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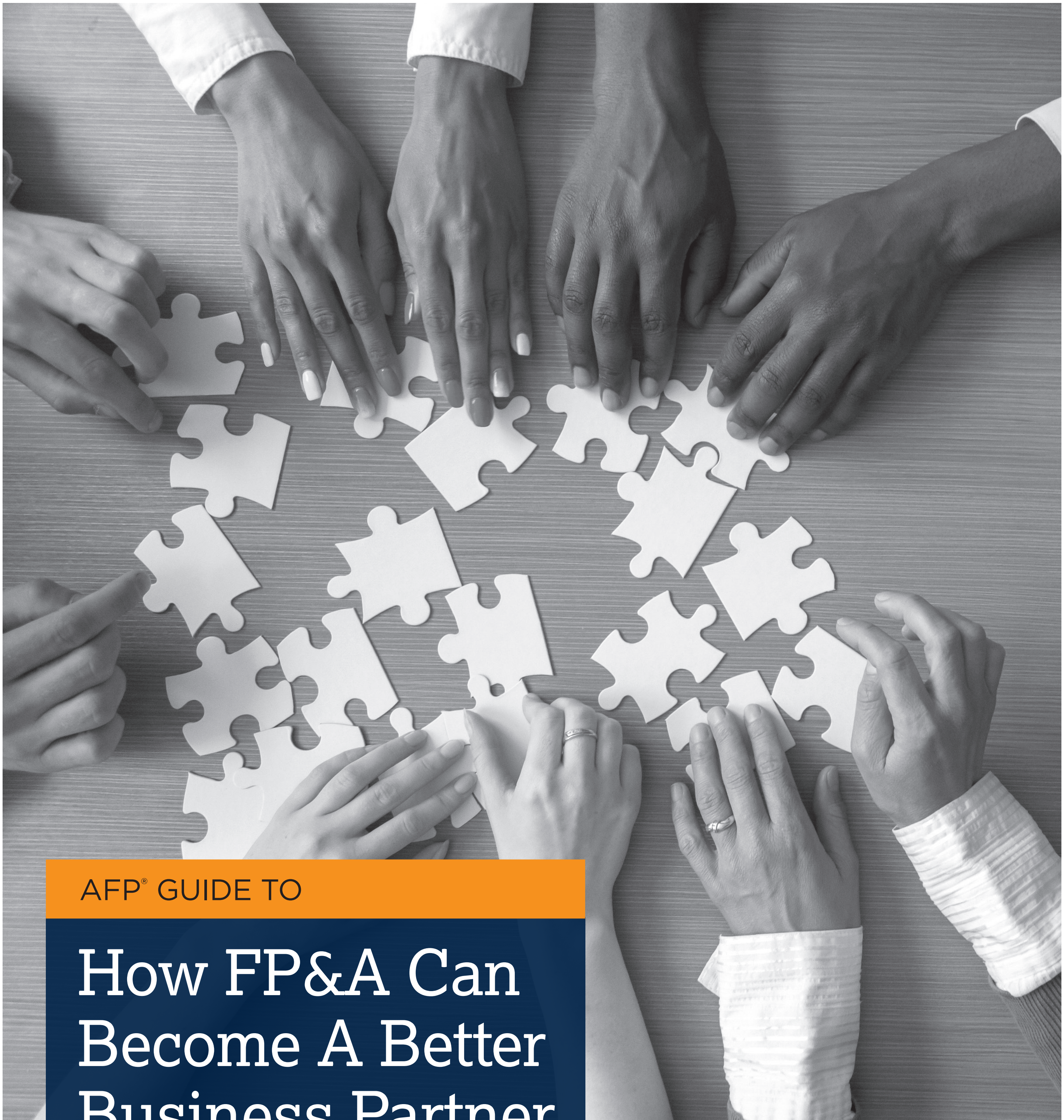


AFP® GUIDE TO

How FP&A Can Become A Better Business Partner

FP&A GUIDE SERIES

AFP® GUIDE TO

How FP&A Can Become A Better Business Partner

CONTENTS

INTRODUCTION

The CFO is the steward of company capital, tracking and monitoring its flow throughout the organization from sources to uses. The FP&A department within the finance organization takes a portion of that responsibility to drive businesses decisions through effective deployment of capital and resources. This cannot be done at a distance, behind a wall of spreadsheets and templates and emails. Fulfilling this mandate requires business partnership, the collaboration between FP&A and the business to understand the operations and decisions how capital is being deployed in order to influence and optimize the next unit spent.

"It's about partnering with the business, enabling people to think beyond their functional silos and working together effectively to have a meaningful impact on the company's performance," said Ketan Goculdas, director of FP&A at Sparta Systems, Inc. "FP&A plays an absolutely critical role within the company; it's a strategic partner to the CFO and the executive leadership team. You need to be able to influence both tactical and strategic decisions and collaborate with functional leaders to objectively assess the financial implications of proposed actions."

