was too financially orientated. Figure 1.1 shows that 56% of the respondents globally indicated that, for them, the process was broader than the traditional finance remit and included other areas, such as operational objectives. These operational objectives might include sales, supply chain and sustainability issues, for example, to varying degrees. A further 34% thought that these issues were included in their remit to a certain extent.

The strength of these results seems to indicate that, at least from the perspective of the respondents, those preparing forecasts were taking a broader view of the objectives of the organisation than the traditional financial focus. As will be discussed in Chapter 3, taking a broader view of performance is essential in today’s challenging times.

For many roundtable participants, the planning cycle represented the development of the traditional profit and loss account and balance sheet. Although 2020 and 2021 had seen an increased emphasis on the importance of cash, the modelling of the financial statements remained common.

A finance leader who works across a range of organisations in the mid-tier sector ‘I find nearly every business I look at it [has] a version of planning and forecasting which is P&L only, and sometimes the balance sheet and cash flow as well and then just “actual” [figures] versus “budget” and that is [all]’. This in turn leads to the next comment.

![Figure 1.1: Is the focus of the planning and forecasting activity principally focused on financial profit objectives? (n=2,884)](chart)
1.3 Limited insight
The second comment frequently made is that the planning processes provide only limited insight into the operational effectiveness of the organisation. Finance teams are providing limited insight to the financial implications of performance alone. The evidence suggested by roundtable participants, and those who were interviewed as part of the research, was that this was a narrow view of the performance of the finance teams. In fact, as discussed in section 4.2, effective finance business partnering in the context of the planning and performance processes was fundamental to its success.

The importance of scenario modelling was indicated by several CFOs who participated in the roundtables. One commented that: ‘we have now more capabilities, technology, better understanding of drivers and are able to do sensitivity analysis, scenario planning to maybe forecast or look more at short-term…results’.

In the complex world that currently faces organisations, as discussed in Chapter 2, having a purely financial focus cannot be enough. The constraints for many organisations are resource driven and if a financial plan stands in isolation the value that it provides will be limited. It will be hard to justify the seat at the top table.

An experienced consultant based in the UK commented that: ‘The role of finance has changed into a more business-partnering role and finance teams and their stakeholders are starting to utilise technology directly. So, the finance teams have got access to self-serve business intelligence tools. They are starting to look at predictive analytics, looking at the trends from past data, projecting it forward and they’re doing it all themselves. Now they’re having these relationships with key stakeholders from across the organisation’.

No longer will the finance-focused approach serve. Organisations are more dynamic and complex. The events of 2020 and 2021 have taught us to appreciate different constraints and the prognosis for the remainder of 2022, 2023 and beyond is that the relative stability of the 2010s is unlikely to return for the foreseeable future.

1.4 Historic and less future focused
The third comment stakeholders often make is that finance functions focus too much on the historic and not enough effort is expended on understanding the drivers of future performance, the risks and opportunities the organisation is going to encounter, and the actions needed to ensure success. Figure 1.2 shows that, for 57% of the survey respondents, the key area of focus for the FP&A activity was on understanding the performance of ‘actuals’ against budget, with 35% suggesting that they focused on real-time forecasts.

While clearly explaining the events of the past is a significant factor in planning for the future, how this is done is also significant. One interviewee commented that it is not helpful to demonstrate that sales have increased from say, ‘100’ to ‘120’, without being able to explain whether that 20% is a price or volume variance, and understanding what has driven this variance – whether it results from positive interventions by the organisation (eg advertising) or from the actions of competitors or a change in customer behaviours. Finance should be providing these insights and a view as to whether the patterns can be expected to continue into the next quarter and beyond.

The survey results tend to imply that finance teams understand the change required, to a certain extent. Nonetheless, finance teams still focus closely upon telling the story of the past. The future, while difficult to predict, is where significant value can be added.

FIGURE 1.2: What are the key areas of focus in respect of for Financial Planning and Analysis (FP&A) activity in your organisation, if any? (n=2,884)

FOR 57% OF THE SURVEY RESPONDENTS, THE KEY AREA OF FOCUS FOR THE FP&A ACTIVITY WAS ON UNDERSTANDING THE PERFORMANCE OF ‘ACTUALS’ AGAINST BUDGET, WITH 35% SUGGESTING THAT THEY FOCUSED ON REAL-TIME FORECASTS.
Being able to look to the future also requires flexible and straightforward processes. Figure 1.3 indicates that it takes most organisations (57%) between one and three months to complete an annual planning cycle. This is a substantial amount of effort and would imply that the traditional planning cycle still holds sway. Interestingly, 4% of the respondents no longer completed annual budgets, a trend on which several roundtable participants focused. The ability to prepare rolling plans on an increasingly ad hoc basis to enable the management of a changing macro environment, is essential. Whether traditional budgeting processes have a role to play in such a scenario is explored in Chapter 4.

In contrast to the annual planning processes, the time to complete the more strategic view was more varied, with only 37% completing it in one to three months (Figure 1.4), and 13% recording that their organisations did not prepare medium-term forecasts. Clearly, forecasting is a balance between these long-term and short-term dimensions. Having an integrated plan that tracks potential investments and the value that they create for the organisation is essential, but in volatile circumstances it needs to be conjoined with the short-term plans.

There is a clear opportunity for finance teams to support their organisations effectively by becoming more forward thinking and not focusing only on the past.

**IN CONTRAST TO THE ANNUAL PLANNING PROCESSES, THE TIME TO COMPLETE THE MORE STRATEGIC VIEW WAS MORE VARIED, WITH ONLY 37% COMPLETING IT IN ONE TO THREE MONTHS.**
1.5 Disjoined planning processes

The next comment that is often made about planning processes in organisations is that they are disjointed. That is, that each function – sales, finance, procurement and so forth – may have its own process that embraces databases and its own data set, with perhaps some limited sharing of data through spreadsheets. Indeed, the whole process may well be very manually based, spreadsheet heavy and silo based. Figure 1.5 shows a typical view of a planning process in an organisation. In such scenarios any plan can only be suboptimal, as impacts are hard to model across the various functions.

Many roundtable participants would be likely to recognise such a model. Planning in siloes is not effective. This reflects how data management and other accountabilities remain established in many organisations. A structure such as this lacks goal congruence: it is easy for different teams to have different goals and objectives, although there may have been improvements, made out of necessity, in 2020 and 2021, which several roundtable participants highlighted.

A financial sector FP&A lead reflected upon their experiences before undertaking a transformation of their planning process. They commented that: ‘some of the key features in our planning process... we felt [were] fundamentally broken ...[because] as a large organisation planning was done in a siloed manner. It was undertaken business unit by business unit. There was no cross-integration. There were no hand-off processes, even from a functional point of view. It was finance … leading the planning process and there was no direct integration [with] the other core functional areas that need to contribute’. This contributor continued by explaining that, utilising a spreadsheet-based approach, the process did not allow the finance teams to add value to their stakeholders. The process was one that focused solely on the production of the plan itself.

Figure 1.6 indicates a mixed picture. with 34% suggesting that they were responsible for solely the financial aspects, while a further 25% had partial involvement outside this.

FIGURE 1.5: A traditional view of planning and performance – manufacturing example

FIGURE 1.6: What is the extent of the responsibility that the Financial Planning and Analysis (FP&A) (or equivalent) team has for planning and forecasting across your entire organisation, eg marketing, workforce, sales and supply chain? (n=2,884)
1.6 Perfect is the enemy of ‘good enough’

Figure 1.7 shows the respondents’ view of the relative amount of time spent on several planning-related activities. Among those who responded, 42% stated that they spent a significant amount of time on the preparation of the plan and budget, with another 43% spending a moderate amount of time. The next most significant amount of time was spent on the preparation of management information. These two elements underline the significant proportion of finance time, and hence investment, spent in the planning and budgeting process. The question has to be: is the investment of such a significant amount of time producing returns that are appropriate for the current challenging economic and operating environments that organisations face? The total time may be fine – but it should not all be spent on gathering data, reconciling data and emailing reports. If that part is done quickly, the time then spent discussing the plans, understanding the scenarios and working cross-functionally to get a better result is time well spent. This is a fundamental issue which can only be addressed, at least in part, by the tone from the top and how this supports the planning and performance management activities of the organisation.

Finance teams can be too precise in their approach to forecasting. One CFO related an experience in the pandemic: ‘I vividly remember [a] weekend where I had to do a quick analysis for my chief executive officer (CEO) because we were reporting to the board. [My team] put the same question to my team and this was a Saturday and they couldn’t give me the answer immediately and…[so] I did a back of envelope calculation and then had a quick discussion with my CEO and we decided to present that to our boss with certain caveats. True enough, the team only came back to me on [the] Monday [but] my high-level estimates with my CEO [were] quite close to what my team came up with. I realised my team spent the whole of Saturday and Sunday trying to give me the same numbers that I spent about 30 minutes estimating with my CEO. The 80% rule. As finance practitioners, … we are so used to dotting the i’s and crossing the t’s that we are not doing ourselves justice by being that trusted business partner for business …[providing] timely relevance’.

Another CFO, working in the clothing industry, built upon the issue of informality by explaining: ‘there are now informal ways of … predicting the future…[you need discussion] with the CEO as he has the business idea and, being in the finance [team], you can correlate things, drive the numbers [where] that “what if” analysis would be very much to the point …[where] we don’t have any trends in [the] historical data. Things are changing daily. … we usually sit with our salespeople on a daily basis [to ask what] their customers [are] doing. We predict data from our sales team [about] what their customers [are currently] doing: are they buying on a bulk basis, or they are restricting their quantities demand to [a] daily basis?’. This contributor continued to explain that he also speaks to his suppliers and contacts in their ecosystem to find out how customer behaviours are changing and then factors these into his plan.

THE QUESTION HAS TO BE: IS THE INVESTMENT OF SUCH A SIGNIFICANT AMOUNT OF TIME PRODUCING RETURNS THAT ARE APPROPRIATE FOR THE CURRENT CHALLENGING ECONOMIC AND OPERATING ENVIRONMENTS THAT ORGANISATIONS FACE?

Scenario modelling and ad hoc reporting also represent significant finance activities. When stakeholders in organisations may well have the ability to self-serve data, 79% of respondents spend either a significant or moderate amount of time on the preparation of management information packs. Also, 72% spend either a significant or moderate amount of time on the regular analysis of variances. Other analyses undertaken by organisations suggest that up to 90% of reports prepared by finance teams are not used by their intended stakeholder.
What does a good Financial Planning & Analysis (“FP&A”) function look like?
Today's leading FP&A functions typically have highly skilled specialists who can harness the power of leading data visualisation products to create almost-live, valuable commercial insights, and usually run continuous planning processes using advanced integrated Cloud planning solutions. The data is fully connected to ERP systems and usually they will run weekly – and sometimes daily – flash reporting processes on key metrics. Month-end is typically closed in three to five days.

As a result of having the right tools and optimal processes, they are able to spend most of their time analysing business performance, rather than gathering data and reporting on it, and they’ve often evolved into business partners for wider management. A good FP&A analyst can be a crucial support to both commercial and operations leaders in the organisation.

What are the challenges faced in organisations with limited FP&A resources?
However, in less mature and smaller organisations, typically there are no specialist FP&A roles resulting in finance staff adopting a ‘jack of all trades’ approach, with limited bandwidth (or knowledge) to make improvements in analytics, reporting and planning processes.

Here, Excel is king, with poorly constructed and governed models rife and a prevailing over-reliance on key ‘modelling’ personnel.

Analytics usually don’t go much beyond high-level analysis; product and customer profitability analytics and insights are rarely in evidence. There is often a lack of awareness of the ‘art of the possible’ and how today’s leading FP&A and business intelligence (BI) solutions can very quickly be spun up to provide immediately actionable insights.

Month-end reporting can often be a 10 – 15-day process, tying up finance resources for most of each month. When performance information finally becomes available, it is usually too late to be actioned.

What initial steps can I take to improve my FP&A function?
Regardless of business scale there are a number of fundamental questions that CFOs should address in relation to FP&A:
1. Why – what is the purpose of FP&A?
2. Who – who owns it and who are the customers?
3. When – what are the FP&A cycles?
4. How – what are the processes and the underpinning technologies?

So, what can you do – now?

Move up the value chain. The quickest way to improve FP&A capabilities is to first optimise other finance processes in order to create capacity for FP&A and higher value activities. For example, if your senior finance people are tied up in month-end reporting for 15 days, look at how to shorten those close processes through process optimisation and automation. Good practice demands these activities are optimised; by reducing ‘production time’, often significant capacity can be created for value-adding analytics.

Keep it simple and engage the business. Once you’ve created some capacity for business partnering, consider introducing some basic weekly ‘flash’ reporting and an in-month forecast process, highlighting top-line revenue numbers for the week and balance of the month (or quarter if meaningful) and some known costs, eg payroll. Ask business leaders to give a high-level ‘best estimate’ forecast for the period in question, and ideally report this forecast against budget for that period. Doing this will help put the business on a much more commercial footing, with management becoming more aware of performance in almost real-time, presenting them with an opportunity to quickly remediate any problems, and at the same time forcing them to think ahead.

Use the right tools. There is no doubt that technology can transform the FP&A function, and there has never been a wider range of technology choices available. Cloud-based solutions offer real-time collaboration and faster actionable insights. Modern finance systems offer API technology that can link data between operational and finance planning systems, dramatically reducing collation and reconciliation efforts. Should investment in technology and FP&A capability be hard to secure or justify, planning as a ‘managed service’ provided by a skilled third party is now a realistic option.

