Gartner

Gartner for Finance

Your Must-Have Toolkit for Finance Strategic Planning

5 activities that are key to impactful strategic planning

Strategic planning can be an arduous process, but certain activities will differentiate your plan as one that really drives impact.

The below five steps are especially important. Use this guide to consider the tools you will use at each stage in the strategic planning process to capture and share key information with stakeholders.

1. **Gauge the business context** and confirm the enterprise mission and goals. Ensure your finance employees know how they'll apply these principles to their everyday work. Align your finance goals with enterprise goals for stronger impact.
2. **Assess your finance organization's ability** to deliver on your goals and create a plan to fill the capability gaps that could slow your time to impact.
3. **Strategically manage finance budgets** to fund multiyear technology investments that support the organization's strategy.
4. **Validate your budget** with peer-informed benchmarks that compare technology investment, G&A spend and staffing plans to industry peers.
5. **Document your strategy** — ideally on just one page — to simply and clearly state where the finance organization is, where it's going and how it plans to get there.

By 2030,
almost all of finance's transactional and most of its judgment- and oversight-based work will be automated or AI-augmented.

Source: Gartner

Tools and frameworks you'll need

1
Gauge the business context

- Verify business priorities
- Explore trends shaping the future of finance

2
Assess your function's capabilities

- Benchmark finance's effectiveness
- Assess AI maturity and capabilities

3
Strategically manage functional budgets

- Build a multiyear finance tech roadmap
- Evaluate tech purchasing decisions
- Achieve IT savings through contract review

4
Validate your budget

- Benchmark budget and staffing plans
- Prioritize cost management decisions

5
Document your strategy

- Strategic planning templates

1. Gauge the business context

Surface and verify the priorities of the enterprise and your business partners.

First, make sure you understand enterprise business goals well enough to craft a strategic plan for your finance organization that will support enterprise ambitions.

Document both the business context and the likely impact on your function of factors:

- **Within** your function
- **Internal** to the enterprise
- **External** to the enterprise

Understand the organization's strategy and goals

Organizational strategy		
Organizational goal No. 1	Organizational goal No. 2	Organizational goal No. 3

Key questions to ask:

- What are the key business objectives for the next one, two and five years?
- What are the organization's core strategies to achieve these goals?
- How does the organization plan to execute these strategies?
- What are current challenges facing the organization?

