

# Seven Pillars for Integrated FP&A Excellence



Authors:

Tanbir Jasimuddin, FP&A Trends Author and Thought Leader  
Larysa Melnychuk, CEO and Founder at FP&A Trends Group

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# 1 Introduction.

## Embracing Uncertainty: The Role of Integrated FP&A

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We have become used to uncertain environments, going from one global crisis to another. Consequently, the ability to plan and replan with multiple scenarios at speed is a critical capability of organizations today. This enables the organization to be agile and adaptable and be able to respond to what is happening around them.

To support this business requirement, we need harmonization through the alignment of all of our planning, forecasting, and analytical processes. This creates a unified framework that allows for a swift and effective response to external change.

This is the essence of Integrated Financial Planning & Analysis (FP&A).

Organizations that master Integrated FP&A are able to turn threats into competitive advantages. It enables them to turn disruptions into opportunities for growth and innovation. It allows the organization to react with precision and confidence.

Many organizations struggle to build this capability. In this Insights Paper, we provide a framework to implement Integrated FP&A.

### i. Integrated FP&A ensures that the entire organization is aligned and can respond to change

Our first case study is a leading US business in the upscale casual dining industry. They have more than 200 restaurants, turning over approximately \$2.5bn in revenue. They implemented Board as a modern, fully integrated planning solution that is deployed all the way down to their restaurants. Sales forecasting (using guest-level daily sales, trend analysis and external driver data) as well as workforce planning were among the main models that they connected to a central driver-based financial plan.

Additionally, the deployment of the system on a cloud-based platform reduced their infrastructure costs and enabled them to integrate plans with their internal enterprise resource planning (ERP) and operational data sources.

They now operate a fully integrated model, where a change in one area is reflected in all the other planning models. This allows them to produce new forecasts or scenarios on demand to respond quickly to any external environmental changes.

However, a large number of FP&A departments do not have this capability. The lack of coordinated planning across strategy, finance and operations is a significant issue. Our recent survey data shows that while 46% of organizations say they integrate planning beyond the finance department, only 10% achieve a fully connected process, and actually a significant 22% have no integration at all.

**Michael Huthwaite, Director of Product Management of Walmart**, puts it clearly: “The main challenge in business performance management is finding the right balance between stable, centralized core systems and flexible, specific edge applications to achieve true financial integration across an organization. Here, core systems are the crucial, standardized tools that ensure uniformity and control, while edge applications provide tailored solutions for specific departmental needs.”

This insight reflects the critical need for an Integrated FP&A approach that ensures financial planning is not an isolated but a central, aligned part of the company’s overall strategy and operations.

## ii. Integrated FP&A has evolved from traditional planning disciplines

Traditional FP&A involves rigid, scheduled processes with isolated data and inflexible models. Integrated FP&A, on the other hand, focuses on dynamic, on-demand scenario planning that is fully unified, agile, and adaptable.

The latter approach utilizes a single platform for continuous, data-driven decision-making, enabling collaboration across departments. It allows the organization to be responsive to changes, well-aligned, and equipped to manage market volatility.

This Insights Paper explains what Integrated FP&A is, why it is important, and how to implement it. It incorporates findings from several hundred [International FP&A Board](#) members and case studies to illustrate how Integrated FP&A brings organizations together, improves communication, and uses real-time data to navigate the current business landscape.

“Integrated FP&A isn’t just about numbers; it’s about transforming gatekeepers into enablers, shaping the future trajectory of our business with insightful collaboration.”

**Amrish Shah, CFO of Metabolic**

## 2 Historical Perspectives on Integrated FP&A Evolution

Planning across an organization has been a longstanding practice. James O. McKinsey introduced budgeting and budgetary control in the early 20th century, and sales and operations planning (S&OP) further improved this approach, benefiting supply chain management and cash flows with just-in-time inventory management. However, challenges persist in integrating operational, financial forecasting, and strategic planning due to siloed processes and manual data processing, thereby limiting agility and hindering strategy execution.

### i. The emergence of Integrated Business Planning (IBP)

Integrated Business Planning (IBP) evolved from S&OP to include financial planning, yet its application across industries varied considerably. A recent survey revealed diverse perceptions of IBP<sup>1</sup> among FP&A professionals:

- 65% view IBP as an extension of S&OP
- 8% see it as synonymous with S&OP
- 10% associate it with system implementations
- 17% do not understand the term

The survey results highlight confusion of the term among nearly a third of respondents. No one has ever owned the term or clearly defined it.

### ii. Extended Planning and Analysis (xP&A)

Gartner introduced Extended Planning and Analysis (xP&A) in 2020 as a way of, firstly, creating a unified term for integrated business planning and, secondly, recognizing the increase in available technology for integrated planning. However, this approach was technology-led and did not define a true integration, which requires harmonization across the entire organization.

