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Finance transformation: How financial planning and analysis can drive business partnering

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Agenda

Evaluating the current state of financial planning and analysis (FP&A)

FP&A becoming a business partner

The Kimberly-Clark experience

Discussion/Q&A: barriers, goals, and achievements

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Our group today

1

How much of your FP&A team's time is spent on the following activities?

- Corporate financial planning/forecasting/budgeting and IR support
- Report creation
- Corporate decision support — M&A, corporate strategy, or other corporate decisions
- Business unit or functional (operations) decision support

2

Have you explored shared services/center of excellence for FP&A?

3

Do you believe you have automation opportunities (e.g., too many spreadsheets in your processes)?

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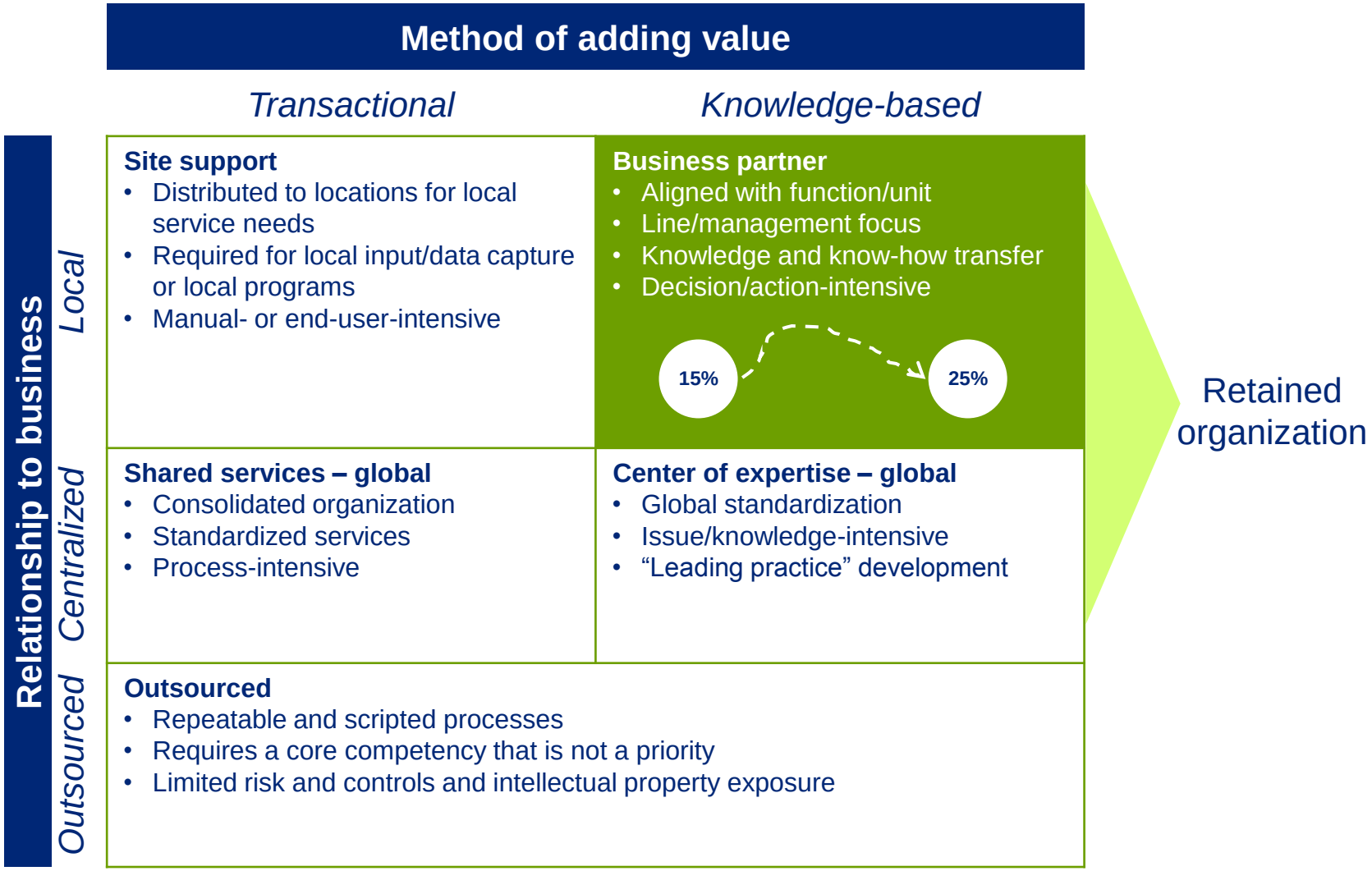
The journey to an effective finance function positions the retained organization to be a strategic business partner.



