

The finance leader's guide to modernize planning for digital transformation

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Introduction

As a finance leader, you're confronted with ongoing disruption, urged to expand your authority and responsibility, and challenged by digital transformation. That means you must reevaluate your strategic value and influence on the business.

This isn't merely an opportunity — it's an imperative. You are expected to answer questions from leadership and stakeholders quicker and faster than ever. You must carefully navigate market conditions and dynamics while simultaneously managing and monitoring long-term corporate performance. You're also tasked with driving partnerships with cross-functional leaders. Beyond process inefficiency, there are outside drivers such as inflation, talent shortages, and supply constraints, all of which require access to information, analysis, and insight into possible decisions. You are the key to those insights and thus, the driver of initiatives to address everything coming your way.

Digital transformation enables you to do all of this and more, and if you don't embrace the change for your business and modernize your planning, you'll quickly fall behind those organizations that do. But this is not as daunting as you might believe.

How can you orchestrate this transformation?

For many companies, decades-old legacy technologies and spreadsheets shared over email are still at the core of many planning processes. Even those organizations that have begun to transition to cloud-based digital capabilities often suffer from siloed approaches and lack of collaborative decision-making, impairing organization-wide accountability and visibility into performance drivers. New tools to fully democratize data, improve transparency, and enable connected business planning are necessary to bridge the gaps.

What's more, attitudes and habits must change to get the most out of new systems and ways of working. You need to take a holistic approach to enabling your organization's transformation journey through focused efforts across your culture, capabilities, and operating model.

Part one: Why transform?

Data you depend on is becoming increasingly complex. Sources continue to grow, both internally and externally, and the types of data continuously evolve and expand. Data is also being created at ever-increasing rates, generating volumes that are nearly impossible to manage and harness.

Evolving marketplace dynamics make it increasingly difficult for your business to meet the needs of your customers. New and unexpected disruptions continue to challenge you. The competitive landscape continues to evolve and new competitors frequently emerge or change tactics.

Additionally, as a leader you're under extraordinary pressure to meet the expectations of stakeholders, facing revenue, growth, margin, and cost responsibilities. Leaders must answer questions about the business and its performance faster than ever before, evaluate multiple possibilities when considering courses of action, and provide stakeholders with informed and confident decisions.

This environment is unlike anything you've seen or experienced before, and it demands a new way of looking at how to successfully lead and run the business.



Stakeholders inside and outside the business have expanding expectations

Everyone wants to move faster and evaluate possible outcomes of various choices. You are expected to have a handle on the information, an explanation around causation, current data to build possible scenarios, and the storyboard to present and discuss the risks and rewards of various decisions. This happens daily with stakeholders both inside and outside the business, and finance most often leads the processes, aligning the business along the value chain and presenting the analysis.

Strategy determines financial targets, which determine operational execution

There is no value to working in silos, disconnected environments, and multiple legacy and offline systems. Your strategic targets have to be aligned to financial targets and operational execution. By keeping all of the processes aligned, you will have the visibility to partner across the business and lead conversations about best courses of action.

Preparedness for disruption is changing business drivers and tactics

By aligning systems and processes to the value chain, your organization is better prepared to navigate future disruption and unexpected events. Agility and what-if scenario modeling is foundational to future readiness and provides an environment where all functions in the business focus on delivering on strategic targets. When business drivers change, alerts and notifications are transmitted to the appropriate parts of the business, and collaborative planning and decision-making ensures the proper tactics are deployed to address the event.

Delivering value supersedes efficiency

For many years, finance leaders have been focused on driving efficiency. However, a significant shift has occurred and finance must now focus on delivering value. This means you'll need to focus on partnership, line-of-sight, alignment to strategy, and dialog about how to ensure decisions and actions meet the needs of the business. You must examine multiple courses of action to determine and uncover the upside and the downside and prepare for various eventualities. While efficiencies remain critical, finding opportunity for growth shifts finance's relationships with leaders across your business.