<sup>1</sup> Source: Combined LinkedIn and the FP&A Trends Webinar surveys with 272 responses

### iii. The transition to Integrated FP&A

The diverse interpretations of IBP and the introduction of xP&A underscore the ongoing evolution and challenges within traditional planning frameworks. These developments highlight a need for Integrated FP&A – a holistic, practitioner-driven approach that effectively synchronizes strategic, financial, and operational planning. This approach tackles the complexities of modern business environments, enhancing decision-making and improving the agility of operations.

In the following sections, we will define Integrated FP&A more precisely and explore how it unifies planning dimensions to support dynamic decision-making across the organization.

**Integrated FP&A is essential, acting as the cornerstone for enterprises that need to adapt quickly and outperform competitors in a world full of challenges and opportunities.**

## 3 Integrated FP&A Harmonizes Strategic, Financial, and Operational Planning into a Single, Seamless Process

Integrated FP&A aligns top-down goals with bottom-up operational insights and enhances decision-making and adaptability across the organization (Figure 1).

### i. Integrated processes

The Integrated FP&A framework boosts collaboration and information flow across three key planning processes:

- **Strategic planning & capital / resource allocation:**  
Defines long-term goals and sets the organizational direction, providing a strategic framework that guides all subsequent financial and operational planning.
- **Financial planning:**  
Acts as the intermediary layer, translating strategic objectives into concrete financial targets and budgets. This layer is crucial for activities such as forecasting, budgeting, and financial analysis, which determine the financial viability and implications of strategic plans.
- **Operational planning:**  
Positioned at the foundational level, this process focuses on the daily management of business activities. It ensures that both strategic and financial plans are effectively implemented at the operational level and can adapt responsively to real-time challenges and opportunities.

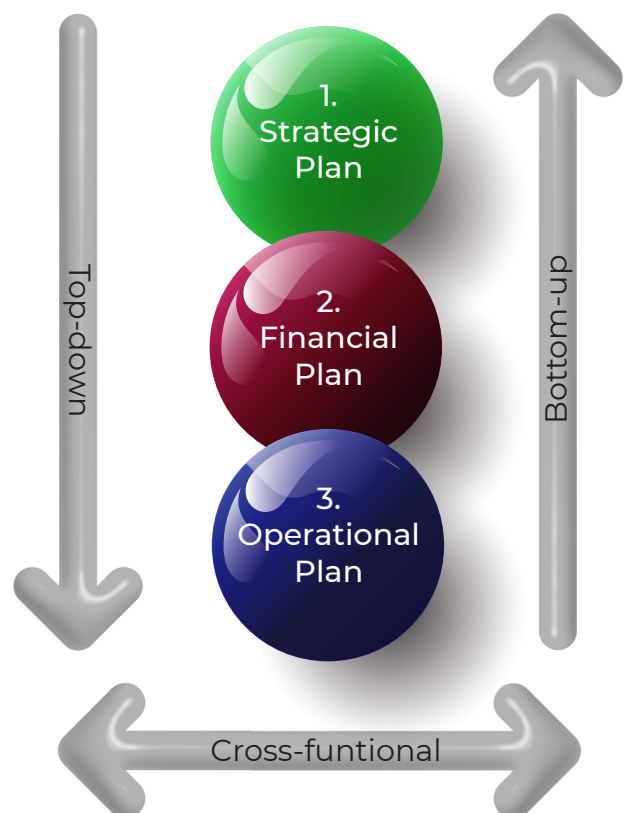


Figure 1: Integrated FP&A Framework

## ii. Cross-functional integration

A key feature of Integrated FP&A is its cross-functional nature that ensures a seamless flow of information across strategic, financial, and operational domains:

- **Vertical integration:**  
Links each planning layer to the next, ensuring that strategic decisions are grounded in financial realities and operational capabilities.
- **Horizontal integration:**  
Promotes interdepartmental collaboration, enabling functions like HR, marketing, and sales to align their strategies with company-wide objectives. For instance, a strategic goal to enter new markets would involve coordinated efforts from finance for budget allocation, operations for logistical planning, and marketing for market analysis and campaign strategy.

By harmonizing these planning processes into a cohesive, interconnected framework, Integrated FP&A enables organizations to be agile, data-driven, and strategically aligned. This is essential for navigating today's dynamic business environment and achieving sustained competitive advantage. The comprehensive integration not only streamlines decision-making but also enhances the organization's ability to adapt quickly to external pressures and internal changes.

“Integrated FP&A means working not just for the business but in harmony with it, fostering collaboration across departments.”

