

Financial Planning & Analysis (FP&A) Cycle



Reporting

- Financial Statements (External)
- Financial Statements (Internal)
- Variance Analysis (prior year, budget, forecast)

Analytical Insights

- Links/Reconciles to Top Level (External)
- Drill down to deeper, transactional level
- Responsibility Reporting
- Profitability by: product, customer, geography, job, ...
- Revenue Cycle
- Production / Cost of Goods Cycle
- Waterfall: price, volume, mix, productivity, ...
- Big Data Analytics

Forecasting

- Current Year: YTD Actual + Balance of Year
- Level of depth varies – top level trends, bottoms up details
- Matches organizational responsibility

Budgeting

- Next Fiscal Year
- Bottoms Up Details
- Links to Strategic Plan, and Performance Management, Bonuses, etc.

Strategic Planning

- Multi-Year (3-5+)
- Less internal and numbers focused; more strategic and external
- Growth Drivers: new products, channels, geographies, partners, inorganic, ...

Strategy to Execution

- KPI (Y's and X's) Dashboards and Scorecards
- Strategic Initiatives linked to Budget and Strategic Plan
- Operating / Governance Rhythm