To construct a strong business partnership, FP&A needs three building blocks:

- A strong, **collaborative relationship** with operations.
- **Enabling technology** that cuts across departmental silos.
- Creation of an independent **organizational structure**.

This guide examines each of the three, provides examples of successful partnering cases, a full case study, and a how-to checklist to help practitioners improve their own business partnering initiatives.

FIVE REASONS WHY THE BUSINESS/ FP&A PARTNERSHIP IS SO CRUCIAL

The driving forces behind the emphasis on business partnership is the ability to do it better, and the market demands for higher velocity of decision-making. Pervasive data and connectivity allow for details to be collected and shared throughout the value chain, with inputs and outputs available from multiple people and sources. Analysis, re-forecasting, real-time insights are happening faster; your industry is disrupted, and your competitors are always moving. You have to keep up, not wait for the annual planning cycle to request investment spending. Your finance people need to sit with the business-like mini CFOs, proactively playing the capital support role in order to meet the following requirements.

1. CONSTRUCT A CUSTOMER-CENTRIC VIEW OF THE WORLD

Peter Drucker wrote, "The purpose of a business is to create a customer." That means all parts of the business are there to serve the customer interest, whether they are internal or customer facing. Being a business partners means finance is not a back-office function, not a cost center, but actively thinks about how supports the customer through others in the organization.

2. CIRCULATE INFORMATION

"I sometimes refer to FP&A as the financial heart of the company," said Carl Seidman, a management consultant and trainer. FP&A pumps information through arteries to the other departments; it is FP&A that communicates the importance of numbers and metrics and receives information back from the departments through the veins about what's important to them. "Without that constant two-way flow of information, organizations cannot be as effective," he said.

Tying everything together, Nick Pennell, operation lead of the global EPM Centre of Excellence at KPMG UK put it this way: "FP&A's role requires translating the targets of the organization into the financial forecast and plan. You can ask for the results from the business unit, but you won't get the data or fully understand it without tight collaboration with the business unit." To be effective, FP&A needs to ask the 'why' questions and understand the business problems. "Otherwise, you won't get the clarity of data, and be able to interpret and set realistic targets. To build that relationship, you have to have deep knowledge of the operations," he said.

3. **CREATE STRATEGIC ALIGNMENT**

FP&A's role is seed the company's long-term strategy into short and medium-term operating plans and be an impartial advisor when reallocating funds and priorities to maintain strategic alignment. The plan itself is an effort in corporate alignment of resources, and the key insights if you are on track or need to make course corrections.

"Successful collaboration is key and an important factor for meaningful planning," said Jokim Pluijmers, head of planning & control, global operations & IT at ING Bank in Amsterdam. "Without business input, planning and forecasting can hardly be accurate. Any business economic forecast needs to be confronted with business-specific insights to enhance the numbers. Even more important than the forecast is mutual commitment to meet any predicted or agreed target," he said.

4. **DRIVE ACCOUNTABILITY**

FP&A's activities in performance management reporting play a key role in identifying deviations from plan, either good or bad. According to Ian Charles, CFO of Host Analytics, "Becoming a true business partner is also a way of driving accountability throughout the business. Otherwise, there will be a disconnect between different groups who are responsible for different parts of the plan." Plans may change, but that change needs to be coordinated and communicated across the business.

Driving accountability happens in two ways. First, at the inter-personal level, FP&A needs to provide "effective challenge," a term borrowed from internal audit that we apply here to mean using objective, informed insight to identify opportunities or limitations in decision or operational process or using critical analysis to ask the tough questions.

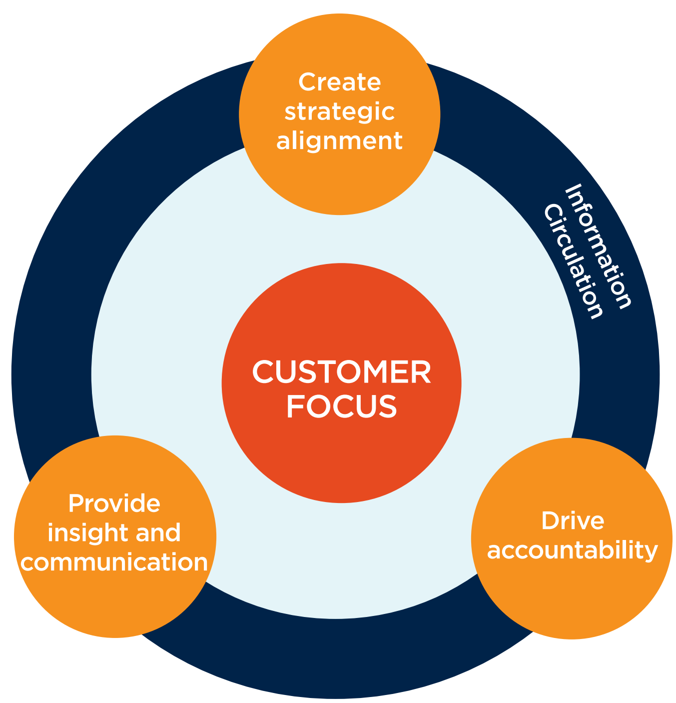
Second, accountability is the development and reporting of good metrics in a timely manner to the right people can provide decision-supporting information. Brian Sullivan, an independent FP&A consultant and former practitioner, sees finance as part of an executive team that "advises and supports the business manager or 'CEO' of that business function, region or segment. This means finance, as the business CFO, gets to ask challenging questions, provide analytics and show alternative courses of action."