**Amrish Shah, CFO of Metabolic**

## 4 The Seven Pillars of Integrated FP&A Excellence

The Seven Pillars of Integrated FP&A Excellence is based on empirical data and global insights gathered from over 240 [International FP&A Board](#) events, 2400 [FP&A Trends Survey](#) responses, 27 [research papers](#), and 150 [digital events](#). This wealth of global expertise has validated the model's effectiveness and allows it to now serve as a guide to align financial planning and analysis effectively within organizations (Figure 2):



Figure 2: The Seven Pillars of Integrated FP&A Excellence

- 1. Organizational readiness and culture:** Prepare the organization's culture for change and promote FP&A integration.
- 2. People and capability building:** Ensure FP&A teams and stakeholders have the necessary skills for sophisticated analysis and integrated planning.
- 3. Data quality and integration:** Establish high-quality, interconnected data systems that provide accurate and reliable data across the organization.
- 4. Key business drivers:** Identify and manage critical metrics that influence financial and operational outcomes so that decision-making can be optimized.
- 5. Comprehensive driver-based financial modeling:** Develop detailed models that combine strategic goals with financial data and show how drivers can impact overall performance.
- 6. Integrated planning processes:** Coordinate strategic, financial, and operational planning across all business units to enhance collaboration and eliminate silos.
- 7. Technological enablement:** Leverage the latest technology stack to support data integration, process automation, and real-time analytics to ensure effective FP&A execution.

These pillars work together to create a strong system for sustained excellence and adaptability in FP&A. Organizations can tailor the implementation of these pillars to their specific needs and capabilities, either all at once or in several stages. This adaptable approach enables companies to customize the integration process to fit their operational contexts and strategic goals, ensuring ongoing improvement and adaptability in FP&A.

Feedback and iterative improvement are essential components of an Integrated FP&A function. An ongoing feedback process involves monitoring and enhancing practices based on input and thoughts from various levels of the organization. It ensures the FP&A team remains adaptable to changes in conditions, technology, and business requirements. Lessons learned, and data collected through this feedback loop can drive continuous improvement in business strategy, process, and technological infrastructure.

## i. Pillar 1: Organizational readiness and culture<sup>2</sup>

### Overview

Organizational readiness and culture are essential for successful Integrated FP&A. A supportive environment that embraces change is necessary for strategic, operational, and financial integration. There are three areas to consider when developing this pillar:

### Address Challenges in strategy execution

- **High failure rate:** Niels Van Hove, IBP Thought Leader, notes that 60% to 90% of strategy implementations fail, with only 14% of executives satisfied with execution outcomes.
- **Communication gaps:** 38% of managers fail to communicate strategic directions to their teams, causing significant execution barriers.
- **Collaboration challenges:** 30% of managers find cross-unit collaboration the biggest obstacle on the path to strategy execution.

### Cultivate a supportive culture

- **Leadership and alignment:** Ensure senior leaders visibly support and engage with FP&A integration, to address the gap where 60% of organizations lack strategic initiatives in their budgets.
- **Change management:** Implement robust change management strategies to enhance communication and collaboration across departments.

**Incentives and training:** Link incentives to strategic goals and provide ongoing education to align employee actions with organizational objectives. Deliver impact and strategic performance reporting:

- **Enhanced reporting:** 92% of companies fail to report on strategic lead performance indicators. Ensure your monitoring and reporting includes the information that is critical to drive your organization. Delivering focused and relevant reporting ensures that your people are also aligned to your organization's strategic drivers.

“Analytics is fundamentally about people and culture. It’s about how individuals within an organization make sense of data and turn it into actionable insights. This emphasizes the critical importance of fostering a strong organizational culture that supports and drives data-driven decision-making.”

**Amrish Shah, CFO of Metabolic**

<sup>2</sup> Source: <https://fpa-trends.com/article/fpa-strategy-execution-readiness>



## ii. Pillar 2: People and capability building enhanced with FP&A team roles

### Overview

To excel in Integrated FP&A, it is vital to build a diverse and specialized team. The people and capability building pillar focuses on evolving and integrating roles through internal development and external recruitment to create a high-performing team. Through our research, among our members, we have identified the five critical roles an FP&A team needs.

### FP&A team roles

#### 1. Architect:

- **Role:** Responsible for designing and implementing scalable and flexible FP&A systems that align with strategic objectives.
- **Development areas:** Systems integrations, process automations, and advanced modeling techniques.

#### 2. Data Scientist:

- **Role:** Applies advanced analytics, including Artificial Intelligence (AI) and Machine Learning (ML), to derive predictive insights and to optimize financial strategies.
- **Development areas:** Machine Learning understanding, statistical analysis, and data management practices.

#### 3. Analyst:

- **Role:** Conducts deep data analysis and quantitative assessments to support financial forecasts and operational insights.
- **Development areas:** Data manipulation, statistical analysis, and financial modeling.

#### 4. Storyteller:

- **Role:** Transforms complex financial data into engaging and understandable stories to facilitate stakeholder communication and support strategic decisions.
- **Development areas:** Data visualization, presentation skills, and narrative development.

#### 5. Influencer:

- **Role:** Uses expert knowledge and strategic insights to influence business decisions and foster a data-driven culture without formal authority.
- **Development areas:** Strengthen leadership skills, persuasion techniques, and cross-functional collaboration.

