

Gartner for Finance

**Your Must-Have
Toolkit for Finance
Strategic Planning**

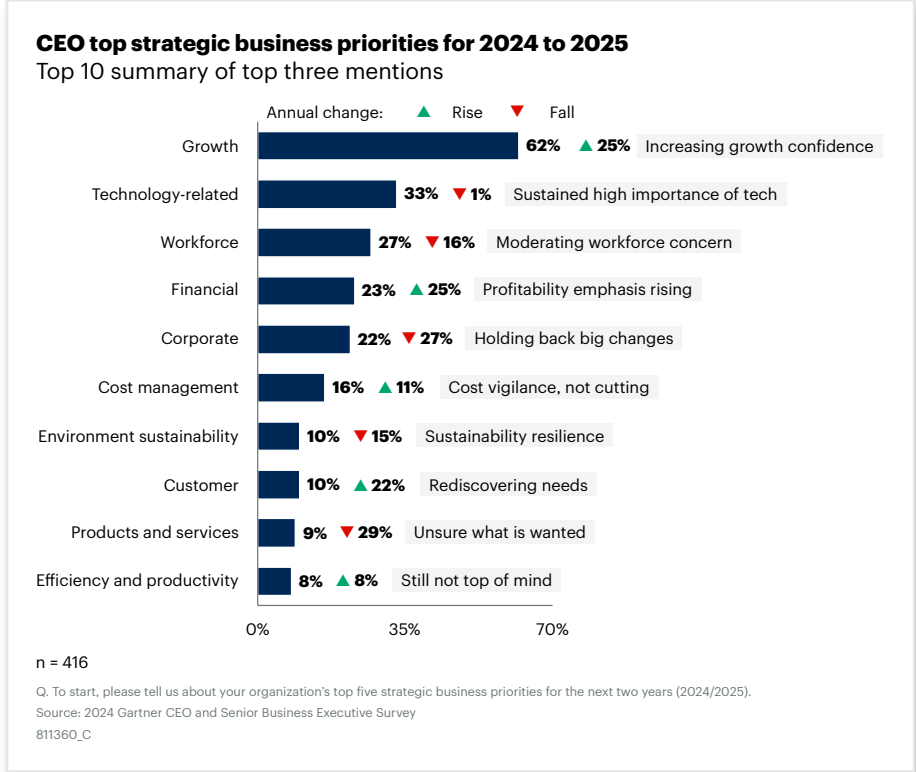


5 activities that are key to impactful strategic planning

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.** Confirm the enterprise mission and goals and make sure your finance employees know how they apply to their everyday work. Align your finance goals for impact.
- 2 Assess your finance organization's ability** to deliver on your goals and create a plan to fill the capability gaps that will slow your impact.
- 3 Strategically manage finance budgets** to fund multiyear technology investments that will effectively support the organization's strategy.
- 4 Validate your strategy and budget** with peer-informed benchmarks that allow you to 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 is going and how it will get to the future state.





Tools and frameworks you'll need

1

Gauge the business context

- Finance Business Alignment Tool
- Trendspotting

2

Assess your function's capabilities

- Digital Finance Score

3

Strategically manage functional budgets

- Multiyear Finance Technology Roadmap
- Gartner BuySmart™

4

Validate your strategy & budget

- Budget & Efficiency Benchmark

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



Key tools for this may include:

- **Finance Business Alignment Tool** to assess what your business partners need and want from finance
- **Trendspotting** frameworks to look at drivers of change, including those in the more distant future