5. **PROVIDE AND COMMUNICATE INSIGHT**

As the CFO delegate to the business, FP&A separates this mandate into two parts: provide insight and communicate it. Providing financial and analytical insight includes mastery of financial concepts and deploying them through the typical tools for investment analysis, modeling, valuation, IRR, NPV, etc. Best practices will extend that statistical exploration of large data sets and predictive tools.

Becoming a business partner extends the analysis to communication in order to drive action in the business. For example, operators in the field see a lot of metrics every day, according to Casey James, senior manager of FP&A at the Cheesecake Factory, "It's FP&A's role to turn that data into actionable information and put information in context, for example what's happening in the industry or the macroeconomic environment," she said. "As new self-service tools put more information in the hands of the business, finance needs to play an ever-greater role to help business leaders understand what those model outputs really mean." FP&A needs to be bi-lingual in speaking the business language, but at the same time, leading organizations also educate their partners on the financial impacts to help the collaborative effort.

Figure 1 shows how these five elements relate to each other.



Partnership in Action: Launching a New Product

One FP&A professional tells the story of having worked at a company that developed a new product that sold 200,000 units in the first four months after launch—way below expectations. FP&A led a deep-dive examination, bringing together a cross-functional team, including sales leaders, product development, operations and the lead developer to figure out what was going on.

"We started by defining the business goals, and together came up with a plan of how to achieve those dollars and what it meant for each department," said the finance professional. FP&A then developed a dashboard to track progress, identify the open items, and create the agenda for each follow-up meeting to track the status of the project. The efforts paid off: In the second half-year, the company sold 1.2 million units. It's hard to tell exactly how much of it was due to the active intervention by FP&A, but this executive estimates that had FP&A not gotten involved, the company probably would have sold 600,000 units.

Nearly all of the metrics on the dashboard were operational, e.g., What functionalities were missing? What was the priority for adjusting those and over what timeframe? "Finance was leading and asking the questions. Ultimately, the goal is to meet the budget; however, we couldn't just sit and say, 'you're not meeting your numbers.' We had to lay out a path of how to get there." FP&A was able to support the success of the team through effective business partnership: noting the variance to plan, defining and providing key information, relating the business to financial context, and challenging assumptions throughout the operational lifecycle.

PART 1: BUILD COLLABORATIVE RELATIONSHIPS

The first foundational piece in becoming a better business partner is creating the right relationship between business and finance—much of which depends on the interpersonal and business skills of the FP&A team. Building trust and establishing credibility has to be established at the outset," said Ketan Goculdas, director of FP&A at Sparta Systems, Inc.

Here are three actions FP&A can take to build trust into a collaborative partnership:

KNOW THE BUSINESS

- Focus on what they focus on. Know how your business partner serves the customer is the first step to gaining trust and showing alignment. Finance should be focused on the customer as well, knowing they work through this partner relationship.
- Spend time in the business. "By working in the business, you find out what are the exceptions to the rule," said Ashley Merritt, former practitioner and now an independent consultant. "Always make a point of visiting with the business to talk about finance and the business and the challenges it faces. That may mean the CFO flips burgers at the company owned store, the director of finance goes up a telephone pole to string wires, or the FP&A manager packs boxes in the warehouse. When you sit in the business, you hear the conversations, see the process, and witness how things really get done."
- Be curious and open-minded. In order to be open to the business, you have to seek out the people and things you do not know—about your own company, the market, the data, tools, etc. Recognize and respect the value of experience and institutional knowledge in the business, even if you are going to challenge it. For example, some processes may seem unnecessary, but they are probably created.

> “You learn most of your information in informal settings, not business review meetings.”

KNOW THE PEOPLE

- **Communicate.** “Communication is at the heart of being able to build that credibility and achieve successful partnership,” said William Howell, FP&A manager, Ceridian UK. Howell. FP&A needs to see and know other parts of the business. And even if it can’t visit in person, it should meet with the business executives when they visit the headquarters. “Don’t expect the business leaders to be mind readers,” said Howell. It’s important for FP&A to clearly explain the budget and the plan in jargon-free terms, whether your medium is in-person, by email, using PowerPoint or data visualizations.
- **Combine formal with informal processes.** In most situations, the formal processes are easy to set up: investment gate reviews, periodic performance review meetings, forecast updates. To understand the actual work, make more informal contact with the teams across the business to better understand what they do, their resources, and key business drivers.

