

# Performance *focus*

Actionable principles to position the FP&A function at the center of business performance optimization – summarized one page at a time.

## *Enable better decision-making through more effective forecasting*

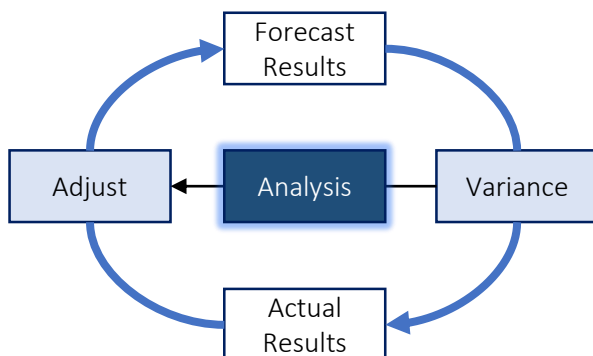
Insight Creation Part III: Financial Control Analysis



### Introduction

While sometimes viewed as a “finance exercise” providing limited value to decision-makers, financial control analysis is an essential performance driving capability that allows analyses to be converted into digestible insights and recommendations. In order for the insights and recommendations to be actionable, the performance drivers of the accounts being analyzed must be clearly understood. Moreover, disaggregating rate-driven vs. volume-driven variances and assumption-driven vs. decision-driven variances helps to clarify performance attribution. Finally, recommendations must be communicated in a way that clearly and concisely translates performance drivers into available levers that decision-makers can pull. Through this process, financial control analysis becomes much more than a way to improve forecast accuracy, but rather it provides decision-makers with valuable information that can be used to course-correct and improve business performance.

### Performance Cycle



### Effective Financial Control Analysis Checklist

- Clarify performance drivers of all relevant GL accounts
- Procure and organize data from pre-mapped systems
- Disaggregate projected vs. actual variances into rate-volume attribution
- Prepare key questions and collaborate with stakeholders to extract context and form variance hypotheses
- Disaggregate into decision-driven vs. assumption-driven variances
- Analyze data to confirm / disconfirm hypotheses of drivers to variances
- Translate variance analyses into actionable insights and recommendations that decision-makers can use to improve performance