FP&A Scenario Management:

Your Path to Navigating Uncertainty

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CONTENTS

1. INTRODUCTION

In today's rapidly changing business landscape, uncertainty is the norm, and the future is filled with various possibilities. This presents a significant challenge, particularly for Financial Planning and Analysis (FP&A) teams, who are responsible for guiding, planning, and facilitating ongoing decision-making. It is even more challenging when data is both extensive and unreliable, business drivers shift constantly, financial models evolve continually, and market conditions change so rapidly that making confident plans, forecasts, and decisions for the future become nearly impossible.

For over a century, FP&A has been operating under the assumption that the impact of most events can be predicted 12-18 months out, giving rise to the traditions of annual planning and annual stakeholder rewards. However, in recent years, the accuracy of what can be predicted, as shown in Figure 1, has diminished. Many organizations now experience a predictability span of less than a year, often lasting mere months, weeks, or even days. Beyond this, organization-specific, predictability span, the future is unclear and contains a multitude of potential scenarios without presenting one single outcome.
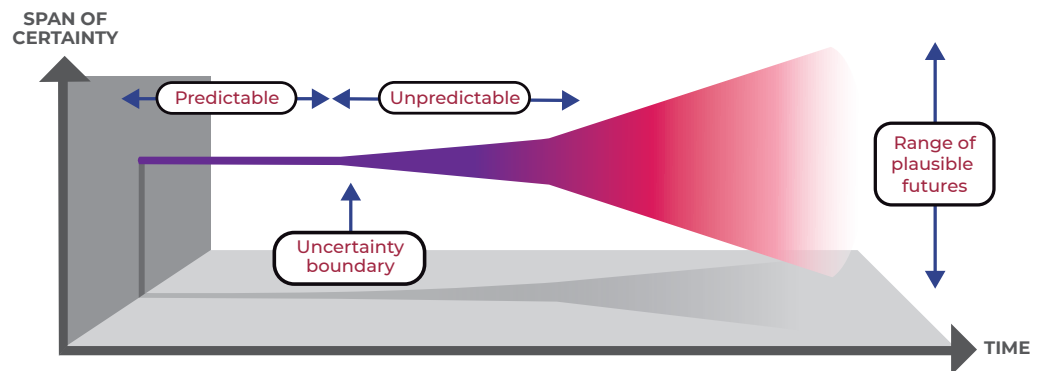
Fig. 1:
The Span of Uncertainty

One of the primary drivers behind this shift from certainty to uncertainty is the modern business landscape, as operations are now, in nature, 24 hours a day, seven days a week, interconnected and global. This environment increases the susceptibility of an organization to external factors, such as geopolitical and climatic events, which are beyond their control. Additionally, advancements in technology have significantly shortened business and product life cycles for both suppliers and their competitors. This shortening means new ways of doing business, as new competitor products that disrupt the market can easily occur during a pre-planned year.

To mitigate this increased uncertainty, some leading organizations have started to shift away from traditional planning methods. They no longer rely solely on current trends to predict the future. Instead, they concentrate on proactively managing future uncertainties, throughout the business, by analyzing changes across multiple factors and identifying specific combinations that may offer insight into potential future scenarios. As a result, companies adapt, transform their strategies, and adjust their decision-making processes to allow for these potential future events. This approach is commonly known as Scenario Management. It is not merely a process; it is a mindset shift.

> "Scenario Management is not merely a process; it is a mindset shift."

> **"FP&A Scenario Management is a process that prepares an organization for multiple alternative futures that exist due to uncertainty. It is a closed loop, agile process that continually develops action plans that allow management to mitigate or take advantage of these alternative future events."**

Our research emphasizes the importance of Scenario Management as a vital tool for navigating today's dynamic business environment. We advocate that every organization should strive for excellence in Scenario Management.

This paper evaluates the transition process, and the challenges organizations may encounter when embracing the Scenario Management ecosystem, with a particular focus on the practical steps involved. Our approach includes in-depth interviews with senior finance professionals and finance thought leaders, as well as some direct interactions with numerous International FP&A Board members. In addition, we have analyzed recent survey results and combined all the information to provide a comprehensive roadmap for organizations that are navigating through today's business uncertainties.

2. WHAT'S DIFFERENT ABOUT SCENARIO MANAGEMENT?

Scenario Management is set apart from traditional planning and Scenario Planning by its approach to aligning company resources with strategic goals in an uncertain business environment. At its core, Scenario Management embraces a mindset where organizations recognize the need to plan for multiple possible futures.

Here is a breakdown of the differences between planning approaches:

❖ Traditional planning is an annual event that produces a single prediction, with occasional updates, that leaves organizations vulnerable to sudden internal or external changes as a result of its lengthy process.

❖ Scenario Planning, often used alongside traditional planning, generates a range of outcomes instead of a single prediction. However, it tends to be led by corporate and lacks the necessary agility and speed required in the face of rapid change.

❖ Scenario Management takes planning a step further, emphasizes a strategy for handling uncertainty, and recognizes planning as an ongoing process. It combines Scenario Planning with an approach to Strategic, Financial, and Operational planning that is integrated and collaborative. All are supported by technology, allowing Scenario Management to transform planning into an agile, continuous activity.

Scenario Management is a collaborative process that operates independently of a planning calendar and constantly monitors performance drivers across the organization. Its insights are used to predict and evaluate multiple potential futures, enabling management to prepare alternate plans that can be implemented swiftly.

> **"Scenario Management represents a strategic evolution that blends the best aspects of both top-down and bottom-up planning methods. It maintains local accountability but structures it more efficiently, promoting seamless interactions between local and central departments."**

User Experience at Danone:
Journey toward Scenario Management

Ivo de Brouwer, Cycles & Procurement Finance Project Director at Danone, recognizes the indispensable role of Scenario Management in the modern dynamic business landscape.

In the past, Danone, like many companies, relied on traditional budget and forecast methods. These methods were effective in stable environments, where estimates were compared to actual performance. However, as the business landscape has continued to evolve, these traditional approaches have become inadequate.

Acknowledging the need for adaptability and agility, Danone's management took a strategic leap. They decided to break free from the constraints of traditional static budgets and embraced a more agile approach. Initially, they adopted a rolling quarterly forecast strategy, enabling them to respond swiftly to changing conditions.

To enhance their analytical capabilities, Danone introduced best and worst-case scenarios to their planning processes. This addition allowed for a more nuanced understanding of potential outcomes, essential in a world characterized by uncertainty.

However, as they ventured into this new territory, they encountered challenges. Major disruptions, such as the COVID-19 pandemic, demonstrated the limitations of their forecasts. They quickly became outdated, which prompted a re-evaluation of their approach.

In response to these challenges, the Danone FP&A team shifted their focus towards Scenario Management. This approach places a strong emphasis on agility, data-driven decision-making, and a closer alignment with the evolving needs of the business. It is not just a tool but a mindset. It is an approach that empowers organizations to navigate uncertainties with confidence.

> "In the post-COVID world, Scenario Management has become our guiding compass, steering us toward agility, data-driven decisions, and closer business alignment. It's not just a tool; it's a transformative journey."
> Ivo de Brouwer,
> *Cycles & Procurement Finance Project Director at Danone*

3. SCENARIO MANAGEMENT ECOSYSTEM

Transitioning from the foundational principles, let's delve into the essential components that make up the Scenario Management Ecosystem. There are six critical elements, as outlined below, that play a central role in crafting a robust framework for effective Scenario Management implementation.

1. Data

At its core, Scenario Management relies on dependable, easily accessible, timely, and comprehensive data that covers both internal and external operating conditions. As **Jack Clark, Manager Solution Advisory at Jedox**, rightly emphasizes, "Without a reliable data foundation, implementing Scenario Management is difficult, especially when collaborating cross-functionally."

2. Models

Models are the building blocks that illustrate the various product and service life cycles. They should be dynamic and driver-based to be able to generate actionable scenarios.