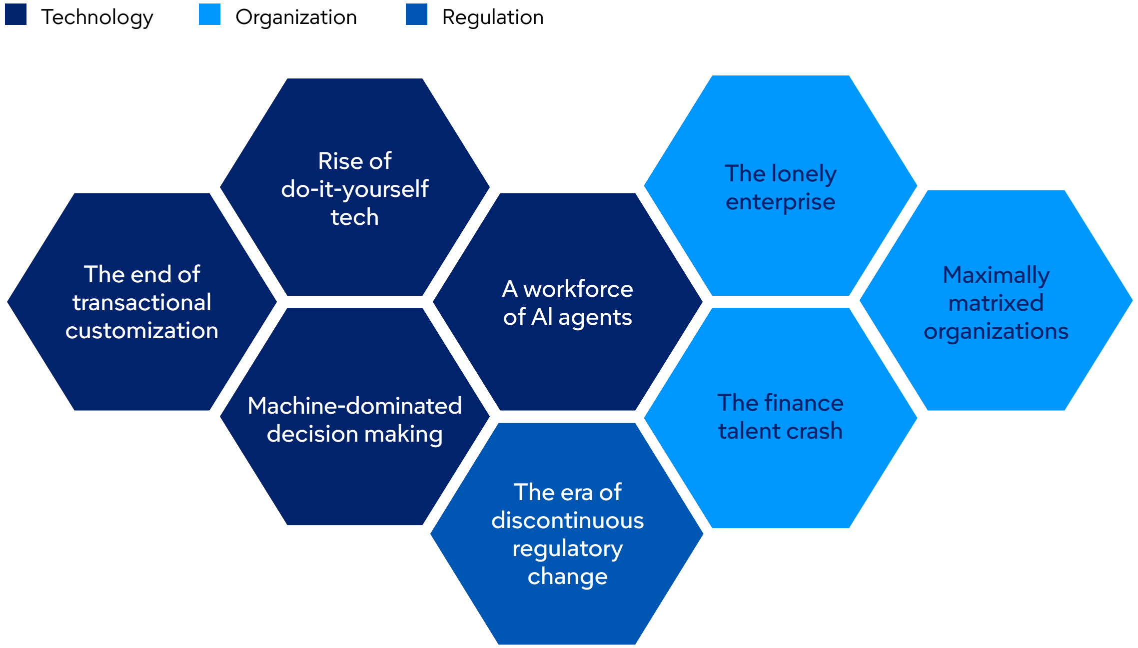
1. Gauge the business context

Understand trends shaping the future of finance

In the next three years, eight major technological, organizational and regulatory forces will catalyze the transformation of finance. Take these trends into account as you build your strategic plan and prioritize according to the forces most relevant to your business context.

For example, the availability of finance talent will decline significantly by 2030. As more experienced employees retire and the inflow of newly trained finance professionals slows, CFOs must take steps today to optimally position their organizations for **the finance talent crash**. CFOs must hire technology talent, which will be more abundant than traditional finance talent and can help the function transform and automate more effectively.

8 forces reshaping finance in 2030



Source: Gartner

2. Assess your function's capabilities

Determine how well-positioned your function is to deliver on strategy.

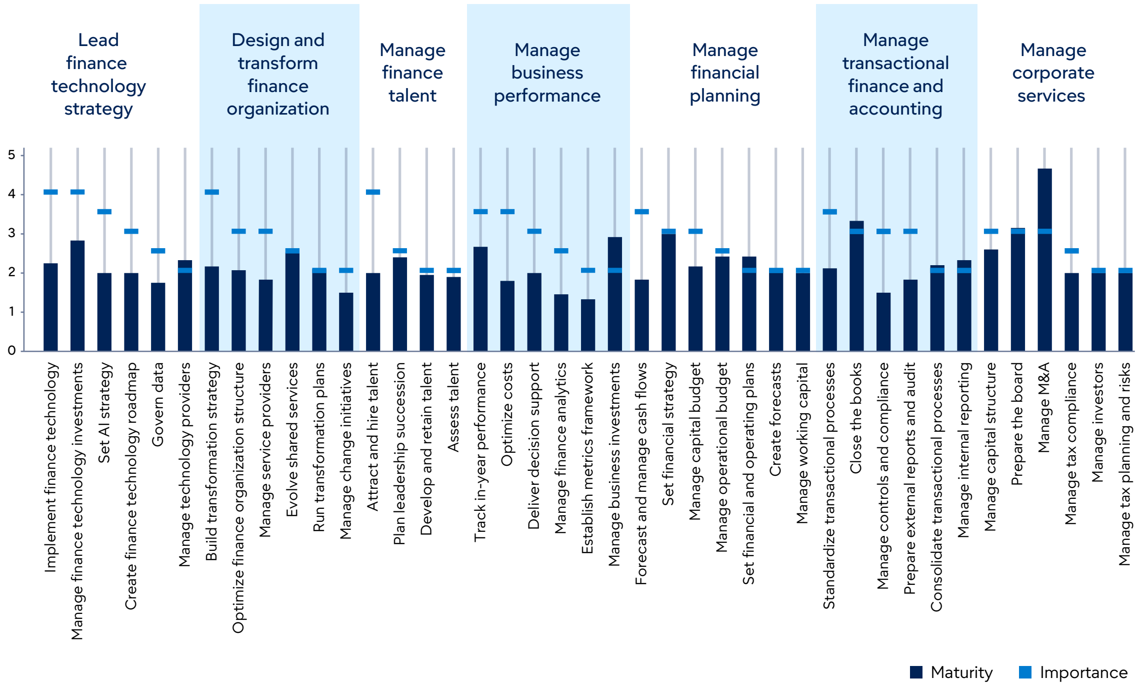
To ensure optimal results from strategic efforts, it's critical to assess the role of finance in the enterprise and how well it performs that role. As the enterprise strategy evolves, so will this assessment.

In your strategic planning cycle, use **Gartner Finance Score** to build a roadmap to improve your effectiveness. This benchmarking tool will help you measure:

- **Existing performance** across eight finance objectives and 31 key management activities within scope for the finance function.
- Your **maturity** in different activities on a simple-to-understand scale so you can easily compare maturity in different activities and against best-practice levels.
- The **criticality of activities** on a simple scale so you can focus on requisites for your finance organization to deliver its contribution to enterprise strategy.

