



CFO'S GUIDE TO SCALING STRATEGIC FINANCE

From The Basics to Business Impact:
A Three Stage Roadmap to Maturity

How finance leaders can embrace their strategic role to drive organizational success.

Introduction: Your Strategic Opportunity	02
Part 1: Understanding Strategic Financial Planning	03
From the Sidelines to the Field: the Shift in CFO Role	03
Key Benefits of Becoming More Strategic	04
Part 2: The Roadblocks to Becoming More Strategic	05
Part 3: Your Roadmap to Scale Your Strategic Finance Function	06
Stage One: Master the Planning & Reporting Basics	07
Stage Two: Understand & Incorporate Operational Data	10
Stage Three: Move at the Speed of Business	13
Part 4: Stratify, Your Partner for Strategic Finance	16

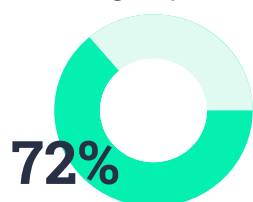
Introduction:

YOUR STRATEGIC OPPORTUNITY

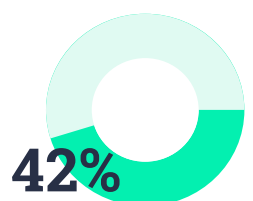
It's hard to miss the current stream of think pieces heralding the new era of strategic finance and the new CFO role. Every outlet is urging you to be more strategic, but it can be difficult to visualize how to evolve your function and what milestones to expect along the way.

If strategic finance is the future of finance, how can you become a more strategic CFO and help steer the business as big decisions are made?

There's a lot at stake if an FP&A team is unable to develop its collaborative and strategic muscles. Decisions are happening fast, and leaders need accurate data from across the organization at their fingertips, ready to leverage to make informed plans. In fact,



of companies had at least one strategic initiative fail in the last three years because of delays in decision making¹.



say they lost competitive advantage because they've been slower to make decisions than more agile competitors².

This guide is designed to be your roadmap to orient yourself as you press into a more strategic finance role.

We're passionate about helping finance leaders to become the strategic heart of their organization and provide the unique insight that only they can. But the journey can be overwhelming, so we set out to break it down into stages with specific goals and benchmarks to help you stay focused on the next right step for your organization.

The Stratify team is here for transformational leaders like you who are embracing the future of finance, and we're cheering you on.

^{1,2} FP&A Trends,  "Strategic Planning Is About 'Talks & Figures'" data-bbox="218 884 240 900"/>

Part 1:

UNDERSTANDING STRATEGIC FINANCIAL PLANNING

The modern FP&A team has a unique opportunity to redefine their role. Instead of staying behind the scenes to consolidate the numbers, there is a need and a place for finance at the center of decision making. FP&A teams support the continuous flow of information across the organization through a more collaborative approach that will help every department achieve goals or change course when necessary.

“FP&A [is] the financial heart of the company... It pumps information through arteries to the other departments; it receives information back from the departments through the veins about what's important to them. Without that constant two way flow, organizations cannot be as effective³.”

With the consistent flow of information around the business, collaboration and problem solving become a much simpler part of planning. As CFO, you can help clear away the ‘clutter’ and bring focus to what changes or decisions will drive the biggest impact.

From the Sidelines to the Field: the Shift in CFO Role

In practice as CFO, you may have felt sidelined from the conversations happening between the CEO, Sales, Customer Success, Marketing, or R&D teams, for example. The plans then hit your desk for modeling out scenarios and ultimately a budgetary green light. Your role has been vital, but transactional.

But CFOs **desire** (and are **needed**) to play an active and collaborative role in those big decisions happening in the board room. You are likely wanting a **seat at the table** to help steer the business in the right direction.

“Increasingly, finance's role is to identify what is happening at an operational level that will lead to financial results.”

Brian Camposano, CEO at Stratify

³ Carl Seidman,  “How FP&A Can Become a Better Business Partner.”

You need insight into operations. But you can't draw conclusions without critical data such as headcount (hiring and turnover), sales (pricing, bookings, renewals, churn), core operations (supply chain, labor utilization), or similar information relevant to your industry and business model. The combination of structured, real-time operational data plus timely forecasting abilities gives businesses a critical leg up in fast paced times.