### How do you build these capabilities within your FP&A team?

- **Enhance team capabilities:** Invest in targeted training programs to address individual needs for each role, ensuring proficiency and contribution to FP&A initiatives. Supplement internal talent with external experts, in roles such as Data Scientist and Architect, for specialist skills and fresh perspectives.
- **Create customized training programs tailored to specific roles:** Focus on developing the necessary technical and soft skills while fostering a culture of continuous professional development so that teams can keep up with any advancements in technology and business practices.
- **Foster a collaborative FP&A culture:** Use cross-functional integration to align FP&A activities with broader business goals. At the same time, maintain balanced team dynamics by utilizing a mix of internal talent and external specialists which will enhance overall performance and integration capabilities.

- **Define roles clearly and implement customized development strategies:** By doing this, organizations can build an effective FP&A team capable of handling complex integrated financial planning and analysis while also driving strategic success and operational efficiency.

### iii. Pillar 3: Data quality, availability, and integration

#### Overview

Forecasts are only as good as the data being fed into them. What we need is curated data that is comprehensive, accurate, and integrated at source using automated data flows.

#### Data management can be challenging

“**We are poisoned by data!**” is something we often hear from our members and highlights the frustration many FP&A professionals feel due to the significant data management challenges that exist in current business environments. There are a multitude of frustrations, including a lack of one single trusted source, inconsistencies in data taxonomy, and the challenge of consolidating multiple data sources. As a result, it is suggested that up to 78% of practitioners face significant hurdles in achieving effective data integration. The latest FP&A Trends Survey underscores this issue, revealing that 30% of professionals lack one trusted data source, and 32% struggle with inconsistent data definitions or data that is complex to analyze. All of these issues hamper effective data consolidation and validation.

#### The strategies that exist for enhanced data integration

To address the challenges that exist with data management, organizations must:

- Establish a strong data governance framework to standardize data handling across all units and ensure its accuracy and consistency.
- Implement centralized data management systems that curate and cleanse data, store data centrally or digitally, define one source of the truth, support real-time updates, and facilitate strategic alignment by reducing data conflicts.

#### Data quality must be ensured

Maintaining high data quality is essential, therefore it is important to implement:

- **Proactive data quality management** that includes regular audits of critical data areas, such as inventory or sales, to ensure accuracy and reliability.
- **Business data owners and data stewards** that should be assigned for each data domain to monitor and act on data quality

You need data that is clean, comprehensive and available in real-time. This will allow the business to build consistent planning and analysis models across the organization and support critical decisions.

## iv. Pillar 4: Key business drivers

### Overview

Key business drivers are essential metrics that have a significant impact on an organization's financial and operational results. They include internal factors, like production rates and employee efficiency, that are controllable, as well as external factors, like market demand or economic changes, that are uncontrollable.

**Garrett Dennie** stresses the importance of understanding these drivers:

“Understanding what truly drives sales and costs is crucial for developing robust financial models. This focus on foundational data integrity is essential, much like addressing basic needs before higher achievements in Maslow's hierarchy. The cascading of connected drivers further integrates various organizational planning aspects, facilitating comprehensive and coherent decision-making.”

**Garrett Dennie, CFO of Knix**

### The integration of business drivers

Organizations can integrate disparate parts of their planning processes by effectively cascading these key connected drivers, both vertically and horizontally, across the business. This enhances alignment across strategic, operational, and financial functions and, therefore, ensures that operations are optimized, strategies are aligned, and organizational agility is enhanced.

### The classification and management of drivers

Business drivers can be categorized as controllable (e.g., cost management strategies) or uncontrollable (e.g., regulatory policy changes). Managing each type strategically is essential for maintaining agility and responsiveness in FP&A.

### Practical application of drivers

This visualization in Figure 3 demonstrates how driver relationships like ‘Growing revenue through volume’ and ‘Improving revenue through pricing’ can directly impact broader organizational goals such as sales growth and improved working capital. It essentially emphasizes the connection between operational efficiencies and strategic financial outcomes.