Three-way connected models with P&L, Cash Flow, and Balance Sheet statements are important. **Michael Huthwaite, Director of Product Management, Intelligent Reporting at Walmart**, highlights the significance of comprehensive, end-to-end models that illuminate the intricate relationships that exist across business segments and divisions.

Eduardo Borio, VP & Chief Controller Sales Europe at Renault Trucks, adds valuable insight, stating, "Models should incorporate the *'Business Clock'* simulating how the business operates. Early warning signs can then be built into the models from which scenarios can be assessed for each stage of the business and mitigated."

> "Models are the building blocks that illustrate the various product and service life cycles."

3. Analytics

Effective Scenario Management hinges on the availability of analytics that can unveil both the internal and external performance drivers that are often concealed within detailed data sources. These analytics, coupled with astute business judgment, are key in generating a spectrum of plausible scenarios.

> **"Data provides the foundation to analyze dependencies, correlations, and test the validity of hypothesis based on historical data. These result in driver-based planning logic of the business model, where scenarios can be created, and outcomes simulated."**
>
> **Dr. Rolf Gegenmantel, Chief Product Officer at Jedox**

4. Processes

Within the Scenario Management framework, processes play a pivotal role in aligning Strategic, Financial, and Operational plans to facilitate a seamless and adaptive response to the most probable future scenarios. Moreover, processes promote collaboration among diverse stakeholders.

Laurent Claes, Group Controlling Director, YOOX NET-A-PORTER GROUP, underscores this point, stating, "Efficient Scenario Management hinges on stakeholder involvement, well-defined iteration procedures, local ownership, continual enhancement, and alignment with the most likely scenario."

5. People

Individuals throughout the organization who are proactive and collaborative and have a sharp focus on performance drivers are key to Scenario Management success. FP&A professionals with multifunctional skills serve as both business partners and change leaders. **Guillaume Rachline, VP of Finance - Merchandising, E-Commerce & New Business at Walmart**, highlights their unique perspective: "They have holistic, end-to-end visibility on how different scenarios impact the business and the financials."

> **"Scenario Management requires a comprehensive redefinition of the FP&A mandate, moving away from simply producing financial data to strategic business partnering."**
>
> **Nahuel Rozas Delpit, FP&A Lead EMEA at GE Healthcare**

6. Technology

This is a collaborative and adaptable platform that facilitates efficient, analytical collaboration for all users involved in the planning activities. It is built upon a centralized and integrated business model and empowers organizations to manage scenarios that have been customized to meet both local and corporate requirements. **Richard Melia, VP of FP&A and Commercial Operations, EMEA at IQVIA**, notes that advanced technological capabilities are important in Scenario Management as they enable real-time modeling that enhances decision-making processes.

In summary, the Scenario Management ecosystem encompasses the above six pivotal components. When harmoniously integrated, they pave the way for a successful implementation of Scenario Management, which enables the organization to navigate the complexities of an ever-changing business landscape.

Each element needs to be vertically integrated, combining executive aspirations with operational realities, and horizontally integrated, fostering collaboration among departments to achieve the same set of organizational objectives (Figure 2).
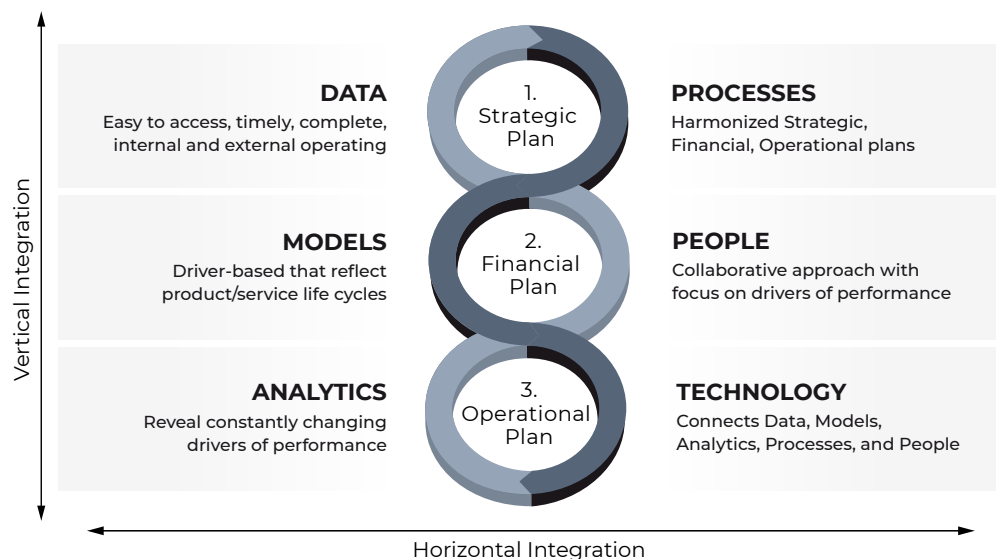
"Modern planning thrives on agility, the ability to run scenarios quickly, and iterative feedback. While Excel serves as a model prototype, transitioning to a driver-based planning system is essential for long-term sustainability."

Laurent Claes,
Group Controlling Director, YOOX NET-A-PORTER GROUP

Fig. 2: Scenario Management Ecosystem

Vertical Integration

DATA
Easy to access, timely, complete, internal and external operating

1. Strategic Plan

PROCESSES
Harmonized Strategic, Financial, Operational plans

MODELS
Driver-based that reflect product/service life cycles

2. Financial Plan

PEOPLE
Collaborative approach with focus on drivers of performance

ANALYTICS
Reveal constantly changing drivers of performance

3. Operational Plan

TECHNOLOGY
Connects Data, Models, Analytics, Processes, and People

Horizontal Integration

In Section 7, our Maturity Model provides a more detailed examination of each of these elements and illustrates how organizations can progress toward becoming a leading organization in Scenario Management.

4. FOUR KEY BENEFITS OF SCENARIO MANAGEMENT

Moving on from our exploration of the Scenario Management Ecosystem, let's focus on the four practical benefits that organizations can reap from implementing this strategic framework (Figure 3).
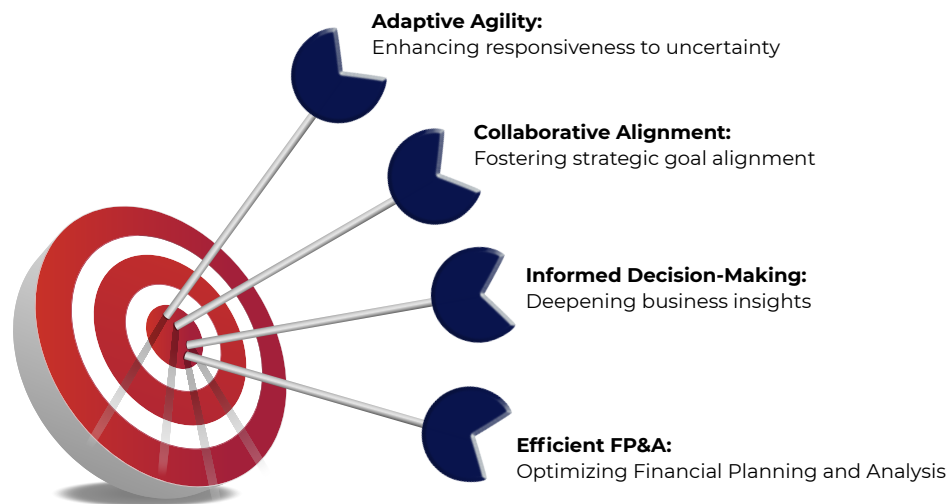

Adaptive Agility:
Enhancing responsiveness to uncertainty

Collaborative Alignment:
Fostering strategic goal alignment

Informed Decision-Making:
Deepening business insights

Efficient FP&A:
Optimizing Financial Planning and Analysis

Fig. 3:
Four Key Benefits of
Scenario Management

1. Adaptive Agility: An enhanced responsiveness to uncertainty

Scenario Management empowers organizations to proactively address uncertainty by identifying their core business drivers, fostering adaptability in the face of unexpected changes, and eliminating rigid, static plans. This adaptability can lead to a significant competitive advantage.

