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Global FP&A Trends Webinar

Modern FP&A at the time of "Black Swans"

21 April 2020

UNIT4

In business for people.

Modern FP&A at the time of "Black Swans"



Agenda

- ❖ FP&A at the time of uncertainty
- ❖ **“FP&A: short- term priorities. Collaborative Planning”**. Alessandro Cardito, Global Consumer Beauty FP&A Director at Coty
- ❖ **“FP&A: mid - term priorities. Scenario Planning and Reforecasting on Demand”**. Alban de Vatteville, VP Finance, FP&A Leader Global Connect at Nielsen
- ❖ **“FP&A: long- term priorities. Moving to leading FP&A”**. Gordon Stuart, CFO at Unit4
- ❖ Conclusions and Recommendations

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In business for people.

We are in business for people.

We create space for people to do more work that really matters.

Speaker & Facilitators



**Alessandro
Cardito**

Global
Consumer
Beauty FP&A
Director at Coty



**Alban de
Vatteville**

VP Finance,
FP&A Leader
Global Connect
at Nielsen



**Gordon
Stuart**

CFO at Unit4



**Larysa
Melnychuk**

CEO FP&A
Trends Group
and International
FP&A Board

FP&A Trends Group



1. International FP&A Board

27 cities, **16** countries and **4** continents:

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Housekeeping



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- 1-hour Webinar, 2 polls, 1 Q&A session
- Ask questions via the chat box during the Q&A session
- You can connect directly with our speakers through LinkedIn
- Please reply to the automatic survey after the webinar is closed

Today's Business Environment

Donald Rumsfeld, former US Defense Secretary:



The gap between what we know and what we think we know may be widening.

Nate Silver, Author

“FP&A: Short-Term Priorities. Collaborative Planning”



Alessandro Cardito

Global Consumer Beauty FP&A Director at Coty

FP&A Short -Term Priorities Quote

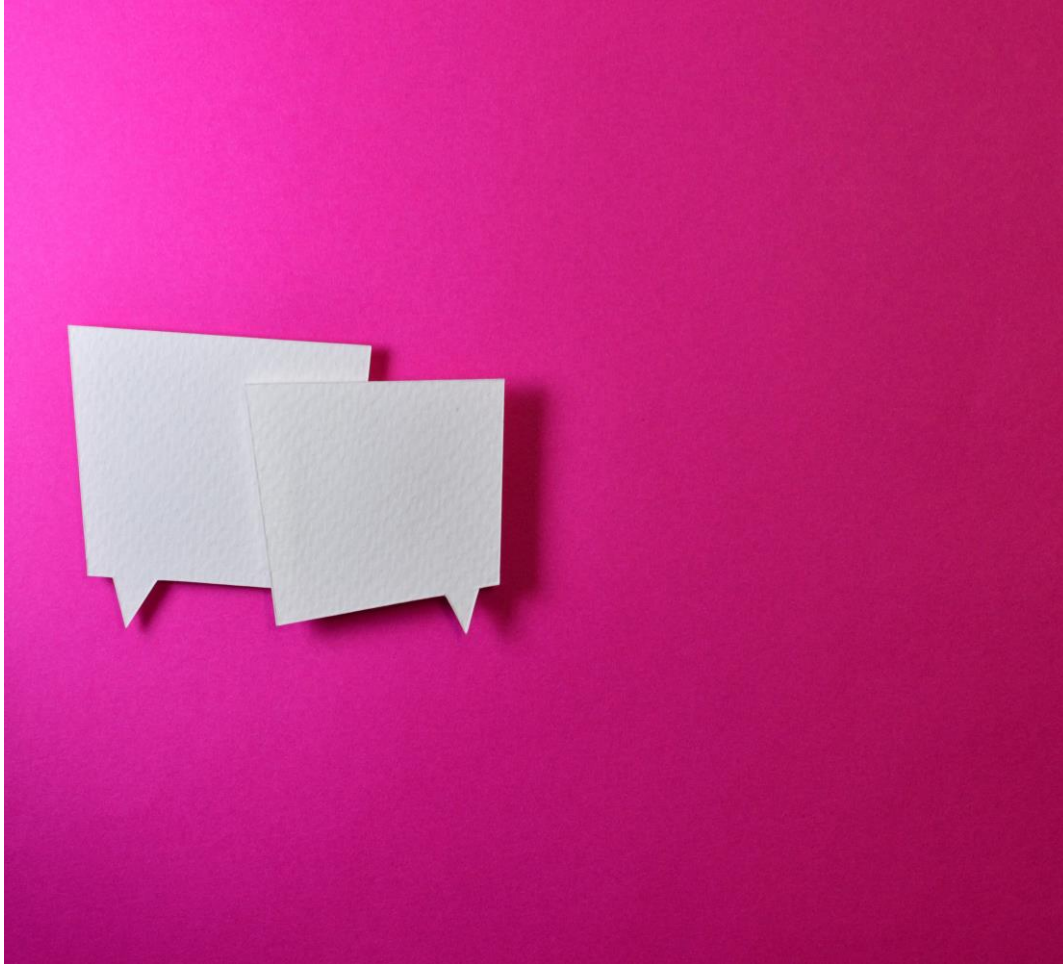


“ *The essence of strategy **is not** to carry out a **brilliant plan** that proceeds in steps; it is to put yourself in situations where **you have more options** than the enemy does* ”

