

Gartner for Finance

What's In, What's Out: Define the Scope of FP&A Support

Results from Gartner's survey on financial
planning and analytics (FP&A)

Key business decisions FP&A should support but too often doesn't

- Business case evaluations
- Capital allocation (day-to-day spend and ROI)
- Compensation (bonus/incentive)
- Customer analytics
- Distribution channel analytics
- Enterprise reporting
- Key performance indicators (KPIs) definition (financial)
- Merger and acquisition (M&A) analysis
- New market entry
- Operational costs
- Portfolio analysis
- Predictive analysis
- Regulatory strategy
- Risk tolerance thresholds
- Sales costs
- Staff planning



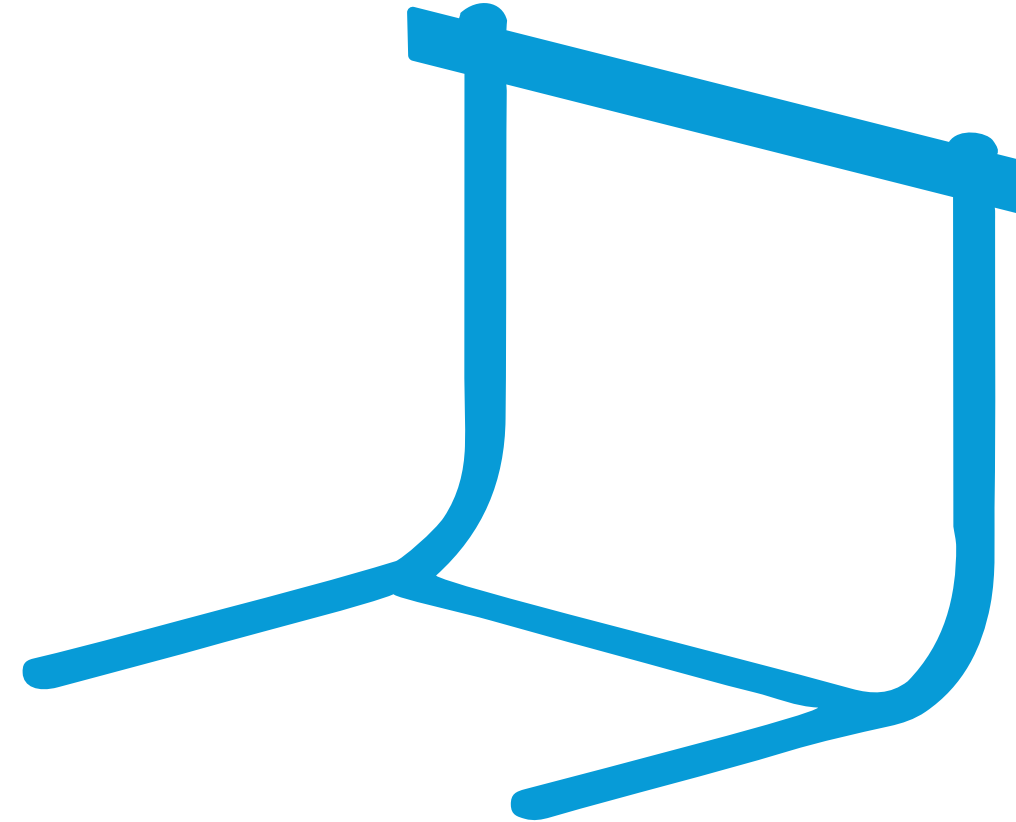
Note: Partial list of responses from FP&A directors.
Source: 2017 Financial and Business Analytics Benchmarking.
n = 78 participating companies, representing varying industries, geographies and sizes.

Why is FP&A not asked to support these requests?

- Business leaders have concerns/trust issues when it comes to sharing confidential information with FP&A.
- Business leaders like control/are afraid or not ready to be challenged by FP&A.
- Decentralized structures and greater autonomy exist.
- There is a lack of FP&A resources.
- There is poor quality of FP&A (outputs and/or staff) or poor FP&A brand.
- Top of the organization is siloed from the rest of the business culture.

