

FP&A STRATEGY LAB:

Develop a gameplan to eradicate the barriers that plague finance transformations

Date: September 18, 2024

Presenter: Alyssa Borden, Owner of SuccessBridge, LLC

Audience: MAPI FP&A Council



Agenda

- ❑ Opening & Introductions (5 min)
- ❑ Transformation in Practice (5 min)
- ❑ Reality-Based Barriers/Challenges (15 min)
- ❑ Overcoming the Inevitable Obstacles (25 min)
- ❑ Resource Discussion (5 min)
- ❑ Call to Action/Commitments & Closing (5 min)



Session Objectives

- Transparently identify and address the realities of transformation initiatives
- Gather and share the collective wisdom and experience of the group through discussion and group activities
- Identify actionable steps to accelerate the initiatives critical to your respective companies
- Share resources and processes available to help you



Introductions

- Name
- A Current Transformational Strategic Initiative You Own or Help to Drive
- How is that Initiative Going on a Scale of 1-10? (10 being amazing & 1 being dreadful)
- Pick a Color: Blue, Green or Yellow



About Your Facilitator:



- HR Business Partner background
- Embedded in Finance, IT, Marketing, HR, & Logistics teams...& deep partnership with more
- Industries such as insurance & financial services, manufacturing, transportation and e-commerce/retail
- Public, private and non-profit organizations
- Global experience
- Digital upskilling and Finance reorganization initiative ownership
- Direct collaboration with C-Suite in strategy formation & execution
- Committed coach, facilitator, trainer, adviser, and strategic partner to clients through SuccessBridge LLC

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TRANSFORMATION IN PRACTICE

"Digital technology should not be viewed as a threat or challenge, but a unique opportunity to reimagine how finance functions can grow."

- Satya Nadella, CEO of Microsoft



What We Hear & Understand

"83% of CFOs see business analysis as a top priority in the next five years, emphasizing the growing need for robust FP&A capabilities that go beyond traditional finance roles."

FP&A Trends

"Organizations that excel at change management are 6 times more likely to meet or exceed their project objectives." — Prosci

"Digital transformation is no longer a 'nice to have'; it's a must-have for companies that want to stay competitive. For finance functions, this means adopting advanced analytics, automation, and real-time reporting to provide better insights and drive more strategic decision-making." — Deloitte

"The ability to harness data and technology effectively allows finance to take on a more proactive role in shaping business strategy." — McKinsey

"The future of FP&A is digital. By leveraging predictive analytics and automation, FP&A can move from traditional budgeting and forecasting to dynamic, real-time decision support, enabling businesses to be more agile and responsive to market changes." — FP&A Trends



But Yet

"70% of all finance transformations fail due to lack of preparation and clarity in objectives." — Gartner

"Only 16% of executives believe that their digital transformation initiatives have successfully improved performance and equipped them to sustain changes long term." — McKinsey

"Failed transformations can cost organizations up to 20% of their projected annual revenue, highlighting the critical importance of strategic planning and execution."— BCG

"70% of finance leaders are prioritizing investments in advanced analytics and automation as part of their FP&A transformation, but many are struggling with the integration of these tools into existing workflows." – FP&A Trends



What IS Transformation Really?

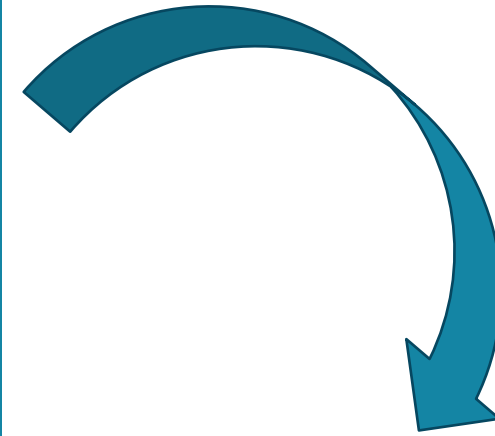
- Needs a united vision and support
- Defined in the context of your own organization, function then team
- Has no single right answer or path
- Requires an entrepreneurial mindset
- Details and barriers cannot all be anticipated proactively
- Is driven more by how it is communicated and what stakeholders believe than objective theory or best practices from ANY source



My perspective:

"DIGITAL TRANSFORMATION IN THE FINANCE FUNCTION EXTENDS FAR BEYOND PROCESS AUTOMATION.

IT IS ABOUT A HOLISTIC SHIFT IN PURPOSE, REDEFINING STRATEGY ON A GLOBAL SCALE & USHERING IN NEW BUSINESS MODELS."