Robert Greene

Author of “33 Strategies of War”

FP&A Short-Term Priority N1: Over-Communicating



- Upstream & Downstream
- Aristoteles's threptic
- Be clear & direct

FP&A Short-Term Priority N 2: Collaborative Planning



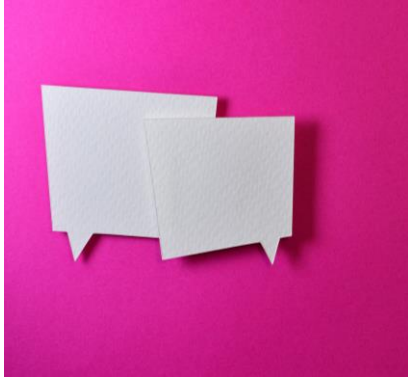
- Be the raft master!
- Cross-functional and multidimensional
- Focus on short term- 3 months planning
- No unturned stone

FP&A Short-Term Priority N 3: Cash is King



- Assess the low end of the cash forecast
- Evaluate options (including corporate buckets)
- Establish priorities

FP&A Short-Term Priority N 3 – Cash is king



- Overcommunicate- upstream and downstream



- Collaborative planning- be the raft master



- Cash is King - buy time!

POLLING QUESTION 1

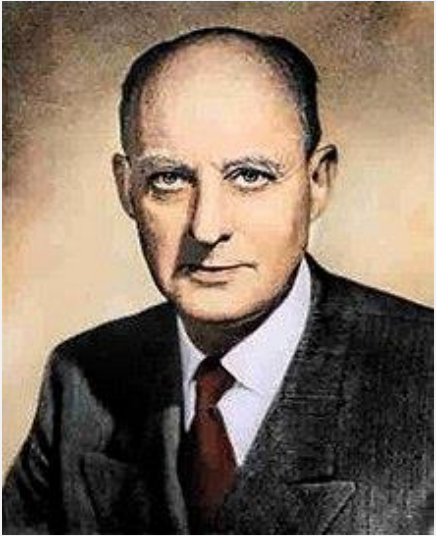
“FP&A: mid - term priorities. Scenario Planning and Reforecasting on Demand”



Alban de Vatteville

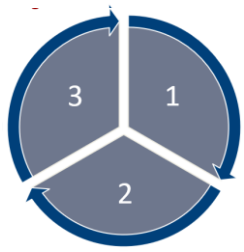
VP Finance, FP&A Leader Global Connect at Nielsen

FP&A Mid -Term Priorities Quote



“ Grant me the serenity to **accept** the things I cannot change,
the **courage** to change the things I can,
and the **wisdom** to know the difference ”