Getting this right. A high-performing FP&A function quickly comes to be regarded by the business as a valuable ‘internal consultancy’, advising on critical commercial topics like pricing, customer and product profitability, as well as ensuring the business can adapt quickly to changes in short (and longer) term planning scenarios. Enabled by an integrated Cloud-based planning solution, the finance team itself will see real benefits: a much shorter budget process cycle time (weeks not months); joined-up planning - everyone is working with the same assumptions at any given moment; data integrity is guaranteed – no ‘orphan’ products, customers, locations codes etc; easily changed hierarchies in the event of a restructuring, eg. site rollups, product roll ups, P&L structure etc; a full planning audit trail; an easy process for pushing down top-level adjustments; and a user-friendly interface leading to much better engagement from non-finance personnel in a traditionally ‘finance’ planning process. Forecast quality and accuracy is a key consideration for investors and can impact investability and valuation.

Summary and takeaways
Regardless of the size of your finance function, good commercial business intelligence analytics and planning processes will drive real value throughout your company, and at the same time will elevate your finance team to the role of true ‘business partners’. Being able to bring deep insights into how the business is currently performing, and at the same time enabling the most ‘connected’ planning processes to manage future growth, sets your business up for success.

Paul Cullen, Director, Deals Insights & Analytics, PwC, UK
1.7 Planning and performance challenges for the small and medium-sized enterprises

The challenges for the small and medium-sized enterprises in the planning and performance process are broadly similar. Our survey results show strong similarities in the overall trends between this sector and larger organisations (an analysis of the results for this sector is available as a separate document). Indeed, the survey respondents indicated, as might well be expected, that in this sector the finance team has a greater responsibility for the overall planning than in organisations overall. With more limited resources and expertise this is to be expected.

The challenges faced by smaller organisations are likely to be more significant, but potentially less complex than in larger ones. Overall, the respondents indicated that there is less effort expended on the preparation of plans and budgets as well as on reporting against outcomes and potential scenarios. These do, however, remain significant activities, with 34% of respondents in this sector indicating that they spent a significant amount of time in the preparation of the plan and budget.

So, what should I do?

✓ Assess the strengths and weaknesses of the current planning and performance processes.
✓ Interview key stakeholders to ascertain whether the process is relevant, especially in the light of changing operating models.
✓ Critique your current processes against the current issues highlighted in this section.
✓ Develop a case for change and a business and value case for investment.
✓ Do not be afraid to make radical recommendations for change, demonstrating the value that finance can bring to the table.
2. Drivers for change

2.1 Economic challenges

Before the current uncertainty in global economies, the budgeting process could be long, taking three to six months for completion, as shown in Figure 1.3, but in a volatile environment, the macroeconomic indicators can change significantly and rapidly. Such changing environments disrupt long-range plans. If budget cycles are to remain useful, a move to quarterly or even monthly process may be necessary, with a rolling plan closely following the volatility in key macroeconomic indicators of interest rates, exchange rates and staff remuneration increases. Such macroeconomic assumptions affect not just finance but also other lines of business. Applying sensitivity analysis to potential scenarios creates an understanding of what could happen to logistics costs, sales and any other areas under investigation.

A variety of macro- and microeconomic factors have the potential to affect revenue. So, trying to understand what uncontrollable factors, such as inflation, exist that might impact revenue, allows consideration of the economic levers that might be pulled to minimise or mitigate their impact. The implication is that the finance team need to be proactive rather than reactive. Forecasting in times of inflation can be challenging and this is particularly true for the developed economies in late 2022. While commentators focus on headline inflation rate, the reality is that this is a theoretical composite and the individual components of that number are moving in dramatically different manners. Cost increases across a range of expenses are also subject to a complex series of lags which may take some time to ‘normalise’. No two organisations will be affected in the same manner. An India-based CFO commented, ‘because of the current macro uncertainties...’
that are there and because the responses from the government are going through a lot of variations, the biggest challenge is: how can you forecast and plan in a very agile manner?’

The economic challenges of the second half of 2022 may well extend into 2023 and beyond, serving to remind us of the importance of scenarios, extraction of non-financial metrics from operational systems and use of external economic data feeds.

As we consider the medium-term, decarbonisation policies will impact economic performance. The introduction of carbon taxes may cause organisations to devote resources to reducing emissions thereby reducing gross domestic product. In turn, this may increase costs to organisations whilst also reducing consumer demand. These aspects need to be included any future looking model.

A CFO who advises several mid-tier businesses in the UK questioned: ‘how do we deal with inflation? Do we focus on the core business and its performance? And then layer over the potential impacts of inflation? Or do we take more drastic steps? I think once we have got our heads around that, what it is like to operate in a high-inflation environment, we can then focus more on innovating’.

A CFO based in North America commented: ‘We like to rely on our past. We say we have a playbook and, while that gives some structure, what has been keeping me up at night is [the question], “are we changing that playbook fast enough?” Because to put it in very simple terms, we are dealing with a different recessionary environment post Covid than we did in recessionary environments before Covid’.

As an example of these uncertainties, one CFO working in the textile industry in a developing economy noted that the period since 2020 had been one of significant challenges. Firstly, lockdowns had caused a complete cessation of production. When these were eased, demand dramatically increased and the organisation made capital investments to address this. Now, with the emerging geopolitical position, the situation has changed, and the requirements have moved from luxury clothing to more essential items. Predicting any of these changes is impossible. This CFO explained that: ‘cotton prices are volatile and exhibit significant swings even within 24 hrs. The energy prices are moving in both directions, so it is becoming very difficult to go with the current planning process. You have to be very dynamic’.

Another CFO, who is based in Canada and works in the consumer electronic industry explained: ‘myself and my CEO are concerned about the next 18 to 24 months. The whole world is going into a recession. I am seeing it in the numbers. I am forecasting record unemployment, record write offs, things like that. That gives a perspective of what is going to impact our community in the next year 18 to 24 months’.

As these economic challenges continue to develop, the survey respondents were asked to consider the impact on their planning and forecasting activities (Figure 2.1). Overall, 58% indicated that they had a significant impact on their short-term forecasting, with 35% considering that they had the same level of impact on their medium-term planning and 23% on the long-term, and 45% reported that they had at least a marginal impact on their long-term planning. There are significant challenges relevant to organisations’ planning activities and their impact cannot be ignored by any organisation. There is no longer a clear view of the future. Many roundtable participants spoke of uncertainty and the need to produce various alternative models of possible futures. Indeed, one categorised these as the ‘worst case’, the ‘even more’ worst case and the ‘dire case’, and it was the dire case that seemed most likely to occur.

Having a rigid view of the potential outcomes will not enable finance teams to provide relevant insight as conditions change.

One economy that experienced significant turbulence in the early part of 2022 was Sri Lanka.

**FIGURE 2.1:** To what extent has the pandemic disrupted short-, medium- and long-term planning by the finance function in your organisation? (n=2,884)

<table>
<thead>
<tr>
<th></th>
<th>Short-term</th>
<th>Medium-term</th>
<th>Long-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant impact</td>
<td>58%</td>
<td>52%</td>
<td>45%</td>
</tr>
<tr>
<td>Marginal impact</td>
<td>35%</td>
<td>35%</td>
<td>24%</td>
</tr>
<tr>
<td>No impact</td>
<td>6%</td>
<td>10%</td>
<td>23%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1%</td>
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Managing in challenging times – lessons from Sri Lanka

The fallout from the global pandemic has hit many economies. Perhaps one of the most visible has been Sri Lanka, where the combination of reduced tourism and the energy price shocks caused underlying inflation to reach 43.9% in June 2022, according to the Central Bank of Sri Lanka (Central Bank of Sri Lanka 2022). This further increased to a headline rate of 60.8% in July 2022, exacerbated by a weak currency and political instability, as reported by Trading Economics (Trading Economics 2022). How do finance teams plan and forecast in such circumstances? In the year to 12 May 2022 the Sri Lankan Rupee had depreciated by 44.3% against the US dollar (ADA derana Business 2022).

The first lesson learned from those who participated in the ACCA / PwC roundtable was that planning in organisations had increased relevance. While the pandemic had created uncertainty, the current climate was more challenging. Finance teams were ever more relevant as the leaders of organisations sought to steer a path through the uncertainty. The CFOs spoke of a shortening of the planning cycles. Activities that were previously conducted on an annual basis had become quarterly. Time horizons had shortened but against this there remained a need to manage effectively the time spent on planning activities and to be efficient.

The second lesson was that organisations are planning for resilience, not for growth. This changes the nature of the business objective and how the various scenarios being developed are constructed. The extent of the uncertainties involved, as one roundtable participant noted, a forward exchange rate that was far from certain, so understanding the levers to pull to ensure survival is vital.

That in turn leads to the need to understand the trigger points where action needs to be taken, identifying the leading indicators that highlight opportunities and risks. These trigger points must be built into any forecasting model. In challenging situations such those being experienced now, having well-researched trigger points fully aligned to the operating model is essential. These can give an early warning – especially necessary given the shortened planning horizons.

These trigger points need to be aligned to the organisation’s risk-management strategy. The CFOs who took part in this research found that their organisations were undertaking strategic reviews on a far more frequent basis than before. The reporting of risks and their assessment had become an intensifying focus of senior management discussions. Creating a stronger link between risk management and forecasting improved management of the uncertainties.

Being able to model these trigger points requires sufficient accurate data and a clear understanding of the operating model. Having an integrated plan and forecast across the organisation was deemed essential by the CFOs.
2.2 Environmental, social and governance issues

ESG principles take into consideration both the internal and external ways of working that the business adopts, while having a global impact. The ESG agenda no longer sits isolated but is built into the organisation’s strategy, taking net zero targets into account in the financial operational planning and processes making stakeholder capitalism a reality (as discussed in section 3.2). Even during these uncertain times, ESG provides an opportunity to develop long-term trust in a brand and improve profits. ESG provides a way for organisations to develop a culture and attract new talent while retaining existing employees. Since brand building already transcends the short-term transactions of a business, companies need to invest in ESG if the brand is to reflect the values of a future workforce. With consumers, alongside investors or lenders, more environmentally conscious than ever, now is the time to scale up innovative solutions for the well-being of the planet and its inhabitants.

In legacy industries such as steel manufacturing, ESG is helping drive ‘green’ steel development, providing the potential for cheaper financing through sustainability loans. The impact of ESG on budgeting means the inclusion of metrics that are not limited to turnover but include non-financial items, such as carbon emissions, data on social mobility and workforce composition. By taking ESG into consideration, the planning and performance management process is no longer just about financial performance but is instead a holistic plan taking into consideration sales and operational plans that require monitoring on a continuous basis.

The ESG agenda helps move the focus away from making short-term reactive decisions based on profitability or cash flow towards a more distant future, projecting what is required to achieve net zero across the entire value chain, with ESG as a significant parameter of overall planning. ESG is wider than net zero in its focus but, as an example, this will represent a challenge for organisations in 2023 and beyond as climate targets, such as those agreed at COP26 in 2021, become ever closer, yet investment is constrained by increasing operational costs. A roundtable participant queried:

“How do you create the business case to fund improvements, where are those efficiencies going to come from and how do you justify the business case? In the world of scarce resource, where do you spend the money?”

It is important to recognise that the ‘S’ component of ESG includes diversity, equity and inclusion (DEI). ESG quantifies and measures the initiatives making DEI ideally suitable for collaborative planning across all areas of the business, paving the way to document the investment in human capital systematically, today and the future. Organisations provide significant information about executive team compensation, but scant information about employees. Since this is often a major component of operating expenses. It makes sense for the finance team to collaborate on this area with human resources (HR) and all other parts of the business for planning and performance. This ‘S’ component is a broader agenda of social value which has a multitude of challenges in measurement and data sources.

Given the increasing relevance of the ESG agenda, the survey respondents were asked whether they saw a need for new forms of performance measures (Figure 2.2). 82% said that there was. An analysis of the respondents who work in FP&A roles shows consistency in this question, as with all others in the survey, with 84% indicating that there is a new need. This resounding agreement indicates that finance teams are ready to embrace new performance measures beyond the traditional financial objectives. With the development of draft reporting standards by the International Sustainability Standards Board (ISSB), for example, finance teams recognise the need to embrace these measures.

**FIGURE 2.2:** Do you believe that there is a need for new forms of performance measures for investors, analysts and the capital market which are less focus less on solely financial objectives? (n = 2,884)

82% OF SURVEY RESPONDENTS SAID THAT THERE WAS A NEED FOR NEW FORMS OF PERFORMANCE MEASURES.
2.3 Faster response in an agile world

Any one change in a variable during uncertain times has potential to create widespread economic shifts affecting all aspects of any business. Agility in forecasting and budgeting is essential. To provide this agility, finance needs the support of relevant tools, technology and methodologies. While the existing methodologies of developing a budget, financial forecasts and strategic long-range plans remain, the finance team and CFO require tools and processes to support constantly changing assumptions and macroeconomic factors such as inflation and employment levels. More frequent revisions of strategy plans require moving to a greater than annual review, so decision makers remain well informed of the strategy. Clearly, the biggest shift in responding in an agile world is the frequency of updates needed, seen in the shift from monthly to weekly to daily plans, owing to the widespread changes.

A traditional cycle of planning and budgeting may well have changed, with the previous annual plan now being reviewed and reforecast on a quarterly basis. Many organisations have favoured the 3+9, 6+6 and 9+3 cycle. With the disruption of 2020 and 2021, many finance teams have increased the frequency of their re-forecasting as business circumstances changed. Figure 2.3 shows that the greater percentage of survey respondents are still using the quarterly cycles, with Figure 2.4 showing that annual revisions of longer-term plans remain the norm. As economic uncertainty remains, so the period between revisions can be expected to shorten once more.

A finance lead from South Africa commented: ‘During Covid, my organisation ran many playbooks on a weekly basis because there was so much uncertainty in the market. We have moved away from that, and I think that is a shame because that really gave quick insights to enable decision making. So, from a Utopian point of view, we should really think about that, especially on some key risk aspects that are prevalent, whether that’s economic factors or…socio-economic or so forth’.

