

Best Practices for Creating a Flexible and Dynamic FP&A Function to Combat Business Disruptions

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BJ Thomson

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Q&A

Asking Questions



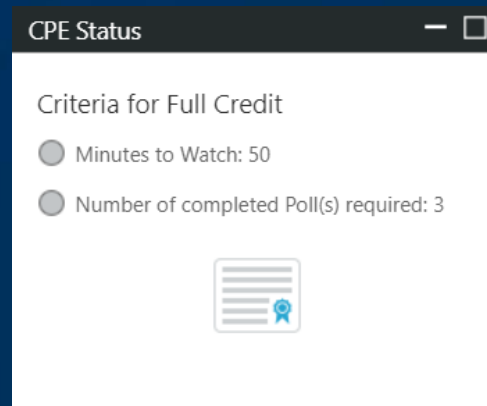
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Moderator

Steve Shannon

**Director of Partnership Marketing,
Business Development**

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Featured Presenter

Jason Lin, MBA
CFO
Centage



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Jason Lin's Biography

- Jason Lin serves as CFO for Centage Corporation. With over two decades of SaaS, FP&A and financial leadership experience, he manages operational efficiency and growth for this Boston-based company. With its Planning Maestro solution, Centage provides a cloud-native planning & analytics platform that delivers year-round financial intelligence.
- Before Jason joined Centage, he was the company's target market, spending his entire career within corporate finance. As a self-described BizOps guy and product champion, Jason focuses on optimizing operational workflows, paving the way for growth, expanding product expertise internally, and gaining a deep understanding of how every aspect of a company works.
- Jason earned his bachelor's degree in finance from the Isenberg School of Management at the University of Massachusetts and his MBA from Fitchburg State University.

Featured Presenter

BJ Thomson
Managing Partner
Milestone Financial Engineers



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BJ Thomson's Biography

- BJ Thomson is currently the Managing Partner at Milestone Financial Engineers, LLC, an outsourced CFO & Technology company specializing in providing accounting, tax, technology, and operational support, including leadership development trainings. A native of Utah, he attended Westminster College where he graduated with a Bachelor's in Accounting and a Master's in Business Administration.
- BJ has received numerous awards and recognitions from organizations such as the Utah Association of Public Accountants, and the Institute of Management Accountants. He has served in various leadership and board positions within each of these organizations.
- His entrepreneurial activities include ownership in a national franchise brand, GNC, as well as an owner in Kifru International, a successful outdoor backpacking company specializing in hunting and survival gear. He is a devout soccer fan, enjoys traveling with his golf clubs, and not afraid to admit he is a Trekkie.

Learning Objectives

1. Recognize the role people, process, and technology play as key components of the evolution of FP&A.
2. Demonstrate the need for deeper real-time insights into financial health, forecasting, and future performance, and how to achieve them.
3. Explain how to implement strategies to build a forward-looking FP&A function.

About Centage

10,000 Users

Quick to Setup

Easy to Use



Advanced Reporting

Detailed Budgeting

Forecasting

Centage Corporation's Planning Maestro is a cloud platform for modern planning and analytics that transforms how companies' budget, forecast and report performance. Centage delivers sophisticated financial intelligence that can be implemented quickly and scale with the needs of today's dynamic businesses.



PLANNING



BUDGETING



FORECASTING



ANALYTICS

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Agenda

1. Introduction
2. Transformation in Office of Finance
3. Building a dynamic FP&A function
4. The Future of FP&A:
People, Process, Technology
5. How to Choose an FP&A Solution

*Best Practices for
Creating a Flexible and
Dynamic FP&A Function
to Combat Business
Disruptions*

Poll Question 1:

In your current role, how involved are you in the budgeting, planning, and forecasting process?

- a. Own the process
- b. Heavily involved
- c. Involved as a contributor
- d. Not involved at all

Poll Question 1 Results: (Placeholder)

Transformation in the Office of Finance

Unique Challenges for Today's Organizations

Fierce Competition

Limited Resources

Customer Retention

Fluctuating Cash Flow



Need for deeper
real-time insights into
financial health,
business forecasts and
future performance

A modern CFO must PROVIDE ...

- Actionable **analytics & leading indicators** that drive decision making
- Sound financial **planning aligned** with operational **strategy**
- Prioritized **risks and opportunities**
- Multiple **forward-looking scenarios** and how business leaders can impact them



Pandemic Accelerated Digital Transformation

Wide Data Overload

Siloed systems, conflicting data causing inefficiencies, mistakes, and missed opportunities

(Re)Centralizing Planning & Analytics

Planning, data, & analysis resources are being (re)centralized under finance to create alignment

Continuous Planning

Businesses are moving to a continuous process for planning, analysis, optimization, and forecasting

Automation & AI

Intelligent automation, machine learning, and AI are enhancing the accuracy, speed, and insights of planning and analysis processes

FP&A Taking on a Bigger Role

Finance partnering with departments, businesses to connect operational planning activities into a centralized intelligent model

FP&A Taking on a Bigger Role

The profile of a modern finance team is transforming from back-office number crunchers to front-office strategic partners.