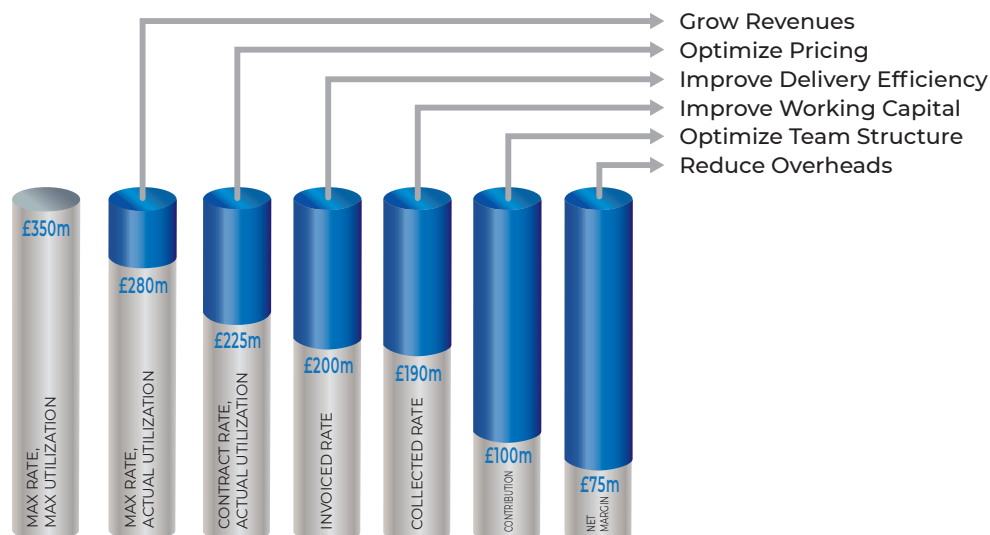


Figure 3: Example of Business Value Drivers

Identifying key business drivers involves leveraging business acumen and partnering by talking to business unit leaders to gain performance insights. It requires some analytical exercises to be performed, like regression and covariance analysis to quantify driver correlation and impacts. Some organizations use advanced technologies like AI and ML tools to uncover hidden drivers, to predict impacts and be able to react proactively. The study of drivers can be extended by applying the Pareto Principle to focus efforts on the 20% of drivers that generate 80% of results and, therefore, optimize resource allocation further.

### **The dynamic nature of business drivers**

The relevance and impact of key business drivers evolve over time, necessitating regular reviews and constant adjustment. This dynamic nature means that what may be a key driver today could change tomorrow, making continuous monitoring and adaptation a cornerstone of an effective FP&A practice.

“Understanding and effectively managing key business drivers is crucial as it links our strategic planning directly to operational performance, influencing how we meet stakeholder expectations and manage resources.”

**Rudie van Dijk, Group FP&A Director of TIP Group**

## **v. Pillar 5: Comprehensive driver-based modeling**

### **Overview**

Driver-based modeling is crucial within Integrated FP&A as it links strategic goals with operational and financial planning by leveraging key business drivers. It quantifies the impact of operational factors on financial outcomes and establishes mathematical relationships between business drivers and financial results. This approach facilitates quick changes to operational and financial strategies that can boost an organization’s responsiveness.

Integration across organizational levels is crucial for driver-based modeling, and it allows for data-driven decision-making in fast-paced environments. This approach helps efficiently communicate strategical shifts throughout operational and financial planning cycles, ensuring alignment and collaboration between departments.

### **Challenges in implementation**

Despite its benefits, the adoption of driver-based models is limited:

- According to our latest survey, only 9% of organizations use fully driver-based models. The vast majority (54%) use partially calculated models, while 37% of organizations do not use driver-based models at all.
- Shockingly, only 21% of businesses plan a fully integrated profit and loss (P&L), cash flow, and balance sheet, with 16% focusing solely on the P&L.

## Developing a driver-based model

Illustrated in Figure 4, developing a driver-based model involves mapping critical business processes and identifying the conversion ratios at each stage — from initial customer engagement to final sales — that are essential for understanding revenue generation.