For example, **Jack Clark, Manager Solution Advisory NEMEA at Jedox**, shares insights from one of their clients, Henkell Freixenet, a leading sparkling wine producer. Henkell Freixenet utilizes Artificial Intelligence-powered predictive scenarios to enhance planning precision and achieves plans with up to 91% forecast accuracy. As **Jack Clark** emphasizes, "These simulations effectively pinpoint influential business drivers, seamlessly incorporating them into the planning process." Being able to anticipate likely and potentially disruptive scenarios enables teams, organization-wide, to collaborate on alternative strategies that align with organizational goals. This approach ensures well-considered strategies and avoids hasty reactions to unforeseen challenges.

2. Informed Decision-Making: Deeper business insights

Scenario Management serves as a valuable tool when challenging the assumptions leadership has about current business models. Thought leaders and authors on Scenario Planning and strategy, **Gill Ringland and Patricia Lustig**, support this idea.

For instance, a railway rolling stock leasing company adopted Scenario Management and explored various scenarios. This process led them to question their original belief - that operating in a high GDP market with favorable *'rail conditions'* was their optimal strategy. Instead, analysis revealed that focusing on risk and assets management was a priority, prompting the company to realign its operations and performance metrics accordingly.

Organizations can leverage Scenario Management to understand their risks and opportunities better. They can promptly address issues due to close collaboration with various departments, for example, resolving customer payment challenges during crises like the COVID-19 pandemic. The Scenario Management approach enables rapid adaptation to new opportunities, such as international product distribution expansion, and demonstrates support for important social and environmental issues.

3. Collaborative Alignment: Strategic goal alignment

Traditional planning often leads to gaming behavior amongst managers, who fear personal repercussions if they deviate from established plans. It can result in underestimated revenues and inflated costs that act as a cushion against anticipated budget adjustments.

Additionally, unexpected external factors can significantly impact actual outcomes. This can lead to unproductive blame games or a perpetuation of underperforming activities.

Effective Scenario Management addresses these challenges by promoting open communication and the tracking of key performance drivers. This approach fosters constructive discussions on challenges and imperative decisions, which ultimately benefits the organization's overall progress.

Eduardo Borio, VP & Chief Controller Sales Europe at Renault Trucks, provides a good example from his professional experience. In a prior role at a different company, they had an early warning system made up of a mosaic of internal and external indicators. The indicators cover various business aspects, such as machine utilization, equipment working hours, product life cycle stages, and external market conditions. The team leveraged correlations and relationships between these indicators to engage in fact-based discussions with operational managers and provide an appropriate action plan for each business segment.

4. Efficient FP&A: Optimizing Financial Planning and Analysis

Streamlined processes in Scenario Management lead to improved efficiency for finance teams, enabling them to dedicate more time to value-added activities.

Dr. Rolf Gegenmantel, Chief Product Officer at Jedox, shared with us that one of their clients, a prominent European fashion manufacturer and retailer (C&A), embraced a Scenario Management strategy that prioritizes critical drivers, such as working hours, alongside granular data like bag costs. The shift to Scenario Management allowed the finance team to automate numerous manual tasks and significantly reduce the planning cycle duration by nearly two-thirds. The time reclaimed from this efficiency gain empowered the team to engage in more value-added initiatives. Notably, they swiftly generated estimated personnel cost models, transforming the finance team into agile, real-time business partners adept at navigating contract negotiations.

> "Think of scenarios as different hands of cards you might be dealt; think of strategies as the way you would play those cards and you can't play all."

User Experience at Barclays: The Evolution of FP&A Planning

Ramkumar Balasubramaniam, CFO of Middle East and Africa at Barclays, comments that planning in today's world has evolved considerably compared to how it used to be. The modern-day approach has multiple facets that combine strategy, performance drivers, and both financial and non-financial risks.

Consequently, planning is now more susceptible to internal and external changes. For Barclays, the purpose of Scenario Management is to help affirm the idea that the bank exists to serve real people, support real businesses, develop real economies, and contribute to real communities. They do this by using a companywide integrated planning approach that includes employees, customers, and the business.

Their approach to Scenario Management has led to:

❖ New customer relationship models

❖ New commercial operating models

❖ Accelerated adoption of digital channels

❖ Increased diversification

❖ A positive impact on profitability and credit management

❖ An increase in operational resilience and business continuity management

5. CHALLENGES OF MOVING TO SCENARIO MANAGEMENT

The transition to Scenario Management presents several challenges. In our interviews, seven common areas of concern emerged (Figure 4), which are explained below. In Section 8, we will explore possible strategies to overcome these challenges.

Lack of suitable systems

Fear of failure

Lack of dynamic planning models

Time constraints

Poor data quality

Disjointed planning processes

Organizational culture resistance

1. Organizational Culture Resistance

A reluctance to embrace change, along with traditional planning methods, can hinder the adoption of Scenario Management until a crisis forces action.
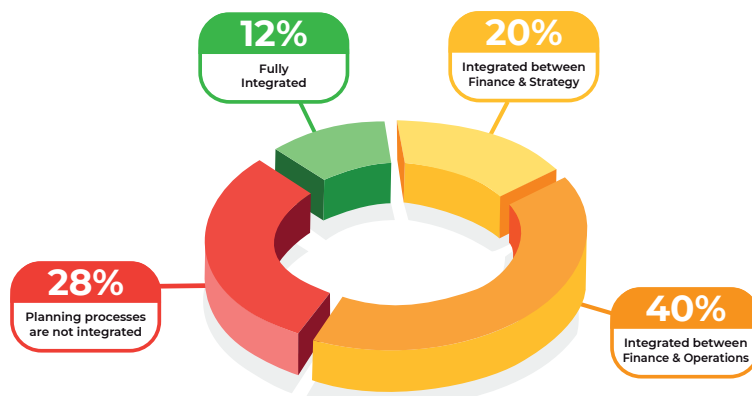
Many organizations are stuck in the rut of traditional planning. They know it doesn't work, yet there is some reluctance to change the status quo. Often, there is a fear that a shift to Scenario Management may expose organizational weaknesses and personal vulnerabilities.

Dr. Rolf Gegenmantel, Chief Product Officer at Jedox, emphasizes, "A data-driven representation of the business makes activities visible and measurable. This can lead to change resistance, particularly concerning collaborative culture and the adoption of new methodologies. Sadly, change often only occurs in the wake of a disaster when management realizes that they can no longer continue with the current planning process."

> "A reluctance to embrace change can hinder the adoption of Scenario Management until a crisis forces action."

2. Disjointed Planning Processes

Scenario Management relies on the three major planning areas – Strategic, Financial, and Operational – to be harmonized into one single process. This means the models used must be interconnected so that they act as one system and are able to share results freely. This requires a suitable technology solution that we will cover later.

In our recent survey, we found that only 12% of organizations had a fully integrated process, while 28% had no integration at all (Figure 5).

12%
Fully
Integrated

20%
Integrated between
Finance & Strategy

28%
Planning processes
are not integrated

40%
Integrated between
Finance & Operations

3. Poor Data Quality

Effective Scenario Management relies on having good-quality data, but many organizations fall short in this area. According to the 2023 FP&A Trends Survey, only a tiny 6% of organizations make all their decisions based on data. While 46% of organizations use data for a big part of their decisions, a significant 48% still rely heavily on their gut feeling and personal judgment. Striking the right balance between data and intuition is crucial, but many organizations have yet to achieve it.

> **"One of the biggest challenges is the availability and quality of good data. Data is often not clean, inaccurate, comes in different, non-comparable aggregation levels. The cleansing and refinement efforts can be huge."**
>
> **Dr. Rolf Gegenmantel, Chief Product Officer at Jedox**

One big issue is that data quality is insufficient. About one-third of the organizations surveyed struggle with gathering data from different sources since each has its own set of definitions. Bringing all the data together is a time-consuming and challenging task for FP&A teams.