  According to Jenny Okonkwo, founder of Transform Consulting, “You learn most of your information in informal settings, not business review meetings,” she said. “The trick is to make sure you are in a position to have these offline conversations and business managers trust you to be discreet.” Many business managers won’t reveal their concerns during gatherings with management. She advised FP&A to “embrace the formal and informal agenda and treat them with equal respect.”
- **Be transparent to the business.** Nick Pennell, operations lead of the Global EPM Center of Excellence at KPMG, said that it is incumbent upon FP&A to ensure the businesses have a “go-to” FP&A contact, either embedded within the BU or assigned within the FP&A team. This allows the business and the FP&A professional to develop a tight relationship. “The relationship is not with a function, it’s with a person,” he explained. Transparency and integrity in the process is a key to success, whether that is planning, investment review, or accountability reporting. Finance needs to be seen as an impartial team member who plays a role that everyone can understand.

DELIVER VALUE

- **Be credible and inspire confidence.** It may sound obvious, but others need to trust the accuracy, honesty and relevancy of what you say. Make sure that the information FP&A provides the business is accurate and timely. “It must also be data provided in a contextually relevant manner,” said Rob Hull, CEO of Adaptive Insights. “The finance team member has to have the ability to sit with the business manager and provide both operational and financial data in a way that demonstrates how it’s relevant to that manager’s business.”
- **Provide timely responses.** This is similar to the preceding point, but worth a separate bullet if you want to adopt a customer-service mentality. According to James, FP&A shouldn’t let requests linger in a queue. “Get it done in a timely manner, and don’t just answer the question but add something to it, a different perspective, information that’s actionable, an insight.” Add value every time you touch a person, a document, a model, or whatever the piece of work is.
- **Offer something they cannot get anywhere else.** If you want a seat at the decision-making table as a business partner, what do you bring to the table that they don’t already have? It may be finance acumen, critical thinking, quantitative interpretation, advanced analytics, access to data sources, linkages to corporate plan, capital resources…the list goes on. Know what you and finance offer, and then bring it.
- **Be independent.** Even though you are a business partner, remember that you represent the finance point of view. That means you play a central role in capital allocation across the company, with a reporting line to the CFO. You may the only negative voice in the room as you challenge assumptions, calculations, data quality, and presentation of information. Try to “disagree without being disagreeable” person—focus on the issue and not the agendas or personalities behind them.

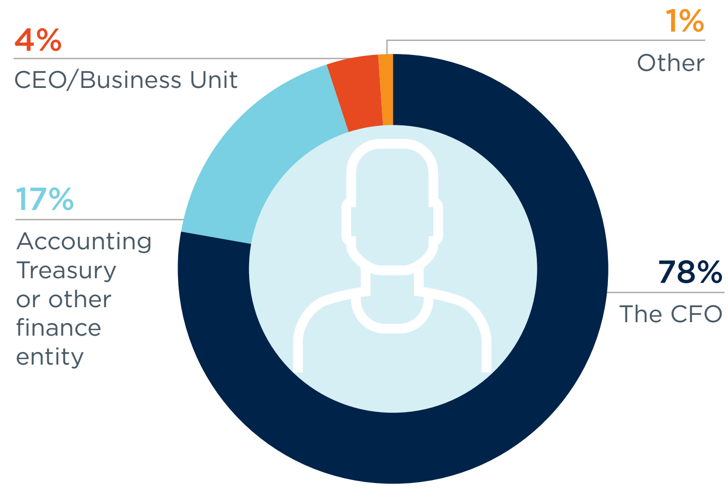
PART 2: CREATE THE RIGHT ORGANIZATIONAL STRUCTURE

FP&A is coming into its own as an organization under the CFO. In the past, it might have been defined as "everyone in finance who is not in accounting, treasury or tax," but today there is a defined vision, set of skills, and body of knowledge for FP&A. Leadership needs to make the investment and changes create a business-partnering organization that is designed to succeed. "If you say something is important you, you've got to look at the wallet. You can't just tell people that something is important and ask them to do it. Management needs to back it up," said Melanie Jameson, finance director at Premera Blue Cross, a healthcare company in Seattle. Here is how to set up the structure:

Create a mission statement: The mission statement announces the business what they can expect from FP&A, and what the team members will deliver. It establishes the mindset and aligns with other parts of finance. The CFO retains the role as the steward of a company's capital and separates that responsibility among different departments: capital control responsibility remains with accounting/controllership, capital movement is housed in treasury, and oversight is with audit. The forward-looking capital decision resides within FP&A. From here, define the department; the sidebar provides more specifics.

FP&A reports directly to the CFO or the business, rather than other finance departments. FP&A needs to be a forward-looking organization, whereas others are generally rear-facing positions. This does not diminish the latter's importance, but rather expresses the need to avoid having FP&A report to accounting specifically. The chart below shows that this movement has largely taken hold across industries.

Who does the FP&A team report to?