Download Sample Report

Maturity and importance



Functional maturity overall (2), n = 2
Source: Gartner

2. Assess your function's capabilities

Assess AI capabilities and build competency

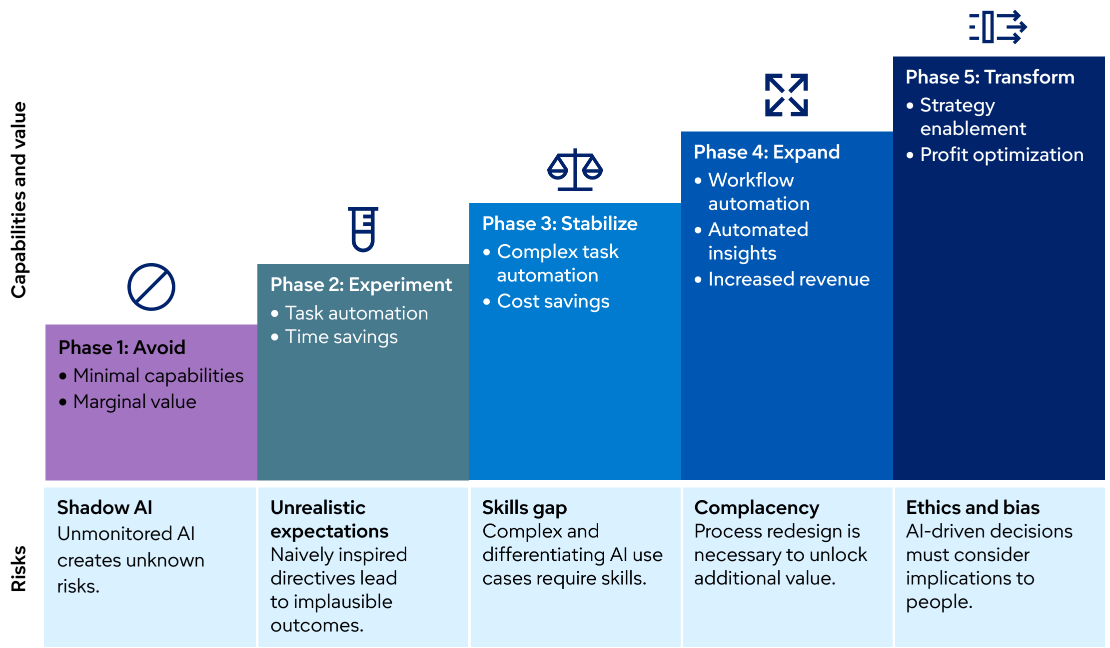
AI use in finance almost doubled in the past year. It helps teams automate work, detect errors and gain deeper insights from their data. However, finance leaders often face challenges in implementing AI responsibly while ensuring reliable, repeatable and auditable results.

Gartner Finance AI Maturity Model can help finance leaders:

1. **Assess** the current level of AI maturity
2. **Build** a roadmap that balances maturity across operational aspects
3. **Establish** reasonable expectations for AI and avoid risk

→ Discover More AI in Finance Resources

Gartner Finance AI Maturity Model



Source: Gartner

3. Strategically manage functional budgets

Plan for multiyear technology investments with a finance technology roadmap.

Eighty percent of finance leaders agree they must significantly accelerate digital technology within their function to effectively support the organization's digital strategy.

To appropriately plan for technology spend beyond year one and avoid technical debt, CFOs must develop a capability-centric, multiyear technology roadmap.

