



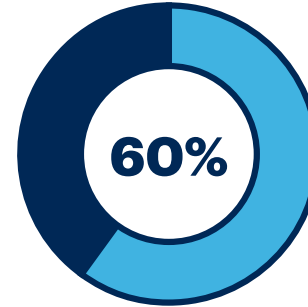
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Gartner for Finance Leaders

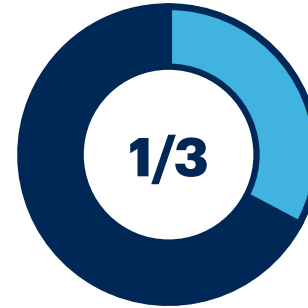
FP&A's New Strategy for Business Partnering Success

Introduction

Despite years of in-person decision support, a tangible return on expensive investments in finance business partnering teams still eludes FP&A leaders. Learn why teaching-focused business partnering far outperforms the traditional consulting-style approach at injecting greater FP&A acumen into decisions.



60% of decisions are still made without input from finance business partners (FBPs)



Only **one-third** of business decision makers say FBPs provide high-quality support and robust input for complex decisions

Finance business partners: Internal consultants or teachers?

Even the smartest business leaders have room for development when it comes to their financial savviness. Leaders can always improve in applying an enterprise-level view in their decisions, knowing relationships between KPIs and understanding how decisions impact financials including those on the balance sheet.

Enter **finance business partners (FBPs) — financially savvy experts aligned to business and functional leaders who bring finance's independent perspective to planning and decision making.** Whether FBPs are dedicated roles outside financial planning and analysis (FP&A) or FP&A staff who spend significant time directly with business leaders, their mandate is to add value by injecting the FP&A mindset into plans and decisions. However, FBPs' track record at equipping decision makers to think like FP&A has been mediocre at best.

There are two predominant approaches for FP&A leaders to get their business partnering teams to diffuse the FP&A mindset:

1. FBPs adopt the advice-giving posture of internal consultants.
2. Alternatively, FP&A leaders can train FBPs to take a more teaching-focused approach with decision makers, focused on simplifying FP&A's analysis and training decision makers on the use of FP&A's decision support tools.

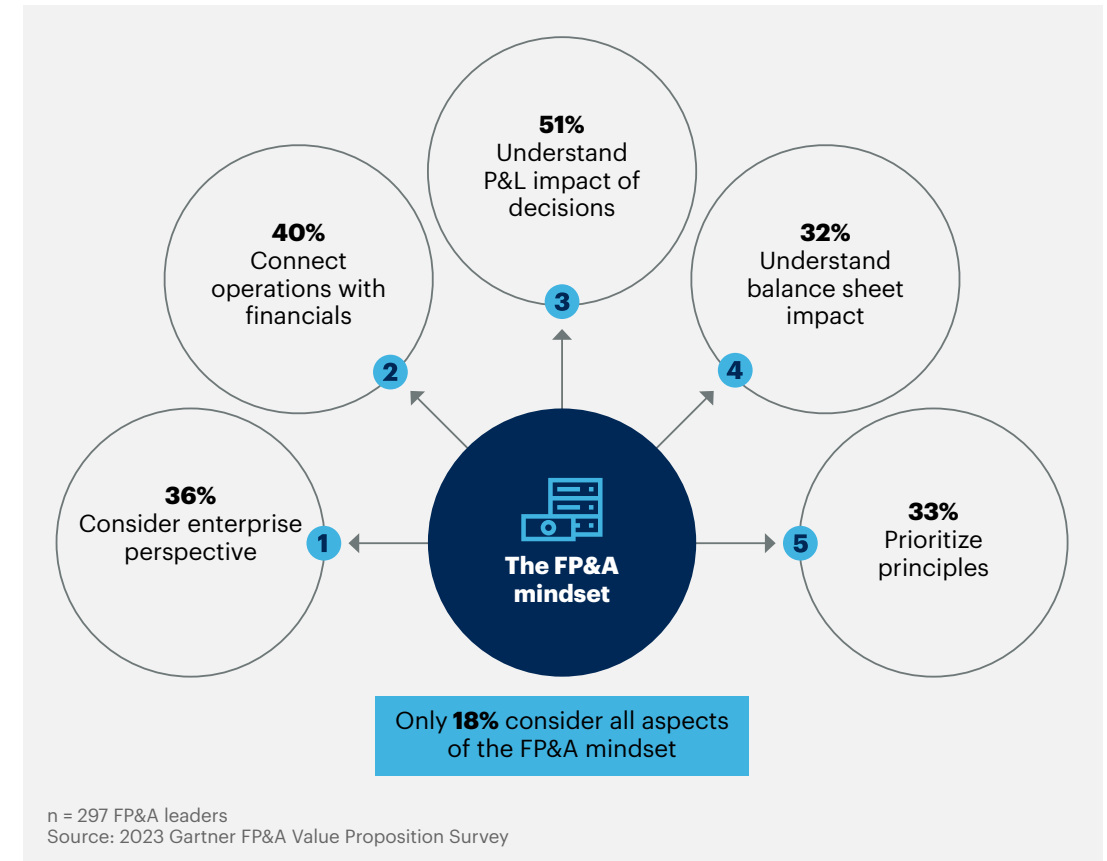
This research shows that teaching-focused FBPs far outperform their internal consultant peers in developing the FP&A mindset in decision makers. FP&A leaders should use this research to revise their expectations of FBPs performance and implement a train-the-trainer approach in developing and mentoring FBPs. This helps impart the FP&A mindset to decision makers, which becomes the default modus operandi in a digital finance function.