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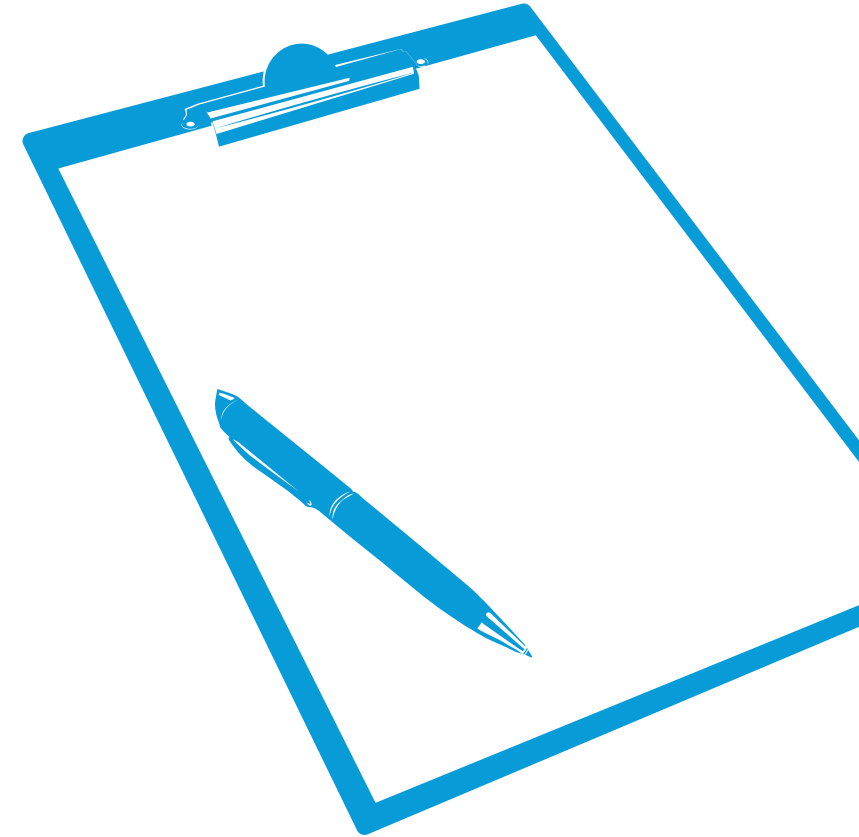
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Key business decisions FP&A shouldn't support but too often does

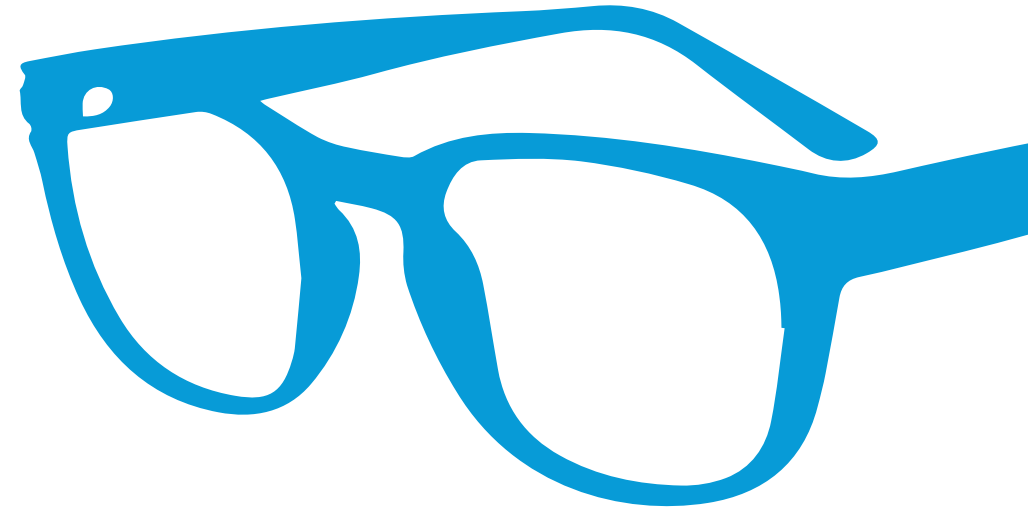
- Accounting and assistance with the close
- Benefits
- Compensation (base)
- Competitive analysis
- Customer rate and billing issues
- Data pull and analysis from disparate systems
- Head count analysis
- IT spend (by vendor)
- KPIs definition (nonfinancial)
- M&A valuation
- Macroeconomic forecasts
- Regulatory pricing
- Reporting of historical data and actuals
- Workforce planning (granular)