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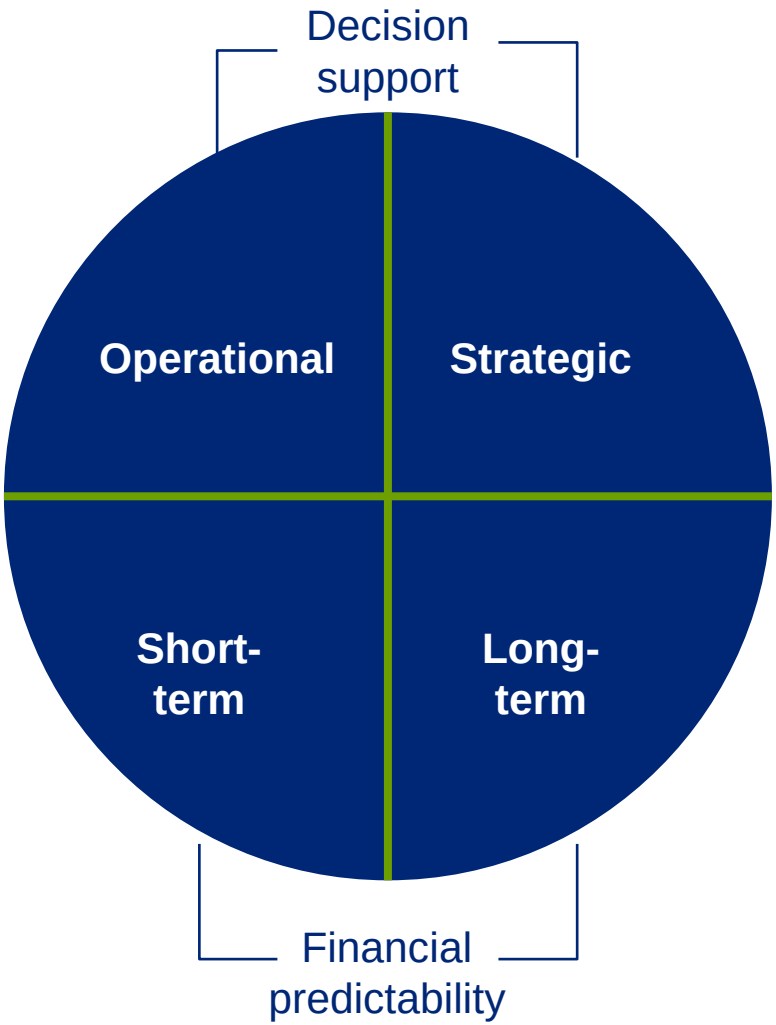
The outcome is an increase in capacity, capability, and collaboration.

Four Faces of FP&A



In which quadrants does your organization spend most of its time now?

Where would you like to spend your time in the future?

What will you do more of and less of to achieve this vision?

Do you have the right people?