→ Gartner Clients: Get Started

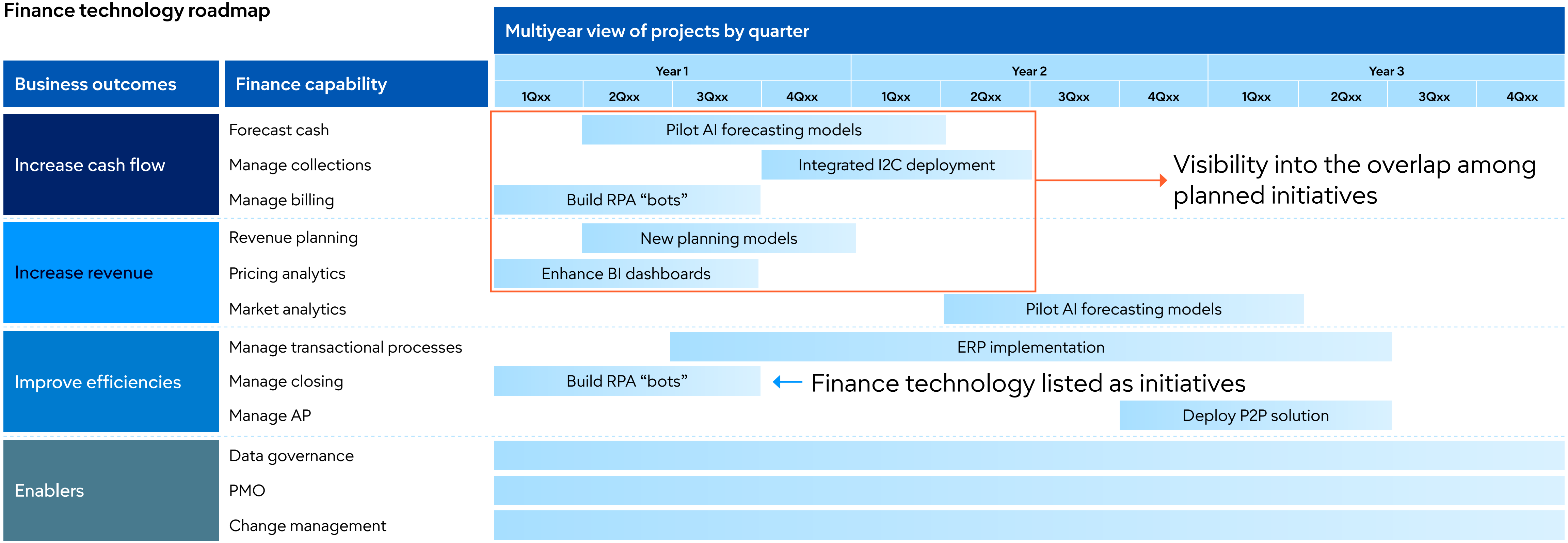
Follow three steps to build your roadmap:

1. **Define finance technology roadmap objectives.** Examine your business strategy document and define the end-state finance capabilities that should be delivered through the technology roadmap.
2. **Determine technology initiatives.** Identify the technology initiatives (i.e., investments in existing or new technologies) required to support the organization's strategic objectives.
3. **Document the technology roadmap.** Visually present the technology initiatives sequenced over a specified time frame in support of the organization's strategic objectives.