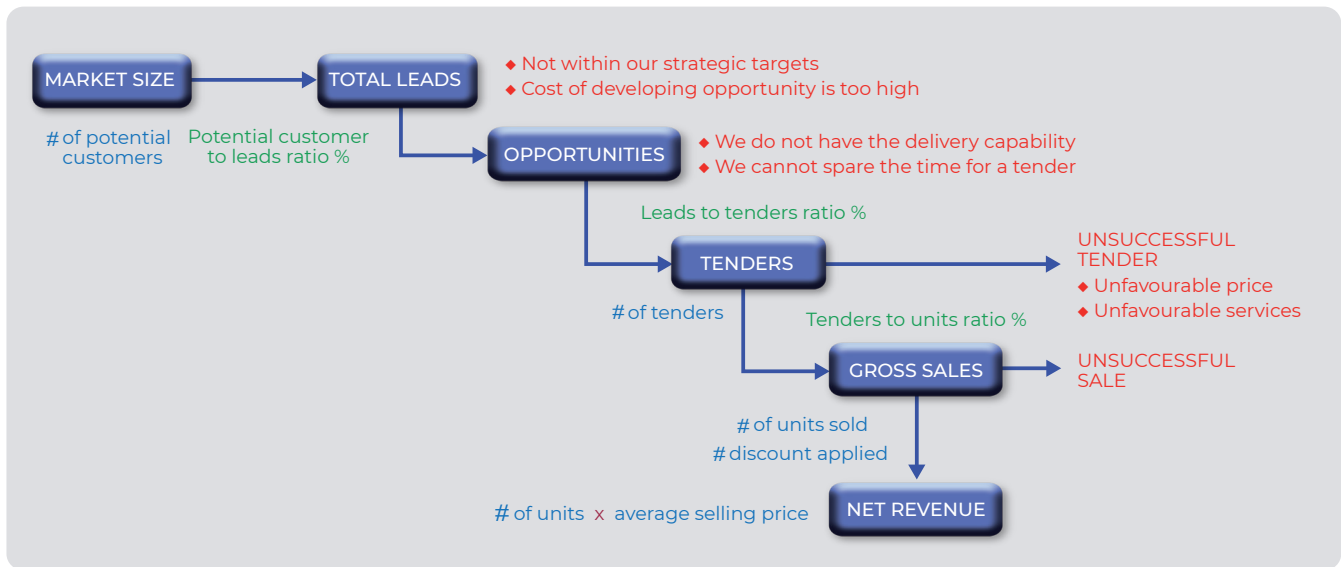


Figure 4: Example of Revenue Conversion Process Flow

## Three-way financial integration

Financial planning is not just about the P&L. A comprehensive financial model integrates the P&L, cash flow, and balance sheet to provide a holistic view of financial health and links together what would have previously been separate or standalone models. This three-way financial view is crucial for effective scenario planning and performance management.

Overall, a planning solution needs drivers since these drivers will change in each different scenario. It is also important that driver-based models are integrated directly to the necessary data sources. This is what will provide an ability to create new forecasts quickly and all teams to assess the impact of ‘what if’ scenarios easily by altering only a few key drivers.

“Our driver-based planning isn’t just about numbers; it’s about understanding the demands and expectations of our stakeholders to ensure our financial strategies are not only robust but also directly aligned with our operational tactics and broader business goals. This method integrates stakeholder insights into every layer of our financial planning, making it a critical tool for connecting strategic objectives with practical financial outcomes.”<sup>3</sup>

“Driver-based planning ensures that strategic plans are not just about broad objectives but are linked directly to actionable metrics that reflect the real-world operational and financial impact. It is about connecting the dots between market conditions, stakeholder requirements, and our strategic goals.”

**Rudie van Dijk, Group FP&A Director of TIP Group**

<sup>3</sup> Source: <https://fpa-trends.com/article/stakeholder-management-driver-based-planning>

## vi. Pillar 6: Integrated planning processes

### Overview

Integrating planning processes is essential for aligning strategic, operational, and financial plans in an organization. It ensures that changes in one area quickly inform the necessary adjustments in other areas, therefore, promoting a cohesive strategy to achieve organizational goals.

### The design for integrating planning processes

The sub-components of an effective integration are:

- **Frequent planning cycles:** Establishing regular and frequent planning cycles allows for timely updates and adjustments, keeping all planning areas consistently aligned with current data and strategic shifts.
- **Defined roles and full participation:** Clearly defining roles and responsibilities within the FP&A process ensures comprehensive involvement from strategic, operational, and financial stakeholders.
- **Unified data sources:** Designing processes that utilize unified data sources ensures consistency across all planning areas, improving the accuracy and reliability of the data used for decision-making.
- **Purpose-driven processes:** Tailoring each aspect of the FP&A process to directly support the organization's strategic objectives enhances the relevance and impact of planning activities.

### The challenges in process integration

Organizations often encounter several obstacles when attempting to integrate planning processes, such as:

- **A lack of coordinated processes:** 30% of FP&A professionals report the absence of suitably integrated processes as their primary challenge.
- **System limitations:** 24% of FP&A professionals struggle with inadequate systems that fail to support effective integration across all planning areas.
- **Inadequate vision and support:** Efforts to achieve seamless integration are complicated by shortcomings in leadership vision (16%) and insufficient support from business units (15%).

### The strategic actions that enhance integration

To overcome the challenges of integration, there are some recommendations:

- **Implement an integrated planning platform:** Utilize advanced planning systems that allow for seamless data flows and integration between strategic, operational, and financial planning.
- **Foster interdepartmental collaboration:** Encourage regular interaction and communication across departments to ensure objectives are aligned, and there is a shared understanding of outcomes.
- **Continuous improvement:** Regular reviews and continual adjustments to planning processes are necessary to stay aligned with organizational changes and market conditions.

Expert Insight: **Michael Huthwaite, Director of Product Management of Walmart**, highlights the importance of addressing both core and edge activities during planning. He suggests that while centralized (core) activities are crucial for leveraging data effectively, decentralized (edge) activities are vital to exploring new growth opportunities and responding to market changes dynamically.

Expert Insight: “In our journey toward Integrated FP&A, we’ve learned that standardizing processes and data cleansing are key drivers of successful automation of planning processes. By streamlining workflows and fostering collaboration, organizations can achieve significant reductions in manual workload and vastly improve forecast accuracy.”