Above all, the need for this faster response is driven by changing customer demands.
2.4 Customer-centricity

During the pandemic the conversation for many organisations moved towards how to serve the customer better. As demands changed, understanding customer behaviour became a key requirement. Several roundtable participants working in either retail or fast-moving consumer goods (FMCG) organisations explained how customer reactions increasingly drove the forecasting approach during this time. The balance of the operating model has changed for many organisations and being customer-centric leads to the need to focus on planning activities, starting from a deep understanding of customer demand. A more traditional approach to planning, based upon volumes of production expecting to be sold, is no longer effective.

In becoming more customer-centric, organisations need to understand the customer journey, and be able to model effectively the cost-to-serve of each major customer or customer group.3

An Australian consultant passionate about driving business agility and lean thinking recognises ‘you know the whole ESG agenda and you know the consumer and the kind of shifts that might be happening in that kind of space where people are becoming a lot more environmentally conscious’.

Having such a detailed understanding of the customers and their potential behaviour and incorporating it into plans and forecasts requires two things. It needs, first, a close integration between sales and financial forecasts, and secondly, the data on which to base these forecasts.

A CFO from mainland China commented, ‘let’s take the matter of [the] “consumer first” [principle] as an example. If we really mean it, this must be a top-down consensus. How to make it happen given the current competition? There are many systems going with their respective rules, especially the financial system, exposed to a serious lag rather than forward-looking, which poses a problem that needs to be solved’.

2.5 Data and systems

There are two aspects to the data: having the right data that can support the planning process and then having the systems, or applications, to be able to use that data effectively.

An India-based CFO commented:

‘In the last two years we have figured out [that] the key is not getting together the plan but being able to automate the inputs that go into the plan itself’.

A roundtable participant reported personal experience with an organisation that was: ‘coming off an old technology and onto a new adaptive planning platform. I think that that is going to greatly enhance their planning process and make it a lot more streamlined than it was and a lot [closer to] “real time”. They will be able to update assumptions monthly, and they will be able to move to a different space where they can regularly forecast without all the effort that used to go into it’.

A CFO from mainland China noted: ‘there should be two cornerstones...to support the transformation to strategic planning and strategic performance management. First, performance [management] without a [suitable] culture is imperfect. Second, performance [management] without a complete financial system to support it cannot play a supporting role. It is necessary to follow the trend of digitisation, which is going to weigh in on improving the driving efficiency of the entire business, transforming the entire business, and even transforming finance itself. In my opinion, of the two cornerstones one is a tool, the other a concept’.

Data

Data is a critical success factor in achieving agile forecasts for use by the finance team and organisational decision makers. Access to, and the use of, both internal and external sources of data is becoming essential for making effective forecasts.

Sourcing external data, including economic data, inflation and unemployment data, is a necessary first step in understanding the variables and level of impact on key performance metrics. Even so, a CFO commented: ‘in the Caribbean. I think we have a lack of data for our region. It is not current, at least. In terms of any feature trends in...GDP or inflation or growth rates, it is very [scant compared with] developed markets. So that is a challenge for us’. Having access to external data cannot always be taken for granted, but it is becoming an essential tool in forecasting.

Sourcing and integrating real-time market data into forecasting helps finance support agile decision making. Automatically extracting data from the general ledger is no longer sufficient: operational systems including procurement, customer relationship management (CRM), sales and marketing are needed to generate automatic updates for the forecasts and help populate scenarios in real time. Simultaneously, the systems need to make any outliers or anomalous data known to the finance team.

A Republic of Ireland-based roundtable participant commented:

‘Hopefully organisations can see benefits of in terms of decisions they make and [can obtain the data that] can impact that or add value to the decision making process’.

3 The concept of cost-to-serve is explained in ACCA/IMA/CIPS 2022.
To place the data challenge in context, another Republic of Ireland-based roundtable participant noted: ‘it takes years of investment in the underlying architecture to get the data into a presentable format. I think that the organisations that use consultants to do this have an advantage and a structured process that…comes through. I think a good underlying data model that can take years [to create] is important and it could be years before you see the benefit of some of this stuff, which is the problem really’.

Another CFO commented:

‘The higher use of technology, machine learning [ML] and AI [artificial intelligence] is the only thing that can bring more change and the dynamic planning that you currently need can only be derived from these things. You cannot wait for the period to close. You need the real-time data, which can only be derived from AI and machine learning. This is the future. So, you must accept you have to learn. You must apply things that can only bring the change in your organisation’.

Across the roundtables there was a sense that there is an opportunity for using AI and ML but a concern about the lack of trends from 2019 to 2021 upon which to base such use. Some participants said that they were willing to explore their use, but only to provide additional comfort in their traditional planning processes.

Having access to data from across the organisation is important in driving integrated planning. However, there is a risk that organisations suffer from data availability bias4 where they focus on the data that is readily available and do not consider what data is needed for an effective forecast. Not having data readily available is not an excuse for omitting it from the integrated data model.

**Systems**

Automating the data-driven business using advances in tools and technology helps ensure the integration of forecasting initiatives into the overall business, while overcoming the issues of traditional forecasts that are slow to react to change. Despite a variety of purpose-built planning tools or enterprise resource planning (ERP) modules, spreadsheet models remain prevalent.

Figure 2.5 shows that the survey respondents still use spreadsheets as their main tool in managing planning and performance in their organisations. Indeed, 82% use these with a further 31% using the planning modules within their financial applications, such as ERP applications, while 34% of respondents make use of next-generation tools such as extended planning and analysis (xP&A) applications. Techniques such as foresight,5 scenario modelling and nowcasting have relatively strong take-up among the survey respondents (30% to 50%). The responses suggest that finance teams are very traditional in their approaches to the tools that they use in planning and forecasting. While well-developed spreadsheets can provide acceptable models, there are challenges. If finance teams seek to integrate the financial planning activities with other planning across the organisation, the challenges of real-time data feeds become an issue. One interviewee highlighted the challenge of bringing many lines of customer data into a financial forecasting model and the need to aggregate this data.

A CFO in South Africa had a perspective on the reliance upon spreadsheets, claiming that as the use of spreadsheets is embedded in so much of the work that we do, even at entry level, that we naturally adopt it as the tool of choice, whether or not there are alternative solutions available. It is an inherent fear of change that needs to be overcome if the role of the finance professional is to continue to develop.

**FIGURE 2.5:** To what extent are any of the following used to help manage planning and performance in your organisation? Select all that apply (n = 2,884)

<table>
<thead>
<tr>
<th>Tool/Technique</th>
<th>A great deal</th>
<th>To some extent</th>
<th>Not at all</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spreadsheets</td>
<td>82%</td>
<td>31%</td>
<td>23%</td>
<td>17%</td>
</tr>
<tr>
<td>Planning modules within financial applications</td>
<td>28%</td>
<td>20%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Foresight</td>
<td>43%</td>
<td>17%</td>
<td>6%</td>
<td>17%</td>
</tr>
<tr>
<td>Scenario modelling</td>
<td>50%</td>
<td>37%</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>Nowcasting</td>
<td>43%</td>
<td>32%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Application of machine learning</td>
<td>30%</td>
<td>16%</td>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>xP&amp;A tools</td>
<td>53%</td>
<td>21%</td>
<td>13%</td>
<td>13%</td>
</tr>
</tbody>
</table>

4 The concept of availability bias is discussed in Bannerjee and Nunan (2019).
5 Explanations of these terms can be found in the Glossary.
Another participant in the same roundtable continued this theme by noting that technology is only the enabler, but with changing the technology you need to change the culture. This participant continued that: ‘People are very comfortable with what they have got…even if that process does not really work and they complain about that process. They have still got control over that process because they have been doing it for many years. Implementing a new technology disrupts all of that. And even when it delivers a whole lot of benefits that the business [can] see the benefit of, they are still resistant to that change. They don’t want to move away from Excel because that [means] going into a “black box” kind of concept, whether you use AI or machine learning or a more advanced application. Excel gives them an illusion of control’.

An India-based CFO commented: ‘you know the manual efforts [involved] in crunching hundreds of Excel sheets and coming up with insights; can we really not use artificial intelligence and machine learning? How can we really leverage technology to make this entire process efficient?’

Many roundtable participants struggled with the use of AI and ML as forecasting tools. Their line of argument is that 2020 and 2021 were substantially different from 2019 and will not reflect the trading conditions of 2022. Therefore, these techniques do not have substantive value. To apply the logic to a whole year may be an excuse for inaction. While it is true that 2020 and 2021 were unique, nevertheless, trends have developed and therefore using techniques such as ML can yield some value if the data is understood.

Not only is having access to appropriate and accurate data essential, but, while spreadsheets can handle a certain volume of data and are increasingly incorporating aspects of both AI and ML, there is also a need to take an extended view. Having a financial team that uses the latest generation of xP&A software provides an opportunity to sidestep the skills for AI/ML and instead benefit from the inbuilt functions.

A generation of xP&A has been developed that provides data integration between the various systems and aspects of the planning process (Figure 2.6). No longer can financial forecasting be an isolated function, if the finance team are to add value in a rapidly changing world, they need to integrate the financial plans more fully with the other aspects of operational planning.

xP&A represents a pivot of financial planning. Moving well beyond the use of corporate financial data for planning, xP&A focuses on connecting financial data with operations.

While not new, it is known by a variety of names, including integrated business planning, integrated financial planning, connected planning and collaborative enterprise planning. Some names are synonymous with the vendors of xP&A systems and with platforms referring to the underlying methodology. Another feature of xP&A, differentiating it from traditional FP&A, is the availability of a real-time single source of truth not impeded by any silos of data arising from different business areas. Automation ensures not only that data is updated in real time but also that it ripples through the system to update forecasts and plans.

Having a Cloud-based xP&A tool at the core of the organisation’s application architecture is a key component of its (digital) transformation journey.6 Even so, as one roundtable participant noted, technology is not the whole story: ‘technology has improved a significant way from where it was many years ago, [but] I don’t think the process has necessarily changed…people are expressing a desire…to be agile, but their ability to work outside of the constraints of the planning and the five-year forecast and the capex structures is constrained because [it’s] the process that needs to be reviewed and changed’.

A roundtable participant who leads the implementation of xP&A applications noted that, ‘there’s been a trend in recent years [of] moving into the Cloud and some of the vendors are giving bespoke processes. They say, “here is a standard planning process now that can work for an ERP”. It doesn’t work, in my opinion. It doesn’t work for a planning process. It could work for a consolidation process. But planning is so subjective to the organisation, to the industry they’re trying to go out-of-the-box and standardise through technology. It just creates more of a change management issue because people are even more disconnected, not just from the tech but also from the process being implemented’.

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6 The development of an effective Cloud-based application architecture is considered in ACCA / CA ANZ / Generation CFO 2021.
xP&A implementation case study

A small, listed conglomerate entered the pandemic with an Excel-based budgeting and forecasting model which reflected the profit and loss account, balance sheet and cash flow, along statutory lines. Some of the sectors in which it operated were particularly challenged by operating conditions during the pandemic. It soon became obvious that refinancing was necessary, but the Excel-based process was not flexible enough to respond to the demands of the prospective investors. The existing process was slow and leadership confidence in it was low. Units were presenting plans that they anticipated that corporate headquarters wanted to hear.

Before the pandemic, the organisation had purchased several licences of a planning and analysis (P&A) tool, although little had been done to progress the implementation. The assumption had been that the tool was ready to use upon purchase. Seizing the opportunity at the time of the refinancing, it was decided to implement the tool to improve the forecasting capabilities, especially as a further refinancing looked likely.

The organisation invested in developing the skills of one of its existing FP&A team members, who became responsible for supporting the development of the model inherent in the tool, ensuring consistency of design language throughout. Implementation focused on the operating structure and the key drivers, both current and anticipated in each unit. The initial implementation lasted from June to October 2020, although there have been refinements and improvements since.

Such was the success of the implementation that those involved in the second refinancing complimented the organisation on the quality of its implementation and the ability to answer challenging ‘what-if’ scenarios quickly and with confidence. As the constraints of the operating environment have changed, introducing new variables, such as inflation, at quite granular levels has been easy.

Several advantages were gained from the xP&A implementation.

- A more flexible approach to planning and forecasting moving to rolling forecasts was possible. This provided not only greater insight and control but also reduced emphasis on the set-piece annual budgeting process.
- There was a move from statutory to operational modelling based upon performance KPIs.
- Greater confidence in outputs was experienced at all levels of the organisation.
- Finance was able to conduct scenario analyses rapidly, particularly in response to queries during the due diligence associated with the second refinancing.
- Scenarios and forecasts became ‘go to’ tools for senior commercial management across the divisions and group.

The lessons learned from this implementation of an xP&A tool were as follows.

- The xP&A tool is a business tool, not just a finance tool. It needs to be treated this way.
- The tool needs to be a component within an organisation-wide digital transformation strategy, recognising inputs required from systems and areas across the organisation in order to generate outputs to aid decision support across the organisation.
- The implementation needs to be treated as a formal project. Having a formal project with leadership buy-in and resource commitment significantly improves the chances of success.
- It is important to build confidence in the tool early on. Having a success story will increase leadership support for the remainder of the implementation.
- The former planning model must not be brought across into the tool. The opportunity should be taken to re-evaluate the purpose of the budgeting and planning process.
- xP&A should be treated as an organisation-wide tool, not just a finance one. Steering and working committees should reflect finance, operational and sales functions. As a project, implementation needs to be part of the overall organisation-wide transformation.
- Having personnel with appropriate skills within the implementation team is essential. In this instance, the organisation invested in one individual to ensure that they had the appropriate software implementation certifications. The product vendor provided quality assurance support but investing in in-house expertise was essential.
- Modelling the organisation into the xP&A tool requires a detailed understanding of the operating model to be successful. A good implementation uses the understanding of the operational KPIs to model the organisation.
- Investment is needed in interfaces with financial and operational systems to ensure that data feeds come from the breadth of the applications that the organisation uses.