Part two: Operating model and processes

Growth-minded finance leaders like you should scrutinize how the finance organization is run, how transformation happens both within and beyond the finance group, and how the business at large makes decisions and crafts strategy.

“It is much easier to measure performance and improve accountability throughout the business using Anaplan.”

CFO, Holcim ANZ

A transformational CFO is a business leader first and a CFO second, and they should be the critical enabler driving transformation strategy. Enabling transformation means creating the structures, widespread buy-in and governance necessary to keep a big, complex project on track. It also means creating and sustaining the holistic, enterprise-level vision necessary to achieve major business objectives such as improving the employee and customer experience, freeing up cash flow, and getting to market ahead of competitors. A digital-first approach also provides organizations the flexibility to quickly respond to change, which is a major differentiator in an environment prone to frequent, unforeseen disruption.

Assessing gaps, engaging stakeholders and weighing alternatives

Earnings, market share, and other metrics of business performance illustrate how effective your operating model is. Another way is to assess how well the finance organization and the business at large is evaluating options and making decisions affecting the customer experience of both internal and external customers.

You also need to understand if your clients within the business are happy with you, and whether you are doing all you can to serve customers and employees.

Being customer- and employee-centric requires investing in automation and data science to improve their experience. When you deliver the right product where and when it's needed – thanks to effective systems – you improve that experience. Employee satisfaction comes from solving complex problems, not from doing rote tasks because a company didn't invest in the right systems and processes. Ultimately, the success of your operating model depends on your investments, and the success of your investments depends on governance.



Actions and tactics to enhance operating models and processes

To prepare your organization for transformation, don't leap to the technology first. Instead, examine how decisions get made, how and what kind of performance is rewarded, and how the team is held accountable for progress on transformation objectives. Understand the dependencies between and among all of the different initiatives within your organization.

Changing how you run the finance organization paves the way for transformation and helps you avoid pitfalls in managing a transformation program. Aspects of your operating model can also influence culture and performance, incentivizing the finance organization to think more broadly about their function and the business at large. Consider these areas:

Modernize the engine for decision-making to promote diversity of thought, accountability, and awareness

Making the CFO into the sole decision-maker would seem to simplify the process, but hierarchy is less important than how decisions get made. Regardless of structure, you want to set up frameworks so that the CFO is not the sole decision-maker and others are incentivized and feel accountable.

Think about this example: If the CFO is the sole decision-maker, transformation teams might optimize their approach, metrics, and updates for what matters to that one person. With one perspective alone, you can't unlock additional value or risks.

Create a diverse transformation-initiative steering committee

Digital transformation touches all aspects of the business. Even when a transformation project is centered in finance, commitment across the C-suite or the finance leadership team to make decisions together ensures buy-in and builds forward momentum.

The steering committee guides investments, direction, and outcomes of transformation initiatives. A subset of the leadership team, this is the team that will be held accountable for transformation and should be diverse enough across business and finance functions to compel those outcomes. Identify a day-to-day operational leader to drive the initiative.

This group could include the following members to make sure you build accountability, measure success, and set direction through diverse perspectives and interests:



A diverse and well-represented group of leaders helps you define the success of the transformation initiative, and shares ownership and accountability beyond just the finance team.

Example: Leaner processes with bottom-up forecasting

How would the business change if you could incorporate every piece of available data into your forecasts, down to the insights of individual store managers on the ground interacting with customers? Transformational technologies can make it reality.

One consumer products business created a system where data from the furthest reaches of the business could be incorporated into regular sales forecasts. What had been the work of corporate finance analysts using spreadsheets was shifted to a data-rich platform that included real-time data streams from every sales outlet. Together, the finance team and those in the field collaborated to enhance the accuracy of sales forecasts. As a result, it was possible to target product shipments with more precision for greater efficiency.

Forecasting is normally done top-down because you don't have the platform to do a bottom-up forecast. A platform can allow you to make a forecast and then validate or override it – and explain your decision based on the data.