**Jana Kottasova, VP Finance of Mondelez**

## Business process mapping

Business process mapping is a key skill for FP&A professionals. It involves understanding and documenting business processes to identify bottlenecks or areas for improvement and to ensure new processes are efficient and aligned with strategic company goals.

Integrating planning processes across strategic, operational, and financial dimensions is crucial for organizations to stay competitive and agile. Enhancing process design and addressing any integration challenges will lead to more coherent and dynamic planning, which ultimately results in well-informed strategic decisions being made and operational efficiencies being identified. By utilizing insights from experts like **Michael Huthwaite** and implementing thorough business process mapping, organizations can optimize their planning processes to be able to navigate the complexities of the modern business environment.

## Case study: The impact of process integration at Hapag-Lloyd<sup>4</sup>

Hapag-Lloyd is one of the world’s leading logistics companies, and as such, they have huge complexities within their operational processes. Their challenge was to integrate their financial plans with sales, capacity, and cost plans using a driver-based approach. They wanted to gain complete visibility of their end-to-end operations and the impact of any operational changes to the company financials.

The data consolidation required was manual and time consuming. They also struggled to get co-operation from all of the individuals involved in the process.

Implementing the Board International Business Intelligence System enabled Hapag-Lloyd to deploy a solution that was integrated with both the feeder systems and the operational planning team models.

The new application greatly improved their speed of planning and now provides more granular information to support decision-making. For example, they can calculate the exact price for a customer, based on containers and route where previously they had to use average costs.

<sup>4</sup> Source: <https://www.board.com/en/case-study/integrated-financial-operational-planning-hapag-loyd>

## vii. Pillar 7: Technology enablement

### Overview

Among our FP&A community members, we have seen monstrous spreadsheets named Lord of the Rings (one spreadsheet that rules them all) and the Godfather. These sheets contain multiple links to other workbooks, and they are slow and ponderous. They require manual processing, manual refreshing, and do not allow for collaboration, nor do they have any kind of workflow or audit trail.

You cannot build real-time, repeatable, refreshable models that allow for healthy collaboration across teams with just spreadsheets. Technology is essential and today, technology is not the barrier it once was. Cloud applications can be deployed instantly and are more user-friendly than ever. They allow a non-technical user to build models without IT and they are also far more scalable, with built in data management for curated data sets.

Furthermore, technologies are evolving at a rapid pace. Using ML models to improve forecast accuracy within FP&A platforms is becoming more and more common. We are also starting to see the potential of Generative AI, which allows users to interact with data and perform basic tasks within the systems.

### The challenges in traditional FP&A environments

Despite the availability of technologies, a significant portion of organizations still rely heavily on spreadsheets. The latest FP&A Trends Survey highlights a concerning trend: 52% of respondents use spreadsheets for planning, although that does represent a 8% decline since 2022. This persistent reliance on spreadsheets hampers the efficiency, accuracy, and dynamism required for modern FP&A practices.

### The shift to modern platforms

The survey reveals a steady shift toward cloud-based planning platforms, which are now the second most used planning applications after spreadsheets, with 18% of respondents using them. These platforms are prized for their ability to integrate various FP&A processes seamlessly and facilitate real-time updates, crucial for dynamic scenario planning and forecasting.

### Technological insights from industry experts

**Laure de Saint Germain, Global Marketing Director - Financial Solutions of Board International**, highlights the critical roles of data and automation in technological transformation with the following statements:

- “The central element of all that technology provides and where platforms add value is data. Critical technological capabilities provided by modern technological advancements can help FP&A professionals handle data in a way that manual processes cannot.”
- “Most platforms offer the possibility to connect seamlessly to any system. The data comes in real-time, and teams can set up granular and complex workflows that take over manual, non-value-added work, such as data collection, review, and validation. This creates an overall stronger process that provides greater confidence in the accuracy of the data presented.”
- “Intelligent platforms can connect data at all levels, not only hierarchically but also connect to a wider network of data that the company may have limited influence on but will be impacted by. Taking a broader scope of drivers allows us to get a more accurate predictive analysis.”



## **The importance of continuous investment**

Investment in FP&A technologies remains a priority, with 40% of organizations having received funding within the past year. However, 44% of respondents claim that their last significant investment was over three years ago, which can lead to outdated systems that exhibit lags in performance and capability.

## **Future technology trends and adoption**

Looking ahead, 59% of organizations plan to implement Predictive Analytics and Machine Learning over the next few years. This demonstrates a rising acknowledgment of the benefits these tools can provide in improving the accuracy and depth of financial analysis.

## **Conclusion for technology integration**

You cannot achieve integrated planning without a suitable technology platform, which integrates with source data and integrates the many planning models. To maximize the benefit from this investment, you need to work together with the different functions to ensure that they are all developing their models in a congruent manner. Additionally, you need to develop a continuous improvement process to ensure that the technology is still answering critical business questions.