When asked about their main problems in the FP&A process, most respondents (36%) pointed out that there is no single source of data that everyone trusts. Data complexity came in second place (23%), followed by the inconsistencies in categorizations (16%) (Figure 6).

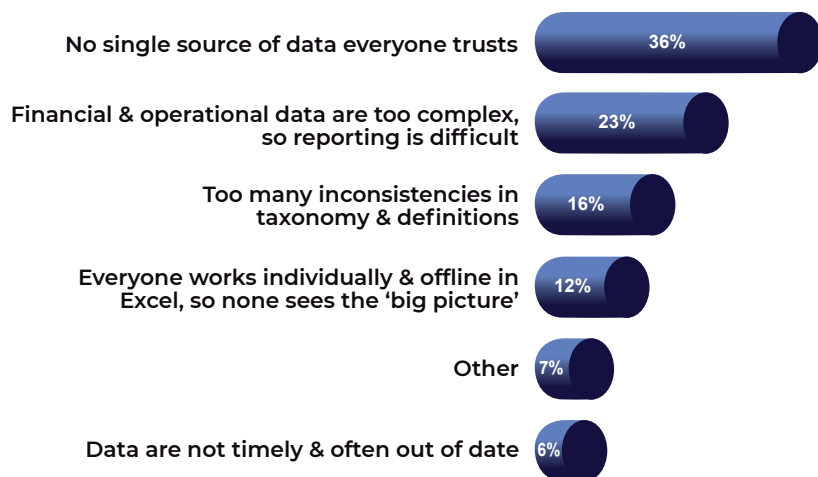|	
No single source of data everyone trusts	36%
Financial & operational data are too complex, so reporting is difficult	23%
Too many inconsistencies in taxonomy & definitions	16%
Everyone works individually & offline in Excel, so none sees the 'big picture'	12%
Other	7%
Data are not timely & often out of date	6%

Fig. 6:
The Biggest Issues in
FP&A Processes

Clearly, there is an urgent need to improve data quality. When data is insufficient, it doesn't just affect the quality of the analysis, it also makes an organization's decision-making less effective.

4. Time Constraints

One common challenge is the limited time available for adopting Scenario Management. According to **Jack Clark, Manager Solution Advisory NEMEA at Jedox**, "Many companies face difficulties in completing their annual budget and forecasting cycles quickly. Without optimizing these processes for efficient collaboration and speedy execution, it becomes nearly impossible to effectively implement Scenario Plans." Moreover, the coordination and validation of inputs from various stakeholders often cause delays. It is easy to underestimate the extent of collaboration needed to ensure alignment and efficient execution.

5. Lack of Dynamic Planning Models

Scenario Management requires extensive knowledge of the organization's strategic objectives, the business environment in which it plays, how it operates at an operational level, and, more importantly, how all these parts fit together. This knowledge is then expressed in terms of driver-based models that are used to create and modify plans.

Nonetheless, our annual survey shows that only 14% of models are fully predictive, of which 3% are automated using Artificial Intelligence/Machine Learning (AI/ML) technologies. Twenty percent of models are static, unable to react to changing business drivers, and a further 66% only have some predictive elements (Figure 7).
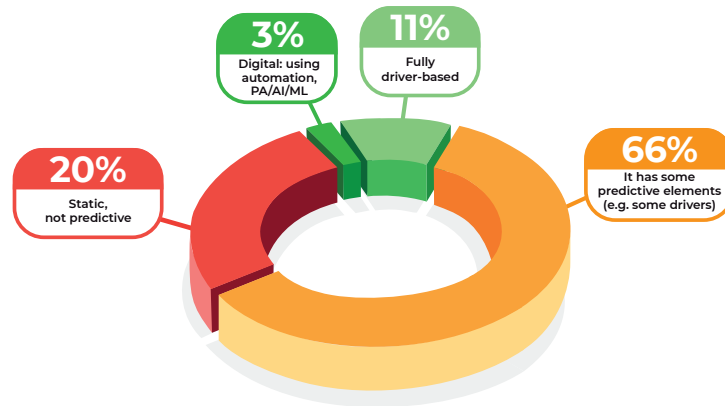
Fully predictive models based on the drivers of performance are an essential part of Scenario Management. Otherwise, it is not possible to identify and evaluate realistic, alternative futures.

6. Fear of Failure

Massimo Magliocco, Financial Planning Director at STMicroelectronics, says that the move to Scenario Management is "a complex process - It's multifaceted, demanding various business variables, and is not a straightforward tool or decision tree." He also goes on to say that the result is not free as it means the organization must be prepared for diverse scenarios that equally incur costs.

This argument augments the fear that, as with any change, there will be too much work involved, it will take too long, there will be a negative impact to current activities, and, as a result, it will fail.

7. Lack of Suitable Systems

Technology is a key enabler in Scenario Management as it helps identify drivers, produce forecasts, and run scenarios. However, as we found, most organizations do not possess the systems to do this effectively. When asked about their ability to run scenarios, 10% of organizations said they couldn't run them, while a further 62% said that they could run them, but the process was very time-consuming. Only 28% could run a scenario either in real-time or in under a day (Figure 8).
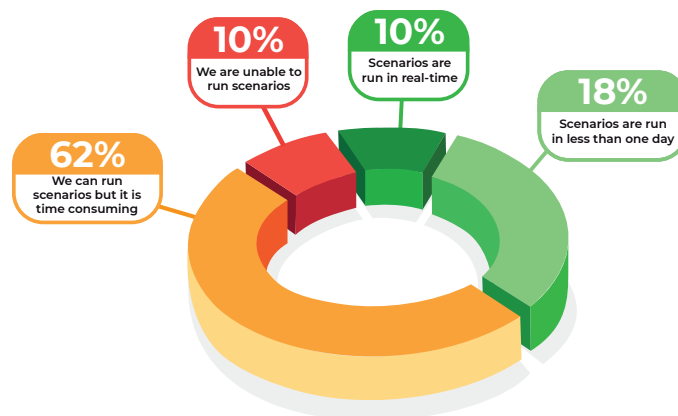
"Technology is a key enabler in Scenario Management."

When it came to the tools in use, only 9% of organizations had a dedicated driver-based planning system on which to run scenarios. The majority (75%) use Excel, which is unable to handle the size and complexity of data available or provide the level of agility required (Figure 9).
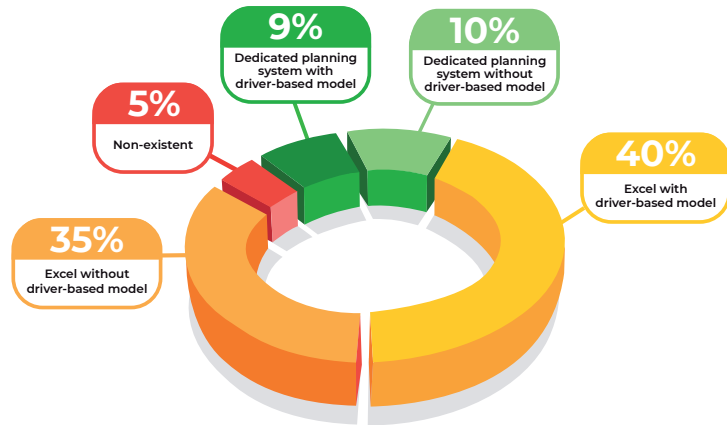
To identify drivers within the vast quantities of data that exist in the modern business world, advanced predictive analytic capabilities, such as AI/ML, are required to look for patterns and correlations. Yet, our most recent annual survey (conducted in April 2023) revealed that only 7% of businesses currently apply predictive analytics, despite its relatively affordable cost and widespread accessibility. However, around 54% of respondents intend to adopt this technology in the upcoming year.