Reinhold Neibuhr
American theologian

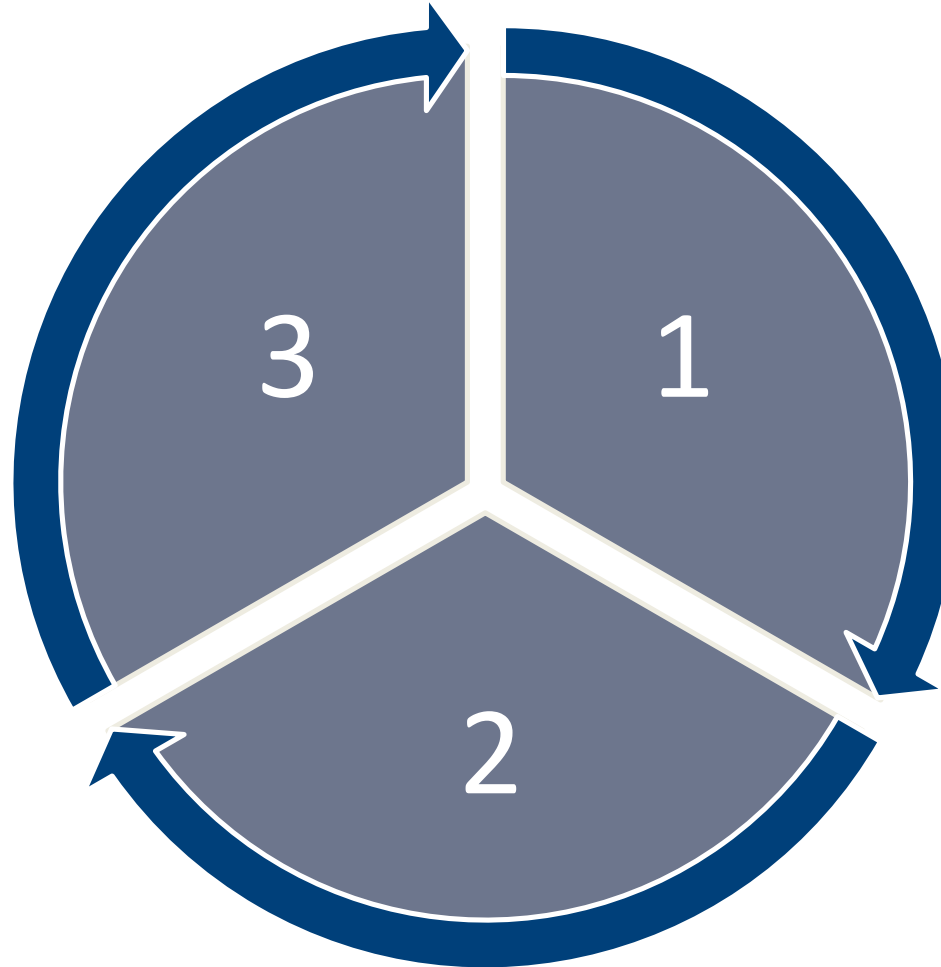


FP&A Mid-Term Strategy

Run an agile crisis management framework



Adjust strategy based on **triggering events**



Make sure you understand your new **profitability** model

Model **Scenarios** based on the new possible realities



FP&A Mid-Term Priority N1

Understand your new Profitability model

Possible short term impacts

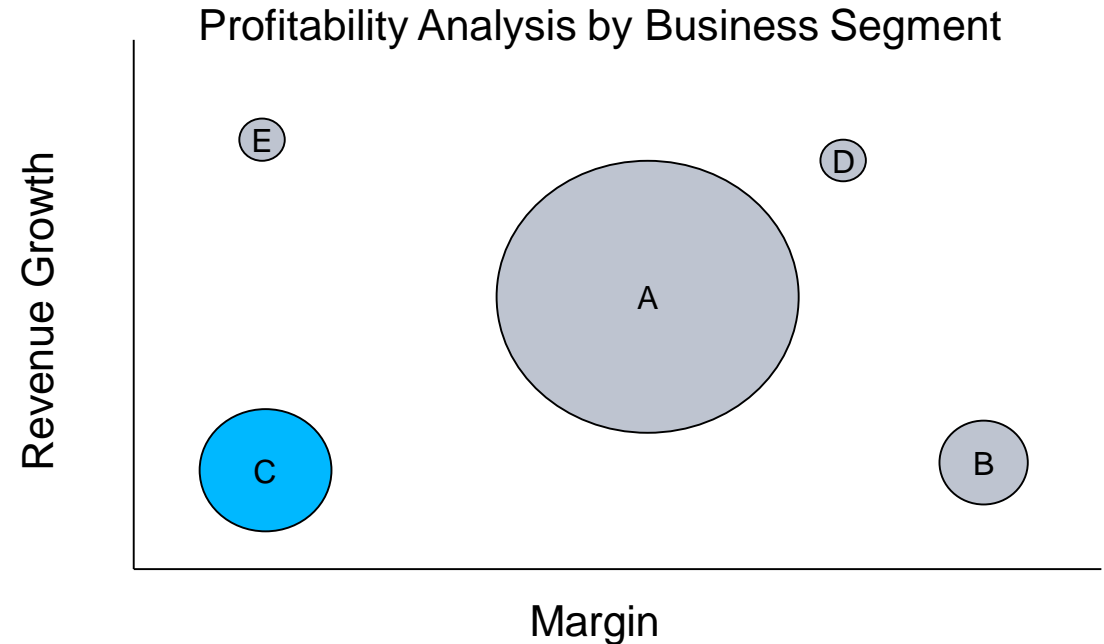
Fixed costs management (Top 5)

- Event and Internal Meetings
- Hiring pause
- Travel and Expenses
- Delay programs and investment
- Furlough and government subsidies

Variable Costs Management

- Supply chain impact
- Review critical / material supplier contracts

How does it impact your Profitability model?