The next steps in the implementation are to build upon the existing data feeds from financial systems to include feeds from operational systems. This will further speed the end-to-end process while ensuring data integrity (big data). Linking the xP&A tool to a data visualisation application will enable the finance team to provide business-wide commercial and financial insights to unit and corporate leaders as required.
Anderson et al, in providing an assessment of the xP&A market in 2022 comment that: ‘xP&A remains in early maturity with progress being made by major ERP vendors and a small number of best-of-breed solutions providers. Some operational planning solutions may lack functional depth and breadth compared to stand-alone solutions’. They also note that: ‘through 2024, 30% of FP&A implementations will be extended to support operational finance processes, with 50% requiring a substantial cloud xP&A roadmap from their FP&A vendors’ (Anderson et al 2022).

The advantages of an xP&A solution are summarised in Figure 2.7.

However, the xP&A market is only really developed for larger organisations with some developments starting to happen in the mid-tier. Although some smaller entities may be able to access some comparable functionality through their application stack and new software solutions are starting to emerge in this market which provide integrations with common small business and mid-tier accounting, HR, sales and marketing and CRM solutions, there are challenges for this sector in delivering some of the integrated planning. A CFO who advises medium-sized organisations commented: ‘for small businesses there are quite a few affordable apps that cover any day-to-day planning. The issue is to ensure that you look forward and tie this with the strategy. But for my businesses that are getting a bit further up the chain, not quite medium size yet, but you soon hit your restrictions in the capability of the software available’.

The view of integrated data and systems can be matched by creating a centre of expertise in planning and forecasting.

2.6 Centres of excellence

Since forecasting and budgeting take on a whole-of-organisation perspective by integrating ESG, finance has the opportunity to take responsibility for leading all aspects of planning. As a potential central function supporting planning for the entire organisation and given the need to support agile forecasting and budgeting for all lines of business, a centre of excellence provides a home for both the tools and the finance team members who are focusing on planning and generating real-time forecasts.

The role of the centre includes normalising the non-financial data from different operational systems, inclusive of sales, procurement and CRM, and automation of forecast updates. The data needs to form an integral part of the forecasting and planning models and allow real-time updates of forecasts. Only in this manner can a variety of plausible what-if scenarios be considered in advance.

At the same time, such a centre must collaborate with all aspects of the business and generate an operational plan supporting the most likely scenarios. Only through adopting an agile approach to budgeting and forecasting can the business anticipate changes in direction by switching to an appropriate off-the-shelf scenario – one representing the closest match to the prevailing headwinds of the economy. The switch to another scenario is best preceded by providing an information briefing to decision makers. Finance teams operating without such an approach to planning are prone to making reactive decisions, mistakes in strategy and errors in operations.

Such a centre, of course, may not be a physical department: rather, it can be a virtual construct of expertise upon which other teams, such as crisis management teams, can call upon when required.

**FIGURE 2.7: Advantages of an xP&A solution**

xP&A REPRESENTS A PIVOT OF FINANCIAL PLANNING. MOVING WELL BEYOND THE USE OF CORPORATE FINANCIAL DATA FOR PLANNING, xP&A FOCUSES ON CONNECTING FINANCIAL DATA WITH OPERATIONS.
Enabling planning and performance

Today’s CFOs are faced with a complex, constantly changing business environment in which their business units are demanding to be supported by a finance organisation that unlocks insight efficiently and drives business decision making and performance. As demand in evolving markets reignites and economies manage the outcomes of the Covid pandemic, the finance function can help the business navigate new opportunities. Volatile global complexity, unpredictable currency fluctuations, shifting and new business models requires finance to leverage cross-functional and commercial acumen to support critical business decisions and serve in a true integrated planning (xP&A) capacity. Ability to navigate high volumes of data are needed to unlock insights for quick decisions, including scenario modelling for strategic pricing and new product development. In addition, greater financial transparency and control is required as regulations shepherd new controls and requirements (such as ESG).

It is no longer practical to operate in the status quo. Finance organisations must transform from a reporting and ‘descriptive’ function into one that provides cohesive, forward-looking insights around value creation. Finance can support commercial and strategic decision making to drive growth by pivoting to xP&A and becoming a valuable and trusted business partner. Our last PwC Pulse (Dhar and Lapiere 2022) survey revealed CFO’s top performance management priorities are:

1. building predictive forecast and modelling capabilities,
2. automating processes using intelligent automation, and
3. establishing finance as a partner to the business.

In order to support this CFO agenda, the anatomy of the future business partner is changing. The foundational elements of people and technology have become more important than ever.

xP&A enabled by people

Fundamental shifts in the way finance organisations operate, will help position FP&A to be a true business partner. This includes shifts to the operating model, roles and responsibilities, the skillsets demanded of finance professionals, and the culture of the organisation (including beyond finance).

The operating model must enable optimal allocation of time and resources to support the FP&A agenda. One of the fundamental requirements, and biggest challenges, of serving as a good business partner, is freeing time for more of the ‘A’ in xP&A. Finance organisations can assess two key levers to enable an effective operating model: automation and outsourcing. Often organisations wait too long for automation, which sacrifices transformation progress at the cost of idealism. For those activities that cannot be immediately automated on a short time horizon, explore how outsourcing or shifting repetitive tasks to a shared service centre may produce results more quickly.

Business partnering and culture play an important role in the planning and performance management operating model.

Business partnering skills by finance team – Too often it is assumed that workforce and talent development will happen inherently, as a by-product of finance transformation without explicit intentional programs to upskill or hire the right people. Finance and technical acumen are now table stakes. Finance leaders need to invest in their teams to develop strong ‘soft’ skills such as business acumen, communication, and leadership, in addition to ‘hard’ technical skills such as technology and data analysis. Business partnering requires data savviness and insight, but also the human element of understanding the business and building relationships across the enterprise. Establishing upskilling programs and learning and development opportunities is often overlooked, but monumentally supports both business performance, as well as employee retention. The most successful finance organisations instil a ‘growth mindset’ that permeates across the organisation and down to individuals.

Culture – Building on the heels of people development, finance must also evolve to a culture of collaboration across the enterprise. Both finance and non-finance function teams can collaborate to design an integrated finance function that will better serve its purpose. This includes moving away from an ‘information is power’ mindset, to recognising that sharing, not hoarding, information such as performance metrics creates greater benefit for the business. Facilitate cross-teams collaboration by breaking down organisational silos and team boundaries.

xP&A enabled by technology and data

The substantial growth in technology solutions opens up new and exciting possibilities for organisations as they streamline their xP&A capabilities. In an ever-changing environment, an integrated technology and data framework serves as a key enabler for xP&A. This framework demands agile processes, well-structured data, and leading digital solutions.

Agile process and technology platform – Recent market instability has highlighted the importance of dynamic and agile xP&A processes. This uncertainty has created a shift in the focus of finance, highlighting the need for regular views of future performance. This focus on short-term business outlooks and metrics has prompted organisations to move from periodic forecasts to weekly (and even daily) forecasts. A finance process backed by manual workarounds will find it challenging to produce such forecasts timely and accurately. Time will be spent purely on producing the numbers instead of stepping up as a valuable partner during this crucial period. Current day technology and analytical solutions can now enable an agile finance team.

Data and analytics – The pandemic has created a ‘new normal’ and the need for an insightful forward-looking xP&A data framework is higher than ever. Finance can start by partnering with business leaders to frame critical business questions that need to be addressed. Leading organisations build a data framework that utilises both financial and operational data to answer these questions, tapping into some more traditional sources of information (eg ERP) as well as newer sources (eg CRM, Operations Systems, Supply
The use of digital technologies can be split into:

1. **Digitalisation**

   Digitalisation is a vital foundation for enabling organisations’ agility and strengthening their xP&A capabilities. From The Digital CFO study (PwC and WHU – Otto Beisheim School of Management (2022)), organisations’ finance functions have achieved moderate levels of digitalisation in recent years, but there is potential for deeper transformation in most cases where the average response of the CFOs on the 7-point-scale was 4.50 (firm-level digitalisation) and 4.53 (finance function digitalisation) (ibid).

The use of digital technologies can be split into:

1. **Dashboarding as a catalyst**

   ‘Digital management reporting / dashboarding’ is currently the only technology that is widely applied in practice according to the study (ibid).

   This facilitates a move towards self-service reporting and an excellent opportunity for finance to up-value its relationship with management, that is move away from producing profit and loss statements and toward management information and management reporting that is rich in analytics and insight.

2. **Single enterprise performance management and analytics platform as the enabler**

   Enterprise Performance Management, is traditionally, at best, a fragmented portfolio of applications stitched together by spreadsheets, or even solely using spreadsheets. While it may have worked previously, such solutions are not really designed to help organisations (especially large or complex ones) excel in this new post-pandemic environment.

   A new dynamic single xP&A structure that is fit for the future would enable businesses to house and leverage varied data sources and processes that are strong and common across the business.

Further, advanced finance functions are increasingly leveraging Cloud-based hyperscale solutions to complement their baseline EPM system. These platforms can help amplify finance’s ability to serve as a true integrated business partner, as their potential is not limited by system performance due to data or analytics limitations. This opens the door for much more robust reporting and insight, more advanced analytics (including predictive forecasting), and more holistic business intelligence.

3. **Artificial Intelligence (AI) and Machine Learning (ML) as the game-changer**

   From the study (ibid), most CFOs see a high potential for the future use of AI and ML in budget planning. However, only about one-third of them indicate that their firms are likely to apply AI in the next two years, and only 5% of the CFOs indicate that they plan to use it ‘very extensively’ (ibid).

   This is not surprising, given the current state appreciation of how AI can be effectively used in the finance function is relatively nascent. Data is the critical enabler. To fully leverage AI or ML, organisations need to use data science to make sense of its historical data under the ‘new normal’ to be used to predict the future and prepare the business. Majority of finance functions tasks today are based on rules and regulations which can be easily standardised and automated. Will CFOs become mere administrators of automated processes, or will digitisation add importance to the CFO role and finance functions?

   Many CFOs seem confident that their functions are on the right trajectory. However, their confidence may not necessarily be reflected in their budgets for finance innovation. This leaves us to wonder – will finance move quickly enough?

So, what should I do?

✓ Ensure that there is sufficient understanding of the conflicting pressures on the business model to enable a robust sensitivity analysis can be undertaken.

✓ Refine the planning process to ensure that it is sufficiently agile to enable the organisation to respond to the economic uncertainties.

✓ Create a strong link to the risk-management function / risk assessments and develop an understanding of the early warning signs that risks may be crystallising.

✓ Look closely at the data model to ensure development of a more integrated and collaborative view of planning, which is necessary to support the dynamic operating environment.

✓ Consider the risk of data availability bias in formulating integrated plans.

✓ Ensure that an appropriate set of planning tools is included within the overall systems architecture, using xP&A capabilities where appropriate.

✓ In developing an integrated view of planning, consider how resources can be mobilised to create a responsive planning infrastructure for the organisation.
3. A broader view of performance

“We have got to look for the right performance indicators within our business to ensure that we are planning for the right numbers, and that those numbers do not drive outcomes that we don’t want’. Australia-based roundtable participant
3.1 The future not the past

The future success of organisations in the turbulent times of 2022 and the coming years may well be defined by those who are able to manage the risks effectively and to plan accordingly. Being rearward looking or having a ‘fixed’ view of the future which is appraised in an annual cycle will not help organisations to survive.

Organisations are increasingly being assessed upon a broader view of their performance. This can be from the perspective of their contribution to society as considered in their published purpose. The pandemic highlighted that many consumers and investors are increasingly expecting organisations to ‘do the right thing’ and not to act with a focus on profitability alone. As the economic pressures start to build, so performance is being assessed through how organisations respond to the challenges of their customers, suppliers and workforce.

If organisations are to have a broader review of performance, as indicated by the responses in Figure 2.2, to what extent do the respondents feel that their organisations consider the broader objectives? Looking at the results beyond the traditional financial objectives (Figure 3.1), 44% felt that they included organisational purposes while only 24% currently included sustainability and social factors. The reassuring response was that a significant proportion, 57%, of the respondents claimed that they were considered, to some extent.

It is important that finance leaders recognise this broader view of performance. For 2022 and 2023 the clear imperative for many organisations will be liquidity as the global economy adjusts to the new realities of energy pricing and other constraints. The balance between operational and capital expenditure, especially as it relates to addressing the ESG and net zero agendas, will be challenging to maintain.

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**FIGURE 3.1:** To what extent do you feel that your organisation considers the following objectives in its forecasting processes? (n = 2,884)

- **Financial objectives:**
  - A great deal: 22%
  - To some extent: 75%
  - Not at all: 7%
  - Don’t know: 4%
  - Not applicable: 7%

- **Organisational purpose:**
  - A great deal: 45%
  - To some extent: 44%
  - Not at all: 15%
  - Don’t know: 7%
  - Not applicable: 4%

- **Non-financial objectives, such as sustainability and social factors:**
  - A great deal: 15%
  - To some extent: 57%
  - Not at all: 24%
  - Don’t know: 3%
  - Not applicable: 2%
3.2 A view of stakeholder capitalism

The view of performance increasingly includes the ESG agenda. As standard setters and regulators are focusing on requiring organisations to report on climate and other related issues, so the need to include these in the planning and performance cycle is increasingly important. It is clear that organisations will continue to need to invest in addressing net zero commitments. Consumer demands are also likely to change as disposable income becomes constrained and those who are able seek energy resilience through green investment.