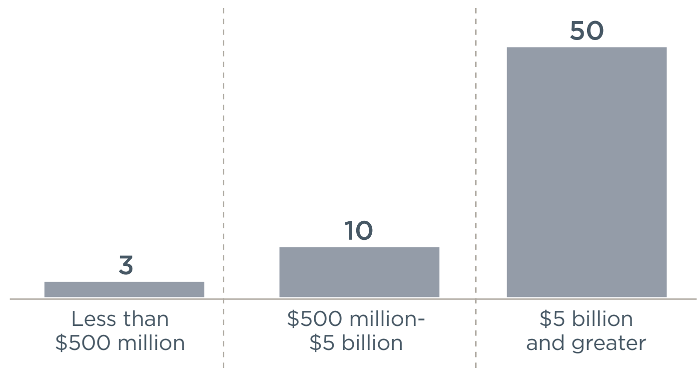
FP&A structure is a function of size and maturity. The staffing and deployment of FP&A resources changes in order to meet the needs of the enterprise and provide effective partnership. Our research describes three levels of complexity in the organizational structure corresponding to company size.

Level 1: HQ staff perform business support. The centralized FP&A function is responsible for all FP&A activities, including budgeting, forecasting and planning, creating scenarios for the CFO, etc. They may have identified a "go-to" person for particular units, allowing a closer relationship, and that resource may support multiple units. This may work well in small companies, but the risk is that this level lacks the capacity to provide decision-making support and advanced analytics to operations. Accounting or treasury have sometimes performed this function.

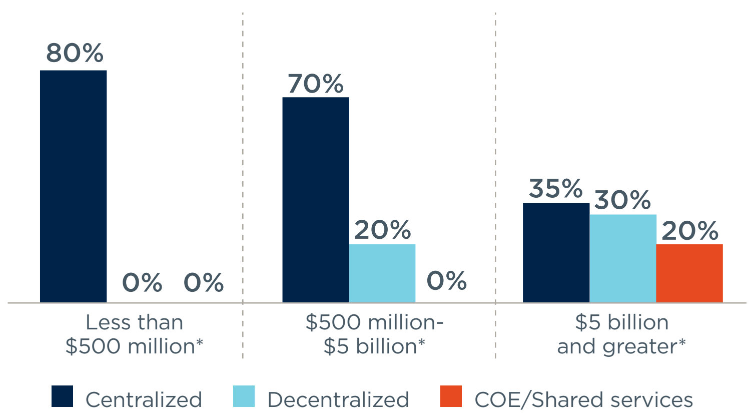
Level 2: Finance embeds FP&A staff in the business units. Increasing in size and sophistication, HQ FP&A staff embed FP&A practitioners in the business units to support rapid decision-making, develop strong ties with business leaders and true business knowledge and expertise.

Level 3: Finance deploys local business consulting teams. Companies split finance into three separate organizations: a shared service center (SSC) that handles day-to-day activities, a centralized business support group or Center of Excellence (CoE) that performs standardized and ad-hoc analytics, and a separate front-line, embedded layer of "business consultants" whose sole role is to provide advice and decision-making support by working with the businesses.

How many total employees comprise the FP&A staff at your organization? (Median, by size of organization)



Approximately, what percentage of your staff are organized according to the following structures? (Median, by size of organization)



*Graphs reflect median score and do not total 100%

Source and further information can be found **HERE**:
Preparing for the Next Level of Financial Planning and Analysis, APQC / AFP, April 2019.

6

Six Steps for Developing the FP&A Organization

FP&A is evolving its structure to align itself with this new, partnering role. The guide discusses creating a mission statement; here is one sample: FP&A drives business decisions by allocating capital to its most productive use. Next, Steve Elliott, director at The Hackett Group's EPM Transformation Practice recommends companies follow these steps to shift into this desired future state:

STEP 1: Define the process taxonomy

FP&A determines the services and activities it currently offers, and which it should offer going forward.

STEP 2: Determine where the work should be performed

Next, FP&A figures out where the work should be conducted, e.g., at the local level, centralized at HQ, or perhaps consolidated at the CoE, where it can benefit from standardization and economies of scale.

STEP 3: Define the interaction model

FP&A defines the communication protocol for interaction with its various components. Business partners may have to go to the CoE for reporting and to the business partner for decision support.

STEP 4: Define roles and responsibilities

Over time, the FP&A organization often adds responsibilities that should be handled by others in finance, while business functions create shadow FP&A functions. Choose to reassign these activities when the function is restructured.

STEP 5: Define skills and talent

As the organization shifts into a business partnering role, it picks up new responsibilities. Finance will need to outline career pathing to ensure junior staff develops the skills necessary to become effective business partners.

STEP 6: Develop FP&A sizing and validate against best practices

Here, companies face the question of affordability, i.e., understanding how efficiencies gained in setting up a CoE can fund enhanced business partnering. That means easing up on the amount of time spent on grunt work by eliminating or automating low-value and repetitive tasks and repurposing people's time to focus on higher-value work.