“ By 2024, Gartner expects FP&A to evolve to encompass xP&A, a strategy where the “x” denotes breaking down traditional silos between financial and operational planning processes in order to deliver new levels of transformative business value. The “x” represents consistent and continuous planning that extends beyond the finance domain into other areas of planning and analysis. ”

Gartner

2020 Strategic Roadmap for Cloud Financial Planning and Analysis Solutions

Building a Dynamic FP&A Function

Poll Question 2:

What tool does your organization use for budgeting and planning?

- a. Software (available on the market)
- b. Homegrown software/tool
- c. Excel
- d. We don't do budgeting / planning

Poll Question 2 Results: (Placeholder)

A Modern Finance Team Must DELIVER ...

- **“Big picture”** of operations and customer touch points
- Identify **synergies** and **drive value**
- **Automate** standard **tasks, reports** and **analysis**
- Closely **collaborate between department** heads
- Increase **connectivity** and **visibility of data sources**
- Replace static target forecasts with more **flexible rolling forecasts**



Which technology investments will drive efficiency, customer value and profitability?

Need to build a team and process that fits the future

THEN

Focused on company historical financial records, financial reporting, statutory compliance

“Expense Police” and occasional road blockers for spending

CFO title means you have a seat at the table

Not a lot of trouble operating in a silo; “Ivory Tower” of Finance



NOW

Still mission critical, now minimum requirements; these things now “taken for granted”

Drive the investment discussion to maximize growth ROI

“Seat at the table” must be earned; be a visible leader, partner to the business, deep operational understanding, world class communicator and influencer

Finance must be embedded in the business

Step 1: Start by Hiring the Right Talent

Need team members with:

- Business acumen and natural curiosity
- Willingness to fail and succeed with business partners
- Openness to mentor, coach, and grow as dynamics change



“No job is too large; no job is too small”

Step 2: Connect Data to Build an Agile FP&A Operation

- Data is being produced faster than ever before and the need for immediate analysis and insight is vital to the decision-making process
- Automation of standard tasks, reports, and analysis provides increased connectivity and visibility of data sources



**Build an agile
F&A operation
“with an opinion”
- backed by data**

Step 3: Implement Budgeting & Planning Best Practices

- Adopt a weekly forecast cadence (“flash” forecast becomes norm)
- Maintain 3 year rolling view – scenario analysis & risk mitigation plans
- Automate whenever possible, seek out efficiencies



Automation of standard tasks, reports, and analysis provides increased connectivity and visibility of data sources

The Future of FP&A: People, Process, Technology

“If you invest in digital technology and equip your workforce to use it effectively, the CFO and the finance team can then focus on business strategy and growth.”

Anthony Coletta, Chief Investor Relations Officer of SAP

Poll Question 3:

Overall, the perception of our corporate budgeting/ planning/forecasting process across the organization is:

- a. Well-run, efficient, and accurate
- b. No real opinion: something that happens in the back office of finance
- c. A real mess, the numbers are never accurate or realistic, not sure how the budget is built

Poll Question 3 Results: (Placeholder)

Build and Empower a Team and Process that Fits the Future

- Technology increasingly vital for CFOs, but its effectiveness depends on the accuracy, availability, and consistency of data.
- In order to be successful CFOs will have to be champions and stewards of digital technology.



Your planning process needs to be always-on, always measuring, and always alerting the business when and what changes to make along the way.

Centage in the Real World



Poll Question 4:

What are your top challenges with budgeting, forecasting, and reporting? (please select all that apply)

- a. Limited budgets and resources
- b. Lack of automated workflows
- c. Data quality, no single source of truth
- d. Inaccurate forecasting
- e. Using manual, error-prone spreadsheets

Poll Question 4 Results: (Placeholder)

The Role of Modern Technology

- What technology can help you achieve your goals?
- What value does it bring to your team and the organization?
- How to pick one the right cloud solution?

The Benefits of Modern Technology

- ❑ Automation
- ❑ Connectivity
- ❑ Agility
- ❑ Visibility
- ❑ Collaboration

Finding the Right FP&A Cloud Solution

1

**On-going Planning
and Analysis**



2

**Intuitive User
Experience**



3

**Dynamic Reporting
& Analytics**



4

**Scalable
Technology**



5

**Built for Non-
Enterprise Budgets**



Questions and Answers



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Director, Partnership Marketing,
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Thank You to Our Featured Presenters!



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- On your screen
- Evaluation Survey icon at the bottom of your console

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- Click the “CPE” icon at the bottom of your console
or
- Click the link in your post-event e-mail

► Please print a copy of the CPE certificate for your records.

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