Third-gen software tools like Stratify are supporting the collaborative planning process, enabling financial analysts to step out from behind the numbers and into their strategic role at the heart of the business.

“ Our passion is to help you to embrace the FP&A **time flip**. Imagine a month where 70% of your time goes to analysis and strategic storytelling, instead of 70% tedious data aggregation and report creation. ”

Quy Dong, Director of Customer Success at Stratify.

Key Benefits of Becoming More Strategic:

When you are able to execute strategic finance, you'll gain benefits that transcend traditional finance to operational maturity and impact. These include:

- **Stronger connections** between finance and other departments, and a greater shared understanding of pain points and goals that will result in better financial plans.
- The finance team will **become integrated, valuable players** with business leadership, influencing a successful strategy and enabling faster decision making.
- The **agility** to meet new demands and adapt to changing business environments.
- More **confidence and preparedness** from the ability to present accurate numbers and create multiple scenarios faster than ever.
- **Enhanced leadership** skills as a CFO, providing confident and assertive support to the business.
- Focus shifts from controlling costs to **predicting revenue and streamlining operations**.

Keep reading as we discuss some of the most common roadblocks to becoming a strategic finance team. Then we'll equip you with a practical framework to evaluate your strategic acumen and attainable goals to keep improving.

Part 2:

THE ROADBLOCKS TO BECOMING MORE STRATEGIC

It's one thing to sing the praises of a more strategic approach to finance. But it's another to arrive at that prized destination – especially with so many roadblocks in the way.

Before we equip you with your roadmap to scale your strategic finance function, let's acknowledge some of the biggest challenges that hold FP&A teams back:

1. The **amount of time** spent on manual processes, which leaves very little time to strategize and build a perspective on the data before sharing with stakeholders.
2. Manual reporting processes are also **error prone** and **tedious**. This includes gathering siloed data from multiple sources, organizing it into disconnected spreadsheets, generating reports (often bespoke for stakeholders), and communicating findings across the organization – phew, that's a lot to manage!
3. A **struggle to collaborate** across the business around financial plans and operational implications.
4. Limited access to **real-time data** to support and inform quick decision-making.
5. A **need for accurate data** to support workforce planning and inform strategic personnel decisions.
6. On top of all that, **keeping an eye on compliance** and complex regulations at all times!

It's no wonder that we frequently speak with finance teams who want to become more strategic, but feel hindered. Take note of which of these challenges resonated the most with you, because in the next section we'll walk through how to beat them together!

Part 3:

YOUR ROADMAP TO SCALE YOUR STRATEGIC FINANCE FUNCTION

Aiming to be more strategic is a fantastic goal. But no organization has achieved strategic finance mastery in one month, or even in one year!

That's why it's helpful to imagine a progression from the early stages to becoming an expert in leading a strategic finance team.

How do you know where your team falls on the spectrum from your launching point to expert strategic function?

In this section, we'll explain the characteristics of a finance team at each general stage of strategic maturity. An honest assessment of your team's stage will sharpen your focus on what habits to implement next and where to challenge yourself as a CFO.

We'll use **five key criteria** to measure a finance team's maturity in their strategic abilities. You'll notice through each stage that these categories are very interconnected. Growth in one area often encourages growth in another.



Data: The methods of data gathering, synthesis, and organization. Having real-time data at your fingertips and using it to make informed decisions.



Collaboration: The depth of connection and coordination between finance and other parts of the business.



Agility: The ability to quickly synthesize data, create reports & forecasts, and revise or pivot to serve business needs.



Frequency of Reporting and Forecasting: The establishment of a unique cadence for financial reporting, responsive to business changes and industry or market trends and events.



Technology: The digital infrastructure and tools used to support a thriving FP&A function.

Stage One:

MASTER THE PLANNING & REPORTING BASICS

As the CFO or finance leader at a 'Stage One' organization, you have an opportunity in front of you. Taking clear steps to streamline your processes, you can help shift your finance team to the heart of the business and share your insights as important decisions are being made, not after.

Your goals at this stage:

- ✓ Produce a collaborative annual budget for the business that takes interdependent department plans into consideration.
- ✓ Create a Budget vs Actual report on a monthly basis, by the 10th or 15th of each month.
- ✓ Produce a forecast on a cadence that makes sense for your organization.

Why?