PART 3: DEPLOY ENABLING TECHNOLOGY

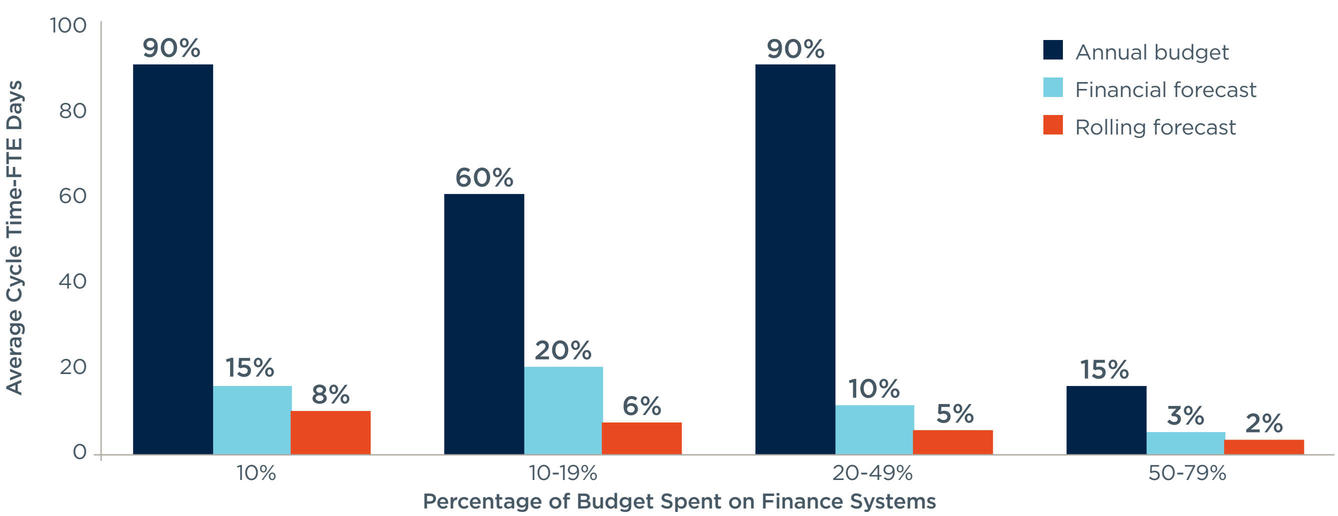
Technology is crucial in enabling business partnering for two reasons:

1. First, investment in systems automates repetitive processes and reroutes the flow of information to ***free up FP&A's time*** to focus on strategic tasks.
2. Second, ***add new capabilities*** by bringing operational and financial information into a single view and democratize analytics capabilities by putting self-service tools in the hands of business and functions, so that business and finance can have richer conversations about the impact of operational decisions on financial results and vice versa.

AFP's 2016 FP&A Benchmarking Survey found a strong correlation between the percentage of the overall FP&A budget that organizations spend on systems and the efficiency of their finance process. Companies that spent more on technology had significantly shorter cycle times and spent less time on grunt work. For example, companies that invested under 10 percent of their FP&A budgets in systems spent 384 FTE days collecting and processing data, compared to less than half that amount of time at companies that invested 20-49 percent. Cycle times were also significantly reduced for budgeting and forecasting. (See charts on cycle times and grunt work from FP&A Benchmarking Survey.) When FP&A professionals close the budget faster and spend less time on low-value work, they have more time to spend on strategic activities such as business partnering. However, with great data comes great expectations.

Many of the old EPM tools were built around departmental silos. Current tools mesh together operational and financial data and feed driver-based models that produce intelligence on how changes at the operational level affect (today) and will affect (tomorrow and next quarter) material financial metrics. To become a true business partner, finance needs to see information all the way down to the factory floor and vice versa.

Host's Ian Charles offers a simple example: "If you ask the head of sales what's the impact of a growth of X percent in sales on EPS, a tool that separates operational from financial data cannot provide the answer." He added: "The sales executive can run a waterfall model, but he or she can't take into account all the factors necessary to take it all the way to the EPS impact. It's only when you combine the financial and operational streams of data that you can ask and answer questions that require more complex calculations."



Source: AFP 2016 FP&A Benchmarking Survey

Partnering in Action: Reviewing the Warranty Department

During a finance project with a transportation company, Jenny Okonkwo of Transform Consulting was asked to review the company's warranty department. The budget for the entire year was $1 million. Six months into the year, the spend was already at $800,000. Why were the costs were running so high?

Okonkwo and the finance team drilled down to look at both sales and warranty items by region (warehouse location) and by customer. The ratio between items sold and items issued under warranty for products in the same category was revealing. She quickly found that in some regions, sales staff was not following established company procedures regarding customer complaints on or after product delivery. Instead of taking the items through the formal documented process to determine whether they needed to be fixed or replaced, they replaced them right away with new product in an effort to provide excellent customer service. This was a major warranty cost driver that had a significant impact on the product cost of sales and gross margin.

The implementation of a new process streamlined how the customer account managers dealt with returned items. Re-directing the customers through to customer service triggered a set of actions to be performed by QA. The process changes drove a deeper company-wide investigation to figure out what caused the return and worked to fix the problem at the source, and sales reversed its decision to significantly increase a warranty incentive program by a five-figure sum with one of its major customers.