3. Strategically manage functional budgets

Plan for multiyear technology investments with a finance technology roadmap

Finance technology roadmap



Source: Gartner

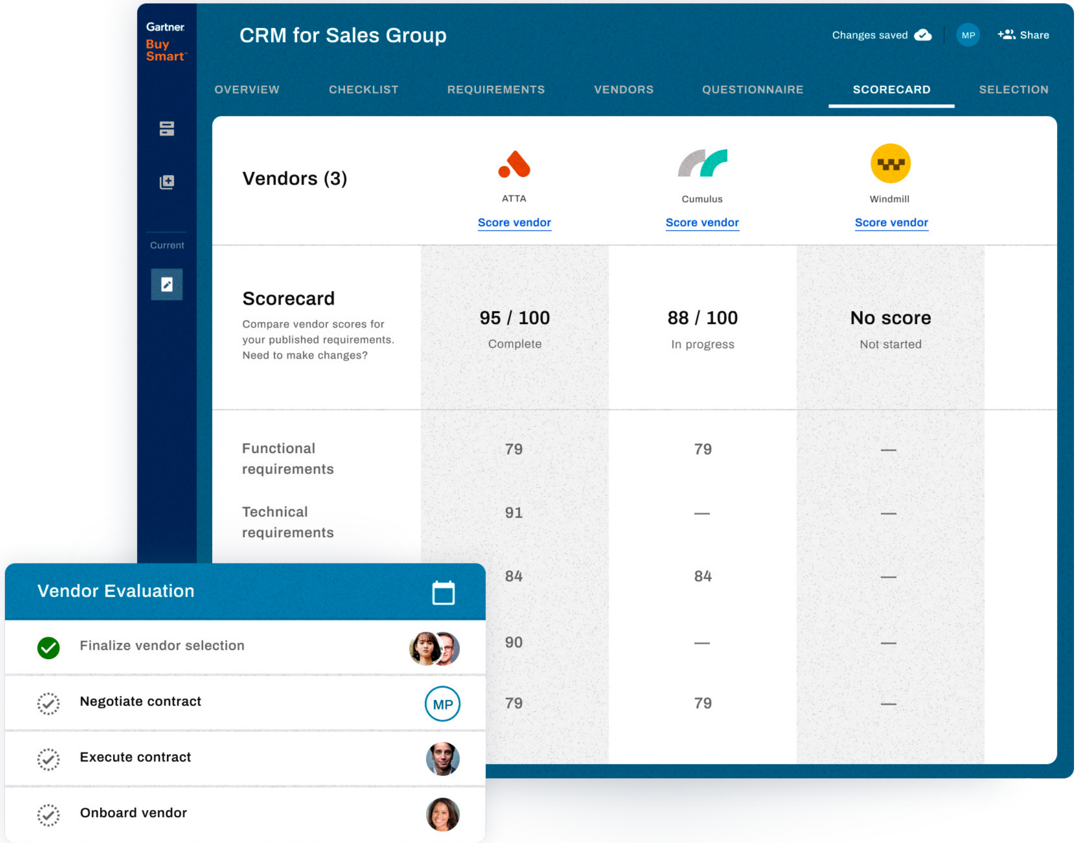
3. Strategically manage functional budgets

Evaluate tech purchasing decisions and buy with confidence

Once you've built your technology roadmap and documented investment decisions, use the Gartner BuySmart™ tool to access analyst and peer insights and evaluation templates for a range of solutions.

- **Evaluate** using requirements, questionnaires, scorecards and more, chosen by and visible to your whole team.
- **Select** vendors using your aggregated team scores to remove bias and clarify decisions.
- **Optimize** your spend and reduce risk with a Gartner analyst proposal review.

→ Learn More



3. Strategically manage functional budgets

Achieve IT savings with contract and cost optimization services

Discover how to extract more leverage and achieve optimal terms in seemingly impossible negotiations.

For over three decades, Gartner trusted contract and cost optimization practice generates $1 billion in client savings each year. We help clients achieve the most optimal contracts possible when negotiating major IT agreements.

Gartner negotiators previously worked for many of the largest IT vendors and bring insider perspectives to vendor sales, financial procedures and negotiation tactics.