Finance business partner investments yield disappointing returns

FBPs have been the primary conduit for supplying the FP&A mindset in planning and decision making for years, and the position represents one of the most expensive investments in finance talent. However, despite a few pockets of FBP excellence, demonstrable benefits and ROI from finance business partnering remain frustratingly elusive for most FP&A leaders. Consider that 60% of material business decisions are made without FBP involvement, and only a third of business leaders cite receiving high-quality insights from FBPs or input that is robust enough for complex decisions.

More surprisingly, despite years of finance business partnering, **only 18% of decision makers consider all five aspects of the FP&A mindset when they make decisions.**

FP&A Mindset Prevalence Among Leaders



Comparing consulting vs. teaching-focused FBP interactions

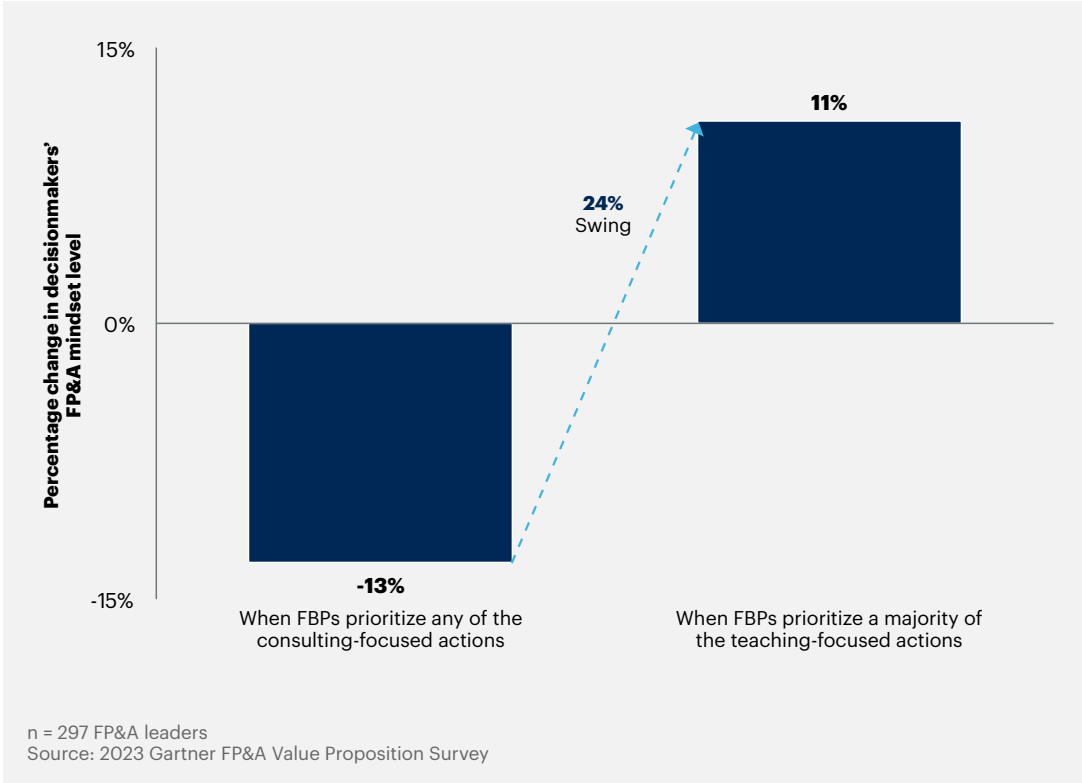
Diffusing the FP&A mindset is easier said than done, given most decision makers' cursory-at-best knowledge of finance and heavy focus on operational and delivery commitments, as well as leader turnover. Still, FP&A leaders often overlook a big reason why FBPs haven't been able to diffuse the FP&A mindset: FBPs adopt the wrong posture in their interactions with decision makers. There are two predominant but contrasting approaches to business partnering.