FP&A Mid-Term Priority N2

Model Scenarios based on the new possible

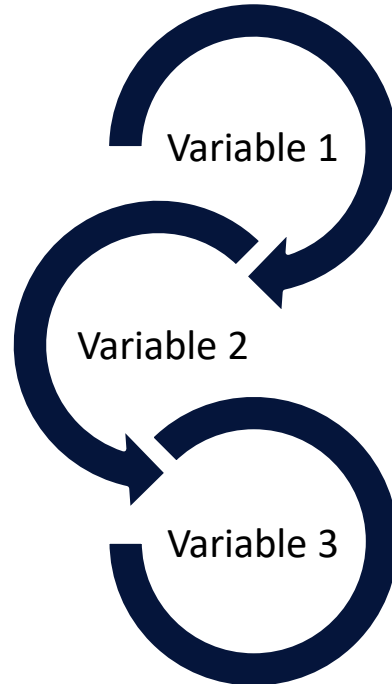
Evaluate possible Scenarios

Supply

- Product / Service
 - Availability
 - Quality
 - Distribution

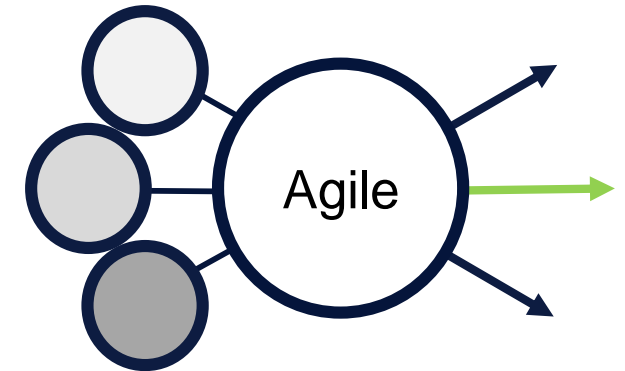
Demand

- Client / Consumer
 - Budget
 - behavior
- Markets
 - Economy
 - Legislation
 - Environment



Create an Action plan by Scenario

- Product / Service
 - Portfolio
 - Production
 - Investments
 - Technology
- Business Unit
 - Markets
 - Verticals





FP&A Mid-Term Priority N3

Adjust strategy based on triggering events

Identify triggering events

External

- Clients / Suppliers
- Environment
- Economy
- Consumer confidence

Internal

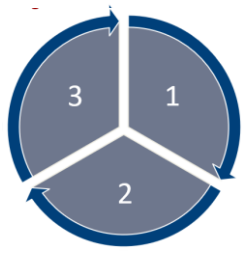
- Sales / Revenue
- Pipeline
- Conversion rate

Mobilize the entire Organization

- Operating Plans by Business Units / Verticals
- Bonus and incentives
- Communication and change management related to new objectives

Take rapid actions

- Execution
- Execution
- Execution
- ...