While predictive analytics provides accuracy, it is driver-based models that provide the speed in producing complete forecasts. However, our annual survey showed that only 21% of models are mostly driver-based. Consequently, although 40% of respondents said their systems provided a high level of accuracy, only 17% could produce predictions in less than two days. The majority (51%) of organizations take five or more days to produce predictions, which is a concern since re-forecasting at speed is vital for agility and adaptability.

It is worth pointing out that our annual survey also found that using older technology hampers the work of FP&A departments. Out of all the FP&A teams that claim they are involved in a lot of manual work, 70% are using spreadsheets or older tools for planning and analysis.

"The use of old technologies hampers the work of FP&A departments."

User Experience at Medtronic:
From Driver-Based Forecasting to Scenario Management

Nahuel Rozas Delpit, recently appointed Executive Leader FP&A EMEA at GE Healthcare, argues that Scenario Management is necessary when navigating today's volatile and uncertain business landscape. He believes the transition to Scenario Management is a journey that needs more than just enhanced analytical capabilities. It requires a comprehensive redefinition of the FP&A mandate, and a complete move from financial data production to strategic business partnering.

In 2017, at a time (pre-COVID-19), when inefficiencies were still a more significant concern than volatility, **Nahuel Rozas Delpit** was leading the FP&A function for Medtronic EMEA and estimated that their FP&A teams were spending over 40% of their time forecasting and less than 15% on supporting their business partners. Worryingly, business partners frequently did not fully appreciate the value that FP&A brought to the table. In light of these challenges, Medtronic EMEA initiated a path toward driver-based forecasting and Scenario Management.

Three crucial actions were taken during this transition:

❖ A center of expertise was established, and the owner of the FP&A process was clarified to enhance centralization, standardization, and integration.

❖ Efforts were prioritized to optimize master data and make process enhancements.

❖ Tools and support systems were revamped.

The outcome was a streamlined forecasting process, built on automated reporting and visualization, and a decisive shift towards Scenario Management.

Recommendations

Nahuel Rozas Delpit advises that FP&A teams should:

❖ Evolve from being mere producers of financial information to active decision-makers. This transformation can be achieved by constructing simple scenarios leveraged on AI/ML and based on a rich dataset.

❖ Develop agile and strategic thinking while improving relationship management and influencing skills, at the same time as prioritizing communication and visualization.

Rozas Delpit also highlights the vital role of technology and analytics in the migration to Scenario Management. He advocates for end-to-end integration of data, systems, infrastructure, and process optimization. He also stresses that the transition can only be made with backing from leadership and a system of robust change management.

6. INCORPORATING SCENARIO MANAGEMENT INTO PLANNING PROCESSES

As already mentioned, Scenario Management is an agile, collaborative, and closed-loop activity that harmonizes the three critical processes of Strategic, Financial, and Operational planning. It is a collaborative smart process that utilizes interconnected models within a shared planning platform. It can be used to:

❖ Assist in the setting of long-range targets during strategic planning.

❖ Support budget allocations within financial planning.

❖ Address day-to-day operational issues.

In our conversations, the following six steps were defined as necessary for the development and management of scenarios (Figure 10).
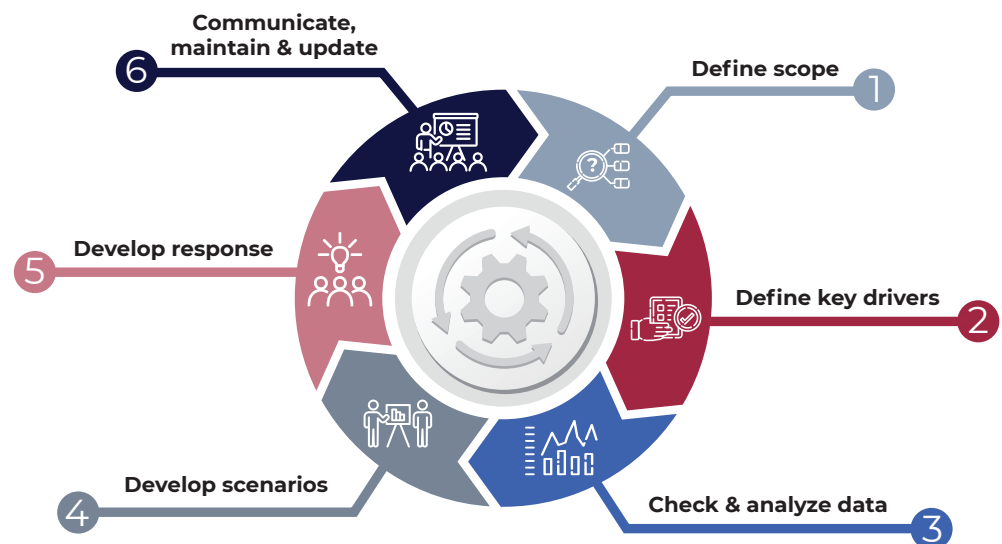
Let's take a closer look at each of these steps.

1. Define Scope

The first step is to define the scope of the scenarios that will be managed. This means identifying any issues the organization is facing, for example, recent threats or opportunities, and the time horizon that will be covered. Defining the scope will help management stay focused and identify the key stakeholders affected.

2. Define Key Drivers

Next, identify the key factors or drivers that have a significant impact on the organization's performance. These drivers can span both internal and external activities, such as market conditions, customer behavior, and economic trends. There are a range of methods to identify these drivers, including a combination of historical data analysis, AI/ML-powered data mining, and exploratory conversations with the people involved.

Dr. Rolf Gegenmantel, Chief Product Officer at Jedox, recommends automation when identifying drivers as he suggests it is important to avoid restrictive Excel-like approaches. He suggests that statistical correlations are useful when considering data relationships across different aggregation levels. Where automation helps, is when it can be employed in a system to continually learn and adjust correlations, therefore facilitating the system's adaptation to evolving circumstances.

3. Check and Analyze Data

Check that the data to be used in predictions has been collected methodically, is reliable, and available for analysis. The data can be both qualitative and quantitative.

4. Build and Develop Scenarios

Many of the people we interviewed stressed the importance of involving a cross-functional team in the prediction process so that all aspects of the business can be taken into account. When making predictions, **Michael Huthwaite, Director of Product Management, Intelligent Reporting at Walmart**, highlights two modeling approaches:

❖ Monte Carlo Analysis: This technique entails running numerous scenarios, each based on a predefined range of driver values. It aims to establish a confidence interval and provide a range of likely outcomes.

❖ Machine Learning: This approach utilizes a range of dynamic algorithms to identify patterns and correlations in large datasets.

Aravinda Tiwari, CFO - AL TAIF at EDGE, found that by utilizing these modeling techniques with understanding, organizations could enhance the accuracy and reliability of their scenario predictions. In addition, these techniques foster transparency and inform decision-making within the FP&A field.

> **"Identifying and effectively managing the risks and opportunities are a key element of Scenario Management."**
>
> **Pradeep Mucherla, FD, Corporate Services at Calvary Health Care**

Massimo Magliocco, Financial Planning Director at STMicroelectronics, suggests that when developing scenarios, it is important to:

❖ Identify both the risks and opportunities (R&O) associated with the business.

❖ Build alternative futures for both short-term and long-term business goals.

❖ Try as much as possible to be bias-free and sidestep potential pitfalls such as mood based planning, willful blindness (avoiding the obvious), or other cognitive biases.

❖ Focus on the scenarios with the highest potential impact, whether that is on sales, profits, or vital customers.

❖ Create a narrative. Storytelling is of the utmost importance when communicating scenario impact.

Eduardo Borio, VP & Chief Controller Sales Europe at Renault Trucks, recommends that scenarios should be limited to five or fewer and that they need to be exhaustively and meticulously documented.

5. Develop a Response

For the scenarios that are most likely to occur, an action plan is developed, in this step, to ensure sufficient resources are on hand. This action plan does not need to be detailed to a *'Chart of Accounts'* level, but it does need to be realistic and hold details of potential cash resources, expenses, and the source of these elements.