One approach is consulting-focused business partnering, in which FBPs aim to become the business' decision-support partner of choice by showcasing their strong problem-solving skills to provide unique recommendations that drive the business strategy. Alternatively, there is teaching-focused business partnering, which revolves around simplifying FP&A's analysis and training decision makers on how to use FP&A's decision support tools.

Consulting-Focused Business Partnering Actions	Teaching-Focused Business Partnering Actions
<ul style="list-style-type: none">• Remind decision makers about their gap to targets• Standout from other internal decision support groups• Give decision makers unique advice• Drive business strategy	<ul style="list-style-type: none">• Simplify FP&A's analysis• Challenge business assumptions• Train decision makers on financial concepts• Provide decision support tools• Listen for latent business needs

Teaching-focused business partners generate a decision-making lift

Effectiveness of Consulting- vs. Teaching-Focused Business Partnering



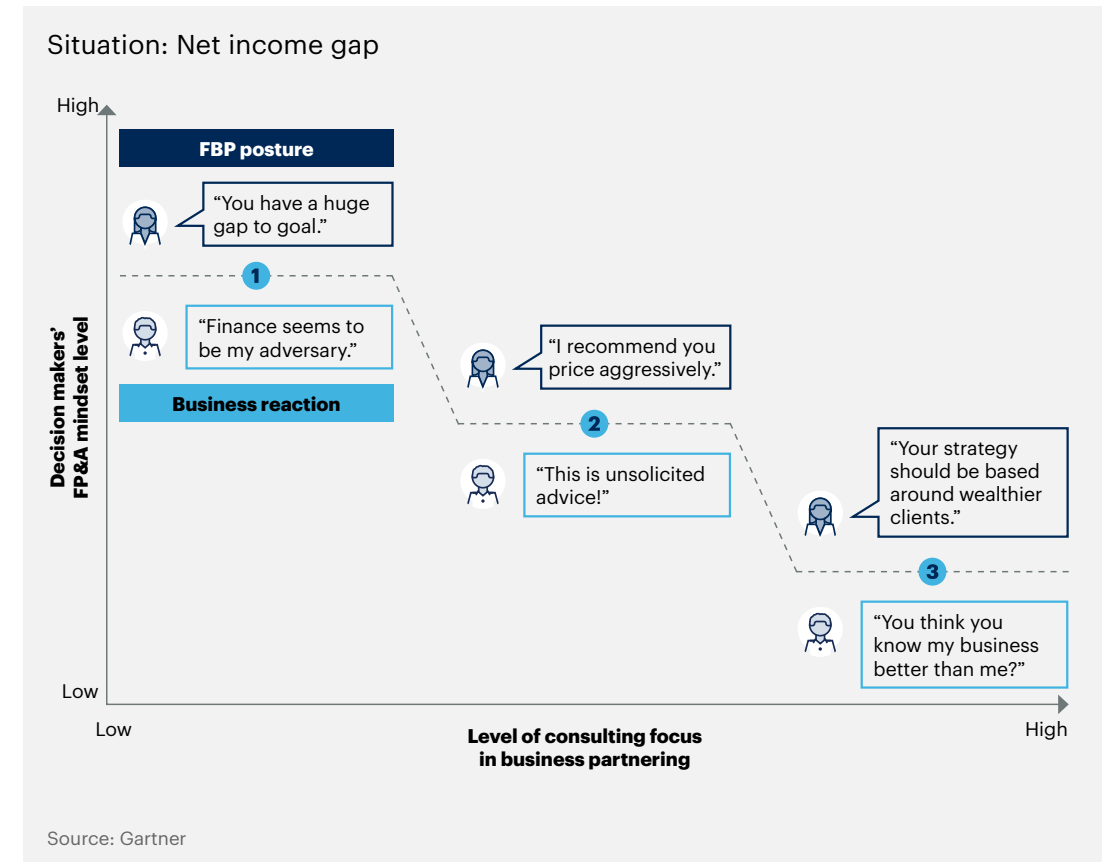
Teaching-focused FBP approaches are far more effective at developing an FP&A mindset. While consulting-focused business partnering actually degrades the FP&A mindset level in decision makers by 13%, FBPs that pursue teaching-focused business partnering generate a 11% lift in decision makers' FP&A mindset level. This represents a significant 24% swing over a consultant-focused posture.