In the view of one Republic of Ireland-based roundtable participant: ‘the whole budgeting process is going to need to take into consideration metrics around ESG… and [firms are] going to have to report on that’. The participant continued that it is: ‘going to have to be part of the planning process, the budgeting process, how they are projecting and forecasting to spend money. Revenue is going to have to be linked to ESG and, if they are going to be able to do the reporting to comply with those new standards that come out, it will present issues for larger and mid-tier organisations’.

Extending the analysis from the question in Figure 3.1, in the question illustrated in Figure 3.2 the respondents were asked to consider whether the ESG components were part of the current forecasting process or would be in three to five years. The results show a clear trend to more incorporation of these components, with 59% saying that they would be either fully or partially integrated in this medium term.

A finance leader commented, ‘I think [for us] as accountants, while we may be involved in those areas of business, it’s very rare that [ESG] actually comes into a planning process’.

Bringing ESG into the planning process is essential and requires the development of an integrated planning process.

FIGURE 3.2: To what extent is forecasting of environmental, social and governance (ESG) components either seen now, or do you expect to be seen in the medium-term (the next three to five years), as an integral part of the (financial) planning and performance process (n = 2,884)
Building ESG into the planning process

Historically, corporations around the world have published reports on sustainability as part of their corporate and social responsibility initiatives and specific regulatory filings. With the immediate problems such as climate change and growing inequalities in front of us, it is time to act – and businesses should lead the way. In various jurisdictions and driven by regulators, the pressure on corporations to report on ESG parameters is increasing. The performance-management teams (FP&A) in businesses are pivotal in this journey as they are the ones who prepare and analyse the business plans and integrate with other functions to understand the risks and opportunities in order to inform stakeholders, including investors. It is important for the FP&A teams to understand where to start on ESG and how best to partner with other parts of the organisation. Here are five considerations for building ESG into planning process,

1. Identifying the ‘applicable and acceptable’ Standard

The world of FP&A looks into strategic and future years’ business plans for an enterprise and hence is ideally placed to embrace the challenge of incorporating the ESG metrics in its outer years reporting. While there is demand for ESG information from multiple areas, it is crucial for the FP&A teams to recognise what is important for the firm, its wider stakeholders (employees, customers, community) and what is acceptable to the investors and regulators. ESG can present a challenge of multiple standards and frameworks to choose from (ISSB, TCFD, GRI, CDP, ESRS, CSRd etc) as it is still evolving and has a jurisdiction-specific flavour. FP&A business partners will have to think of what is most appropriate and applicable for their businesses – this can be done by checking with industry peers and taking a view of what standards are mandated and hence acceptable to their regulators or reporting authorities.

2. Evolving the necessary KPIs in line with stakeholder demand

There are Regulator-prescribed KPIs in various jurisdictions as well as Industry-specific KPIs in some of the disclosure standards (eg ISSB). The CEO, CFO and/or CSO (chief sustainability officer) will have to provide perspectives in analyst or shareholder briefings about these KPIs, their financial materiality and the plans to manage the associated material risks and opportunities in the future through the business plan. The data that is being reported will have to cater to these demands, but FP&A teams should be careful not to expend an enormous effort to collect and collate this data, as they are not the primary ESG data stewards. Note that as the Standards keep evolving, the KPIs too will see changes. Performance-management teams should also be prepared for more demand for KPIs on ESG from wider stakeholders in the coming years.

3. Wider business partnering and sourcing the right data

One of the leading roles of the FP&A teams is business partnering with wider functions in an organisation. It must be recognised that ESG is an overall organisational imperative and not specific to a particular department. Hence, sourcing the right data from the right place is critical to ensure quality in reporting.

For example:
- the ‘E’ (environmental) aspect of ESG, relating to emissions, energy consumption, product life cycle, etc, would be in the domain of the product/manufacturing or supply chain functions
- the ‘S’ (social) aspect of ESG in talent development, diversity, inclusion, social mobility, impact on local community, etc, would be managed within the HR metrics
- the ‘G’ (governance) aspect of ESG, relating to internal risks and opportunities, corporate governance and crisis management, lie within the risk or group functions remit.

There is a need to source data from all parts of business to cater to the demand for information – FP&A teams will need to assess the feasibility of gathering this data from different parts of the enterprise through their partnering function.

It is also important for FP&A teams to recognise that they are not the primary data generators for ESG: their function is data aggregation in a timely manner, followed by intelligent analysis, insight generation and wider internal and external reporting. While they may also be involved in liaising with external ESG-rating agencies as part of their business partnering role, FP&A teams need to make sure that corresponding targets are communicated to the data stewards of ESG within the different functions in their organisation.

4. Technology as an enabler

FP&A teams generally rely on modelling and analytics tools, which can also provide a great platform for ESG reporting. In instances where FP&A still operates with spreadsheets, this is a good opportunity to consider an ESG-integrated FP&A tool for your organisation. There is the option of using niche tools for ESG reporting, such as Normative, Workiva or Moody’s, or those from more traditional providers such as SAP, Oracle or Microsoft. The traditional platform providers are also investing heavily in ESG capabilities, not just for reporting, but also for data capture and calculations, such as an ESG ledger, sustainability Cloud and emissions calculator. When ESG metrics are integrated into enterprise operations leveraging the breadth of technology platforms (HR, supply chain, manufacturing, finance, controls), data is readily available for consumption and analysis by FP&A tools – thereby helping drive ESG goals in an integrated manner.

5. Solution scalability and reskilling

The ESG landscape is still evolving. The continuing standardisation initiatives and changes to investor and jurisdictional priorities will affect the requirements for ESG analysis and reporting. The standards and frameworks will continue to evolve and KPI calculations may change. FP&A teams will have to recognise this and be the first ones to
In an article published in January 2022, Hunt notes that ‘Stakeholder capitalism’ is the buzzword du jour for business practices that strive to achieve more than profits and a high stock price (Hunt 2022). The concept serves, however, to illustrate the shift in planning that organisations need to consider as the broader view of performance becomes accepted.

For many organisations this represents a shift from a purely short-term focus to a longer-term view of performance for the benefit of a broader range of stakeholders. In the economically challenged times of the early 2020s finance leaders may well be troubled by the balance of short-term survival against longer-term investment priorities, such as the need to achieve net zero targets. As Hunt notes:

‘Eighty percent of CFOs tell us in surveys that they would reduce discretionary spending on potentially high-NPV [net present value] activities like R&D and marketing to achieve short-term earnings targets. They are literally sacrificing the long term for the short term. Yet research shows companies that think long-term – meaning five to seven years ahead – substantially outperform, achieving 47 percent higher revenue growth over a 15-year period, for example’ (Hunt 2022).

A qualified accountant CEO in the banking sector commented: ‘part of my current planning process is that I must assess the impact of my plans on all stakeholders. There is no formal part of my planning where I would not get away with the shareholder projections. And that is easy for us. But now you must model and speak about all your stakeholders, and what the impact will be on each one and to each other. I must provide some sort of commentary on that, which is proving to be much more difficult. My finance teams are struggling to populate, discuss and come up with ways to quantify those new metrics, which makes them feel a little bit unprepared so if I add to that the evaluation of the company’s impact on the environment from a quantitative standpoint there is a lot of work being done’.

ESG is a highly dynamic topic with multiple standards and frameworks at different maturity levels, with evolving regulatory and jurisdictional nuances. Given that the FP&A function is forward looking in any enterprise, there is no time to wait till a final standard is published before taking the first step. Countries and regulators are quickly imposing mandatory ESG reporting (for example, Canada in 2024, UK in 2024/25) and hence it’s high time to consider and include this in the strategic planning, budgeting and forecasting processes.

George Abraham, Director, PwC, UK

FIGURE 3.3: Evolution of stakeholder capitalism

<table>
<thead>
<tr>
<th>Shareholder Capitalism</th>
<th>Sustainability</th>
<th>Stakeholder Capitalism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder centricity</td>
<td>Sustainability = value</td>
<td>Stakeholder centricity</td>
</tr>
<tr>
<td>Maximisation of economic and financial value for the benefit of shareholders</td>
<td>Integration of sustainability to achieve long-term sustainable financial value for shareholders and addressing value for all</td>
<td>Planning, creation and distribution of long-term sustainable value for the benefit of shareholders</td>
</tr>
</tbody>
</table>

7 The concept of Stakeholder Capitalism was first promoted by Bearle and Means in 1932 (updated as Bearle and Means 2017). The concept has been placed in the context of the 21st century by Schwab (2021).
3.3 Integrated business planning and connected planning

The broader view of performance requires organisations to develop an integrated planning process. Figure 3.4 provides an overview of an integrated business planning model. At the core are the customer, operational and stakeholder components, which are closely integrated with the financial model. Supporting these are the functions that provide the product that the sales and operational teams support. Linking these procurement functions to the sales plans is vital and will be discussed further in the next section.

By taking this more integrated view there is a greater ability to focus upon the risks and the constraining factors in times of turbulence.

Integrated business planning inter-connects multiple applications in the planning process, of which the xP&A tool is a key component. It is typically, although not totally, a Cloud-based solution which is developed around best of breed applications. xP&A is the evolving component.

The adoption of such a model promotes the concept of integrated thinking. This is ‘integrated decision making and actions that consider the creation, preservation or erosion of value over the short, medium and long term’ (IFRS Foundation n.d. a). This concept builds upon the model of six capitals – the appropriateness of which for the finance community was explored in ACCA / PwC 2020.

Above all, integrated planning is a culture. Many of the roundtable participants highlighted the importance of an integrated planning culture in organisations as a key component of the future planning and performance model. It is only through a collaborative culture, one which is led effectively from the top, that true integrated planning can take place.

For many organisations there is a journey towards integrated business planning as shown in Figure 3.5.

---

8 An overview of integrated thinking and the relevance to the profession is provided in ACCA (2021).
This maturity model (Figure 3.5) comprises steps and stages built on an original set of hypotheses providing a view of how planning and forecasting might change in the future, from a very traditional view of planning and forecasting to something more integrated. At one end of the range is the low-confidence ad hoc model: a very basic unsophisticated demand-and-supply planning process. Moving through the ‘Capable’ step, the next stage is a data-driven step with a more continuously innovative side and a broader sense of purpose. Using a lot more ‘what if’ scenario-modelling techniques, this stage is starting to be more dynamic and flexible, with tool use across the organisation. This stage sits at the heart of the data structure, the organisation itself.

A CFO commented, ‘looking at the potential maturity model I think that it is the journey that I have seen during my career, having started [very much from an] operational level and … moving upward to the managerial levels. Some of the transformation projects in my company are aiming for this kind of maturity model – the continuously improving model, in the end’.

The term ‘connected planning’ can be taken to mean shifting from planning based upon data consolidation to a more risk-focused assessment of future opportunities. Like integrated business planning, and the continuously improving state in the maturity model (Figure 3.5), it focuses on decision-making in real time, with full and transparent access.

### 3.4 Supply chains

In a model of integrated planning, the resourcing of materials is an essential lever in the plan. The years 2021 and 2022 have seen significant disruption to supply chains across many industries. With ever-changing delivery schedules, organisations have found their production constrained.

While much of the conversation has been about component supply chains, human capital has also become constrained and the availability of labour has become a key issue. Bringing accurate forecasting of supplies into the plan and forecast has become essential. The use of technologies such as control towers, which create visibility across the value chain, is an important next step in developing an integrated planning model. With the intensifying focus on disclosures across the value chains in organisations, awareness not only of financial but also of non-financial metrics, such as carbon emissions and employment data, means that planning needs to embrace some of the key issues for this evolving reporting requirement. The ability to monitor and report upon Scope 3 emissions, as they are termed, is a requirement of most proposed standards. Embracing data transparency across the value chain is essential.

All this is also a key step, as highlighted in the roundtables, in focusing the planning process on working capital.

### 3.5 Working capital management

Many roundtable participants commented that planning is increasingly focusing on working capital management. Liquidity is key for organisations in times of turbulence. Having a clear understanding of the levers of working capital is becoming essential. While some of the principles of just-in-time systems have been challenged by the pandemic, with potential decreases in consumers’ disposable incomes, so the management of working capital will become key.

With economic uncertainty and a move to investing in net zero commands a lot of emphasis on working capital and free cash flows rather than revenue. For example, raw materials purchase might take up significant working capital to counter anticipated future higher prices of these materials. ‘The pendulum has swung to very many cash-centric forecasting rather than a traditional profit and loss balance sheet type approach, cash is king then working capital is queen’ (Xenia 2021).

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9 ACCA / IMA / CIPS (2022) considers the role of finance professionals in supply chains. It also discusses the use of control towers to improve awareness of data flows.

10 Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly affects in its value chain. Scope 3 emissions include all sources not within an organisation’s scope 1 and 2 boundary.
Cash & Working Capital management have now become critical to performance management

As economic turbulence mounts and liquidity becomes harder and more expensive to secure, the focus of planning and performance management needs to adjust to these critical drivers. This makes it more important than ever to sharpen the focus on cash flow management and drive working capital optimisation when setting performance priorities.

PwC’s Working Capital Study (Windaus and Brady 2022) showed how working capital and supply chains were slow to react to external shocks during the pandemic, though they did subsequently begin to recover. In this year’s analysis of the largest 18,000 global corporations, working capital ratios show some signs of recovery. But, when we dig into the details, there are still some worrying trends and untapped opportunities to boost capital efficiency. Overall, we believe there is likely to be €1.49 tn of excess working capital currently on companies’ balance sheets.

The macroeconomic headwinds heighten the pressure on managing working capital more actively. Economic growth has been sluggish and the slowdown looks set to continue, which will filter through to changes in demand and supply chain requirements. Further, inflationary pressures are intensifying and are likely to continue for the next two years. Adding to this, interest rates are increasing in most major economies. Forward signals from the Federal Reserve, the ECB and the Bank of England all show a clear upwards trend. As a result, funding and working capital will come at a higher price. Not only is there an impact on the cost of capital, but the availability of liquidity is also changing. Early warning signs can be seen in the leveraged loan and high yield bond markets, where new issuance has dropped significantly and costs have risen.