This includes strategic redesign of:

**Purpose,
Approach,
&
Structure**



REALITY-BASED BARRIERS & CHALLENGES

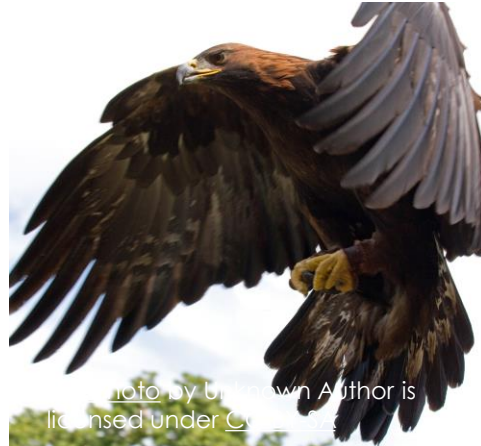
Time is money; Assume the customer has options they will pursue
Acknowledge barriers & prepare to remove them with urgency



"The greatest danger in times of turbulence is not the turbulence—it is to act with yesterday's logic."

- Peter Drucker,
Management Consultant
and Author

Who Would Win In A Race?



Individual Activity Handout (5 min)

Write down the answers to these questions regarding your company's Finance transformation:

- ➡ What is a critical, transformative initiative in your company that affects or is supported by your team?
- ➡ What impact could the initiative have on your role/work/team/company? (the WHY)
- ➡ What is the biggest barrier (or barriers) to success right now?
 - Who are the decision makers? (Those with veto or approval rights)
 - Who are the gatekeepers? (Those who you need to go through for key information or influence)
 - Who are promoters for the initiative? (Those who will openly support, adopt or drive change)



Group Discussion (5 min)

What are the challenges/barriers in this room?

Are there commonalities?



OVERCOMING THE INEVITABLE OBSTACLES

Treat obstacles as stepping stones

Navigate them with resilience, humility & curiosity to grow



"An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage."

- Jack Welch, former CEO of General Electric

Climbing the Mountain



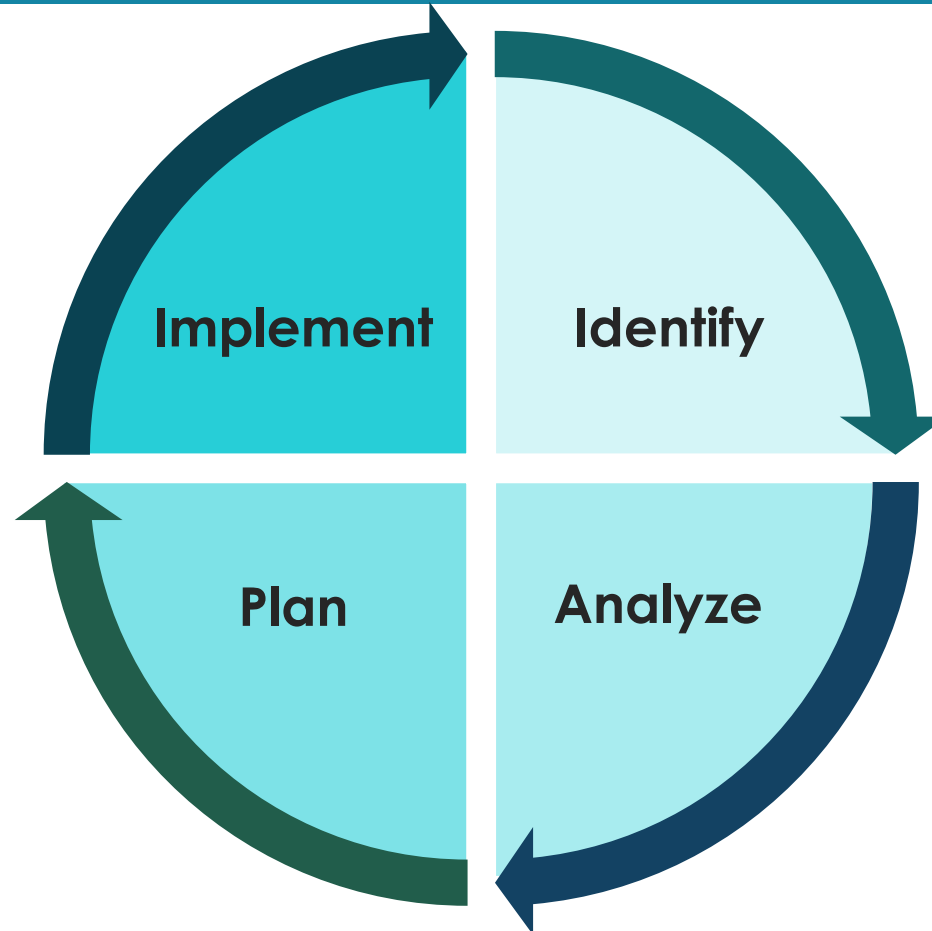
Common Barriers in FP&A Transformation

- Data Quality, Integration and Governance
- Resistance to Change (People-Related Challenges)
- Disconnected Systems & Processes
- Lack of Strategic Alignment and Collaboration
- Inadequate Tools & Resources