Consulting-focused business partnering fails to deliver long-term results

The power of finance's influence clearly lies in teaching, simplification and decision tools, not in consultant-style maneuvering at the decision-making table. To understand why this is the case, remember that consulting-focused business partnering relies upon spoon-feeding FP&A's insights and recommendations to decision makers. This is rarely internalized, feels like outsider advice and might even create an adversarial relationship between finance and the business. The example to the right illustrates why a consulting-focused FBP trying to advise a hypothetical business on correcting its net income gap actually degrades decision makers' FP&A mindset level.

Consultant-style FBPs may help finance keep a seat at the table in business decision making in the short term, but this approach requires continuous reinvestment to keep up with ad hoc support for increasingly complex decision support needs. Few FBPs, beyond perhaps senior business unit CFOs, can successfully pull off consulting-focused business partnering and get decision makers to think like FP&A while doing so.

Why Consulting-Focused Business Partnering Fails to Develop the FP&A Mindset in Decision Makers



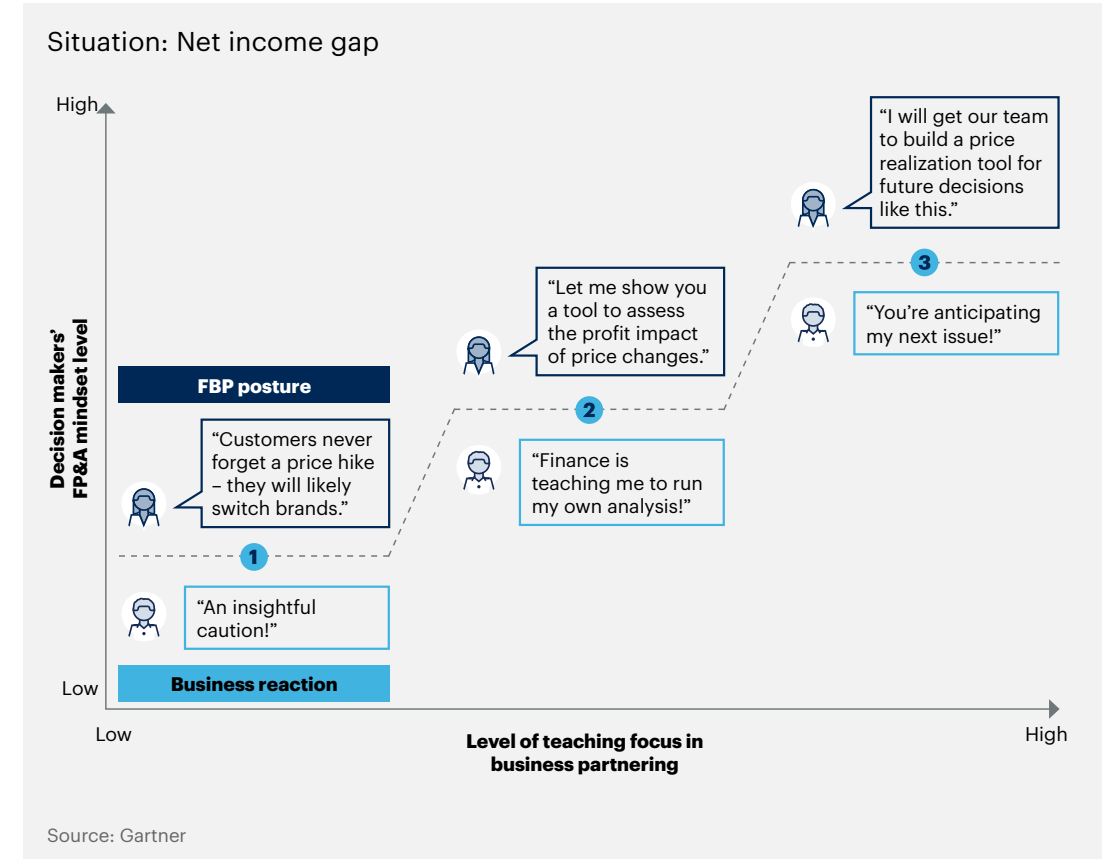
Train decision makers to think like FP&A