As confidence in the accuracy of your forecasts grows, new business efficiencies become possible. A retailer might carry two days of inventory instead of eight, for example, minimizing stock on hand yet still meeting customer demand – optimizing cash flow in the process.

Anaplan value

Whatever strategy or initiative your organization is pursuing, Anaplan gives you visibility and accountability through all of the parts of the organization that matter to your success. Analyst firm, Gartner, calls it Extended Planning and Analysis (xP&A); at Anaplan we call it Connected Planning. This is where all functions of the business can communicate, collaborate, and operate in sync. Think of Anaplan as your insurance — when you have planning going on in different parts of your organization, you need the transparency Anaplan provides to give you certainty about progress toward your goals.

The depth and breadth of information available on your Anaplan platform lets you forecast what's coming so you can anticipate problems and move quickly when things change. When factors shift, Anaplan gives you the visibility to assess the situation and allows you to change your behavior to meet new needs, and lets you craft a richly informed strategy based on a comprehensive view of the data and circumstances.

Improving speed to market and cash flow

The combination of access to data and the models and analytics to leverage that data lets you stay on top of complex processes and drive success. Two primary objectives a platform can help with are speed to market and managing cash flow.

If you want to get your product to market first — and get the 60% of market share that typically goes with that — put everything on your connected planning platform so you can track your progress and know if getting there first is achievable. You can experiment with various decisions and scenarios and get answers to questions like:

- Where can we trim supply chain excesses?
- Are there opportunities to streamline how and when we order product and materials?
- How are we managing demand?
- Where are processes adding unnecessary time or resource strain?
- Are we adequately managing cash flow?

Achieving lean processes mean more just-in-time ordering, more precise distribution of product, and better cash flow.

Part three: Capabilities

Your entire organization needs to be aligned around strategic goals and targets, and financial outcomes and operational execution are critical to hitting those targets. In the age of big data, finance organizations must stretch themselves outside of their traditional roles to create new connections. Visibility into the business allows finance leaders to recognize opportunities and forecast outcomes.

As a finance leader, you need the ability to model scenarios to prepare for sudden disruption and uncertainty, and you need a platform agile enough to address changes as they occur. Data needs to be agnostic and quickly available regardless of where it is, and the organization needs to be able to use that data to scale. Real-time visibility and alignment between stakeholders are critical, and this isn't possible without the ability to have data and calculations in sync and online.

Advanced predictive capabilities allow you to leverage data from both inside and outside your business for a better line of sight into drivers and their possible outcomes. Plus, with needs across the business including driver-based forecasting, rolling forecasting, zero-based budgeting and more, you'll need exceptionally flexible modeling. And if business veers off track, you need immediate access to actuals for performance measurement and agility to model different decisions and analyze the risks and rewards to get the business back on track.

**“Increasingly, value isn't driven by knowing how things work.
It's driven by knowing how things work together.”**

Jack McGarry, Group CFO, Unum

Scenario planning requires creativity and discernment. You need to be imaginative and plan for the top three to five scenarios that could delay a project, their ramifications and the steps needed to minimize their impact.

As new capabilities allow you to improve forecast accuracy and see more clearly where each dollar goes, new processes can help you drive efficiencies, capture more sales and free up cash flow. Greater ability to monitor progress on key initiatives and explore potential setbacks or course corrections means that you can bring your product or service to market more quickly, capture more market share and increase earnings. Depth of insight into the way your business runs gives you the confidence to get leaner and more agile in the way you create, deliver and sell your product or service. The scope of the contribution that finance can deliver to the business increases dramatically when you have the tools in place to easily access and analyze business data and planning across business functions.

Assessing the finance function's capabilities

Think about how finance is positioning itself in the business. Does the business turn to finance to help craft a strategic path forward, or is it seen as a back-office engine for accounting, transactions, and regulatory



compliance? Growth-minded finance leaders build functions that enable the organization to achieve its business goals.