The current economic and geopolitical challenges will continue to weigh on net working capital (NWC) performance and also make forward planning more challenging. As businesses come up against a combination of sluggish economic growth and increasing cost pressures, maintaining a healthy level of working capital will become even more crucial. Uncertainties over supply chains mean that determining the right level of working capital will become increasingly important and even more complex. Looking ahead forward, leading companies are focusing particularly on three areas:

- **Controlling forward stocking decisions**
- **Preparing for a deteriorating payment morale**
- **Improving the cash culture and awareness across the business**

### Controlling forward stocking decisions

Inventory performance has been remarkably steady when looking at overall trend numbers at consolidated level. However, this is likely to have been masked by the fact that the continued disruption in supply chains is leading to shortages of some materials, as well as panic overstocking of others. More and more businesses have adopted a ‘just-in-case’ approach to bolster resilience, which is likely to have negative impacts on working capital. Looking ahead, leading organizations now need to be more analytic when planning forward inventory commitments. Pro-actively tempering the recent ‘just in case’ inventory is key, as the pain of supply chain disruption coupled with forward revenue ambitions risk draining cash flow as well as potentially increase the risks of obsolescence write-off.

### Preparing for a deteriorating payment morale

The main source of improvement in working capital has been closer management of customer receivables. This is to be expected given the pressure on payment morale during the pandemic. Slow and delinquent payments, as well as payment plans were a common theme over the last two years and laid bare gaps in credit collection processes. Looking ahead, the headwinds on energy costs, interest rate rises and demand volatility is likely to increase financial stress across sectors. Proactive management of credit terms and receivables overdues is becoming a key theme for planning.

Detecting and managing credit risk is complicated during the most benign economic periods and is even more so in the current unstable economic environment. Increasingly, we are seeing Finance working with Risk teams to address these challenges. Pre-risk management, this involves system-driven automatic customer categorization using external and internal financial and non-financial information via system interfaces. Risk management adopts the risk monitoring dashboard technology for an overview of the credit and other risks. Post-risk management Risk and Finance teams are increasingly looking to automated solutions for high-risk customer identification, continuous monitoring, and identification of proper timing of debt collection.

### Improving the cash culture and awareness across the business

Quarterly performance actually shows that the most consistent trend since the shocks of early 2020 is a steady climb in nominal working capital. So, companies need more cash to continue to operate. NWC days have fluctuated by 6.5 days (17%) over the two-year period and have experienced a further 3.4 day increase more recently. A key driver has been a mindset dominated by cheap and plentiful liquidity, enabling a focus to manage disruption. Now that this paradigm has changed, a shift in mindset and culture has to follow. Many leading organizations are now actively addressing how to establish a cash culture across functions, not just in finance. Moreover, establishing a cash culture needs to cover a range of dimensions, including a clear transparency on performance data, changes in policies to adjust the operational ‘rules of the road’, as well as clear ac cascading targets around working capital throughout the business.

Addressing these areas are critical to strengthening operational resilience and steering though the turbulence ahead, and therefore need to become a key part of the planning and performance management process going forward.
3.6 Stakeholder expectations

The range of stakeholders who require insight into the future plans and stability of organisations is increasing. The interested stakeholder groups are no longer just the providers of capital or internal leadership. Rather, as performance becomes more broadly defined, the stakeholder groups are also becoming broader. There is pressure to give fact-based explanations of the impact of key decisions.

The role of the stakeholder leads to an interesting discussion when considering boards. Whether they are progressive or not, lending institutions are still requiring annual forecast cash flows when the dynamics are often more fluid.

The business plan is not just an internal tool. Rather, it is the basis of a range of external engagements. Achievement, or otherwise, of any plan requires justification on many levels. Finance professionals need to ensure that they have sufficiently robust integrated plans to be able to articulate outcomes clearly. A projected P&L and balance sheet are no longer sufficient.

FP&A in GBS – Getting into the Deep End

Global operating model and recent trends for FP&A

Shared Service Centres, now evolving as Global Business Services (GBS) have been a widely accepted operating model to drive efficiency in finance operations. The impact of GBS is well established in ‘transactional finance’ areas. However, migration of FP&A into GBS has been slow and sporadic because it is often considered to be the strategic part of finance, which is too important and too collaborative to be delivered from offshore.

However, the addition of FP&A services to GBS is on the rise due to a number of factors:

- GBS organisations are successfully demonstrating their ability to deliver complex processes.
- Post Covid, there is wider acceptance of collaborative multi-shore working
- The rise of digital analytics tools (including low-/no-code ones)
- Greater adoption of Cloud ERP and enterprise data architecture. GBS is at the centre of it and widely seen as the go to place for the single source of the truth.

Rise of offshore FP&A GBS Services

In recent years, we have begun to see signs of a strategic shift in GBS capability for FP&A services. The move up the value chain from transactional finance started with performance reporting, that is, gathering data from various system for reports that contain key financials. These reports generally contain reconciliations, evidence, and key controls. Gradually this move continued into the P&L, balance sheet and cash flow forecasting. As understanding is established, GBS has moved into strategic aspects of cost and performance management. Not only do they track, report and forecast – they take ownership of managing cost and performance, as well as driving transformation projects designed to increase the efficiency and effectiveness of these processes onshore and offshore and to improve the connectivity between the two.

Increasingly, mature GBS organisations are getting involved in the end-to-end process – annual planning, opex target setting, forecasting and budget management for specific P&L items. For example, the GBS of one global FMCG giant we have worked with not only gets involved in technology cost targets / budget setting, but also does rigorous scrutiny of cost/benefits. The GBS team also handles contract negotiation of technology service provider to deliver savings targets. Additionally, they deliver various transformation and automation projects to bring costs down.

Mature GBS organisations have also significantly improved the FP&A process in the enterprises they serve. GBS are in the forefront of driving standard management reporting system and framework across the enterprise. The GBS of one large engineering and technology company is the hub for management reporting and business analytics for all its strategic business groups, and it also chairs cross functional data analytics council covering six different functions.

FP&A services also evolved into creation of more inclusive analytics COEs, combining analytics for multiple functions, and providing it ‘as-a-service’. Digital platforms have significantly enabled the GBS to deliver productivity as well as improve forecast accuracy. The GBS of a Food and Beverages company focuses on Digital Management reporting (using Tableau), Integrated Digital Planning (using IBM Planning Analytics powered by TM1) and Predictive Analytics (leveraging Al and machine learning).

Focus on FP&A and analytics has further led to the GBS taking lead in enterprise-wide Master Data Management processes covering customer, product, vendor masters and stewardship of the finance data governance process.

A lot of untapped potential still

A recent ACCA survey of GBS organisations, completed with the help of PwC, (ACCA 2022) shows 55% have yet to take on any FP&A work within the GBS. An earlier PwC
survey (Suska et al 2021) found that, of those who are servicing FP&A from GBS, only 23% have sent more than 50% of their processes.
- Around a quarter of respondents plan to add more FP&A in future (highest among all support functions and processes)
- Over 30% of respondents are performing business analytics and Finance business partnering within their GBS operations.

So the direction of travel is clear but while adoption and coverage of services is rising, a few areas will still be outside the purview of GBS, until GBS organisations develop new capabilities and new ‘ways of working’ evolve. Areas such as strategic planning, a significant and increasingly important part of finance’s remit are high effort activities and require extensive onshore / offshore collaboration and as a result they remain largely uncovered by GBS.

Creating FP&A capability in the GBS
The nature of FP&A activities require different skill sets to those needed for transactional processing. Deeper business and industry understanding is critical. An ability to explore the data you are presented with, consider new data sources and drive insight using a range of digital tools, and collaboration and stakeholder front facing skills are necessary too. While technical skills are now widespread, business/industry acumen needs development and the gaps that sometimes exist between shared service operations and the front-line business need to be closed. For both initial set up and rapid scaling of the FP&A capabilities, GBS organisations are taking the following route:

- Building new capabilities by drawing talent from a wider range of industries and skill sets, for example data scientists and analytics experts
- Collaborating with consulting partners to set up technical / digital capability and infuse functional / process expertise
- Leveraging business knowledge from existing onshore teams and infusing that within GBS for initial set up
- Investing in training and development for people with a flair for the role.

Hiring the right talent is important and should follow different norms, giving justice to the nature of the work. Since this work is far more collaborative, building trust and confidence between onshore and GBS teams is also critical. When a leading multinational consumer credit reporting company created a FP&A GBS, it ensured that the GBS team is seen and treated as the extension of onshore teams.

Overall, exciting days are ahead for FP&A work in the GBS. This is a great way in which GBS organisations are creating enterprise-wide value. Both the GBS organisations and enterprises are acknowledging the fact and latching on to the opportunity.

Gaurav Agarwal, partner, PwC, India
Sambit Panda, Director – Management Consulting, India

So, what should I do?
✓ Define a broader view of performance that embraces purpose, people and profit and ensure that the planning process is aligned to this.
✓ Ensure that those working on planning and partnering activities have a detailed understanding of the levers in the operating model.
✓ Ensure that the relevant metrics of non-financial information are included in the planning process, including sustainability and social components.
✓ Look to integrate data across the value chain to facilitate agility in the planning process.
✓ Assess your current and aspirational states against the integrated planning maturity model (Figure 3.5).
✓ Implement a culture of integrated planning and collaboration around the process.
✓ Focus planning activities on cash and working capital management.
✓ Ensure that the range of stakeholder expectations of the planning process are addressed.
4. Role of finance in broader planning and performance

‘I think the key to key to any planning in the future is going to be agility’. CFO based in India
4.1 An overview – our hypotheses

Organisations and finance teams must think about the role of finance in business and ask whether finance is the planning function and supporting the entire organisation. What is the rationale for this now? The role of finance is morphing into business partnering enabled by technology. As purveyors of the business case, the finance teams are turning attention to the very technology of business intelligence and predictive analytics. Applying this technology to the data available to finance, including operational teams, places finance in the driving seat for organisation-wide planning and processes.

At one level, finance now has to maintain a strategic point of view on the UN Sustainable Development Goals (SDGs), net zero, diversity and inclusion, and tie these strategic imperatives into planning and processes cascading into company and team objectives. Finance as a business partner has a natural role in communicating the planning, budgeting and performance management processes and helping the business and teams to understand how to navigate the journey through uncertainty.

To support the definition of the role that finance can, and should, play in the broader planning and performance activities across an organisation, eight hypotheses were defined. These are summarised in Figure 4.1. These were discussed with the roundtable and interview participants as well as being evaluated by the survey respondents.

The hypotheses are as follows.

- **Purpose focused** – that planning and performance activities would be driven by organisational strategy and purpose, not just financial performance, and embrace ESG parameters.
- **Net zero** – that the activities would include organisational objectives towards net zero and biodiversity as part of the planning process.
- **Continuous and adaptive** – that planning and performance are a continuous and flexible activity that can accommodate both short- and longer-term changes in forecasting parameters.
- **Financial and operational** – that the activities include both financial and operational dynamics.
- **Technology enabled** – that teams use big data and machine learning (xP&A) to drive insights that are based upon a predictive analysis.
- **Data-centric** – that the activities are integrated into the technology and data architecture.
- **Supports innovation** – that teams support a culture of innovation and creativity; being forward looking.
- **Value adding** – that finance is perceived by stakeholders as adding value to the organisation rather than being a compliance activity.

Underpinning all these hypotheses is the need for the finance team to develop and maintain the appropriate range of skills and knowledge.

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**FIGURE 4.1: Hypotheses**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose focused</td>
<td>Driven by organisational strategy and purpose not just financial performance and embraces ESG parameters</td>
</tr>
<tr>
<td>Net zero</td>
<td>Incorporates organisational objectives towards net zero as part of planning process</td>
</tr>
<tr>
<td>Continuous and adaptive</td>
<td>Continuous and flexible activity that can accommodate both short- and longer-term changes in forecasting parameters</td>
</tr>
<tr>
<td>Financial and operational</td>
<td>Includes both financial and operational dynamics</td>
</tr>
<tr>
<td>Technology enabled</td>
<td>Uses big data and machine learning (xP&amp;A) to drive insights that are based upon a predictive analysis</td>
</tr>
<tr>
<td>Data-centric</td>
<td>Integrated into the technology and data architecture</td>
</tr>
<tr>
<td>Supports innovation</td>
<td>Supports a culture of innovation and creativity; being forward looking</td>
</tr>
<tr>
<td>Value adding</td>
<td>Perceived by stakeholders as adding value to the organisation rather than as a compliance activity</td>
</tr>
</tbody>
</table>
Figure 4.2 summarises the responses from the survey respondents. There was general acceptance of most of the hypotheses, although few had already been acted upon across the respondents’ organisations. Two hypotheses were less firmly accepted: that the planning and performance processes would include the organisational objectives towards net zero and that they would embrace big data and machine learning, where only 27% agreed that this was likely in the next three to five years.

Figure 4.3 asks the respondents to rank their areas of investment in the remainder of 2022 and into 2023. The responses were split between areas of investment in traditional FP&A processes and extended or xP&A processes. In both cases, the most significant investment area is in process efficiency, with staffing and investment in applications being the lowest priority. It should be noted, however that, using the scale applied in this question, there are no areas standing out and most are clustered around the median.