6. Communicate, Maintain, and Update

Lastly, chosen scenarios will need to be communicated to those affected, and these parties need to be given an idea of when these scenarios will come into play. The scenarios also need to be kept up to date in order to keep them relevant, and drivers need to be tracked through KPIs and periodic dashboards.

Role of FP&A

FP&A plays a key role in the development and management of scenarios. **Serkan Terlikci, CFO, Germany at eBay**, spoke to us about the role of FP&A:

❖ **Draw the boundaries.** It is necessary to put the right boundaries in place and define the scope of the scenario while framing it.

❖ **Dimensionalize the problem.** Evaluate what the situation will look like if a particular scenario is applied.

❖ **Decide on possible paths forward.** Provide correct and meaningful information to help management decide which path to take forward.

7. SCENARIO MANAGEMENT MATURITY MODEL

The Maturity Model is our benchmark and transformational tool for organizations that want to shift in the direction of Scenario Management. Based on the different elements of the ecosystem mentioned in section 3, it captures the five different states (from basic to leading edge) that organizations can progress through while moving from Scenario Planning to Scenario Management (Figure 11).

The depth and degree to which each element is implemented will impact the effectiveness of Scenario Management and, therefore, the organization's relative level of maturity. Each element can have a different level of maturity. At the leading-edge maturity level, the following attributes exist for each element:

Data

Data underpins performance analysis, future predictions, and plan creation. The leading-edge maturity level of Scenario Management requires data that:

❖ Is timely, complete, easy to access, derived from a single source, and easy to analyze.

❖ Covers all aspects of performance, both internal and external to the organization.

❖ Is reliable, up-to-date, and consistently labeled.

❖ Provides 'real-time' transfers into planning models.

Models

Models are the mathematical representation of an organization and the business environment in which it operates. Leading edge maturity requires models that:

❖ Are quick, easy to set up, and edit.

❖ Consist of multidimensional structures that mimic organizational hierarchies, simulate end-to-end business processes, and cover product or service life cycles.

❖ Include driver-based rules derived from AI/ML analyses that can be adjusted through human interaction.

❖ Can create integrated P&L, Cash Flow, and Balance Sheet statements.

❖ Support both top-down target setting and bottom-up consolidation.

❖ Allow alternative scenarios to be run in 'real-time'.

Analytics

Scenario Management requires modern analytical tools that can analyze combinations of internal and external data in depth. At the leading edge, these tools utilize advanced predictive techniques that can:

❖ Uncover performance drivers, even those hidden in the depths of transactional-level data.

❖ Detect correlations and dependencies between a variety of factors, such as activities, company results, and external market events.

❖ Predict possible future values and their relative probabilities.

These tools can work automatically within data and models, or they can be adjusted by end-users based on their knowledge and experience.

Process

Processes are how management plans are created, implemented, and modified throughout the organization. Scenario Management requires a collaborative process as this is the best way to access knowledge on individual operations and about the customers that are being served. Processes at the leading-edge maturity level include:

❖ An integrated planning approach across Strategic, Financial, and Operational requirements.

❖ A focus on key drivers and how those drivers can change over time.

❖ Continual development of plans in line with corporate goals, dependent upon different and emerging scenarios.

❖ Model improvement through enhanced driver knowledge and a deeper understanding of how the drivers affect the business.

FP&A Role

FP&A plays a key role in guiding the management team's decision-making process. At the leading edge of Scenario Management, the FP&A team needs to be:

❖ Bringing knowledge from around the organization on how the business works so that everyone understands the end-to-end process of the whole business.

❖ Maintaining a focus on what drives the business, in other words, the internal and external drivers that affect performance.

❖ Realistic in recognizing that uncertainty is the 'norm' and planning efforts need to center around dealing with that uncertainty.

❖ An agent of change using business partnering skills to be proactive in advising and challenging management on the expected impact of decisions made.

"FP&A plays a key role in guiding the management team's decision-making process."

Technology

This final element covers the systems used to analyze, develop, monitor, and assess alternative plans. Within technology, Scenario Management at the leading edge requires:

❖ Integrated planning models, through which everyone plans, forecasts, and analyses results using a modern, collaborative, and technical approach.

❖ Embedded, fast, and predictive analytical tools such as those that utilize modern AI/ML algorithms.

❖ Automated 'on demand' data feeds that directly transfer data from source systems to planning models.

❖ Real-time production of alternative scenarios.

❖ An ability to prepare alternative plans and cope with multiple possible futures.

❖ Automated warnings on results that are unexpected.

When combined, these six elements create what we call 'Integrated FP&A'. It is where organizations use a collaborative, flexible, dynamic, quick, comprehensive, and fact-based decision-making process that is designed to handle uncertainty.

User Experience at IQVIA: Planning through Uncertainty

Richard Melia, VP of FP&A and Commercial Operations, EMEA at IQVIA, discovered during COVID-19 that the conventional methods of forecasting and budgeting could not address the extraordinary uncertainty posed on the organization by the situation.

In response, they adopted a more structured method of transition to Scenario Management in an attempt to deal with the pandemic's challenges. The implementation involved:

1. Identifying the key drivers that were influencing outcomes and establishing an appropriate timeframe for evaluating various scenarios.

2. Making use of their in-house AI-driven predictive modeling capabilities to formulate and quantify the key drivers within their operations.

3. Having well-defined assumptions and relationships between drivers when developing scenarios.

4. Incorporating sensitivity analysis within scenarios to help determine the full range of financial impact.

5. Creating execution plans for each scenario.

6. An ongoing assessment of the impacts of new information or shifts in market conditions on corporate performance.

Recommendations

For IQVIA, the pandemic reinforced the philosophy that uncertainty is everywhere. Consequently, organizations must have the ability to consider and develop scenarios that examine unexpected events such as disruptive competition in the marketplace, legislation changes that impact operating models, or one-off events such as a global pandemic. **Richard Melia** emphasizes that this is one of the most important skills for finance teams in today's fast-moving environment.

Determining the key drivers and assumptions is a crucial part of the Scenario Management process. If this is not clear to either the leadership team or the business, the potential benefits of Scenario Management might be diluted simply due to their lack of ability to assess the interconnections between drivers and assumptions.

Crucially, assessing these interconnections requires modern technology that can offer real-time modeling and help guide decision-making.

Scenario Management is a key tool that can help FP&A teams transition into being key business partners that help mitigate risks and take advantage of opportunities.