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

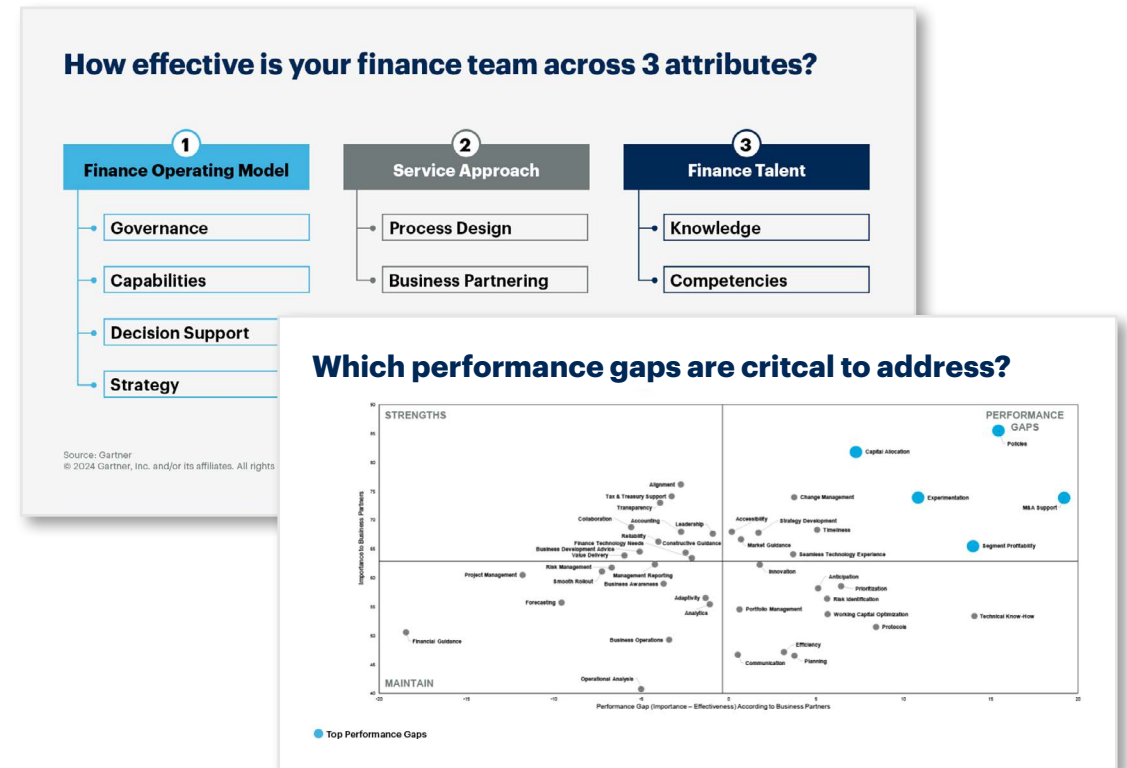
Determine your functional effectiveness with the Finance Business Alignment Tool

Determine which finance activities matter most to internal stakeholders and how effective your teams are at performing them.

- **Measure importance and effectiveness** of 44 attributes of the finance function.
- **Identify activities and competencies** to improve, and reveal potential areas of overinvestment.
- **Improve finance’s business alignment** with key stakeholders to align on top activities and priorities.

Evaluate how effective your function is at meeting business objectives.

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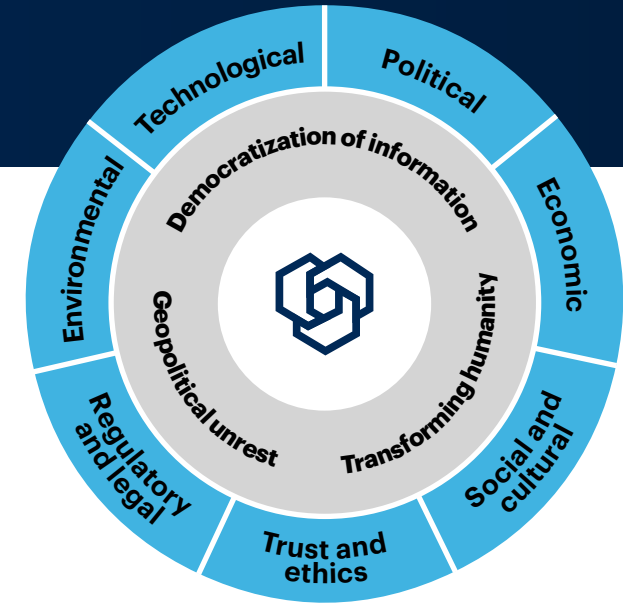


1. Gauge the business context

Framework to scope for emerging trends that present risk and opportunity

No executive leader can predict the future, but you can adopt a deliberate approach to sensing and responding to trends.

