

# Performance focus

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

## Working together to develop actionable plans and budgets

### Part I: Organizational Focus & Alignment



#### Introduction

To maximize effectiveness, business planning processes need to result in plans and budgets that drive organizational focus and alignment around choices and priorities. Everyone needs to be included and working off the same playbook. Strategic priorities should cascade into operational priorities, and enterprise priorities should cascade into business unit and functional priorities, where responsibility center leaders are fully empowered to own their plans. Finally, choices need to be fully reflected in both long-term and short-term financial plans so that execution can be measured.

#### Business Planning Cascade



#### Effective Business Planning Checklist:

##### 1. Long-Term Strategy

- Align a compelling ambition from a customer value creation perspective
- Set long-term performance goals that reflect a business value capture perspective
- Define a winning value proposition and competitive advantage
- Choose where to compete, i.e. customer segments, offerings, channels, stages, geographies
- Determine core capability requirements

##### 2. Short-Term Operational Planning

- Collaborate with stakeholders to cascade enterprise priorities and current forecasts into business unit and functional operational plans
- Leverage operational planning templates to align responsibility center priorities and assumptions

##### 3. Financial Budgeting

- Translate choices and assumptions into financial projections and responsibility center P&L's
- Consolidate into enterprise financial plan rollup

##### 4. Review & Approve

- Review and cross-calibrate choices
- Align and approve final plans and budgets