



Gartner®

FP&A Leadership Vision 2022

3 Strategic Actions for Success

From Chris Howard, Chief of Research, Gartner

As we head into 2022, we continue to feel the human toll of the global pandemic, but we already know it has been a watershed period in which attitudes and norms have permanently shifted — in our everyday lives and at work.

Living through COVID-19 has increased social awareness — as have growing demands for equity for those who are underrepresented.

Businesses have also changed. For many organizations, the pandemic has catalyzed digital business initiatives as we adapt to the demands of employees, customers and other stakeholders, who were forced into new digital options that they have now come to favor.

B2B purchasers are happy to buy digitally, without a sales representative; B2C consumers are buying off social media platforms; employees are physically distributed and communicating asynchronously — and IT infrastructures must secure the organization despite this “anytime, anyway, anywhere” way in which we’re operating.

You and your team may be burning out, and it’s never been more important to prioritize your time and energy.

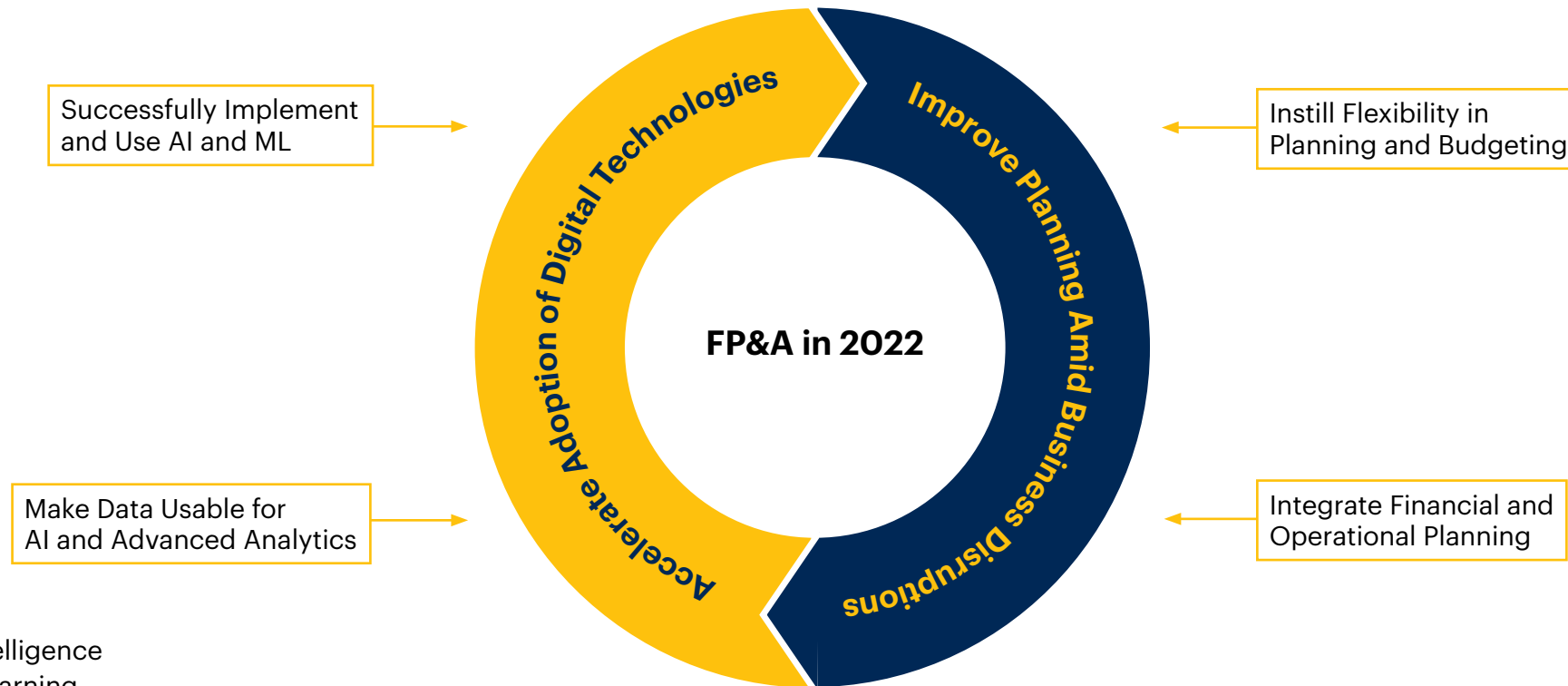
In your role as a leader, you’ve now spent months adapting to change and delivering new solutions at speed. You and your team may be burning out, and it’s never been more important to prioritize your time and energy. To help with that, Gartner Leadership Vision provides top-level guidance to leaders and their teams on where to focus — based on our data-driven research.

We’re providing detailed insights to our clients across dozens of roles, and we’re now excited to share excerpts with the business community beyond our clients. We hope this will help you to focus discussions with your teams, peers and other leaders, so you can more quickly and effectively diagnose priorities and actions, especially as you solidify your strategic plans for 2022.