On the other hand, teaching-focused business partnering represents a transfer of expertise. These FBPs educate decision makers to apply FP&A's logic and reasoning through decision support tools. By simplifying financial analysis and providing interactive decision support tools, FBPs teach the business how to independently use FP&A's services to arrive at financially sound choices. Using the same business partnering analogy from the previous page, the right-hand example illustrates how teaching-focused business partnering improves decision makers' FP&A mindset level.

A teaching-focused FBP amplifies decision makers' sensitivity to the FP&A mindset by:

- Simplifying FP&A analysis into easily digestible logic
- Training decision makers to arrive at their own answers using FP&A's decision support tools
- Actively listening for decision support tool needs

Why Teaching-Focused Business Partnering Boosts Decision Makers' FP&A Mindset Level

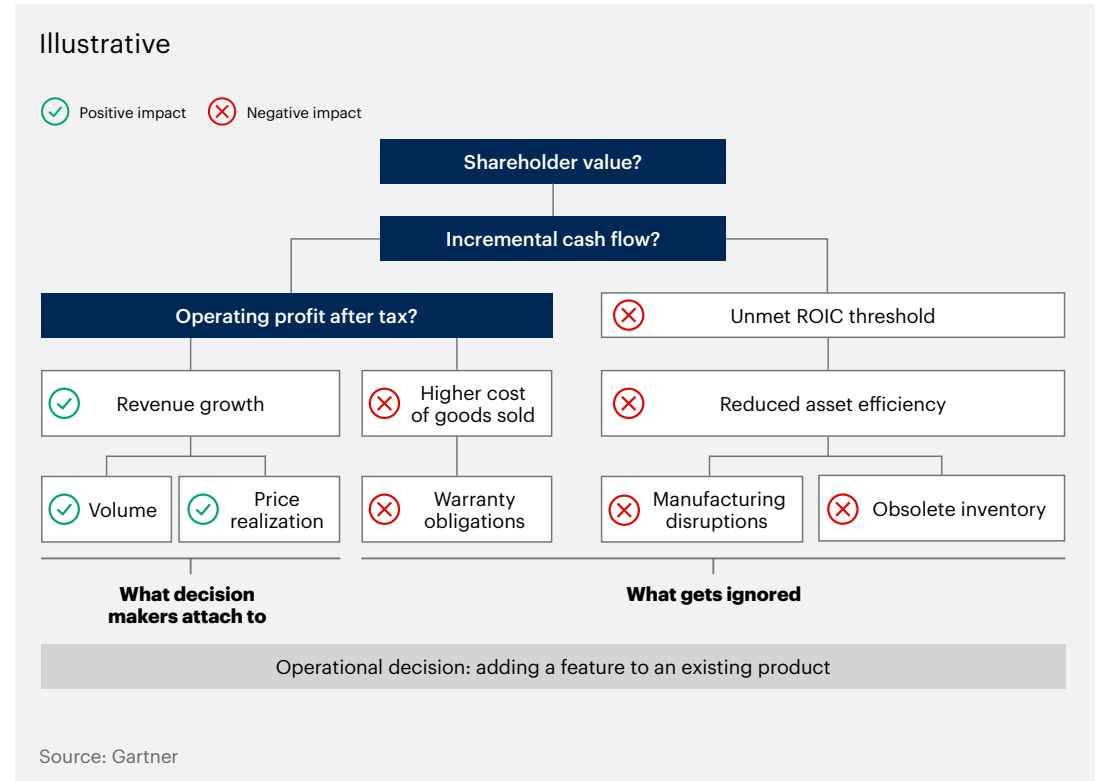


Driver maps enable decision makers to more effectively use cash and resources

Start teaching-focused business partnering by using finance's expertise to educate the business on how decisions flow through to the P&L and balance sheet. The good news is that FP&A leaders and managers of FBPs have ready access to most of what is needed to develop and train teaching-focused FBPs. Their understanding of driver maps, portfolio-level view of performance, and experience in root-causing variances are the very instruments needed to coach FBPs in how to teach decision makers the FP&A mindset.

For example, **FBPs can use driver maps to teach business decision makers how to analyze the impact of everyday decisions.** A driver map is a visual that illuminates what is in decision makers' power or control, the actions decision makers need to take to achieve a certain goal, and the relationships between those two sets. Let's say the business is optimistic that adding a new feature to an existing product will boost volumes and profits. FBPs can use the organization's driver map to help the business understand the total impact of new feature additions, including financial spillovers decision makers miss as shown on the middle and right of the figure above.