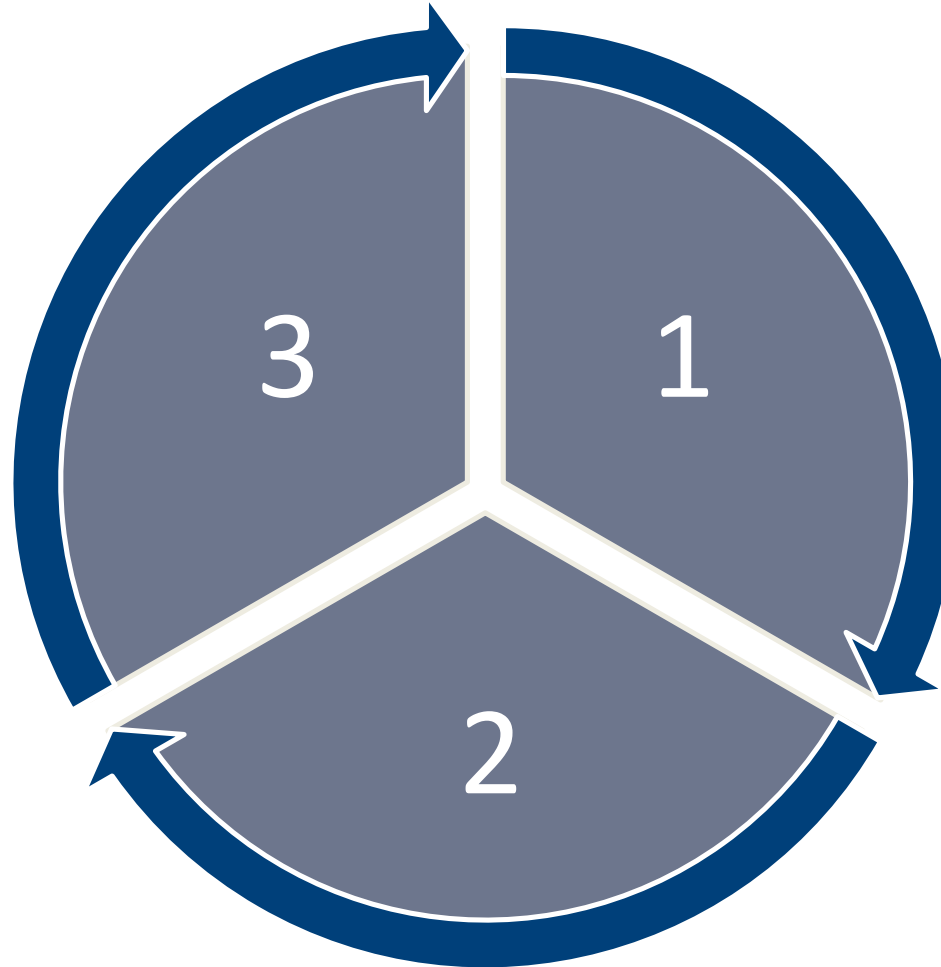


FP&A Mid-Term Strategy

Points to remember



Adjust strategy based on **triggering events**



Make sure you understand your new **profitability** model

Model **Scenarios** based on the new possible realities

POLLING QUESTION 2

“FP&A: long- term priorities. Moving to leading FP&A”



Gordon Stuart
CFO at Unit4

“FP&A: Long -Term Priorities”

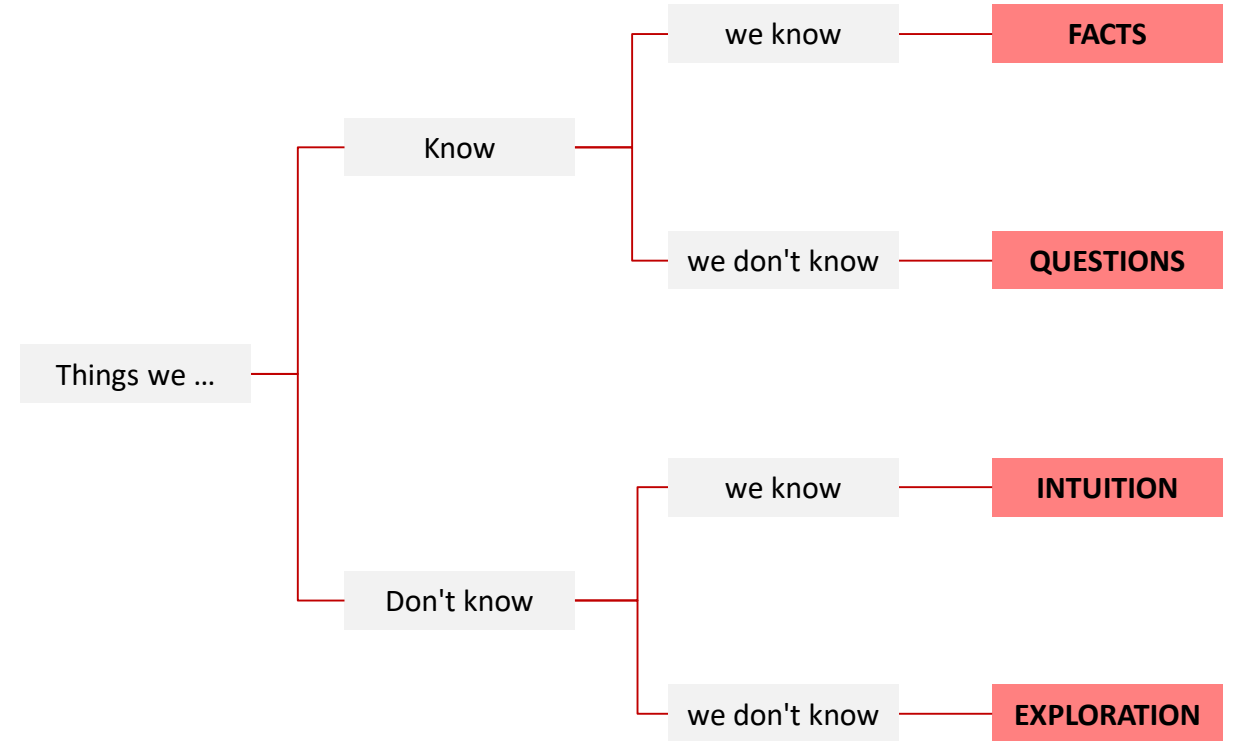
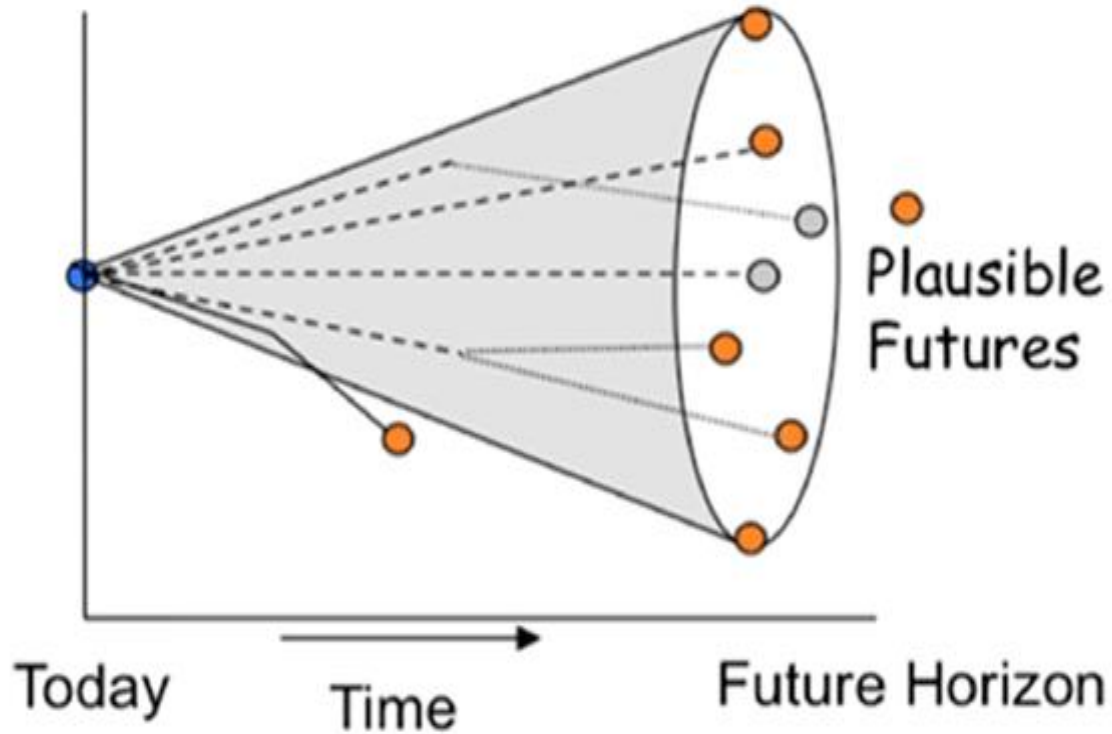