Scenario Management Maturity Model

FP&A TRENDS — Best Practice in Financial Planning and Analysis

	DEVELOPING STATE		INTERMEDIATE STATE	LEADING STATE	
	LEVEL 1 - BASIC	**LEVEL 2 - DEVELOPING**	**LEVEL 3 - DEFINED**	**LEVEL 4 - ADVANCED**	**LEVEL 5 - LEADING**
DATA	SUMMARY GL	GL + KPI'S	GL + KPI + OPERATIONAL	GL + KPI + OP + EXTERNAL DATA	MULTI FORMAT, HOLISTIC
	NO FORMAL DATA STORE	MULTIPLE DATA STORES	CENTRAL DATA MART	DIRECT ACCESS WAREHOUSE	SINGLE SOURCE WAREHOUSE/ DATA LAKE CENTRAL DATA DICTIONARY
	TAXONOMY FAIRLY CONSISTENT	TAXONOMY CONSISTENT	PUBLISHED DATA DICTIONARY	CENTRAL DATA DICTIONARY	'REAL-TIME' DATA ACCESS
	AVAILABLE MONTHLY	AVAILABLE MONTHLY	AVAILABLE MONTHLY	AVAILABLE ON DEMAND	
MODELS	BOTTOM-UP AGGREGATION PLANS	TOP-DOWN TARGET, BOTTOM-UP FORECAST	MIXED TOP-DOWN, BOTTOM-UP	MIXED TOP-DOWN, BOTTOM-UP	MIXED TOP-DOWN, BOTTOM-UP
	DEPARTMENTAL FOCUS	DEPARTMENT, LINE OF BUSINESS	DEPARTMENT, LINE OF BUSINESS	DETAILED PRODUCT LEVEL	DETAILED OPERATIONAL LEVEL
	RULE-BASED TOTALS	P&L CALC RULES	DRIVER RULES, MANUALLY CHOSEN	DRIVER RULES, MANUAL/ MACHINE CHOSEN	AUTOMATED DRIVER-RULES WITH HUMAN ADJUSTMENT
	FIXED CALENDAR VIEW	FIXED CALENDAR VIEW	MULTI-YEAR CALENDAR	FLEXIBLE CALENDAR VIEW	LIFE-CYCLE COVERING END-TO-END BUSINESS PROCESS
	P&L BASED OUTPUT	P&L, CASH FLOW	SEPARATE P&L, CASH FLOW, AND B/SHEET	SEPARATE P&L, CASH FLOW, AND B/SHEET	INTEGRATED P&L, CASH FLOW, B/SHEET
ANALYTICS	P&L VARIANCE	VARIANCE ANALYSIS	TREND ANALYSIS	PARTIAL DRIVER ANALYSIS	DETAILED OPERATIONAL LEVEL
	MANUAL END OF YEAR FORECAST	MANUAL EXTRAPOLATED FORECAST	MACHINE EXTRAPOLATED FORECAST	PARTIAL AI/ML CREATED FORECAST	AUTOMATED AI/ML FORECASTS
	SINGLE VIEW OF THE FUTURE	SINGLE VIEW OF THE FUTURE	SINGLE, ROLLING VIEW OF THE FUTURE	MULTIPLE SCENARIOS	MULTIPLE SCENARIOS BASED ON PRODUCT/ SERVICE LIFE CYCLES
PROCESS	DISCONNECTED STRATEGIC, FINANCIAL, AND OPERATIONAL	PARTIAL LINKED BUDGETS AND FORECASTS	FULLY LINKED BUDGETS AND FORECASTS	FULLY LINKED STRATEGY AND BUDGETS	INTEGRATED STRATEGIC, FINANCIAL, AND OPERATIONAL
	FOCUS ON BUDGET PERFORMANCE	FOCUS ON FORECAST ACCURACY	FOCUS ON BUDGET/ FORECAST ACHIEVEMENT	FOCUS ON DRIVER PERFORMANCE	FOCUS ON HIDDEN DRIVERS AND DRIVER CHANGE
	ANNUAL	ANNUAL	ANNUAL WITH QUARTERLY REVIEW	QUARTERLY	CONTINUOUS DEVELOPMENT OF MODELS/PLANS
FP&A ROLE	DATA RECEIVER	DATA CONSOLIDATOR	SCORECARD FACILITATOR	INSIGHT GENERATOR	MANAGEMENT OF BUSINESS VALUE
	FINANCIAL ANALYSIS	TARGET ACHIEVEMENT REPORTER	TARGET ADVISOR	TARGET CHALLENGER	PROACTIVE BUSINESS PARTNER
	FINANCIAL VIEW	HEAD OFFICE VIEW	DEPARTMENT VIEW	BUSINESS ENVIRONMENT VIEW	HOLISTIC VIEW
TECHNOLOGY	SPREADSHEET BASED	GL/ERP + SPREADSHEETS	CONSOLIDATION APPS + BI TOOLS + SPREADSHEETS	STANDARDIZED PLANNING TOOLS	INTEGRATED, COLLABORATIVE PLANNING PLATFORM
	NO STANDARD SYSTEMS	DISCONNECTED PLANNING TOOLS	CENTRAL DEFINED PLANNING MODEL(S)	LINKED PLANNING MODELS	INTEGRATED PLANNING MODELS
	NO PREDICTIVE ANALYTICS	SEPARATE TIME SERIES/ CORRELATION TOOLS	INTEGRATED ANALYTICS	ADVANCED AI/ML ANALYTIC TOOLS	EMBEDDED AI/ML TOOLS
	SIMPLE REPORTING/ DISTRIBUTION TOOLS	AUTOMATED REPORT CREATION AND DISTRIBUTION	ON-DEMAND, SELF-SERVICE ANALYSIS, AND REPORT CREATION	CENTRAL, COMPANYWIDE, ON-DEMAND, SELF-SERVICE TOOL	'REAL-TIME' PRODUCTION OF ALTERNATIVE SCENARIOS
					AUTOMATED WARNINGS

8. IMPLEMENTATION STRATEGIES FOR SCENARIO MANAGEMENT

From our interviews, eight implementation strategies were recommended for organizations wanting to move toward Scenario Management (Figure 12).

1. **Gain management buy-in**
2. **Get the data right**
3. **Closely align FP&A with the business and its needs**
4. **Harmonize Strategic, Financial, and Operational processes**
5. **Gain management buy-in**
6. **Get the data right**
7. **Invest in the right technologies**
8. **Start simple**

Fig. 12:
Implementation Strategies
for Moving to Scenario
Management

1. Gain Management Buy-In

Dr. Rolf Gegenmantel, Chief Product Officer at Jedox, emphasizes that effective change management strategies are important for the adoption of Scenario-Based Planning across the organization. It starts with leadership buy-in and clear communication. He also went on to say that the benefits of Scenario Management need to be clearly articulated to all stakeholders through regular, transparent communication. A definition of clear, measurable outcomes will also help track real progress and showcase the positive impact Scenario Management has on decision-making and performance.

Drawing from his experience, **Vikram Goel, Deputy CFO at City National Bank**, dictates that the first and most important aspect of efficient Scenario Management is to get management buy-in. This is because Scenario Management requires changes in stakeholder behavior and inevitable changes in major processes. As well as management buy-in, it is also critical to establish partnerships with business units since they will supply the data used in the financial models. Their input is crucial for utilizing and analyzing the information.

2. Get the Data Right

A combination of financial and non-financial data is crucial in identifying drivers and predicting alternative futures. **Ivo de Brouwer, Cycles & Procurement Finance Project Director at Danone**, stresses that companies should define and integrate non-financial KPIs into their business animation process. Making sure KPIs are measured in the same way across the organization is of utmost importance.

He also recommends combining as many data sources (both internal and external) as possible to drive business decisions. To do that effectively, companies should use unified data definitions throughout company functions and systems, including harmonized hierarchies on product, brand, customer, and channel.

3. Closely Align FP&A with the Business and Its Needs

Communication and collaboration between the finance and business departments are paramount to effective Scenario Management. In our 2023 survey, there was a 17% rise in demand for business partnering skills within FP&A. In fact, 41% of FP&A departments say this is the most sought-after skill when recruiting new team members. This significant increase underscores a growing recognition that the gap between finance and other business functions needs to be bridged. The FP&A landscape is evolving, placing greater emphasis on effective stakeholder partnerships.

> "A combination of financial and non-financial data is crucial in identifying drivers and predicting alternative futures."

Ivo de Brouwer of Danone goes further on this point, saying effective business partnering entails reducing the frequency and granularity of reporting to focus more on understanding scenarios and recognizing the aspects that truly matter to the business. He also stressed the need to focus attention at a local level by simplifying the matrix organizational structure and empowering specific countries or regions to understand the local markets and make quicker decisions.

4. Harmonize Strategic, Financial, and Operational Processes

Traditionally, Strategic, Financial, and Operational planning have each been individually run as different processes at different times, using different models, which often leads to a disconnect between strategy and action. Effective Scenario Management requires these three key planning processes to be harmonized so that the inputs and outputs of each are connected. They are, after all, each part of the same process with an aim to align company action with strategic goals.

5. Create Realistic Planning Models

Michael Huthwaite, Director of Product Management, Intelligent Reporting at Walmart, believes that models should cover the different life stages of an organization's products and services. From inception through the stages of development, initial roll-out, growth, maturity, and finally decline or replacement. It is crucial to evaluate the impact on all assumptions and variables through each phase. Each stage will have different resource requirements and produce different levels of outcomes.