Chris Howard
Chief of Research, Gartner

Financial Planning and Analysis (FP&A) Leaders Need to Accelerate Digital



AI = artificial intelligence
ML = machine learning

Source: Gartner

Trends, Challenges, Actions for the FP&A Leader



A disruptive business environment

The COVID-19 pandemic has further amplified projected disruptions. Annual growth of business disruptions in 2022 is projected to be **20%**. The bottom line is that disruptions aren't going away postpandemic.



Challenges for the FP&A leader

Enable in-year resource flexibility.



Actions for the FP&A leader

Adopt a phased budget allocation approach.



Continued digital acceleration

Almost **two-thirds** of executives reported that they increased their investments and focus on digital business. Steady progress isn't enough anymore, though. Many boards have tasked the finance function with focusing on digital business acceleration.



Successfully implement AI and ML.



Understand the market for AI providers.



Advancement of analytics technologies

The evolution and advancement of analytical technologies can transform the way financial planning and analysis is performed.



Unlock value from advanced analytics.



Separate hype from reality in analytics.

Only Allocate Some of the Budget at the Start of the Fiscal Year

A phased approach allows the company to adjust spending levels in-year as strategic or other internal priorities change — while ensuring that the company does not overspend or underspend on its large IT projects.

Phased IT Budget Allocation Process

Criteria for Determining Initial Budget Allocation:

- First Expected Project Milestone
- Expected Project Duration
- Project's Strategic Importance



Only 50% of Funds Available at Start of Year

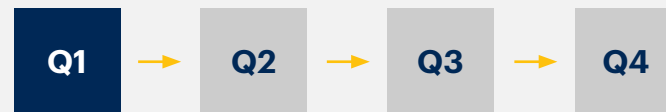


50% of Funds to Be Released on a per Project Basis Later in Year



Criteria for Determining Allocations in Subsequent Quarters:

- Achievement of Initial Project Milestones
- Project Priority Relative to Other Projects
- Project Budget Utilization to Date



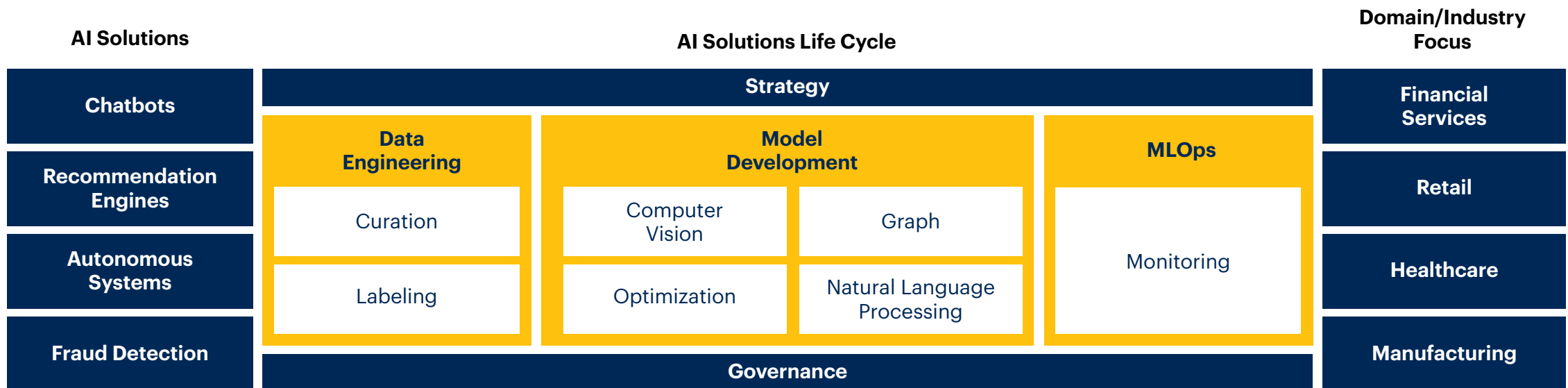
Source: Adapted from TenMoon*

*Pseudonym

Explore Different Options for External AI Experts and Third Parties

To capitalize on AI and navigate the fragmented market, develop a holistic view of services offered by AI service providers.