Learn More

The value of Gartner proposal reviews

13%
average reduction of total vendor contract costs

14K+
proposals reviewed by Gartner annually

15K+
client enterprise engagements each year

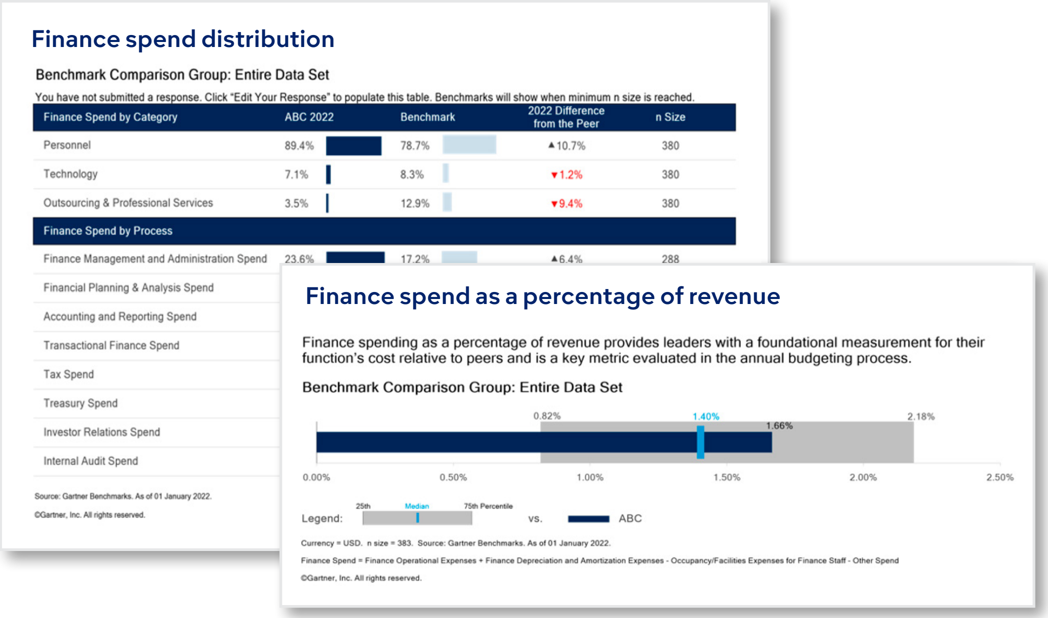
Source: Gartner

4. Validate your budget

Compare spending and staffing plans with the Finance Budget & Efficiency Benchmark.

CFOs can use the **Finance Budget & Efficiency Benchmark tool** to compare their spending and staffing plans to those of industry peers. This interactive assessment tool provides users with detailed benchmark comparisons and helps finance leaders:

- Establish a baseline of total finance spend and staff levels
- Compare spend to industry peers
- Inform and validate budgeting
- Assess which processes and resources within functions are over- or under-invested relative to peers
- Refine finance transformation strategy
- Justify finance technology investments
- Drive informed resource discussions with IT, HR, marketing and legal functions
- Communicate performance to senior management and the board



→ Download Sample Report

4. Validate your budget

Prioritize cost optimization decisions without risking your business

As the external environment evolves, finance leaders must revisit their cost optimization strategy and ensure it still serves their organization's needs. They must also avoid common misunderstandings that can hinder strategic cost optimization, including:

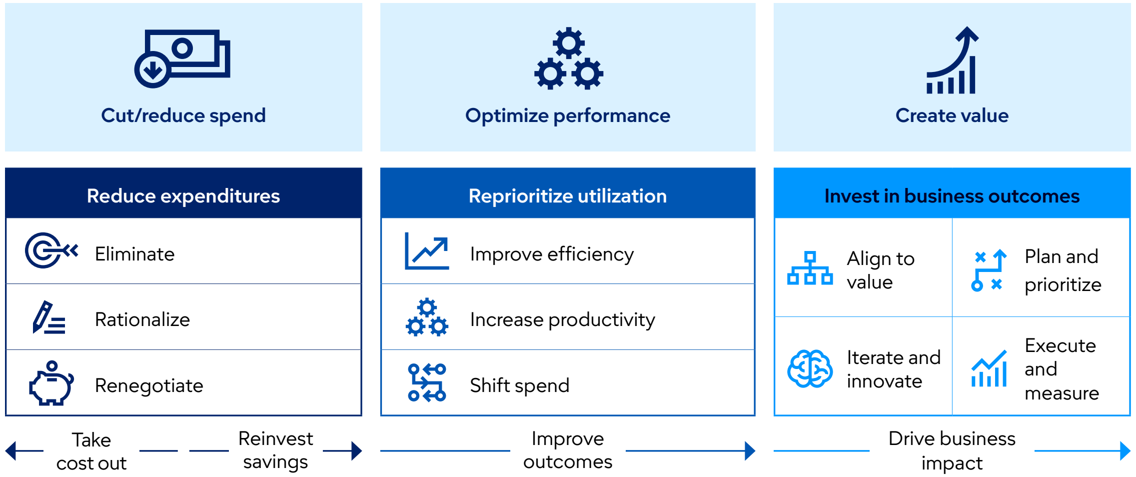
"Across-the-board cuts are fairest."
Instead of penalizing more efficient parts of the organization or important sources of value, preserve spending that creates strategic value and differentiates their organization from competitors.

"We can reduce expenses at the margin."
Repeated marginal cost cuts have only a marginal impact and can fail to address possible structural inefficiencies at the heart of the organization. Real change requires big, bold moves — like forcing trade-offs among strategic objectives.

"Innovation can be paused for austerity."
Innovation is an engine for competitive differentiation and sustained growth. To support innovation while conserving cash, CFOs can adopt tactics like milestone-based funding, releasing resources in batches to test the viability of critical assumptions.