Once you meet these goals, you'll see a drastic shift and increased alignment between finance and the rest of the business. You'll gain a big-picture view of operations – the campaigns, events and issues that may impact your budget and business performance. This enhanced perspective will support all business units to make data-informed decisions when it's crunch time or a new opportunity presents itself.

You'll also see more transparency around spending decisions. They can be tracked across every department and linked to the annual plan. All stakeholders will receive timely updates on their performance vs the annual plan to stay unified. This transparency will support your reputation as an informed CFO driving informed decision making.



Data: Stage One teams are often working with a top-down budget set by the executive team and siloed data from each department. They are tasked with reconciling data across all the different business tools – or hunting down inaccuracies!

To meet your goals at this stage, you'll need access to your data in real-time through a system or technology solution to reduce time spent on manual finance work.



Collaboration: As the CFO, you are uniquely positioned at the center of the organization. You have visibility into financial and operational data that may be siloed within departments, and an understanding of what is driving success and failure within each of those departments.

This presents an opportunity to build relationships across the business to support more integrated planning and analysis. To make your annual budget, you'll need the input of every department, so start making necessary connections and getting buy-in from each department leader on the budget timeline.



TIP: When you're trying to incorporate strategic finance across the organization, start with a firm foundation of accurate and up-to-date data. We suggest focusing on General Ledger data from your ERP (like NetSuite or Quickbooks) and your payroll or HRIS data at this stage. Make sure you're getting accurate and current information to inform your planning.



Agility: Stay laser-focused on producing the annual budget in a timely manner. Search for ways to automate your data processes as much as possible. This will improve your ability to provide new analysis or strategic advice on short notice. You'll also have more breathing space to work on your partnerships and gain perspective on other business activities.



Frequency of Reporting & Forecasting: In your current stage, you may be reporting on an infrequent basis, with limited ability to produce a new planning scenario or forecast on short notice. To move onto the next stage, you need to settle into the right reporting and forecasting cadence for your business.



Technology: An FP&A platform can automate many of the manual data processes and free up your time to focus on improving timeliness, frequency, and partnerships.



TIP: If the accounting close cycle is delaying your forecast or reports, work with your Accounting team to better understand and influence the cycle. How can you shrink the cycle down to 5-10 days so that reports can be delivered on time?



Maturity Assessment Questions

Ask these questions to assess your progress so far:

1. Do we get regular input from other stakeholders on our financial plans for the year?
2. Does we produce an annual budget in a timely manner?
3. Is our plan developed in a hub & spoke model with a single source of truth that allows everyone to operate against the same set of data?
4. Do we have timely access and ability to synthesize data from the business' ERP, and HRIS tools to compare against our budget?
5. Are our spending decisions clearly linked to operational business goals?



TIP: With a modern FP&A platform that connects ERP and HRIS data, and provides integrated financial, workforce and sales planning models, you can move from the typical 1-2 week reporting time to 2 days!



The future of modeling:

Financial modeling is a valuable skill, but it is also a complex process that monopolizes your team's time. It is quickly being eclipsed by highly configurable, cloud-based FP&A tools that will ultimately free up your time to become a better strategic partner to the business⁴.

⁴ Nate Skelton,  "Embrace the Future: Why Financial Modeling Skills Don't Define the Value of Analysts Anymore"

Stage Two:

UNDERSTAND & INCORPORATE OPERATIONAL DATA

At Stage Two, your team is offering strategic value to the business as a result of better organization in data and planning – but you still have opportunities to grow. Focus on improving your understanding of business operations and operational data so your financial plans will directly support the business.

Your goals at this stage:

- ✓ Shift to collaborative planning alongside other department leaders
- ✓ Grow in your understanding of business operations and key performance drivers so you can forecast more effectively and support business growth.
- ✓ Increase your agility with scenarios and modeling to provide stakeholders with analysis sooner to guide them towards valuable decisions.

Why?

As you work towards these goals, you'll see an increase in both buy-in and accountability for other business partners. They can now manage their spending more independently while still supporting the collaboratively generated annual plan.

As CFO, you and your team of analysts will be able to consistently bring valuable insights to the table. With additional focus on key operating data and drivers, you'll be growing towards strategic finance maturity by providing data-informed guidance to the executive team at crucial decision points.