Everyone we spoke to believes it is vital to continuously enhance and refine any models through back-testing, which involves comparing the model's outcomes with real-world data.

6. Improve FP&A Skills

For many years, FP&A has acquired not only financial expertise but also data management & analysis skills. But to support Scenario Management, **Nahuel Rozas Delpit, FP&A Lead EMEA at GE Healthcare**, says that FP&A teams must evolve from being mere producers of financial information to active decision-makers. This transformation could be achieved by constructing simple scenarios based on a rich dataset leveraged by AI/ML. He also believes that FP&A needs to develop agile and strategic thinking, along with enhanced relationship management and influencer skills, while also prioritizing communication and visualization.

In many of our recent research papers, we stressed the need for different roles within FP&A that cover:

❖ The FP&A Architect who can work with end-users to create analytical models.

❖ The FP&A Analyst who analyzes data and produces insights.

❖ The FP&A Data Scientist who can use predictive technologies such as AI/ML.

❖ The FP&A Storyteller who can place results in the context of decisions that need to be made.

❖ The FP&A Influencer who works with senior executives on the actions that need to be implemented.

Dr. Rolf Gegenmantel, Chief Product Officer at Jedox, concurs, "Those involved need to be trained with the necessary skills to understand and perform scenario analysis and how to use and communicate the results." He went on to say that training should build on the widespread skillsets that exist in the workforce.

7. Invest in the Right Technologies

Our research shows that Scenario Management needs the support of a modern technology environment and its associated systems. That environment needs to include capabilities for:

❖ Data collection and integration.

❖ Model-building with a driver-based representation of how the company operates.

❖ Advanced analytics and simulation of scenarios.

❖ Workflows that orchestrate the planning process with roles, responsibilities, and timelines.

❖ Data presentations that communicate planning results and track progress.

As we have found, Excel continues to play a key role within FP&A. Therefore, it's essential to ensure seamless integration with functionalities that fulfill the above capabilities when working with spreadsheets.

Emerging technologies, such as integrated planning platforms, are starting to have a big impact on FP&A, as they enable access and processing of more data, faster.

Jack Clark, Manager Solution Advisory NEMEA at Jedox, explains that new technologies can be used to support AI-based predictions, clean existing datasets by removing outliers from historical data, and automatically run new scenarios when an external driver changes, such as inflation. He also emphasizes that AI has the ability to predict business drivers based on far more data points than a human could possibly reference, resulting in more accurate plans.

Eduardo Borio, VP & Chief Controller Sales Europe at Renault Trucks, believes that the automation of processes and analyses is the cornerstone of building an efficient early warning system. He also claims, "Today's systems augment human capabilities…by producing detailed analyses and summarizing them without human intervention, thereby freeing up management time to focus on responding."

Automation also has other benefits. **Kajetan Lubina, Division CFO at Yanmar**, comments that automating processes allows "a more in-depth understanding of how various factors interact within the business. This understanding, in turn, facilitates model adjustments, leading to enhanced practices and an increase in forecasting accuracy."

8. Start Simple

Any new process should build on the knowledge of the workforce, comments **Dr. Rolf Gegenmantel**. He continues to say that, "To build trust, it makes sense to start with small-scale pilot projects to demonstrate the value of Scenario Management. From there, you can implement Scenario Management incrementally to manage disruptions and adapt to organizational needs."

Jack Clark agrees by saying, "It's best to start simple, starting with a few key drivers that have companywide definitions on which to plan some basic scenarios. This can most often be done within finance, where it's important to gain a deep understanding of the Scenario Planning operating model covering the data, process, and tools."

Clark continues, "Then, with the support of leadership, increase the number of drivers to enable more complex, more accurate scenarios to be developed. This will usually mean input from different functions, so using that knowledge to support those functions makes it collaborative, fast, and easy. This is where a partnering skillset is essential."

"Going big initially means involving too many functions at the same time, increasing the risk that one or more of those functions doesn't understand the value of Scenario Management to them and/or the company as a whole."

Jack Clark,
Manager Solution Advisory NEMEA at Jedox

User Experience:
Scenario Management - a Must-Have in Decision-Making

Guillaume Rachline, VP of Finance - Merchandising, E-Commerce & New Business at Walmart, believes that Scenario Management is not just a background financial operation, it is a must-have for a company to make the right decisions.

Guillaume Rachline emphasizes the pivotal role of a finance team. They possess a unique vantage point within the company as they have a holistic, end-to-end view of how different scenarios may impact the business and its financials.

The team's approach to Scenario Management is two-fold. Starting with a top-down review, they pressure-test the assumptions and find the ones that are relevant to this specific planning timeline. Subsequently, a select few assumptions undergo further pressure-testing and refining. While it might be tempting to envision a rigid process, marked by specific timelines and deliverables, the reality is the opposite. In the current volatile environment, *'agility is king'*. Almost any factor could be regarded as an assumption and possesses the potential to significantly reshape operations.

The biggest challenge for any company, isn't about laying down a standard process but selecting which variables need to be examined and which assumptions need to be implemented. That said, there's an underlying intent to infuse a degree of standardization in a Scenario Management system, striking a balance between agility and predictability. This further equips Finance teams to foresee long-term implications via standardized models.

9. CONCLUSIONS AND THE FUTURE

We live in a world of uncertainty, but as **Michael Huthwaite, Director of Product Management, Intelligent Reporting at Walmart**, suggests, within that uncertainty lies a vast opportunity for those organizations that can create and execute winning plans. "Yet, despite all the advances in technology," he continues, "we are still stuck in the past when it comes to the evolution of Scenario Planning, with many businesses still relying on outdated methods such as variance analysis, corridor planning, and checkerboard diagrams."

The solution of the future lies in Scenario Management, which identifies possible opportunities from the assessment of multiple quantifiable scenarios. It also provides the basis for discussing what uncertainty means for the business as a whole and allows management to discuss the relative merits of different strategies that may help them take advantage of these possible opportunities.

However, **Eduardo Borio, VP & Chief Controller Sales Europe at Renault Trucks**, emphasizes the importance of embedding Scenario Management within the company culture, viewing it not just as a strategic tool but as a part of an organization's DNA.

Wojciech Porebski, VP of Finance, Grids & Power Quality Solutions at Hitachi Energy, concurs, "Scenario Management is a vital instrument for designing resilient and adaptable strategies, implementing actions, countering challenges, and seizing opportunities in an environment of uncertainty."

Vikram Goel, Deputy CFO at City National Bank, further highlights that the paramount advantage of Scenario Management lies in the timely and invaluable information it offers to the leadership team, facilitating real-time decision-making. For FP&A, it empowers them to participate actively in value creation and decisively support the decision-making process.

In looking to the future, digitalization is driving many technological innovations that will shape the future of FP&A Scenario Management. Cloud-based platforms are becoming more powerful and able to cope with the increasing volumes and varieties of data as well as produce analysis in real time. Similarly, natural language capabilities will change the interaction between business users and finance systems, creating better results, since the need for technical knowledge will be reduced.

Now is the time for organizations to act on Scenario Management, or they risk losing out to those who have already adopted it. By using the maturity model covered in section 7, organizations can assess where their organization fits and identify strategies that can be employed to move their organization to the next maturity level of Scenario Management.

> "Now is the time for organizations to act on Scenario Management."

10. ACKNOWLEDGMENTS

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❖ FP&A Trends Maturity Model Assessment

❖ FP&A Trends Webinar series

❖ The Artificial Intelligence / Machine Learning FP&A Committee

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FP&A Trends Group is a high-profile think tank focused on modern corporate Financial Planning and Analysis (FP&A). The organization's mission is to identify, shape, and share the latest FP&A trends and best practices via global research, events, educational content, and advisory services.

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Jedox enables a culture of decisiveness and confidence so teams can plan for opportunities, react quickly to changes, and uncover what they didn't know was possible.

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