To uncover the capabilities that you need to drive that strategic impact, ask yourself—and your team—the following questions:

- What are the strategic goals for the next 3–5 years? Do our strategic plans align to and drive both financial plans and operational plans?
- How are we going to optimize capital expenditure and cash flow?
- How do we collect and analyze data in a consistent, meaningful way that is understood by different functions and allows us to make informed decisions?
- What are the methods of collaboration and feedback between the finance team and other functions?
- How are longer-term goals and initiatives planned and tracked? Do we use rolling forecasting to enable short-term readiness and scenario planning to model the longer-term impacts?
- What systems of alerting are in place to spot divergence and anomalies?
- Can you evaluate multiple scenarios and tradeoffs?
- When financial plans don't align to strategic plans, what are the mechanisms to evaluate scenarios and trade-offs like mergers and acquisitions, product development, or new go-to-market strategies?

One way to focus on capabilities that generate value is optimizing resources through automation. The next level is to create insight to drive growth. That means investments in ERP, planning systems, and analytics supporting business functions.

Strategies and tactics to evolve new capabilities

Securing investment and commitment for the development of major new capabilities that overhaul entire systems can be an uphill battle, even if leadership agrees that modernization is important. Several strategies and tactics can help your organization add new capabilities outside of its traditional roles.

Technology stack rationalization

Organizations, especially large ones, have multiple ERP, CRM, HR, and marketing systems, in addition to homegrown data sources. These redundancies impact finance's ability to get a holistic view of data and bring the right insights to the right users at the right time. That also includes using data that might come from outside the organization. Growth-minded finance leaders prioritize technology stack rationalization to achieve a global view of the business, gain cost savings and boost efficiency. Rolling

out incremental versions of new technologies, testing, learning, and sharing results as you go can help generate quick wins and rally the organization around the bigger vision.

Incubate new capabilities gradually

Look for areas where your ideas for transformation can be implemented on a small scale in one well-defined project. Monitor results and collect feedback. If that phase goes well, extend your experiment to one or two other test areas. If feedback is positive, start developing a plan for the investment needed to scale the implementation to its full potential.

Test implementations allow you to try new approaches and learn from them quickly, rule out what's not valid, and build the case more effectively for things that prove to be valuable. You're able to say, "I tested it, this is what I learned, this is the feedback I got, this is the data to support it, so let's talk about why we should scale it and what it's going to take."



Three focus areas for modernization:

1. Enable comprehensive access to business data

You need data to discover ways to drive your business, but the data is rarely democratized. In addition to having access to the data, you need to bring the right insights to the right user at the right time to help them make informed decisions with all necessary data.

2. Prioritize analytic tools for insights to drive growth

The ability to run business and customer experience analytics is essential to finding new ways to generate value. Businesses can't drive overall growth through simply selling more. They need to focus on what matters to the customer and the customer experience. A positive customer experience leads to more growth. Happy customers are more likely to buy more, more likely to remain your customers, and they could become a marketing asset by sharing their positive experience with your prospects. This is not solely about your product's value – customers today expect more from a company. Environmental, social, and governance (ESG) decisions now impact customers' decision-making processes, and culturally cognizant businesses are better positioned to deliver lasting customer satisfaction.

By focusing on metrics that measure customer experience in addition to drivers of direct business growth, like revenue growth, companies can balance both sides of the scale. For example, a company might define growth not only by growing revenue but expanding profit margin. From a pure business perspective, you focus on measuring efficiency across your business to drive down your operating expense. This might motivate a company to simplify their processes by implementing an “automated” call center system to limit the number of calls that have to be taken by a live agent. Although this may drive

down cost for the company, in the long term, it may damage the customer experience and result in revenue loss because customers find it difficult to address their issues in a timely and effective manner.

3. Improve your ability to forecast accurately

As a finance leader, you're always looking at revenue, but simultaneously managing costs. You need to know the answer to the following questions:

- Are you spending the right dollars in the right places at the right times to maximize revenue?
- Are you uncovering efficiencies at a granular level and at a holistic level for opportunities that could have both revenue and cost implications?
- Are you removing barriers to collaboration so sales and finance are aligned on revenue plans driven by the sales forecast?
- Are you aligned to HR for workforce planning to ensure they're maximizing resources and getting them in place at the right times for cost efficiency?
- Are you aligned to supply chain to optimize inventory and manage costs?