Data: Begin to incorporate sales and CRM data into your planning and aim to have your ERP, HRIS and CRM data integrated directly into an FP&A tool. At this stage, the finance team still delivers all reports and owns the forecast, but key stakeholders have real-time access to the latest financial data in customized dashboards. You are no longer the gatekeeper to financial data.



Collaboration: Improve and strengthen the business partnerships you've been building by adopting a 'lean in' attitude and showing interest in other teams' work rhythms. You now have the opportunity to leverage operational data to understand, analyze and monitor performance drivers. As CFO, you're becoming the glue between different departments to help with decision-making and informed planning.



TIP: As the quantum of your data expands, the efforts to sync and manage that data become more complex. This greater complexity requires careful management and intentional data governance policies to ensure compliance. Be sure that the tool you choose has SOC 2 certification and places a high emphasis on customized access controls and encryption to protect your business.

“ True alignment begins by really caring about the business – and not just the numbers. You have to have a deep understanding of what it takes for an operating manager to achieve his or her goals. That builds a path to trust and the ability to question or challenge a department head. You gain respect – and a seat at the table with your name on it. ”

Quy Dong, Head of Customer Success at Stratify



Agility: Begin to shift away from the finance team being the gatekeepers of all data. Using an FP&A tool, other stakeholders can access real time reports to see their spending and compare against the annual plan – with security-first access controls to protect sensitive information.

You should also evaluate your reporting processes to identify any bottlenecks that prevent you from delivering more value. Examples include:

- Data inaccuracies or gaps
- Clunky legacy systems
- Lack of standardization in reporting



Frequency of Reporting & Forecasting: You've achieved the baseline of analyzing financial and operational performance and reporting back to the business, but looking into the future will require a continuous approach to forecasting. Be sure that your systems, processes, and communications support you to identify gaps in your plan, communicate across departments, adjust spending, and reallocate quickly to adapt to shifts in the market or your strategy.



Technology: An FP&A tool like Stratify will automatically join your business data from disparate systems (general ledger, HRIS, and CRM), enabling faster and easier analysis. Your FP&A tool may also offer increased forecasting sophistication, helping you identify possible operational changes that could translate to financial gains.

“ As you move towards something more strategic it's vital to have the processes and applications in place to relieve your team from the mechanical nature of forecasting and calculating data. ”

Nate Skelton, VP of Product at Stratify

Maturity Assessment Questions

Ask these questions to assess your progress so far:

- Have we settled into the right reporting cadence for our unique situation, based on factors like market changes and our industry?
- Do we understand what drives revenue in our business? Do we have a solid understanding of the goals and struggles of other business units? (Example: How well do we know the sales plan & sales team pain points?)
- Are our stakeholders able to access the latest financial reports and budgets themselves, without having to go through the finance team?

Stage Three:

MOVE AT THE SPEED OF BUSINESS

A thriving strategic finance team is moving quickly with a solid grasp on business plans – inside and out! As CFO, you're taking proactive steps to raise possible issues and bring timely and vital input on big decisions with the executive team.

Your team is producing budgets and forecasts on time, plus, you've gained buy-in from other stakeholders to collaborate on evolving financial plans.

At this stage, you're also providing data-driven predictability for the business with a seamless FP&A tool that makes on-the-spot planning and analysis possible. Now it's time to enjoy the benefits of strategic finance at the heart of your business!

Your goals at this stage:

- ✔ Finance is aware of changes (e.g. sales plan) and any stakeholders that are impacted can react and provide perspective on the new scenario you've built with that context at hand.
- ✔ Lead the way in bringing executive teams together in full collaboration when approaching business planning and forecasting.
- ✔ Effectively shift focus to looking to the future of the business by driving predictable and profitable growth.

Why?

An advanced FP&A team is in the unique position of having access to data from all parts of the organization. After bringing that data together for analysis, your team can leverage insights to help the business make more informed decisions. This is an incredibly valuable contribution!

As the CFO, you and your analysts are now in the mix with every important business decision. Finance has become the empowering force helping the organization to grow efficiently and take on new challenges with data-fueled predictability.



Data: At Stage Three, your workforce, finance, and sales metrics are fully integrated into your FP&A tool and can all be used to enhance your analysis and forecasting. Your finance team uses the FP&A tool to automatically gather and organize data into insightful reports and to evaluate various forecast scenarios. Thanks to a transparent approach to data, coordinated planning is now possible with each department able to view and contribute to plans, with key access controls in place. You've gained a deep understanding of the important KPIs for your business, and have the ability to react to events in near real-time.