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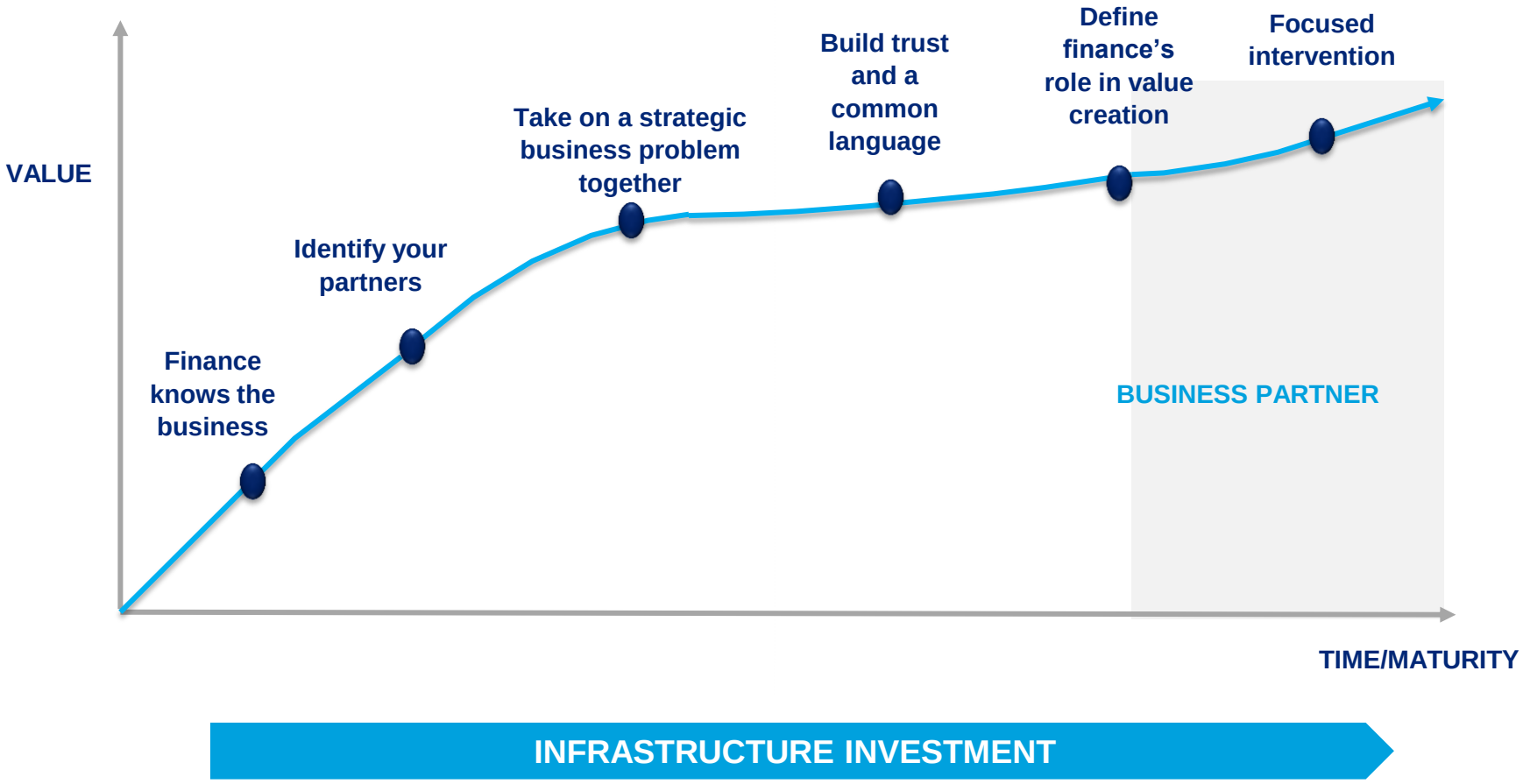
Not everyone is in the same place. There are tactical steps you can take immediately.



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Understanding business partnering

1. How do you define business partnering?
2. How do your key stakeholders define business partnering?
3. What defines an effective business partner?

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Business partnering survey results

Business partnering is high on the CFO agenda to support strategic execution and improve business performance.