Answering these questions requires detailed and accurate forecasting. This helps ensure you get the right product to the right place just in time - maximizing sales and freeing up cash flow.

For example, if you advertise a new product and customers visit your brick-and-mortar stores to get it, but they don't have the product because your forecast was off, your customers will be disappointed, and your retail reps will be disappointed because they lost commissions. You spent money on advertising and you made zero dollars, simultaneously disappointing your employees and customers. Accurate forecasting is critical.

Example: Creating a granular view of sales

In the digital age of empowered customers, customer experience is a key driver of growth in every industry. Finance typically had not needed to think about this before.

- How well do I understand my customer and how they use and perceive my product?
- How does my business create value for customers?
- How do I evaluate customer experience?
- How can my business create better experiences to generate future returns?



Creating a granular view of the business

To better understand customers and how to meet their needs – and drive increased revenue – one growth-minded CFO decided to create a more granular view of his business. He wanted his team to operate like a business unit, with a business perspective defining their objectives. That meant gaining a more detailed understanding of the customer experience.

Finance needed to be able to see more than volume of goods sold in order to better understand P&L drivers. Which products were being sold in what configurations to which customers? Were there hidden opportunities to drive new sales and optimize revenue?

Once detailed customer data was made accessible, it was possible to collaborate with the sales team to analyze what was being purchased in each region, triggering insights on missed opportunities. Perhaps outlets in one region might benefit from products that had success in other regions with a similar climate, for example. This intelligence improved customer experience and brought in new customers, generating additional revenue for the company.

Anaplan value

Anaplan brings your business data together in a platform where everyone has access to the same real-time data, with transparency and accountability to the source. The platform allows you to conduct core financial processes for performance measurement, including strategic planning and annual and cyclical budgeting.

You'll better understand what is happening in the business and discover where new value can be added with this granular view. This enables you to align financial plans and targets to operational plans and models of execution for collaboration, consistency, and accuracy across the organizational value chain. Anaplan also supports seamless data integration across any system of record, including both internal and external data, to provide you with full visibility across the enterprise.

Anaplan's real-time scenario modeling capabilities create opportunities to explore your options and see the effect of your decisions on your plans and those of others in the business immediately. This increases resilience and provides the capability to be agile in times of uncertainty. Anaplan also allows you to create much more accurate forecasts based on more detailed inputs and unifies forecasting and planning across functions to reveal the impact of changes in one function on the rest of the business. All of these capabilities help you optimize profitability, thanks to intelligent, predictive forecasting for revenue, expenses, workforce, cash, and profitability.

Anaplan brings people, processes, and data together to power your business. It allows you to deliver effectiveness and efficiency across strategic, financial, and operational planning thanks to true business ownership and rapid time-to-value.



Part four: Culture and talent

Change is uncomfortable. Human beings hold on to the familiar with remarkable tenacity. No matter how necessary, simple, and promising the modernization may be, getting people to embrace a major transition to new ways of doing things is a challenge.

The goal of a planning platform should not be to automate processes and eliminate headcount. The goal should be to leverage their talent and inspire engagement so they can focus on the business and customers instead of wrangling data.

The number-one drivers of growth are culture and talent. They are the greatest source of positive change in any organization. So, how do you maintain culture during periods of dramatic transformation?



Culture

Assessing the finance team's culture

The first step to modernizing your finance organization is gaining an understanding of the finance team's culture. What values and priorities do they embody and transmit to the rest of the organization? Take the time to explore the culture of the finance organization in depth. It's a fantastic investment not only for a new leader to learn about the business but also to learn how the finance organization is applying its capabilities, and the culture within it.

Tactics for assessing culture

Finance leadership should engage directly with their team, from the top down, through middle and lower management, via focus group roundtable discussions and job shadows in which leaders pair with members of their team to see first-hand what they do in their day-to-day roles. Partnership surveys sent to leadership within the finance organization and across business functions can provide a valuable window into finance culture and talent.