.....and many more



Problem Solving Framework



Moving Past Barriers in FP&A

- Enhance Data Quality and Integration
- Address and Manage Resistance to Change
- Foster Collaboration and Strategic Alignment
- Invest in the Right Tools and Training
- Plan for Iterative, Sustainable Change



Other Methods/Tips to Move Forward

- Step back to review the transformation as a whole; stay focused on substance
- Identify root causes / critical drivers
- Assess the readiness of your team and processes
- Prioritize using key decision criteria
- Determine what pieces can YOU influence or control?
- Identify the gaps – what you don't know
- Design your team to win – don't forget org design
- Define your problem statement
- Map & engage your stakeholders



Group Activity Assignments

Group Yellow: Organizational Design & Process Ownership

The current organizational design in Finance does not allow for the appropriate process ownership or influence across siloes, leading to inefficiencies and misaligned priorities. Key skills are missing in the organization, and attempts at change have confused employees about career progression and role clarity, impacting both engagement and performance. This challenge spans Finance and other departments, further complicating cross-functional collaboration and accountability.

Group Blue: Data Quality and Tool Adoption

You are implementing a tool designed to improve decision-making through enhanced reporting and analytics capabilities. However, foundational data quality and structure issues are negatively affecting the tool's impact. Finance does not own all data inputs and has limited employees of its own with high data or digital acumen. Also, significant improvements to foundational data requires prioritization and support from the IT team who have a variety of other competing initiatives.

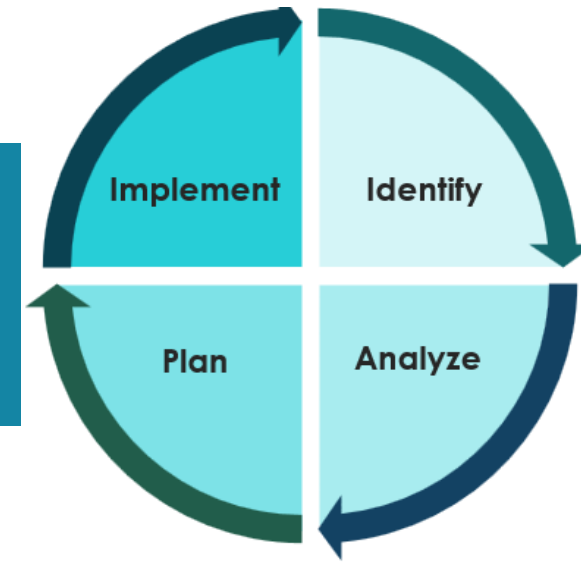
Group Green: Mindset and Resistance to Change

Resistance in a variety of forms to a recent strategic transformation initiative is occurring at all levels, from entry-level accountants to high-level business leaders. While some employees complain about a lack of clarity in the transformation vision, others seem to be waiting for it to go away and others feel overwhelmed balancing current workload and additional demands of the change. Leaders have competing priorities and may have different views on which changes are necessary or most urgent to implement.



Group Activity (10 min)

Go Deeper on Your Group Topic then Share with the Group



Identify the Problem:

Review the problem summary. Ask “why” a few times. What are potential root cause drivers of the problem?

Analysis:

How could you break the challenge down into manageable parts? Can/should you address all or just some of the barriers?

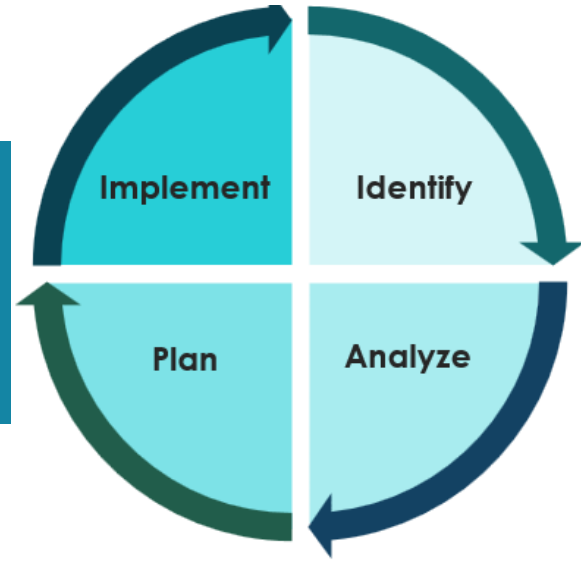
Logistics & Planning:

What resources and roles are needed? What steps need to be taken and in what timeframe? What other prep can or should be done?

Implementation & Management:

How will you keep critical or essential business processes moving while making these changes? How will you know if you are winning? And if you are veering off course and needing correction? How will you influence where needed?