AI Service Provider Landscape



Source: Market Guide for Artificial Intelligence Service Providers, Gartner, 2021

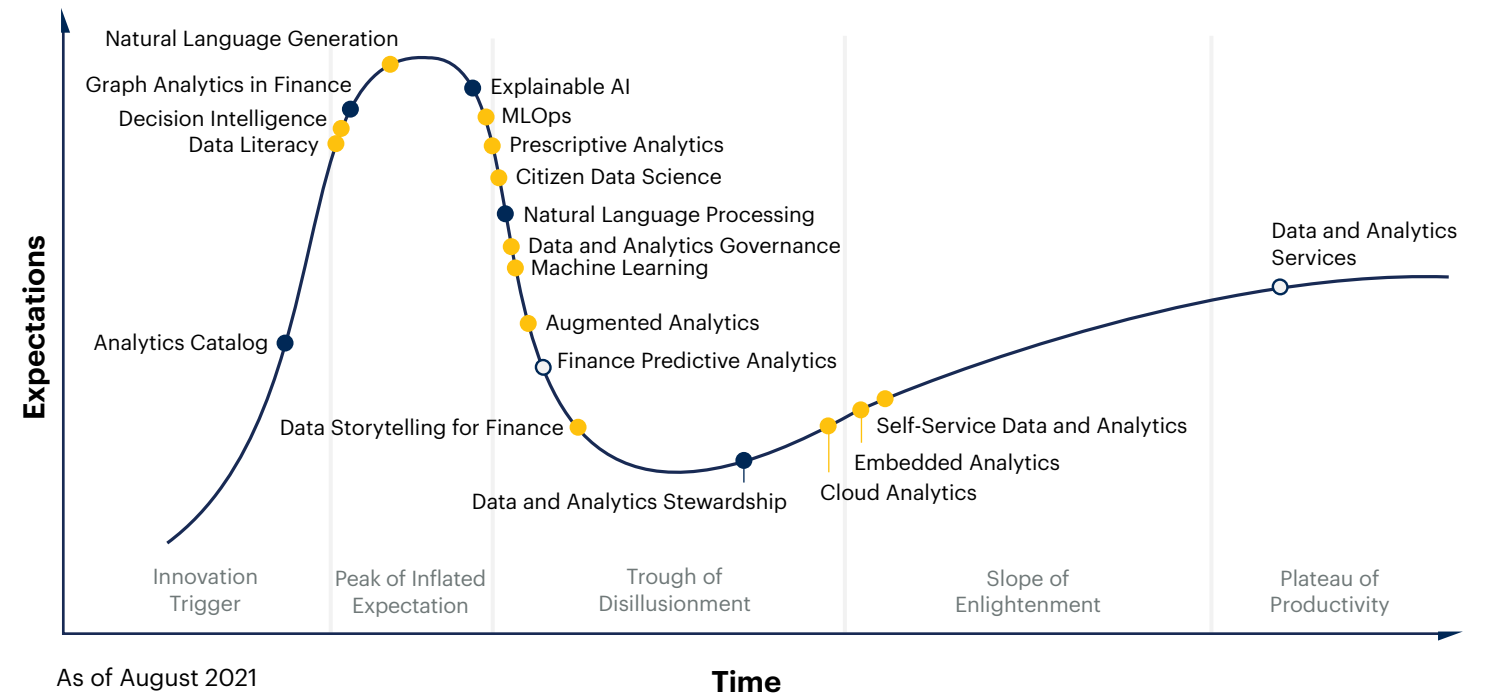
Evaluate a Range of Technologies That Can Unlock the Value of Data and Analytics

Gain a holistic understanding of data and analytics technologies and trends to distinguish between the hype and disillusionment around analytics innovation.

Plateau will be reached:

- < 2 yrs.
- 2 - 5 yrs.
- 5 - 10 yrs.
- ▲ > 10 yrs.
- ⊘ Obsolete before plateau

Hype Cycle for Financial Analytics



As of August 2021

Source: Gartner Hype Cycle™

Next Steps for FP&A Leaders



Shift to a phased budget allocation approach.



Define finance's role in integrated business planning.



Separate hype from reality in analytics.



Understand the market for AI providers.







Accelerate digital skill-building in FP&A.



Use driver maps as GPS for data governance.

Actionable, objective insight

Explore these additional complimentary resources and tools for FP&A leaders:

 <p>Research Finance Analytics: Cutting-Edge Insight</p> <p>Deliver finance analytics that inform planning and decision making with our range of best-practice insight.</p> <p>Download Quick Guide</p>	 <p>Research Build a Better Strategic Plan for Your Function</p> <p>Turn your strategy into action with our tools and templates.</p> <p>Download Templates</p>	 <p>Resource Hub Future of Work Reinvented</p> <p>Reinvent where, when and how we work to maximize employees' engagement and productivity.</p> <p>Learn More</p>	 <p>Journal Gartner Business Quarterly</p> <p>Stay up to date with the most compelling research on organizational issues that cut across the C-suite.</p> <p>Download Now</p>
---	--	--	---

Already a client?
Get access to even more resources in your client portal. [Log In](#)

Get More.

Get actionable, objective insight to deliver on your most critical priorities. Our expert guidance and tools enable faster, smarter decisions and stronger performance. Contact us to become a client:

U.S.: 1 855 811 7593

International: +44 (0) 3330 607 044

[Become a Client](#)

Learn more about Gartner for FP&A Leaders

gartner.com/en/finance

Stay connected to the latest insights