"This was called out by finance," Okonkwo said. "We told the story in an objective and visual way and triggered a major change across the company at the operational/business level."

PUTTING IT ALL TOGETHER

The key to understanding finance's collaboration mission lies in the acknowledgement that the role of the CFO is changing—and by extension, so is the role that his or her team plays in supporting the organization.

So what is a finance business partner? A highly credible finance professional who is a trusted advisor. A strong partner demonstrates the following attributes, as noted in the FP&A Maturity Model:

- FP&A has a "seat at the table" with key business leaders
- Demonstrates finance, business, and industry expertise
- The by business owning the financial plan and accountable for results, with FP&A supporting the process and analysis
- FP&A sought for input and collaboration
- Adds value through analysis, problem solving and insight development
- Role model for collaboration
- Customer-service orientation, while maintaining CFO/finance role.

The move from historical FP&A to business partnership FP&A may look like this:

Typical Activities in a Traditional Model	Typical Activities in Business Partnering
PLANNING	**INTEGRATED PLANNING**
Recorder of the budget; Finance develops and owns the forecast/budget, delivers to business with minimal input and collaboration (top-down in nature). Plan/budget is based on general ledger, presents a view of the calendar year. Budget allocations rarely reevaluated during the year.	Strategic support. Connect long-term strategy to current and anticipated operational activities, financial performance, and risk framework; plan relied upon frequently in business discussions. Forecasts are honest assessments of direction, budgets (if used) require modest effort. Capital released through gating process and reallocated throughout the year.
VARIANCE REPORTING	**PERFORMANCE AND MANAGEMENT REPORTING**
Finance presents its "book of record" as standard information to everyone as part of a month-end close package. Metrics abound but provide limited insight into actual performance. Discussion is limited to performance in the period for the budgeted cost center. Financial information aligned with general ledger, significant effort to develop or adapt to changing product/organizational alignment.	The right stuff. Right information to the right person and the right time in the right format. Reports provide value, and Business references them in making decisions. Metrics are SMARRT: specific, measurable, automated, relevant, reviewed, and timely to create high trust and utility to manage business performance. A standardized, enterprise reporting platform, seamlessly integrated with a common data repository. Automated data gathering, report generation, and dissemination. Customized per individual with self-service and exploration. Finance can maintain reports.
ANALYSIS	**DECISION SUPPORT**
"Descriptive" analytics explains what happened. Finance-only historical analysis uses basic tools, shared with a limited number of executives without sophisticated tools. Investments decisions characterized by judgment of sponsoring executives rather than a portfolio strategy. Opaque process; project governance process is not established. Unit-specific rather than enterprise-wide models and calculations limits ranking and effective use of business cases.	"Predictive and Proscriptive" analysis considers what may happen and provides options. Analysts ask good questions, applies advance decomposition and analytic techniques to quality data and information, deliver actionable insights. Finance and the Business actively partner to develop the strategic and financial business case as part of a portfolio strategy as part of a proscribed and transparent process in the context of a larger company portfolio.

CASE STUDY:

Oracle Upgrades its FP&A Team

A three-tier organization deploys an elite team of FP&A consultants to work hand-in-hand with the operations, while investing heavily in developing finance talent.

"At Oracle, the finance organization is very critical; we're independent but embedded into the business," said Ivgen Guner, senior vice president for Global Business Finance. Finance is viewed as a business partner and, at the same time, it has a direct reporting line into the business finance organization, so it remains a truly independent party.

To make it possible for finance to focus on its partnership role, Oracle has done a lot of heavy lifting over the past five years in terms of automation and standardization, including setting up an SSC and data center for finance. Guner then completely reorganized and relabeled the FP&A function into the Global Business Finance function and set up three distinct sub-organizations.

1. A center of excellence (CoE) that houses the automation of all report generation.
2. A business partner support/FP&A function that houses all the analytics and does the heavy lifting as far as providing the layer above it with the support to deliver value to the business.
3. A business partnership function that includes true business advisors who work hand in hand with operations to solve problems, identify opportunities and get deep into the business strategy.

The testimony for the approach's success, according to Guner, is that that business leaders and the C-suite consistently seek out her team's advice when they want someone to provide an independent opinion about business strategy questions, such as scenario analysis and long-term projections in a new market segment. At the top level, the business partnership role is held by the crème de la crème of finance talent who help drive top-line growth and make a real difference in the business.

Oracle forecasts weekly or even daily in a very complex environment. "They're very savvy in understanding each business line," Guner said. "They need to understand not just how the numbers come together, but the dynamics of each deal, each project, how the business goes to market, and its implications to the top line as well as to the margin. Because they're an independent function, they can ask the hard questions in a timely manner as they quickly grasp the accuracy of the information."

Meanwhile, the business-partner-support group performs the forecast analysis; prepares the predictive KPIs, pipeline close trends and cloud KPIs; and provides the analytical insight to their business partner counterparts and to the business. "That's where the analytical heavy-lifting takes place," Guner explained. That group can also see the common analyses business partners require and standardize them across the organization.