Collaboration: As CFO, you now have ample supportive processes and – finally! – the time to provide significant added value to the operators of the organization. Partnerships and connections between different departments are strong and communication is consistent. Now it's important to maintain frequent communication with these colleagues to deliver value at crucial decision crossroads based on updated analysis and your understanding of unique department priorities.



TIP: Now it's time to incorporate advanced analytics tools and techniques to gain deeper insights from financial data – including predictive modeling, data visualization, and scenario analysis to support informed decision-making.



Agility: A mature strategic finance team has the agility to make changes, respond to market forces, and evaluate the impacts of other business changes, like an acquisition opportunity. They can create and evaluate new forecast scenarios at a moment's notice.



TIP: Ask your business partners for feedback.

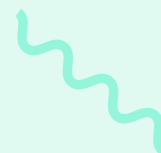
- 'What would make finances' contributions more valuable?'
- 'How can finance support you to be better at your role?'



A key differentiator of strategic finance is the ability to predict downstream outcomes and the possible impact of big decisions.



Brian Camposano, CEO at Stratify



At the advanced stage, when the business shifts or a new direction is under discussion, any stakeholders that are impacted can react and provide perspective on the new forecast scenario in the FP&A tool with that context at hand. This agility is a vital asset to the business.



Frequency of Reporting & Forecasting: The ideal for advanced FP&A teams is to reach a flow of continuous forecasting directly informed by stakeholder knowledge and input. You'll need to incorporate changing market conditions, operational awareness, and new data from all departments to support your continuous forecasting and quick strategic planning.

Define and measure KPIs for financial performance and build customized dashboards for the board and key stakeholders in your FP&A tool so they can monitor performance in real-time.



Technology: Your next steps with FP&A technology are to explore greater possibilities and ways to innovate. Leverage tailored analytic dashboards for different departments or stakeholders in your FP&A or BI tool to make strategic sense of all your organization's data.



The Future of Strategic Finance:

AI & deep learning will further accelerate the automation of FP&A tasks and analysis, freeing time for higher value work. An AI-enabled FP&A tool can digest all of your data inputs and begin to notice trends. It can then bring insights to your attention and highlight areas to focus on. At least to start, AI automation features can streamline tasks like data entry, report generation, and trend analysis.

Maturity Assessment Questions

Ask these questions to assess your progress so far:

1. Are you consistently providing timely financial and operational reports that enable informed decision-making?
2. Have you defined and measured key performance indicators (KPIs) for financial and operational performance, and do you have customized dashboards for the board and key stakeholders to monitor these KPIs in real-time?
3. Have you had any recent 'wins' of adapting quickly to a change, market forces, or internal shifts by promptly adjusting our plans?
4. To what extent are advanced and predictive analytics tools and techniques being utilized?



Part 4:



STRATIFY, YOUR PARTNER FOR STRATEGIC FINANCE

Are you ready to support your organization with a stronger approach to FP&A? Following this roadmap becomes much easier with powerful technology to support automation and make partnership, agility, and timeliness possible.

Users of modern FP&A platforms like Stratify typically reduce reporting and planning time by 75%!

Stratify is the next-generation cloud budgeting, forecasting, and reporting solution, designed to enable a continuous and collaborative planning process.

With Stratify, you'll have:

- Secure and accessible real-time reporting and analytics, giving you the competitive edge that leading companies require.
- An efficient, collaborative planning process, ensuring coordination between your team and departments through out the organization.
- A fast, painless transition to strategic finance, with native integrations and support from a dedicated FP&A expert to implement and customize your instance.

A personalized demo of Stratify will give you a glimpse into the future – a future where time-consuming tasks are automated and a truly collaborative planning process is your new normal.



Stratify is the FP&A platform that enables data-driven collaboration with your business partners. We do this with real-time reporting and a unique, workflow-based approach to collaborative planning. Thanks to our configurable models and expert success team, our customers are reporting and planning in Stratify in under 30 days.

Get in touch to discuss your team, your goals, and your challenges. We're excited to show you the Stratify difference.

Plan faster. Plan smarter. Plan together.