83% of surveyed finance leaders look to increase finance business partnering activity over the next three years

50% of the finance leaders surveyed have begun to identify value drivers and KPIs to better focus their finance business partners

40% of surveyed organizations are improving the efficiency and functionality of performance management systems

35% of organizations surveyed are identifying skills gaps and conducting training to increase the skills of existing resources

40% have started to better define finance business partnering roles in line with the organizational structure

Over 50% have begun to improve the quality and availability of data and business information

Source: Deloitte UK Business Partnering Survey 2012

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Business partnering, what do you mean?

"Business partnering" is often used very differently across companies

How finance works

- Communication
- Responsiveness
- Exhibit knowledge of the business, not our specialty
- Forward deployed
- Available to serve

What finance does

- Non-traditional finance
- Operational decision support
- Leadership

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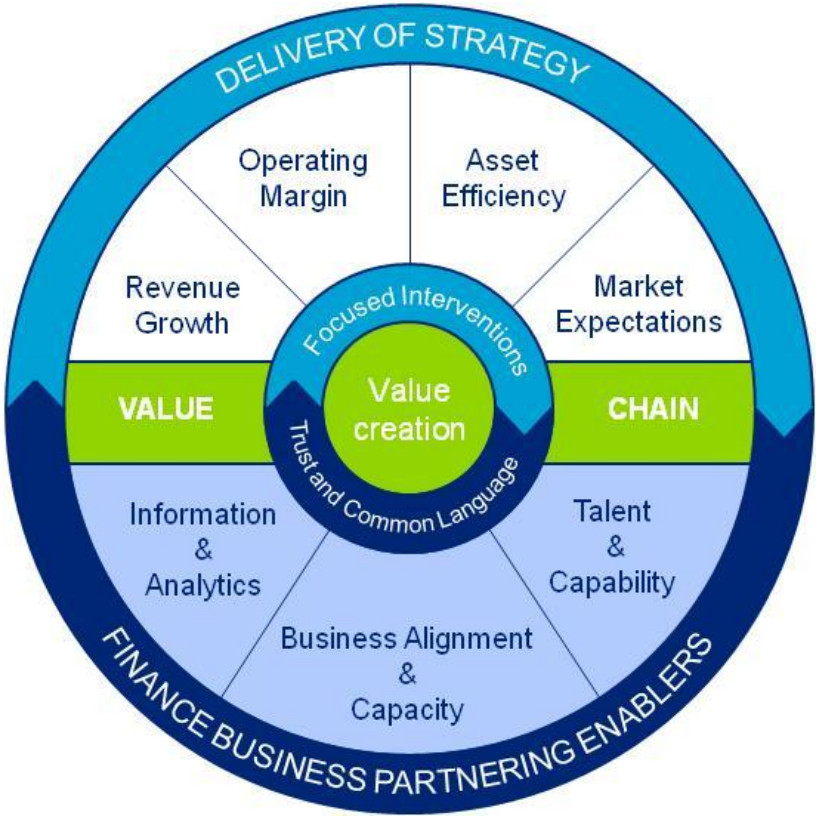
The Deloitte business partnering framework has a focus on driving value.

The framework identifies focused interventions that allow finance business partners to create value for the business with the support of key FBP enablers.



Delivery of Strategy

- Ways in which business partners can add value
- Become a “player” not a “scorekeeper”
- Add significant value to an organization and unlock opportunities

FBP Enablers

- Required to effectively deliver desired business partner activities
- Key to empowering the finance function to deliver these value-added activities