*“ Prediction is very difficult, especially about the
future ”*

Neils Bohr

Physicist, Nobel Laureate

FP&A World as an Uncertainty Cone



adapted from Uncertainty cone to bound the future by Paul Schoemaker

FP&A Long - Term Priorities

Decision making horizons



New product development



New markets



Real estate



Manufacturing facilities

International FP&A Board: FP&A Analytics Maturity Model

DEVELOPING STATE

INTERMEDIATE STATE

LEADING STATE

1
Basic

2
Developing

3
Defined

4
Advanced

5
Leading

- ✦ NO FORMAL PROCESS
- ✦ NO ESTABLISHED ANALYTICAL DRIVERS
- ✦ NO PLANNING MODEL AND TOOLS
- ✦ NO BI TOOL
- ✦ NO COLLABORATION
- ✦ NO BUSINESS PARTNERING

- ✦ INCONSISTENT PROCESS
- ✦ BASIC ANALYTICAL AND REPORTING DRIVERS
- ✦ BASIC PLANNING MODEL AND TOLLS
- ✦ BASIC BI TOOL
- ✦ MINIMAL COLLABORATION
- ✦ HIGHLY MANUAL PROCESS
- ✦ DESCRIPTIVE ANALYTICS
- ✦ BASIC FP&A BUSINESS PARTNERING

- ✦ DEFINED PROCESS
- ✦ DEFINED ANALYTICAL DRIVERS
- ✦ DEFINED PLANNING MODEL AND SYSTEM
- ✦ DEFINED BI
- ✦ SOME ELEMENTS OF COLLABORATIVE PLANNING
- ✦ HEAVY RELIANCE ON IT
- ✦ DESCRIPTIVE AND DIAGNOSTIC ANALYTICS
- ✦ DEFINED FP&A BUSINESS PARTNERING

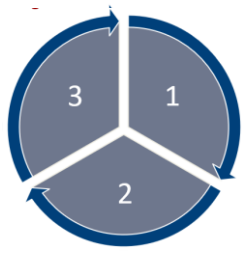
- ✦ ENTERPRISE-WIDE PROCESSES
- ✦ MULTIDIMENSIONAL ANALYTICAL DRIVERS
- ✦ DRIVER BASE PLANNING MODEL
- ✦ ADVANCED BI
- ✦ COLLABORATIVE PLANNING
- ✦ SELF-SERVICE PLANNING TOOLS
- ✦ PREDICTIVE ANALYTICS
- ✦ EASY SCENARIO ANALYSIS
- ✦ STRONG FP&A BUSINESS PARTNERING