In turn, these two groups work very closely with the CoE that streamlines the process, enhances strong data governance, automates the reports and creates dashboards. Thus, business and finance can have a real conversation without having to spend time discussing whose data is right. It also means management doesn't need to wait five days for those critical reports. "They're available within the system to me every day when I walk into the office," said Guner.

CONTINUED

AN EMPHASIS ON TALENT DEVELOPMENT

"Certainly, it was initially hard to split the full role into three, and tell somebody they're now responsible for a few, not a wide scope of things," she acknowledged. But Oracle sees the three finance organizations as stepping stones; it gradually promotes staff from the CoE level into the business support role and, after learning the various businesses, the staff can build the skills they need to graduate into business partners.

To this end, Oracle has also established an in-house training program called the Oracle Finance Academy. "I wanted to have a freshman, sophomore, and so forth training levels so by the time staff graduates, they are ready to become business partners," Guner said.

The company's post-graduate program helps managers learn how to present to the C-suite. They start with basic financial analysis and go up from there. "We use a combination of informal rotation and internal training to develop our people," Guner said. The courses are designed to strengthen both the analytical and soft skills required for business partnering and all have practical applications in the workplace. They range from pure finance, such as "Financial Data Analysis and Decision Making" to "Presenting Your Ideas at the Executive Level," and the curriculum changes as the company's business needs evolve. All courses are delivered virtually through the cloud, are modular, and taught by experts and university professors.

In addition, a sophisticated talent review process ensures that the right people are in the right roles and have the right opportunities to grow. An executive committee meets every six months to review talent and push people out of their comfort zone if need be through a job-rotation program that gives people a breadth of experience in different geographies and lines of business. Oracle also hires externally.

WHAT IT TAKES TO BE A BUSINESS PARTNER

To work effectively with the business, finance needs to gain their trust. That hinges on the development of soft skills, which are the hardest to train. These interpersonal and behavioral skills include the ability to influence and ask good questions, the tenacity to drive for excellence, and the ability to change and show leadership. "You need to know that there are times you should and shouldn't speak up and what's the right way to do it; that's a communication skill," she said. Broadly speaking, it requires the following three major skill sets, according to Guner.

- Finance expertise. "Obviously you need a rock-solid foundation in finance and economics, but what I really look for are people with a highly strategic side, people with a focus on looking at future needs rather than looking at historical trends."
- Business acumen. "It is critical that business partners understand the strategy of the business. What elements of the matrix are most important? How do you advise based on this knowledge? Our business leaders are looking to finance to tell them the two or three most important things to focus on in a sea of data and numbers, and we need to be able to provide that business insight to them."
- Interpersonal and behavioral skills. "These are the hardest to find in candidates, and also the hardest to develop once they're hired. An effective business partner is one who can communicate clearly, builds strong partnerships, influences and advocates, and provides change leadership. A lot of their success depends on those interpersonal skills. It is a much harder task if you have not already gained the trust of the C-level. The team you select to pursue any new project has to possess that executive presence and effective direct and precise communication skills. They need to be able to persuade and anticipate issues and questions. Tenacity, drive for excellence, and creativity with the right soft skills are the real factors for success."

In an effort to help hone these requisite soft skills, she and Donald Anderson, Oracle's director of organization and talent development, have been traveling the world to meet with the business finance organization's top talent. They meet regularly with top talent in each region and have them present on something that's meaningful to the business. Anderson works with the partners to develop their presentation for a couple of months before they visit. "It's a lot of coaching and it all goes a long way," said Anderson.

Guner concluded: "You must make the time to invest in the people."

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The topics in this guide are intended for education and reflect the state of practice for corporate finance. While not intended as study materials for the Certified Corporate FP&A Professional exam, it does relate to the follow exam knowledge domains:

I.C.2 Ability to determine information needs of, and gather information from, internal/external stakeholders and business partners (operations, sales, and marketing departments; senior management; etc.)

I.C.4 Ability to understand corporate structure/ hierarchy and functions, including the roles and interrelationships between components of the financial structure (FP&A, accounting, investor relations, etc.)

I.C.5 Ability to identify relevant stakeholders for partnering

II.C.1 Knowledge of effective communication and presentation techniques for explaining complex financial issues and their underlying logic to various stakeholders (including determining appropriate tone, level of detail, and presentation techniques for various audiences)

II.C.3 Skill in interpersonal communication (interviewing, influencing, asking appropriate questions, building alliances, negotiating favorable outcomes, maintaining positive relationships, resolving communication issues, etc.)

To see the full PDF of knowledge domains, view them **HERE**.

ABOUT THE AUTHOR

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Bryan Lapidus has more than 20 years of experience in the corporate FP&A and treasury space working at organizations like American Express, Fannie Mae and private equity-owned companies. At AFP he is the staff subject matter expert on FP&A, which includes designing content to meet the needs of the profession and helping keep members current on developing topics. Bryan also manages the FP&A Advisory Council that acts as a voice to align AFP with the needs of the profession.

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