Here are some of the questions you can consider for each of these tactics:

Focus groups

- How does the finance organization define success?
- What do they aspire to contribute to the business?
- How do they assess the business needs?
- Are there gaps between finance's priorities and what the business's values?

Job shadows

- How is the finance team interacting?
- How are they partnering with the rest of the organization?
- What are the daily habits of the finance team?
- Do these habits and interactions support what the business values most?
- How are they balancing the reactionary nature of their role with the opportunity to anticipate and proactively address opportunities or challenges?

Surveys

- What is the most valuable contribution you make to the business?
- What does finance contribute that makes your job easier or more productive?
- When you go to finance for help, what do you hope will happen? What actually happens?
- How does the partnership with finance bring value to the organization overall?

The information you gather will help you understand what the business needs versus what finance is delivering. Are there disparities between what matters most to the business and what finance prioritizes?

Maybe you do great audit and governance, but the business isn't that excited about it. On the other hand, you might have modest analytic capabilities, but that's important to the business. Only when you can identify gaps in priorities can you take steps to remedy them.

Strategies and tactics to evolve culture

Organizational culture can be one of the biggest barriers to change and notoriously difficult to budge. How you communicate and what you choose to put in the spotlight can move the cultural needle.

Overcoming the resistance to change takes persistence, but once results start coming in, resistance shifts to enthusiasm that can spread to other areas of the business. To move your organizational culture, look to these areas:

Empower problem solving

Encourage and reward a mindset of empowerment. What problems are holding back your finance organization? What problems have been there so long no one notices them anymore? Identify them and take action to resolve them, even if they seem impossible to change.

People might say, “I can’t do anything to improve this planning process because the keepers of the process don’t allow change.” You want to nurture a mindset that rewards taking ownership and driving change.

Commit to curiosity

Embrace curiosity, model an affinity for change and agile learning, and overcome the fear of trying a new way of doing things.

A growth-minded finance leader has the curiosity to step into the unknown. You don’t want to keep doing the same thing over and over; you want to try something new to make an impact. Additionally, these leaders communicate openly with their teams and their business partners about the opportunity in front of them when they partner for change. Don’t be afraid to share what will happen if they don’t change; as we mentioned, this transformation is no longer optional.

Celebrate innovative thinking

Growth-minded finance leaders encourage entrepreneurial thinking, idea sharing and crowd sourcing. You can encourage people to think differently and challenge the status quo by bringing financial analysts and others together for a hackathon guided by a data scientist. Invite competing groups to get creative searching for insights in a data set. What can you learn about the business from the data?

Once everyone has presented their ideas, ask the data scientist to show what can be done with correlations to help the team make new connections.

This exercise highlights data acumen and helps the team make new linkages between what’s happening across the business. By correlating different elements with each other, you can find new insights that are not evident otherwise.



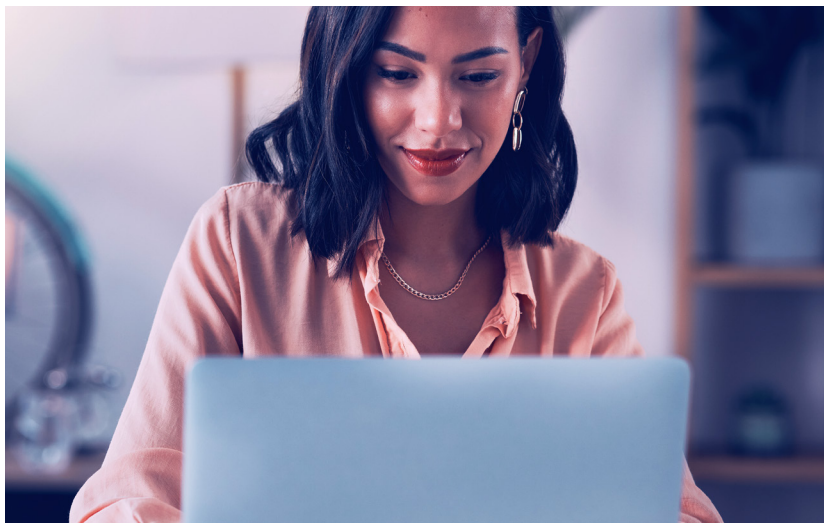
Example: Creating a culture of feedback

When a new CFO arrived at a leading insurance company with a mandate to drive modernization, there were three goals:

- Drive finance's digital transformation
- Optimize finance resources
- Bring new value from the finance organization to the business

Surveys of the culture revealed that finance was seen by the business less as strategic partners than as order takers. The CFO decided to start a dialogue with the business to find out how finance could do more. The goal: Gain a better understanding of what finance's customers in the business expected, how finance was measuring up against those expectations, and what kind of impact finance's contribution was making.

Finance leadership implemented a program of tactics to shift the culture toward feedback, targeting ongoing dialogue and improvement.



Leadership level: Engagement surveys

Every six months, finance sent a business partnership survey to all levels of management across the enterprise, asking such questions as:

- What kind of interaction have you had with finance?
- Have you seen improvements since our last survey?
- How much value is finance driving for you as a business partner?

Individual level: Performance goals

The way the finance team was evaluated was shifted to encourage a focus on enabling business success and taking feedback seriously.

- Individual performance goals were tied to 360-degree feedback, not just from those they report to within finance, but also from those they interacted with throughout the business.
- This, in turn, compelled managers to ensure that employees developed the habit of seeking feedback as they complete projects. Everyone was on board and incentivized to engage with their business peers.

Communication

The finance team changed the way they talked about their accomplishments, looking at results from the point of view of their business customers.

- At quarterly meetings, town halls, company updates, and other presentations, results were presented from the business unit's perspective.
- They focused on business accomplishments, their value to the business, and how finance contributed to it.

The result was a shift in culture toward active partnerships to enable the business. As the business came to view finance as a valuable partner, they leaned into finance for insight on business decisions.

Talent

Assessing talent needs and approaches for all phases of modernization

Accomplishing your goals requires the skills to execute your vision. What is the talent profile at your organization today, and what talent do you need to take the team into the future? One of the biggest challenges today is changing employee expectations. Flexibility in their roles is important, and burnout is a real threat. If your processes are manual, inefficient, and difficult, the potential for turnover increases dramatically. Loss of talent means a negative impact on the ability to hit revenue targets. Digital transformation provides the ability to free up more resources, and retrain current talent.

To assess gaps in the talent pool, consider the finance organization from a business perspective. How can finance drive the most value for the business? What is your competitive advantage within the finance function to drive value for the business?

To assess talent, think about the new skills being demanded from finance outside of the typical financial or accounting processes. These include the ability to model and visualize data, turn output into insight, and communicate with stakeholders to steer decisions. Then, identify the areas with the biggest opportunities to contribute business value and benefit from unique skillsets and align resources there.

In terms of bench depth, are you building the talent pipeline you need to develop leadership over time? Are you creating opportunities for finance professionals to gain the business experience they need to grow into new roles?

Strategies and tactics to strengthen the talent bench

The skills and credentials traditionally associated with finance can no longer deliver the business value that the transformational finance function seeks to contribute. To transform the finance function, you'll need technology acumen and data literacy as well as experience in the business.

Today's finance talent, thanks to automation, needs to be much more strategic. Modeling capabilities, mathematical skills and data fluency are new requirements – so is an intellectual curiosity about the forensics involved in analyzing data.

Several strategies can help you level-up abilities within your organization and recruit valuable external talent.

Collaborate with business units to rotate finance talent

Cycle rising leaders to various business units to gain experience leading innovation projects or heading up new divisions or regions. It's important for your team to understand how the business works, including commercial strategies, sales, marketing, supply chain, and operations.