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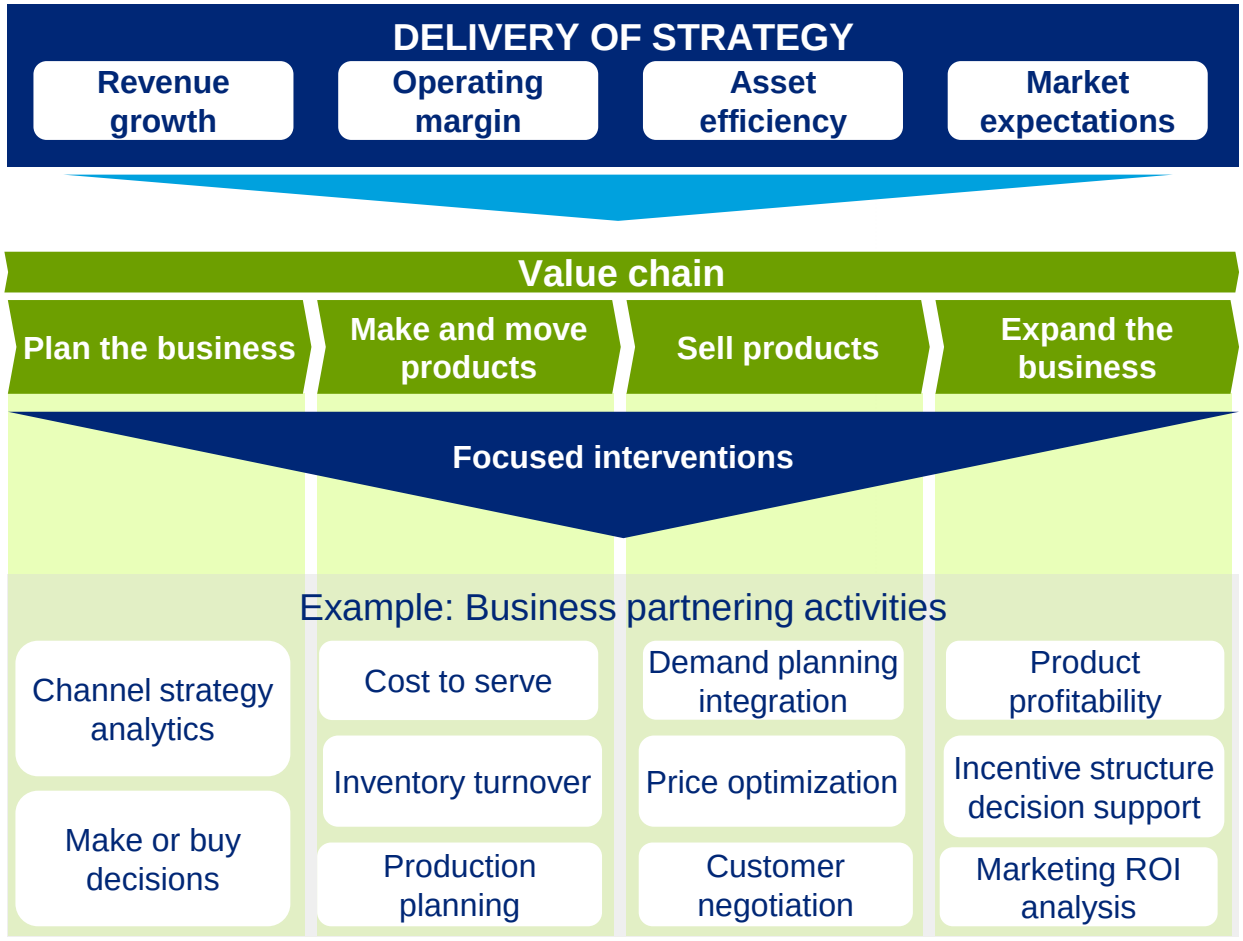
Identifying the interventions that generate value



Working with their business counterparts across the value chain, finance can agree and prioritize the activities that will have the greatest impact.

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Characteristics of the right partner

Finding a counterpart who wants support and a process that needs it are important to successfully engaging

Rocky soil	Fertile ground
• Ad hoc decision process • Limited data • Leaders value “gut”/experience	• Structured process • Data available for analysis • Willing/interested business leader

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