Use a construct like the Gartner TPESTRE of trends to prepare to respond to disruptions and plausible futures. Key considerations are your organization's footprint (existing presence within a market or industry) and foothold (strategic opportunities to expand).



Footprint includes your:



- **Customer base:** established group of loyal customers
- **Operational facilities:** manufacturing plants, distribution centers, infrastructure or supply chains
- **Brand reputation:** market perception of your organization

Foothold includes:



- **Innovation and pilot projects:** testing new offerings with new emerging technologies
- **Partnerships** to gain market insights
- **Acquisitions** to establish a larger presence
- **Targeted marketing campaigns:** gauging interest in a new product or service in new markets

Forces and trends impacting your organization's future

Technological: Evolution, impact and disruption of technology change

Political: Political attitudes, institutions and legislation shifting the political environment

Economic: Factors in the economic environment locally and globally that influence businesses and governments

Social and cultural: Attitudes, behaviors and lifestyles of individuals and groups in a society

Trust and ethics: Ethical expectations, behaviors, duties and biases of people and companies toward one another and society

Regulatory and legal: Changes in laws and governmental policies and regulations to reward or punish a particular behavior

Environmental: Technical, political, economic, cultural, ethical and legal changes supporting environmental protection and sustainability

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 the Gartner Digital 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.

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Finance functional activity map

Define Finance's Digital Strategy	Apply Technology to Innovate	Build Digital Finance Ops Model	Drive Finance Process Optimization	Manage Data	Build Analytics Assets	Develop Digital Talent	Manage Digital Enterprise Portfolio
Develop the Fintech Roadmap	Evaluate Technology Model Options	Optimize Finance Org Structure	Design Fit-for-Purpose Processes	Establish Metrics Framework	Build Semantic Models	Develop Digital Talent Strategy	Shape Enterprise Digital Strategy
Prioritize Spend to Enable Digital	Build Effective Vendor Partnerships	Define FIN/IT Collaboration Model	Monitor Process Performance	Govern Data Assets	Create Enterprise Reports	Define New Digital Career Paths	Resource Digital Investments
Manage Digital Change	Increase Technology ROI	Build Composable IT Architecture	Drive Process Automation	Integrate Data	Maintain Dashboards	Develop Digital Competencies	Govern Digital Investments
Build Digital Culture	Optimize Use of Technology	Improve Business Partnership	Continuously Improve Processes	Unlock Data Value	Create Advanced Analytics Models		Track Digital Portfolio Performance

Source: Gartner

3. Strategically manage functional budgets

Plan for multi-year 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.

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

Follow three steps to build your roadmap:



- 1. Define finance technology roadmap objectives:** Examine the 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.

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Strategic Objectives	Finance Capability	Year 1				Year 1				Year 1			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Outcome # 1	Capability # 1												
	Capability # 2												
Outcome # 2	Capability # 3			Initiative 5									
	Capability # 4					Initiative 6							
Outcome # 3	Capability # 5		Initiative 7				Initiative 9						
	Capability # 6			Initiative 7									
	Capability # 7					Initiative 8							
Enablers	Change Management					Enabler 1							
	PMO					Enabler 2							

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 Gartner BuySmart to access expert and peer insights and evaluation template 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 expert proposal review.

[Learn More](#)

The screenshot displays the 'CRM for Sales Group' interface in Gartner BuySmart. The 'SCORECARD' tab is active, showing a comparison of three vendors: ATTA, Cumulus, and Windmill. The interface includes a navigation menu on the left and a top bar with 'Changes saved' and 'MP' indicators.