**IN BOTH CASES, THE MOST SIGNIFICANT INVESTMENT AREA IS IN PROCESS EFFICIENCY, WITH STAFFING AND INVESTMENT IN APPLICATIONS BEING THE LOWEST PRIORITY.**

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**FIGURE 4.2:** Which of the following characteristics of your planning and forecasting process do you envision will be implemented in your organisation in the medium-term (3 to 5 years)? (n = 2,884)

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Yes</th>
<th>Maybe</th>
<th>No</th>
<th>Already Implemented</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driven by organisational purpose</td>
<td></td>
<td></td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Include org objectives towards net zero</td>
<td>12%</td>
<td>26%</td>
<td>35%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Continuous and flexible</td>
<td>4%</td>
<td>5%</td>
<td>51%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Financial and operational</td>
<td>6%</td>
<td>5%</td>
<td>39%</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Integrated into operation and tech architecture</td>
<td>6%</td>
<td>5%</td>
<td>47%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Utilise big data and machine learning</td>
<td>9%</td>
<td>5%</td>
<td>35%</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Forward looking innovative culture</td>
<td>9%</td>
<td>5%</td>
<td>50%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Adds value to org</td>
<td>8%</td>
<td>5%</td>
<td>52%</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

**FIGURE 4.3:** Rank the following investment priorities of your organisation for the remainder of 2022 and into 2023, in respect of FP&A / xP&A (1= most important, 7 = least important) (n = 2,884)

- **FP&A**
- **xP&A**

<table>
<thead>
<tr>
<th>Area</th>
<th>FP&amp;A</th>
<th>xP&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process efficiency and cycle time improvements</td>
<td>3.30</td>
<td>3.38</td>
</tr>
<tr>
<td>Improving reporting</td>
<td>3.55</td>
<td>3.70</td>
</tr>
<tr>
<td>Skills of the FP&amp;A team</td>
<td>3.81</td>
<td>3.84</td>
</tr>
<tr>
<td>Automation</td>
<td>3.95</td>
<td>3.89</td>
</tr>
<tr>
<td>Closer collaboration with other teams</td>
<td>4.22</td>
<td>4.35</td>
</tr>
<tr>
<td>Staffing of the FP&amp;A team</td>
<td>4.56</td>
<td>4.44</td>
</tr>
<tr>
<td>New or enhanced applications</td>
<td>4.61</td>
<td>4.40</td>
</tr>
</tbody>
</table>
4.2 Collaborative not siloed

The planning and performance processes need to be organisation-wide. If they are siloed then the ability of the organisation to address the challenges that the coming years might well bring will be constrained.

A public sector finance lead noted:

‘I think maybe the one thing that has come positive post pandemic is that it has forced us to work closer together – to get each other all in a room and discuss what issues we are facing and how we can deal with them.’

Innovative cultures are essential for organisations to thrive in these times. Finance cannot be seen to be siloed. As several roundtable participants commented, if finance remains siloed and does not take responsibility for integrated planning across the organisation it will lose its ‘seat at the table’; another function may well assume the role.

Through involving all business teams in the planning process, planning cycle times are reduced significantly, providing the opportunity for continuous planning with company-wide data. Collaboration not only apparently does away with the opportunity for continuous planning with company-wide data, sales charts and forecasts output from business intelligence tools and discuss them as a team for decision making. Online team-meeting experiences have improved with new versions of software, while collaboration can use emoticons (gestures), speech and data visuals between team members to elaborate upon forecasts or variances.

While collaboration on financial plans has always been important, the difference in today’s uncertain environments is the readiness to collaborate, integrating it into every aspect of the planning process. The tools support two-way and team conversations and are available in standalone fashion, including the popular Salesforce, Slack or Microsoft Teams messaging applications. Users can annotate budget data, sales charts and forecasts output from business intelligence tools and discuss them as a team for decision making. Online team-meeting experiences have improved with new versions of software, while collaboration can use emoticons (gestures), speech and data visuals between team members to elaborate upon forecasts or variances.

Being collaborative requires a cultural change from focusing on assessing why an outcome was not achieved and seeking explanations for it to recognising that the past is precisely that, and what matters is what it can tell us about the future and the actions that we need to take. If the planning process is collaborative, so must be the performance of finance’s counterparties.

A CFO put this collaboration in the context of planning, giving the view that:

‘Predictive analysis is also another journey to look at. I do think that this is the phase and stage [where] the companies are aiming to be. However, we also need to be mindful of the efforts required to get there. This cannot be done by the finance team alone because it is an integrated process that comes from cross-functional teams.’

While collaboration on financial plans has always been important, the difference in today’s uncertain environments is the readiness to collaborate, integrating it into every aspect of the planning process. The tools support two-way and team conversations and are available in standalone fashion, including the popular Salesforce, Slack or Microsoft Teams messaging applications. Users can annotate budget data, sales charts and forecasts output from business intelligence tools and discuss them as a team for decision making. Online team-meeting experiences have improved with new versions of software, while collaboration can use emoticons (gestures), speech and data visuals between team members to elaborate upon forecasts or variances.

The availability of the collaboration tools helps team members rapidly discuss new insights such as the need to incorporate new external factors, create a new business vision for a division, and even consider new business models, as part of the planning on a continuous basis.

Collaboration with HR potentially creates a special opportunity. A closer relationship with HR not only leads to an understanding of the talent pool available within the business but HR may have insights that will affect organisation-wide planning now and in future. During planning collaboration sessions, DEI is a valuable component of the work environment and career planning. A simple four-core model of DEI built on principles of representation, participation, appreciation and application (Beach and Segars 2022) has potential for integration into the planning cycles managed by finance.

Collaboration and finance planning and analysis tools working in unison help reduce friction between different business teams such as sales, marketing, finance, production, and logistics, especially with deadlines looming for revised revenue forecasts and other qualitative indicators. The differing objectives of each stakeholder make finance team collaboration with participants essential, especially when developing best and worst-case future scenarios, to try to avoid surprises. Through reviewing worst-case scenarios, the collaborating team members have an approach to uncovering potential problems and conducting a ‘premortem’ (Klein, 2007). This requires simulating an initiative failure and working to understand the critical success factors, identifying the known unknowns (Logan 2009). Nonetheless, ‘unknown unknowns’ (ibid) such as the global pandemic or the tsunami that destroyed Japan’s Fukushima Daiichi Nuclear Power Plant, may never have been planned for by any organisation. Planning collaboratively rather than in silos will help to reduce the risk of ‘known unknowns’ but the only way of addressing unknown unknowns is flexibility and organisation-wide collaboration when they materialise.
4.3 Organisation-wide performance

Planning is an activity that draws on the expertise of every team in the organisation. This is equally true of performance. The measurement of performance has traditionally been at a functional or individual level. Targets were set at the start of the year and individuals assessed on those targets. As we have seen in 2020 and 2021, setting a target at the start of the year may well not relate to the outcome. Although the nature of the challenges may be different it is likely that the same may well apply in 2022 and 2023.

When assessing performance, it is important to take a broader view and focus upon team achievements, to support integrated thinking and collaborative behaviours. The KPIs used in performance assessment need to reflect the totality of the operating model, both in its financial and non-financial aspects.

The report Finance – a Journey to the Future (ACCA / PwC 2019) included the concepts of the work of Beyond Budgeting, which advocates that organisations should, ‘evaluate performance holistically and with peer feedback for learning and development; not based on measurement only and not for rewards only’ (Beyond Budgeting n.d.). So doing creates a stronger link between the financial and human capital aspects of performance management.

A South Africa-based roundtable participant commented: ‘if you look at the literature, the research and the leading practices about 15 years ago, they started talking about Beyond Budgeting, which talked about removing the annual budgeting process and just becoming much more iterative in your forecasting process or every single month you are reviewing your plans; looking forward and you are adjusting by exception. However, what we have also learned in the last 15 years is [that] organisations don’t like letting go of the control that that annual budget provides them with. It is typically the largest exercise that organisations get involved in and the whole organisation gets involved to understand exactly what they are doing for the next year, what they are going to be incentivised on, and so forth.

We probably should get away from the annual cycle, but maybe not the depth and consideration that goes into it’.

Most traditional performance management systems are based upon direct accountability. This is increasingly something that is hard to justify against the integrated planning principles. Causes and effects are increasingly complex and require potentially detailed explanations.

A mainland China CFO commented that: ‘more often than not we can’t predict too much, and it is annoyingly miserable. The so-called three- or five- year plan is likely to rest on paper. We only have a general direction, so we need more appropriate and humanised KPIs. Unrealistic goals will only discourage our employees as they fail to get their due remunerations, which will end up being a loss to our entire group’.

An Australia-based roundtable participant commented: ‘We talk about performance management, and I would ask the question, do you need to manage performance? Because if I look at the best organisations in the world, they don’t manage performance, they enable performance, they set up the systems and the environment to enable people, too’.

Performance is also strongly linked to transformation. The fourth industrial revolution is changing the operating models of organisations and as cost pressures increase so automation can be more attractive. As an accounting practice leader who consults in this area commented: ‘as organisations adopt new pieces of technology and change the way workflow happens what I have been seeing is a level of frustration by employees, because they are still working on the same performance measures that were developed a year to three years ago, but what they as individuals are doing has changed. Performance management needs to be realigned regularly’. In turn this needs to feed back into the planning process itself. Modelling an out-of-date operating model will not drive growth.
4.4 Cross-functional business partners

In their report *Finance Insights – Reimagined* (ACCA / PwC 2020) ACCA and PwC considered the development of the role of the finance business partner as key to organisational success. The report also addressed how finance business partners should embrace the six capitals of the Integrated Reporting Framework (IFRS Foundation n.d. b).

Many roundtable participants stressed the importance of this role from a finance perspective in relation to planning and performance. Having effective business partners who understand the operating model within the context of the current macro- and micro-economic environments and are able to communicate the effect on performance of the variable factors which have an impact on it, especially in the operating environment of late 2022, was seen as essential.

The importance of finance operating effectively in three domains was highlighted in this report (Figure 4.4).

**FIGURE 4.4: Domains of an effective finance function**

Business Insight is the key domain for the finance business partner. Business insight entails effective partnering with the business to create value. In a high-performing finance function:
- time is concentrated on planning and decision making, not transactional processing and data manipulation
- scorecards and balance metrics are linked with enterprise-level strategic objectives
- performance measures are directly tied to business strategies
- data and reporting are standardised, and necessary governance is established
- an efficient strategic planning process is used in which finance is actively engaged.

The effective finance business partner, as part of the finance function, has an extensive skill set which extends beyond the technical skills into a range of interpersonal skills.

A CFO noted that:

> ‘Younger people can better understand why we leaders make certain decisions. They understand how leaders talk and how leaders think during those leadership meetings as well. So, all this over time will give them the exposure and the confidence to do all this business partnering and this is not going to happen overnight. It is going to be a process where we as leaders need to invest in the future generation’.

4.5 Skill sets

Agile forecasting requires a blend of financial and non-financial information to generate budgets and forecasts, and this creates a need for data specialists. Yet such skills are in short supply in the marketplace. Since much of the planning work revolves around acquiring data, cleaning, processing and interpreting data from disparate operational systems and external data, there is potential for developing the talent in-house. This hybridisation of talent (ACCA / CA ANZ 2020) helps nurture employees and team members who understand the value of business and analytics. Rather than just hunting for analytics star talent, upskill staff to use predictive and prescriptive analytics. Nonetheless, the recruitment of external staff helps participation in strategic conversations and bring knowledge into the planning process to support the business with the right metrics. So a balance of new and upskilled existing staff is ideal.

Besides this, to support the planning and performance processes, the finance professional requires the softer skills of communicating data insights and narratives to decision makers. The additional skills of business partnering boost the future trajectory of the finance team in supporting company-wide planning efforts.11

Key team members include the data custodians/stewards, with their specialist skill sets. While progressive companies race ahead and embrace ‘data lakes’, a lack of governance and oversight is resulting in ‘data swamps’ (Rao 2018) and data warehouses cannot keep up with the business changes and regulatory demands. The data stewards and the management of data they can provide lead to success with data-centric planning projects, including those involving AI. Often overlooked, the role of the data steward is instrumental in using data to help overcome business challenges and identify new business opportunities, providing value from leveraging data. While data stewards are seen as helping manage data better, these individuals have a critical role in creating a data-driven culture within organisations as well as co-designing a new generation of information and AI systems. Surprisingly “…very little formal training [is] available for Business Data Stewards” (Datavault 2022).

11 The skill sets of a finance business partner, among other related roles, are defined in ACCA (n.d.).
4.6 Data-driven finance

Data is essential when reviewing performance. Having trusted data drawn from a range of business areas and big data sources is essential for making the best decisions. That data needs to be acquired in as near real-time as possible, so that decisions made reflect the current position. Managers need directional data quickly to make appropriate decisions. Finance teams are used to providing ‘correct’ data much more slowly (Table 4.1) – this cannot continue. Reporting performance one month in arrears is no longer useful. If finance teams wish to drive performance, they need to be able to articulate what that performance is today.

For many organisations, challenges created by legacy systems and processes mean that they struggle to achieve this goal. It is easy to say that investment is necessary, but it can be very hard to develop the business or value case. Understanding what is possible can be the difference between survival and failure. Those organisations that are on the path to becoming data driven are able to undertake corrective action more quickly than those that are lagging.

A roundtable participant commented: ‘non-financial data is at the heart of what we talk about, and your planning process should never be last year plus inflation’. It should be about the true drivers of your organisation, and typically those drivers are not financial. They are the operational or the non-financial metrics of what you do that results in the financial results that you are looking for. The integration of your non-financials and your financials and the change in your methodology of planning is what is driving a lot of these organisations today to give them insights into what’s happening, why they are not making their budgets, why their actuals are different to what they forecast’.

Being data-driven requires a strong link between financial performance and operational big data. The natural evolution requires a focus on tools: the dashboard and data visualisation tools that allow an understanding of what drives the results of the business. Such tools in the right hands among planning team members help them to generate the information stakeholders need.