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Why does FP&A support these “wrong” requests?

- FP&A lacks knowledge about which analytics teams across the organization have the expertise to support various requests.
- Business partners send the wrong signals around urgency and/or financial impact of requests.
- FP&A fails to effectively screen and prioritize requests.
- Business partners don't know how to appropriately translate their needs into analysis requests.
- Stakeholders in the business don't understand FP&A's capabilities and strengths.
- FP&A doesn't always have the tools or skills to deliver the right caliber of analysis or recommendations for certain types of requests.
- Business partners circumvent FP&A managers, and ask FP&A analysts directly to help on inappropriate requests.



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Deliver finance analytics

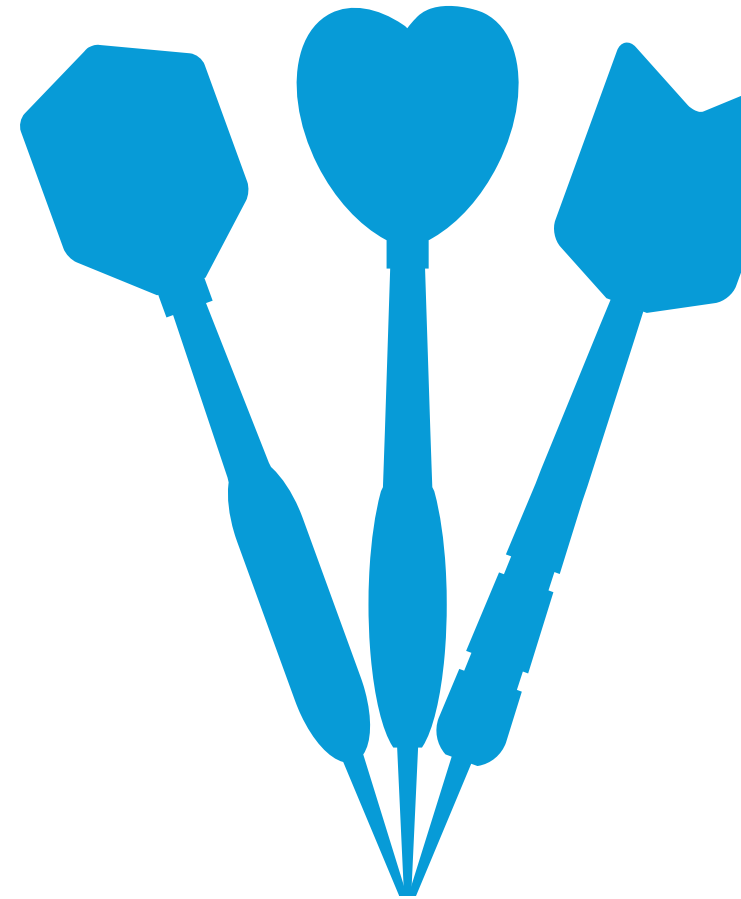
We can help you generate insights derived from analytic methods to create more impactful analysis for business decision makers.

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