Vendor	ATTA	Cumulus	Windmill
Vendors (3)			
	Score vendor	Score vendor	Score vendor
Scorecard Compare vendor scores for your published requirements. Need to make changes?	95 / 100 Complete	88 / 100 In progress	No score Not started
Functional requirements	79	79	—
Technical requirements	91	—	—
	84	84	—
	90	—	—
	79	79	—

Vendor Evaluation

- Finalize vendor selection
- Negotiate contract
- Execute contract
- Onboard vendor

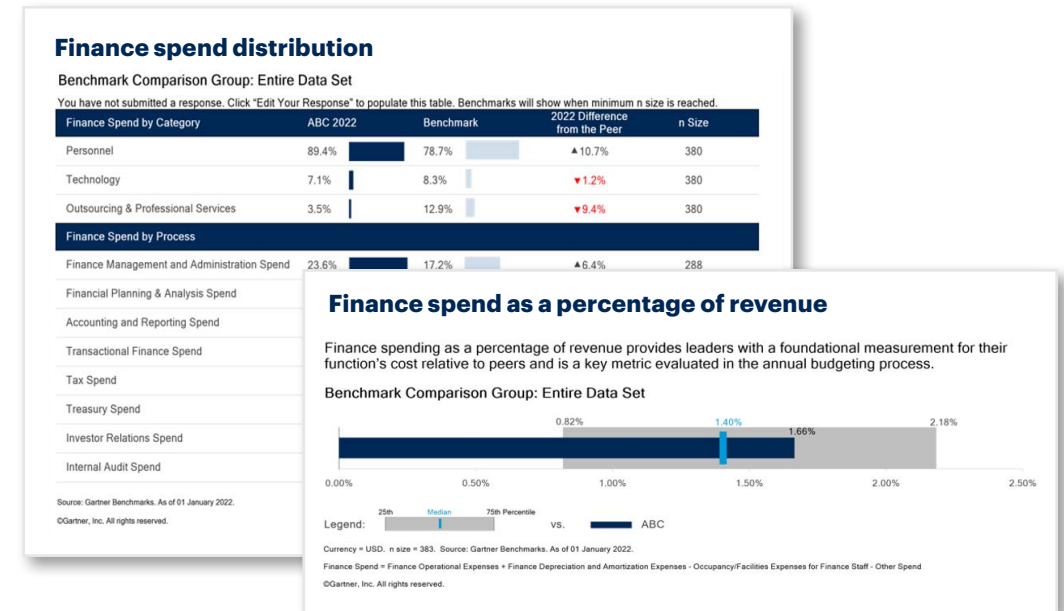
4. Validate your strategy & budget

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

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

- Establish a baseline of total finance spend and staff levels.
- Compare spend to industry peers.
- Inform and validate budgeting.
- Assess which processes and resources functions may be 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.

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→ 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 experts who can assess and provide feedback and input for your strategy template.



5. Document your strategy

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



Vision statement

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

Example: Maximize digital investments and transformational initiatives.



Statement of strategy

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

Example: Improve our ability to drive and support top-line growth by helping business partners make consistent and informed funding decisions.

Current state

Plan

Future 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

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).

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 a page

Type in the fields below to complete the interactive form.

 Vision statement		 Statement of strategy
Current state	Plan	Future state
4 to 7 key metrics characterizing your current state	4 to 7 initiatives required to achieve the target end state	4 to 7 key metrics characterizing your target state
	4 to 7 assumptions that must be true for the plan to succeed	

Actionable, objective insight

Explore these additional complimentary resources and tools for finance leaders:



Client Story

Advancing Finance's Maturity to Support Growth

Learn how the CFO of Perkins Coie has partnered with Gartner for growth.

[Watch Video](#)



Report

The CFO Report: Gartner Answers to Top CFO Challenges

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

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Webinar

3 Change Management Tactics to Supercharge Your Finance Transformation

Get ahead of change fatigue to prevent transformation failure.

[Watch Webinar](#)



Product

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