### Table 4.1: Operational big data sources and areas of business

<table>
<thead>
<tr>
<th>AREAS OF BUSINESS</th>
<th>OPERATIONAL BIG DATA SOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>Online databases complementing historic value</td>
</tr>
<tr>
<td>Marketing</td>
<td>Social media, email, Google searches, website data and even health data from wristband devices and smartphones</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>Full textual description (unstructured data) of goods and services</td>
</tr>
<tr>
<td>Purchases and sales</td>
<td>Radio frequency identification (RFID), GPS and Bluetooth beacons</td>
</tr>
<tr>
<td>Cash</td>
<td>Mobile payments, electronic credit, Apple Pay and Android via near-field communications (NFC)</td>
</tr>
<tr>
<td>Customer service</td>
<td>Email, social media and call centre records (CCR)</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>RFID, GPS, video (logistics centre) and temperature</td>
</tr>
<tr>
<td>Inventory</td>
<td>RFID, GPS, video (stocking warehouse)</td>
</tr>
</tbody>
</table>

Source: ACCA / CA ANZ 2020
4.7 From CFO to CVO

In accepting the proposition that measures of performance now need to be far broader than those considered from a traditional financial perspective, the finance function is moving towards a value-driven perspective.

The CFO is no longer just the custodian of financial assets, and the effective finance function has a range of responsibilities in driving great performance across the organisation (Figure 4.5). As the leader, the CFO is now becoming the chief value officer (CVO) with a broader view of performance and responding to a wider range of stakeholders who scrutinise and assess that performance. The concept of ‘value’ embraces many different drivers, as discussed in this report. The Climate Disclosure Standards Board (now absorbed into IFRS Foundation to support the ISSB) commented in 2021 that: ‘As an expert in sustainability accounting, the Chief Value Officer (CVO) integrates all value creation of the company with a multi-capital vision’. It continues that: ‘this requires a new strategic way of thinking in multi-capital accounting practices that demonstrates responsible leadership’ (CDSB 2021).

Delphine Gibassier of Audencia Business School, writing in AB Magazine in 2020, commented that to achieve this, CFOs: ‘will need to use a mixture of measures and indicators – financial, non-financial and pre-financial. Tools currently under development (such as new scorecards, capital expenditure tools and internal carbon markets) are rapidly becoming multidimensional. They include various types of metric, which themselves need to be put into the context of external trends, business models, sector shifts and stakeholder demands’ (Gibassier 2020).

CFOs need to develop a broader range of skills, both among their teams and for themselves.12

It is clear that performance in the broadest sense now has a far wider measure than the achievement of financial objectives alone. The need for CFOs to have a perspective on non-financial dimensions is important, perhaps even essential. Planning and performance management therefore needs to reflect the broader agenda. A failure to develop an integrated plan can lead to goal incongruence.

At a time when investors are increasingly looking at performance through the lens of ESG ratings and similar perspectives, planning activities need to become all-encompassing. It is a different planning and performance management paradigm from that of the past.

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**So, what should I do?**

- ✓ Develop a roadmap that embraces a broader view of performance.
- ✓ Ensure that the culture of the finance function is collaborative and not siloed.
- ✓ Define a set of key performance indicators that reflect a broader view of performance.
- ✓ Re-evaluate performance management systems to focus on team and organisational performance rather than individual contributions.
- ✓ Hybridise talent, combining business and analytics skills.
- ✓ Provide access to data custodians/stewards.
- ✓ Reflect on-going changes in the operating model in the performance management metrics.
- ✓ Develop / reinforce the finance team’s business partnering skills.
- ✓ Ensure that the focus is on reporting data-driven performance measures.
- ✓ Integrate operational big data sources into the planning models using real-time links where appropriate.
- ✓ Develop business / value cases for performance engagement.
- ✓ As a CFO, focus on the development of value-based reporting, both internally and externally.

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12 The range of skills for a CFO was discussed in ACCA / IMA (2020).
Planning and performance management are key processes for all organisations. Certainty, or near certainty, is something that we can strive for but never obtain. The events of 2020 and 2021 have shown us that certainty can be rapidly overtaken by uncertainty. Subsequently, 2022 has its own challenges.

With the business environment changing ever more rapidly, the traditional planning and budgeting cycles are being called into question. The respondents to the survey conducted for this report nonetheless indicated that many of the traditional cycles were being maintained.

This is concerning. If finance teams are to remain relevant, they need to embrace the more dynamic nature of the operating models that are evolving. FP&A needs to be extended: xP&A is the future, with integrated planning taking data from multiple sources and providing a broader view of performance. Finance teams need to be true and trusted business partners working across the organisation.

That broader view is also being required by stakeholders. As interest in the ESG agenda continues to grow among a variety of stakeholders commensurate with stakeholder

‘Trying to forecast is like trying to nail jelly to a wall because we are going through so much now in terms of economic challenges, rising costs and changes in consumer buying. If you haven’t got a good planning process that you complete mentally or you know you’re constantly looking at, then you are going to fall foul of some of these things that are happening to you, and you will not notice [until it is too late].’ UK-based CFO

Conclusion
capitalism there is also a need to embed aspects of a variety of issues in the planning and performance processes. Uncertain times require dynamic actions. Working capital and cash are increasingly vital as keys to organisational success. Yet it no longer seems relevant to view performance through a financial lens alone. Those leading organisations face a critical balance between the short-term impact of inflationary and other economic pressures against a need for longer-term investment. Those organisations that survive in challenging times embrace this conundrum. Agile planning does not represent a loss of control, perfection will not guarantee success; rather agility presents an opportunity to increase control through a close focus on customer-centricity through utilising data effectively. The choices are clear but the culture of planning and performance needs to adapt accordingly, including the tone from the top.

The attributes of an effective planning and performance system can be summarised in Figure 5.1.

Planning and performance systems should have all or at least some of these characteristics.

- **Planning must be agile and use real-time data where possible** – in the challenging economic environment, today’s plan can well be out of date tomorrow. A cumbersome system will not support effective decision making and will lose finance its ‘seat at the table’.
- **Planning should allow for several possible scenarios** – uncertainty is the watchword. There are no certain outcomes and stakeholders need to be presented with a range of potential performance outcomes, rather than one tightly defined budget that is out of date the moment it is published.
- **Planning is a predictive undertaking** – so the team’s work must be forward looking to support decision making: encompassing the levers of the business model and embracing technology such as ML and AI, where appropriate.

The paradigm is between evolving and remaining relevant with ‘a seat at the table’, or retaining the traditional approach and increasingly losing relevance. It is a choice that finance must make now.
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>Adaptive planning</td>
<td>An iterative process framework for organising a myriad of information flows, analyses, issues and opinions that coalesce into strategic decisions.</td>
</tr>
<tr>
<td>Analysis</td>
<td>An assessment of the viability, stability, and profitability of an organisation, sub-organisation or project. It is performed through the production of reports using ratios and other techniques, that make use of information taken from financial systems and other sources.</td>
</tr>
<tr>
<td>Forecast</td>
<td>An estimate of future financial outcomes for a company or project, usually applied in budgeting, capital budgeting and/or valuation, typically covering a longer term than a plan.</td>
</tr>
<tr>
<td>Foresight</td>
<td>Foresight (also called strategic foresight) is an approach that aims at making sense of the future, understanding drivers of change that are outside one’s control, and preparing for what may lead to success or failure in the future.</td>
</tr>
<tr>
<td>Nowcasting</td>
<td>An approach to monitoring economic conditions in real-time. It makes financial market trading more efficient because economic dynamics drive corporate profits, financial flows and policy decisions, and account for a large part of asset price fluctuations. The main technology behind nowcasting is the dynamic factor model, which condenses the information of numerous correlated ‘hard’ and ‘soft’ data series into a small number of ‘latent’ factors.</td>
</tr>
<tr>
<td>Planning</td>
<td>A comprehensive evaluation of an organisation’s current and future financial state using current known variables (profit and loss and balance sheet items) to predict future income, asset values and withdrawal plans.</td>
</tr>
<tr>
<td>Scenario modelling</td>
<td>A process of adjusting one or more variables to simulate possible events or scenarios and predict the various feasible results or outcomes.</td>
</tr>
<tr>
<td>xP&amp;A</td>
<td>A planning approach that takes the best FP&amp;A capabilities – such as continuous planning, forecasting, advanced analytics, and performance monitoring – and extends them across the organisation.</td>
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</tbody>
</table>
Appendix – Survey demographics

The survey that formed part of the research activities for this report received 2,884 responses from ACCA and CA ANZ members worldwide, together with PwC clients and contacts. An analysis of these responses is given in the following graphs.

General assumptions
- For the purpose of consistency, most of the analysis used globally aggregated data, which included input from the entire survey population.
- The survey was conducted online in July 2022.

Analysis of responses

**FIGURE A1:** Responses by region (n = 2,884)
- Asia-Pacific, 38%
- Western Europe, 24%
- Africa, 17%
- South Asia, 7%
- Middle East, 5%
- CEE, 4%
- Caribbean, 4%
- North America, 2%

**FIGURE A2:** Responses by sector (n = 2,884)
- Big Four accounting firm, 4%
- Corporate sector – small/medium sized, 23%
- Corporate sector – large, 19%
- Financial services – small/medium sized, 7%
- Financial services – large, 6%
- Mid-tier accounting firm, 6%
- Small or medium-sized practice (SMP), 12%
- Not-for-profit, 7%
- Other international accounting firm, 1%
- Public sector, 10%
- Not currently working/career break/retired, 1%
- Other, 3%

**FIGURE A3:** Responses by entity size (n = 2,840)
- 0 - 9 employees, 9%
- 10 - 49 employees, 14%
- 50 - 249 employees, 23%
- 250 - 999 employees, 19%
- 1,000 - 9,999 employees, 21%
- 10,000+ employees, 12%

**FIGURE A4:** Responses by respondent (n = 2,884)
- Principally in business (such as working in a finance, accounting, or internal audit team or providing finance services across the organisation), 80%
- Principally in public or other practice (such as an accountancy firm and undertaking audit, attestation, advisory and / or tax), 20%

**FIGURE A5:** Responses by role (n = 1,854)
- Internal Auditor / Financial compliance, 13%
- Financial Accountant, 11%
- Finance / Operation Manager, 8%
- Chief Financial Officer (CFO), 7%
- Audit Manager, 7%
- Financial Controller / Head of Compliance, 6%
- Head of Finance / Director, 6%
- Audit Senior Manager, 4%
- Consultant, 4%
- Management Accountant, 4%
- External Auditor, 3%
- Other, 27%
The contributions of the following individuals in the development of this research are noted with thanks.

Santosh Abbimane, DTDC, India
Gaurau Aggarwal, PwC, India
Nnenna Anyanwu, Brandstad Consulting, UK
Fazal Bacchus, Demerara Distillers Limited & Subsidiaries, Guyana
Prasenna Balachandran, Laugfs PLC, Sri Lanka
Tim Barber, University of Hull, UK
James Best, All Dimensions Consulting, UK
Vishal Bhavasar, Shared Health Manitoba, Canada
Hawaby Binti Sultan Muhamad, Webe Digital, Malaysia
Orla Carolan, GT, Republic of Ireland
Kelly Chan, Yuanbo Consulting Co., Ltd., mainland China
Russell Colbourne, CFO Centre, Australia
Oliver Colling, Morely Colling Associates, UK
Andy Cristin, Pareto Financial Direction Ltd, UK
Ren Dandan, an A-share listed investment company, mainland China
Stephen Dowling, eTM, Australia
Stuart Eadie, Vodafone, UK
Kelvin Lee Ee-Meng, Fairprice, Singapore
Joshua El Bidawi, Williams Towers Watson, UK
Andrew Esilby-Smith, Amtico, UK
Alex Falcon Huerta, Soaring Falcon, UK
Thomas Finn, Logiwa WMS, US
Lucian Francis, World Vision Australia, Australia
Jan-Louis Fouché, ABSA, South Africa
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Shawn Gurcharran, Guyana Bank for Trade and Industry Limited, Guyana
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Mu Hassan, PwC, US
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Robert Hoy, William Morris London, UK
Elchin Ibadov, SOCAR Turkey Refinery and Petrochemicals Business Unit, Turkey
Dave Ireland, B&Q, UK
Ankush Jain, Dabur, India
Derek Johnstone, Consultant, Canada
Kevin Jones, SA Power Networks, Australia
Robert van der Klauw, Munich Re, UAE
Valentyina Korshuk, Greenlight Consulting, Canada
SV Krishnan, Redington, India
Neil Krull, TMF Group, South Africa
Sanjay Kumar, PepsiCo Global Concentrate Solutions, Republic of Ireland
Om Brajesh Kumar, Jindal Steel and Power, India
Peter Kurtz, PwC, Australia
Subash Kutticad, Temenos, India
Charlie Kwint, PwC, South Africa
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Zia Paton, PwC, Trinidad and Tobago
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Sajindu Perera, MAS Holdings, Sri Lanka
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Sean Richter, PwC, US
Dilshan Rodrigo, Hatton National Bank PLC, Sri Lanka
David Rogers, Standard Chartered Bank, Singapore
Alistair Roman, consulting CFO, UK
Senuri Senayake, PwC, Sri Lanka
Andrew Sharkey, Mission Australia, Australia
Brendan Sheehan, White Squires, Australia
Lesley Smith, High Force Research Ltd, UK
Yvonne Soglo, National Treasury of South Africa, South Africa
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Daryll Wang, PwC, Singapore
Brad Wikston, Blue Giant Equipment Corp., Canada
Pete Williams, Pengiuin Random House, UK
Liu Xiaokai, Mengniu UHT Milk Unit, mainland China
Jiang Xing, Kohler Group, mainland China

ACCA, CA ANZ and PwC would also like to thank all those who kindly completed the survey.

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