## **Case study: How Toyota Motor Europe moved from spreadsheets to a unified solution<sup>5</sup>**

Similar to the challenges described above, Toyota Motor Europe's (TME) budgeting process involved a large number of spreadsheets across 40 group companies. Each company had their own set of models, and the resulting inflexibility meant that they were unable to adapt to changing market conditions.

TME implemented Board, with a unified planning model, which sat on top of their ERP and data warehouse. Any postings in the source systems would be reflected in the planning model within only 30 minutes. In addition to the connectivity that this solution provided, they were also able to standardize the way that planning was done across each of the 40 group companies.

This cannot be done without technology. Utilizing the latest cloud platforms in FP&A is crucial for organizations to remain competitive and adaptable. By creating a strong digital ecosystem and investing in the latest technologies, businesses can improve strategic, operational, and financial planning to make informed decisions and boost operational efficiencies.

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<sup>5</sup> Source: <https://www.board.com/en/case-study/pan-european-planning-reporting-toyota-motor-europe>

## 5 Conclusions and Recommendations

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Organizations that master Integrated FP&A will gain a competitive advantage in the modern business world through greater agility and responsiveness to external factors. However, implementation is complex and, so in starting, we would make the following recommendations:

1. Establish where you are today. Use the seven-pillar model presented in this paper to help set priorities that will progress your organization to the maturity level of its FP&A function. (The FP&A Trends Group have developed a detailed [Maturity Model](#) to help you benchmark and set aspirations)
2. As a matter of urgency, investigate the new breed of planning platforms available and their ability to integrate processes, data, and models. Spreadsheets are a limiting factor here. Whilst all pillars are critical, and need to be in place to succeed, technology and data really do play a vital role in achieving integrated FP&A. Without this element, you cannot scale your models and you will end up with multiple models and multiple data sets across different business areas.
3. Our third recommendation is around people and culture. Countless research has shown the importance of people and culture when attempting to achieve sustainable change. For Integrated FP&A, this is an especially valid point. There is a significant shift in mindsets and behaviours needed to make it work. We need to invest in our teams that have likely grown up as accountants using spreadsheets. We need to ensure that they have the tech skills necessary to employ the latest technologies and the soft skills needed to collaborate with teams across the business. Most importantly, we need to ensure that they are ready, willing, and able.
4. Do not feel like you have to implement all of these pillars in one long project. We rarely see any organization succeed this way. We know it can be a bit daunting at the beginning, but it is simply better to start somewhere. Just get started and prioritize the efforts that can be employed to achieve the most benefit in the shortest amount of time. However, always keep in mind the longer-term roadmap and where you want to get to.

Finally, one of our members told us about their organization that has achieved Integrated FP&A. This brought to our attention the additional four recommendations below:

- Implement standardized scenarios and automate repetitive tasks to enhance efficiency and accuracy.
- Encourage transparency and collaboration across teams to align financial planning with operational realities.
- Embrace technology and leverage modern tools and platforms to streamline processes and drive data-driven decision-making.
- Establish a culture of continuous improvement, celebrating wins, and adapting to evolving business needs.

For this organization, the benefit of Integrated FP&A improved their adaptability and success in a changing business environment. Through standardization, automation, and collaboration, they reduced manual work, improved forecast accuracy, and set a clear example to other organizations who were seeking to enhance their FP&A processes.

## 6 Acknowledgments

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### About the authors



#### **Tanbir Jasimuddin, FP&A Trends Author and Thought Leader**

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Tanbir is an experienced finance and analytics transformation leader and FP&A Trends author. He has a track record of delivering significant performance improvements in organizations. Having learned his craft at McKinsey and the Big 4, he has since held finance leadership roles at several global organizations. He has worked with over 20 finance teams, developing a deep understanding of the issues that they face.

He is passionate about coaxing the FP&A community to leave Excel behind and embrace the digital age through knowledge of core data analytics skills. His expertise includes deploying finance and analytics systems, alongside building the required data culture that will maximize these benefits.



#### **Larysa Melnychuk, CEO and Founder at FP&A Trends Group**

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Larysa is an accomplished FP&A professional and thought leader with over 20 years of experience in senior finance roles at top-tier companies. In 2016, she founded the FP&A Trends Group, a global organization that offers valuable insights, advisory services, and training to finance professionals seeking to stay ahead of the curve. She also founded the International FP&A Board, which has held over 240 meetings for finance leaders from 33 chapters across 19 countries on four continents.

Larysa chairs the Global AI/ML FP&A Committee and runs a number of high-profile initiatives in the area of modern financial analytics.

### References

[FP&A Trends Survey 2023: Managing Organizational Value with Smarter FP&A Practices](#)

[FP&A Trends Research Paper 2023: Intelligent Transformation with FP&A Trends Maturity Model](#)

[International FP&A Board](#)

[FP&A Trends Webinars](#)

[FP&A Trends Maturity Model Assessment](#)

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