Explore More

Gartner Cost Optimization and Resource Flexibility Framework



Source: Gartner

5. Document your strategy

Provide a single-page overview to simply and clearly communicate your strategic plan.

Your strategic plan defines the roadmap of initiatives and portfolio of investments your finance organization intends to pursue to execute on its commitment to drive business strategy.

Putting your finance function plan on a single page makes it easier for you to share, summarize and communicate — and easier for business partners to visualize and understand.

One-page templates are meant to provide a summary of your strategic roadmap, not to serve as the overall strategic plan.

Make sure yours contains the initiatives identified as a part of the overall strategic planning process for your function.

See the next page for a simplified view of one Gartner one-page plan (and use the fillable template for your planning), but note that different functions and organizations will need to customize their view, its component parts and level of detail.

Did you know?

Gartner clients can submit documents for review by analysts who can assess and provide feedback and input for your strategy template.

5: Document your strategy

One-page template to capture your strategic plan for easy communication

Vision statement

State where the organization wants to go, what you want to accomplish.

Example: Manage investments in people and technology while cultivating a positive culture and employee experience.

Statement of strategy

Develop a concise statement to summarize the essence of the plan, the target state and required initiatives.

Example: Implement a formal development program to build employees' digital dexterity, redeploy strategic noncritical talent and identify current employees' skills in the workforce.

Current state

4 to 7 key metrics characterizing your current state

Do

- Accurately measure the organization's baseline and progress toward target state
- Capture risks to achieving mission-critical business priorities

Don't

- Create overly detailed metrics related to day-to-day performance

Example: Contribution to driving digitally enabled growth (on a scale of 1 to 5) — 2.5

Example: Total value creation from finance-enabled projects — $3 million

Plan

4 to 7 initiatives required to achieve the target end state

Do

- Reconcile conflicting views
- Build strong buy-in
- Focus resources and attention

Don't

- Push ahead without consensus and buy-in

Example: Embed new hybrid work model to drive productivity.

Example: Launch new employment value proposition to attract new digital skill sets.

4 to 7 assumptions that must be true for the plan to succeed

Do

- Communicate explicitly
- Specify quantifiable thresholds
- Allow for real-time course corrections

Don't

- Create confusion or disagreement around basis of strategy
- Omit risks that must be mitigated

Example: Apply AI to forecasting process to improve profitability.

Example: Digitally enabled growth investments continue to return suboptimal results (returned x.x on invested capital in 20XX).

Future state

4 to 7 key metrics characterizing your target state

Do

- Describe the organization's desired end state
- Set goals to determine when the end state will be reached

Don't

- Target scenarios too distant from the current state

Example: Contribution to driving digitally enabled growth (on a scale of 1 to 5) — 4 within 12 months

Example: Total value creation from finance-enabled projects — $7 million by end of 20XX

5: Document your strategy

Fillable template to outline your own strategic plan on page

Type in the fields below to complete the interactive form.

Vision statement

Statement of strategy

Current state

4 to 7 key metrics characterizing your current state

Plan

4 to 7 initiatives required to achieve the target end state

4 to 7 assumptions that must be true for the plan to succeed

Future state

4 to 7 key metrics characterizing your target state

Actionable, objective insights

Explore these additional complimentary resources and tools for finance leaders:

Report

Finance 2030: 8 Forces Shaping the Future of Finance

Prepare your finance function for a rapidly changing landscape shaped by 8 emerging forces.

Get Started

Report

The CFO Report: Gartner Answers to Top CFO Challenges

Access the quarterly Gartner report built for CFOs and their teams.

Download Report

Webinar

Leading the Shift to AI-First Finance

How to build AI into daily operations to build a future-ready finance function.

Watch Now

Product

What Is Gartner for Finance?

Mitigate risk and uncover cost savings with Gartner.

Learn More

Already a client? Get access to even more resources in your client portal. Log In ↗

Connect with us

Get actionable, objective business and technology insights that drive smarter decisions and stronger performance on your mission-critical priorities.

U.S.: 1 855 322 5484

International: +44 (0) 3300 296 946

Become a Client

Learn more about Gartner for Finance Leaders

gartner.com/en/finance

Stay connected to the latest insights

Attend a Gartner conference

View Conference

Gartner®