Tie talent assessment to broader accountability

Create a finance talent board with VPs across different areas of the finance organization. Use this board to evaluate potential promotions based on criteria that span organizational performance goals.

Broaden recruitment beyond traditional finance backgrounds

Business and technology experience may help infuse talent in certain finance roles, particularly as you increase engagement with the business and advance digital transformation.

Cultivate data literacy

Prioritize digital capabilities and data fluency. Create programs to develop greater understanding of technology implementations and data science. Experts recommend implementing a data acumen test to prove a minimum level of data fluency, as well as requiring the finance team to advance their skills with at least 15 hours of digital literacy education each year.

Look for creativity and critical thinking

Data modeling, which is at the core of finance and risk analysis in the digital era, involves creative thinking and an incisive eye for what matters. To create useful scenarios, you need ideation and data.

Peer management is growing in importance, from managing stakeholder expectations to influencing others. This is vital if you hope to share the insights your team discovers and act on them.

Example: Promoting breadth and business acumen

New CFOs often find that their workforce is largely tenured in finance, with limited business acumen. The finance team may not fully understand how



the business operates or how it delivers value to customers. To move toward a more business-focused future state, one growth-oriented CFO decided to prioritize the broadening of the finance team's skillset.

The goal was to create a deep bench of finance team leadership with experience in multiple functions within finance and in the broader business. Leaders who understand how the entire business works are better able to recognize the broader implications of decisions, including how decisions in one area may impact another. To get there, the team adopted three strategies:

1. Develop the entry level

College recruits with finance degrees were entered in an early-career development program designed to broaden their business-finance acumen. Over four years, they rotated to three finance and one or two business roles. This fast-tracked a culture of breadth and facilitated new experiences.

2. Develop the leadership level

The finance team changed how they evaluated promotions. Instead of prioritizing a rapid rise, promising leaders were encouraged to make lateral moves to develop breadth before taking the next step up. Leaders with high potential were given the chance to lead a different function slightly outside their comfort zone to broaden their perspective on the business.

3. Work the talent pool

During talent assessments, when merit and bonus discussions were taking place across business functions, leaders actively looked for areas where talent could be exchanged to give people experience in other parts of the business. This resulted in greater breadth for the individual, as well as infusions of new skills circulating throughout the business.

Anaplan value

If you can plan and optimize your workforce strategies against your budget, it'll be easier to evaluate changes in plans across departments, preparing you better to respond to changes in talent supply. Anaplan's connected planning capabilities let you work with human resources to explore options, model the impact of various hiring strategies on budget, and plan across departments. You'll have the right people in the right roles at the right time to deliver on your organizational goals.

Plus, the extremely detailed and factual view into the business that Anaplan provides enables finance leaders to do their best work, even bringing out new skills they might not be able to express otherwise.



Conclusion

No role has the enterprise-wide perspective, business insight, financial acumen, and data literacy of the transformational finance leader. Finance has a unique perspective on business planning, because they bring the numbers together from across the organization to forecast performance for the month or quarter ahead.

Today's finance leaders are uniquely positioned to guide the business into the future by creating a culture of curiosity and problem-solving, cultivating broad skillsets attuned to the digital age, implementing powerful data insight capabilities, and improving the frameworks and processes that govern business decisions.

There is a great deal at stake. With sophisticated data intelligence capabilities finally within reach, there are new opportunities to drive growth and improve profitability. Those who implement transformative technologies will tap into those insights and gain a competitive advantage. When you bring people, data, and processes together, you expand the realm of the possible and open the door to new ways to deliver a growth agenda guided by finance leadership.

Request a [free demo](#) to see how Anaplan can help you drive digital transformation.

About Anaplan

Anaplan is a transformative way to see, plan, and lead your business. Using our proprietary Hyperblock™ technology, Anaplan lets you contextualize real-time performance, and forecast future outcomes for faster, confident decisions. Anaplan enables connected strategy and planning across your enterprise to move your business forward. Based in San Francisco, Anaplan has over 200 partners and more than 2,200 customers worldwide.

To learn more, visit anaplan.com