- ✦ **INTEGRATED** PLANNING PROCESS
- ✦ **LEADING** MULTIDYMENSIONAL ANALYTICAL **DRIVERS**
- ✦ **MULTIDYMENSIONAL** DRIVER BASED **MODEL INTEGRATED WITH BI**
- ✦ **REAL-TIME COLLABORATIVE PLANNING**
- ✦ **INTEGRATED** FLEXIBLE SYSTEMS
- ✦ **AUTOMATION, PREDICTIVE AND PRESCRIPTIVE** ANALYTICS
- ✦ **DIGITAL** ON-DEMAND PLANNING (AI/ML)
- ✦ QUICK MULTIDIMENSIONAL SCENARIO ANALYSIS
- ✦ **LEADING** FP&A **BUSINESS PARTNERING**

FP&A Analytics Maturity Model: Leading Stage

5
Leading

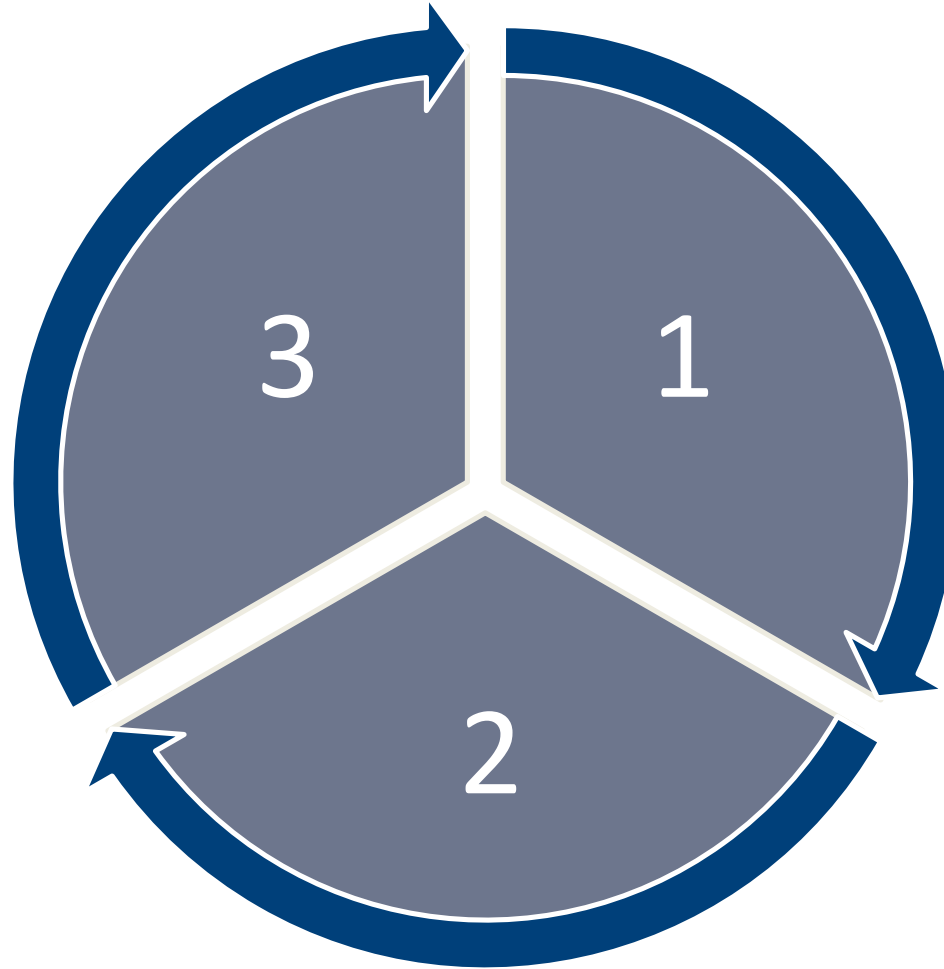
- ◇ **INTEGRATED PLANNING PROCESS**all key business elements incorporated
- ◇ **LEADING MULTIDIMENSIONAL ANALYTICAL DRIVERS**‘trigger’ metrics defined
- ◇ **MULTIDIMENSIONAL DRIVER BASED MODEL INTEGRATED WITH BI**integrated systems – not excel bridges
- ◇ **REAL-TIME COLLABORATIVE PLANNING**all stakeholders engaged
- ◇ **INTEGRATED FLEXIBLE SYSTEMS**remove inconsistencies ensure single source of truth
- ◇ **AUTOMATION, PREDICTIVE AND PRESCRIPTIVE ANALYTICS**objectivity – not bias
- ◇ **DIGITAL ON-DEMAND PLANNING (AI/ML)**understand impact of market movements
- ◇ **QUICK MULTIDIMENSIONAL SCENARIO ANALYSIS**real time feedback from changing assumptions
- ◇ **LEADING FP&A BUSINESS PARTNERING**hold the pen and take leadership role