Group Debrief (10 min)



RESOURCES & VISION

A **well-constructed vision** becomes **reality** through **aligned action** & iteration



"The essence of strategy is choosing what not to do."

- Michael Porter, Economist and Researcher

Additional Resources

Books:

- *Cascades* by Greg Satell
- *Essentialism* by Greg McKeown
- *Think Again* by Adam Grant
- *Leading Change* by John Kotter
- *A Seat At the Table* by Mark Schwartz
- *Team of Teams* by Gen Stanley McCrystal
- *Crucial Influence*

Publications:

- Harvard Business Review
- Sloan Management Review

Research:

- Gartner
- McKinsey
- The Hackett Group
- Forrester

Podcasts:

- CFO Thought Leader
- The CFO Playbook
- The Financial Management Podcast
- Inside the Strategy Room (McKinsey)

Influencers/Communities/Blogs:

- Dr. Noel Hartzell on LinkedIn
- Brett King
- FP&A Trends
- CFO Connect

Courses:

- "Digital Transformation in Finance" Coursera
- "Finance Transformation: From Efficiency to Effectiveness" – The Hackett Group



CALL TO ACTION

- **Get to the Drivers of Your Barrier**
- **Identify Stakeholders & Resources**
- **Pick 1 or 2 Things to Do to Gain Momentum**
- **Commit to Action**



"Action is the foundational key to all success."

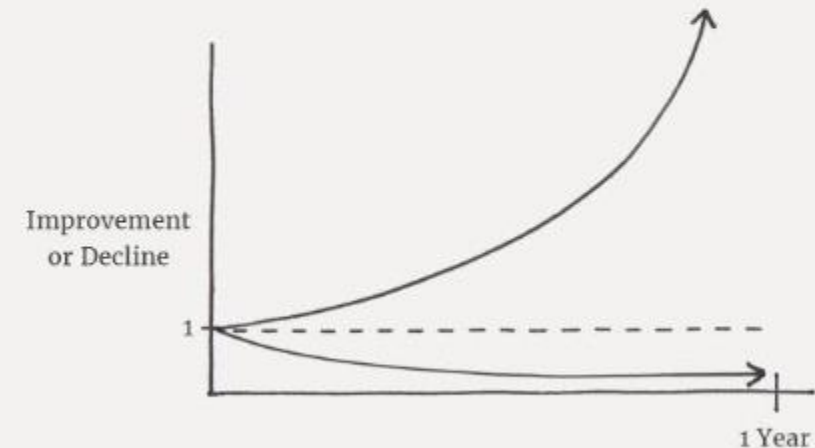
- Pablo Picasso

ONE STEP AT A TIME...

..... Leads to Big Outcomes
Over Time

The Power of Tiny Gains

$$\begin{aligned} \text{1\% better every day} & \quad 1.01^{365} = 37.78 \\ \text{1\% worse every day} & \quad 0.99^{365} = 0.03 \end{aligned}$$



JamesClear.com

Source: Sahil Bloom, LinkedIn referencing JamesClear.com

Content by SuccessBridge LLC, 2024



TRANSFORMATIONAL ACTION PLANNING

Remember:

Action Today, Advantages Tomorrow

Do not allow perfection to get in the way of valuable progress ... but also ensure progress is continually reviewed for alignment to your objectives



QUESTIONS / DISCUSSION



THANK YOU



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APPENDIX

Additional reading or
reference items to support
our discussion



My Transformation Principles:

- #1: **Just start**: identify what is known & unknown, embrace agility & take ownership for action
- #2: Integrate **continuous change** into the language and values of the organization
- #3: **Foster open and strategic communication** to bridge gaps and build partnerships
- #4: Leverage **the collective strengths of networks** to enhance capacity and drive success
- #5: **Define your purpose** then focus on the actions that deliver results toward that objective
- #6: Align all initiatives with values, demonstrating and inspiring desired **behaviors**
- #7: Build and inspire confidence and leadership **skills across all levels** of the organization



Personal Transformation Mantras

What are your personal transformation principles & mantras?

Here are some of mine:

"Foundation in knowledge, flexibility and excellence in action."

"Change isn't just inevitable, it's invitational. Champion it to win."

"Clear words, clear paths – trust & outcomes through transparency."

"Harness collective strengths; multiply success through collaboration."

"Purpose drives us, impact defines us."

"Seek solutions, not scapegoats – face challenges to turn barriers into accelerators."

"Actions reflect values, leadership reflects vision & purpose."

"Inspire & cultivate confidence, empower & ignite leadership in all."



VISION AND ALIGNMENT EXERCISE

Describe your vision in your own words

Can it be simplified?

Does it align with your leadership's vision?

Does it reflect core values?

What are the business priorities?

Revise