Use Driver Maps to Show How a Decision Affects Shareholder Value



5 steps to develop teaching-focused FBPs

FP&A leaders should start with the following steps to initiate their plan for developing teaching-focused FBPs:

- Set up dedicated time to **reset expectations and mentor FBPs** on how to switch from advice-giving to teaching and need-sensing.
- **Formalize business-level driver maps** with the CFO and senior finance and business leaders before you activate them as a teaching tool through FBPs.
- **Involve FBPs in FP&A-led tool and dashboard co-creation teams** so they can provide input that helps with intuitive design of decision maker dashboards.
- Get technology-savvy FP&A talent to **run “train-the-trainer” sessions to educate FBPs** on the full range of functionality in any existing FP&A decision support tools.
- **Establish knowledge-sharing forums** for FBPs to exchange lessons learned on how to best educate decision makers in FP&A's way of thinking.

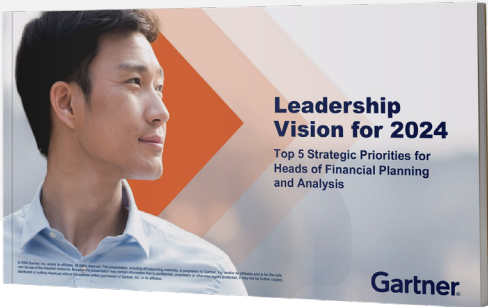
Even as the business decision landscape becomes more complex, the formula for FBP success remains simple. Most FBPs must stop aspiring to be strategy consultants and focus on teaching decision makers the strengths of FP&A to create a lasting competitive advantage for the organization.



Take action with Gartner support



Read **Leadership Vision for FP&A** to understand 5 priorities and recommended actions for financial planning & analysis leaders.



Schedule a call with a Gartner expert for support evolving your business partnering strategy.



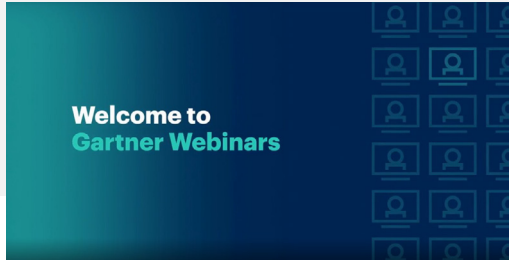
Regina Crowder
Senior Director
Analyst



Explore the trending questions that finance leaders are wrestling with in the quarterly **CFO Report: Gartner Answers to Top CFO Challenges**.



Watch the on-demand webinar **Maximize Value and Minimize Purchase Regret for FP&A Technology Investments**.



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