FP&A Long-Term Perspectives

Points to remember

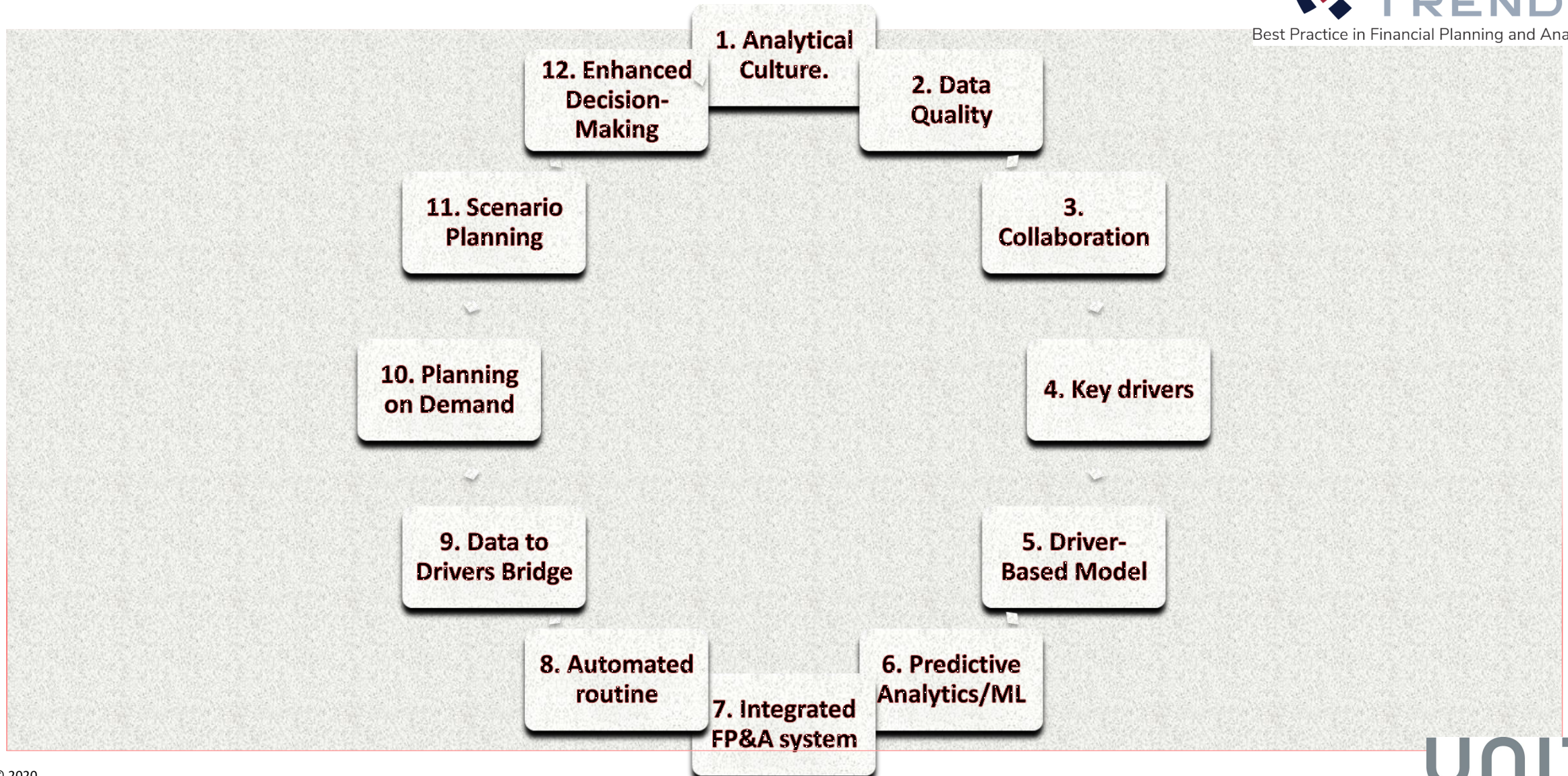
FP&A **Analytical**
Maturity Journey



FP&A World as an
Uncertainty Cone

Decision Making **Horizons**

12 Facets of FP&A Analytical Transformation



Q&A Session

- Ask questions via the chat box and indicate to whom you address it.
- Subject to time constraints for
- You are welcome to contact the speakers directly via LinkedIn (indicate this webinar)



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**Larysa
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CEO FP&A
Trends Group
and International
FP&A Board

Thank You!

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