

FP&A strategy-execution gap maturity model



LEVEL 1 - BASIC

LEVEL 2 - DEVELOPING

LEVEL 3 - DEFINED

LEVEL 4 - ADVANCED

LEVEL 5 - LEADING

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|--|-------------|----------------------|----------------------|-------------------|-----------------------------|-----------------------|
| | DATA | Summary GL | GL + KPIs | GL + Operational | GL + Operational + External | Multi-format holistic |
| | | No formal data store | Multiple data stores | Central data mart | Direct access warehouse | Real-time data lake |

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| | MODELING | Bottom-up aggregation | Top-down targets, bottom-up forecasts | Mixture, top-down, bottom-up | Mixture, top-down, bottom-up with some AI/ML | Automate AI/ML with human adjustments |
| | | Departmental focus | Department, line of business | Department, line of business | Detailed product | Detailed product / customer |
| | | Fixed calendar view | Fixed calendar view | Multi-year fixed calendar | Flexible calendar view | Life-cycle view |
| | | P&L | P&L, cash | Separate P&L B/Sheet | Separate P&L, cash, B/Sheet | Integrated cash, P&L, B/Sheet |

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| | ANALYSIS | P&L variance reporting | Variance analysis | KPI trends | Driver probability | Detailed driver probability |
| | | Manual forecasts | Extrapolated forecasts | Human identified drivers | Some AI/ML derived drivers | Automate AI/ML with human adjustments |
| | | Single view of future | Single view of future | Single view of future | Multiple scenarios | Scenario management |

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| | PROCESS | Disconnected | Linked budget/ reporting | Linked budget/ forecasting | Linked strategy/ budgets | Continuous strategy loop |
| | | Uncontrolled submissions | Waterfall based approval | Workflow based approval | On-demand approval | Automated approval |
| | | Annual | Annual | Annual with rolling forecast | Rolling forecast | SBU life cycle |

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| | TECHNOLOGY | Spreadsheet based | GL/ERP + spreadsheets | Consolidation applications + BI tools and spreadsheets | Standardized planning tools | Integrated planning platform |
| | | No standard systems | Disconnected planning tools | Planning models | Linked planning models | Integrated planning models |
| | | No predictive analytics | Time-series / correlation tools | Integrated analytics | Advanced (AI/ML) analytic tools | Embedded AI/ML tools |

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| | FP&A ROLE | Data receiver | Data consolidator | Scorecard facilitator | Insight generator | Business value overseer |
| | | Financial analyst | Target achievement reporter | Target advisor | Target challenger | Proactive business partner |
| | | Finance team view | Head office view | Departmental view | Business environment view | Holistic business view |