SCENARIO PLANNING AT SCALE: POWERING CFO-LED DECISION EXCELLENCE

TABLE OF CONTENTS

SCENARIO PLANNING: *THE KEY IMPERATIVE FOR DECISION EXCELLENCE*

How easy is it today for a finance organisation to model the impact of a twenty percent swing in oil prices on margins and cash flow? How quickly can leaders assess the financial and operational consequences of tariff changes, geopolitical disruption or sudden demand shifts across markets? And how confident can a CFO be that today's capital allocation decisions will remain optimal across multiple plausible futures?

For today's finance leaders, these are no longer theoretical questions. They represent daily decision pressures. The role of the CFO has expanded well beyond accounting compliance, statutory reporting and financial control to include steering enterprise performance and enabling operational agility. In a global landscape defined by **VUCA (Volatility, Uncertainty, Complexity, and Ambiguity),** organizations are no longer facing isolated disruptions but a persistent stream of challenges, from pandemic-related shocks and tariff wars to systemic supply chain instability. These forces have strained operational capabilities and severely eroded margins, making "prediction" a futile exercise.

Robert Hillard: Most organisations are still planning for a single future in a world where none exists. The shift to continuous, scenario-driven decision-making is now fundamental to enterprise performance and resilience

Robert Hillard
Deloitte Asia Pacific CEO

To navigate this, CFOs must pivot from deterministic, single-point budgeting toward **decision agility**. Scenario planning has transitioned from an occasional, event-based exercise into the primary operating system for the modern enterprise. It allows leaders to move beyond static forecasts and instead develop the capability to adapt to the dynamism of the business environment in real-time.

This shift is evident in CFO priorities. Recent surveys show finance leaders increasingly focused on macroeconomic volatility, geopolitics, cybersecurity, talent and emerging technologies. Addressing these interconnected risks requires probability weighted, scenario-based approaches rather than deterministic budgets, signalling a move from backward looking reporting to forward looking enterprise steering.

To deliver value, scenario planning must function as an always on capability. By systematically exploring multiple futures and linking foresight to execution, CFOs can improve decision quality, speed and confidence. Organisations that do this well consistently outperform peers, demonstrating that scenario driven decision making is not only a risk management tool, but a source of sustained competitive advantage.

In our recent interactions with CxOs, it's clear that CFOs are spending more time on FP&A, performance management and demanding complex scenario modelling since decision quality and speed are directly relatable to enterprise performance.

WHY SCENARIO PLANNING IS DIFFICULT? *THE MANUFACTURING INDUSTRY CASE STUDY*

Manufacturing organisations managing multi plant, multi region networks operate under constant pressure from commodity volatility, supply disruptions and fluctuating demand. For companies reliant on imported raw materials, the inability to model price movements, tariffs or currency shifts quickly and accurately can result in rapid, and often catastrophic margin erosion. Despite this complexity, many manufacturers, particularly automotive OEMs, remain trapped in what is often described as the “spreadsheet trap.” Reliance on manual, spreadsheet-based planning tools limits the ability to keep pace with volatility and obscures enterprise wide trade offs.

In the automotive industry, S&P Global Mobility experts report that OEMs struggle to build reliable forecasts because many still rely on outdated spreadsheet-based planning that cannot keep pace with today’s volatility. This leads to misallocated capital, missed opportunities and incorrect strategic assumptions.

At the root of this challenge are persistent structural barriers. Planning remains siloed across finance, supply chain and operations, with each function operating on different assumptions. Data is fragmented, preventing a unified view of cost, capacity and demand. Even when insights do exist, they often reach decision makers too late to influence outcomes, forcing reactive rather than deliberate decisions.

Manufacturers often struggle to address higher order profitability questions such as protecting margins, optimising product mix under raw material constraints and selecting the most cost-efficient facility across regions. Effective scenario planning helps close this gap by enabling leaders to test operational and financial impacts before acting. To deliver value, it must integrate real time commodity and import volatility, raw material purchasing timing, inventory pre build strategies, operational flexibility through planned shutdowns and logistics constraints driven by fuel costs and capacity limits.

To move beyond static planning and achieve dynamic planning capabilities, it is important to adopt formal trend sensing and structured scenario selection, through methods such as TPESTRE and macro scenario ranking, to help organisations anticipate disruption, align technology decisions with enterprise goals and strengthen trust and resilience across stakeholders. Anaplan’s Enterprise Decision Excellence Report 2024 shows firms improving on decision excellence outperform peers by up to 14 percentage points in TSR, with top improvers realising ~6.1 percent uplift vs. laggards at –8.2 percent.

TPESTRE: Technology, Political, Economic, Social, Trust/Ethics, Regulatory, Environmental

WHAT DOES GOOD SCENARIO PLANNING LOOK LIKE?

Within this context, a typical scenario planning activity follows a clear and repeatable structure:

1. Define uncertain variables (e.g. demand fulfilment, raw material consumption, shutdown costs) and objectives to achieve (e.g., gross margin maximisation, distribution cost minimisation)
2. Build 3–5 named scenarios (e.g., “fuel cost surge”, “preponed plant shutdown,” “drop in demand”).
3. Prioritise the objectives with P-values (e.g., P30/P50/P80) and link driver trees linking ops metrics (churn, yields, lead times) to P&L, cash and balance sheet.
4. Decide “no-regrets” or “non-negotiable” parameters, i.e., actions/constraints valuable across scenarios (e.g., minimum plant throughput to maintain, maximum storage capacity, fulfilment of contractual demand)
5. Embed decision KPIs (quality, speed, yield, effort) through internal pulse surveys; benchmark and improve.

Deloitte’s quarterly signals show CFO risk appetite moving with macro signals, even flipping from caution to a **67 percent “good time to take risks”** in 4Q 2024. This underscores the need to align capital deployment with **scenario-tested** decisions, not gut feel. Most CFO use cases can be solved using scenario planning. Gartner placed Anaplan in the **Leaders quadrant** for financial planning software in its 2025 Magic Quadrant and highlighted it as the only **AI-driven scenario planning and analysis platform,** noting its “innovative platform” built for “real time Integrated Business Planning (IBP)”.

HOW CAN COMPANIES ACHIEVE THIS?
INTEGRATED PLANNING

Integrated planning provides the foundation required to translate scenario planning and decision excellence from concept into operational reality. It is an enterprise wide approach that integrates planning processes across sales, supply chain, procurement and finance into a unified framework. By replacing siloed systems with a centralised platform that harmonises data, models and decision making, organisations are able to align operational drivers directly with financial outcomes and establish a single source of truth for planning.

When demand, production, logistics, sourcing and FP&A are connected, businesses gain real time visibility across the value chain. Planning cycles shorten, forecast accuracy improves and teams are able to collaborate dynamically as market conditions evolve. The organisation moves away from fragmented, manual processes toward a living planning environment in which plans continuously adapt rather than decay over time.

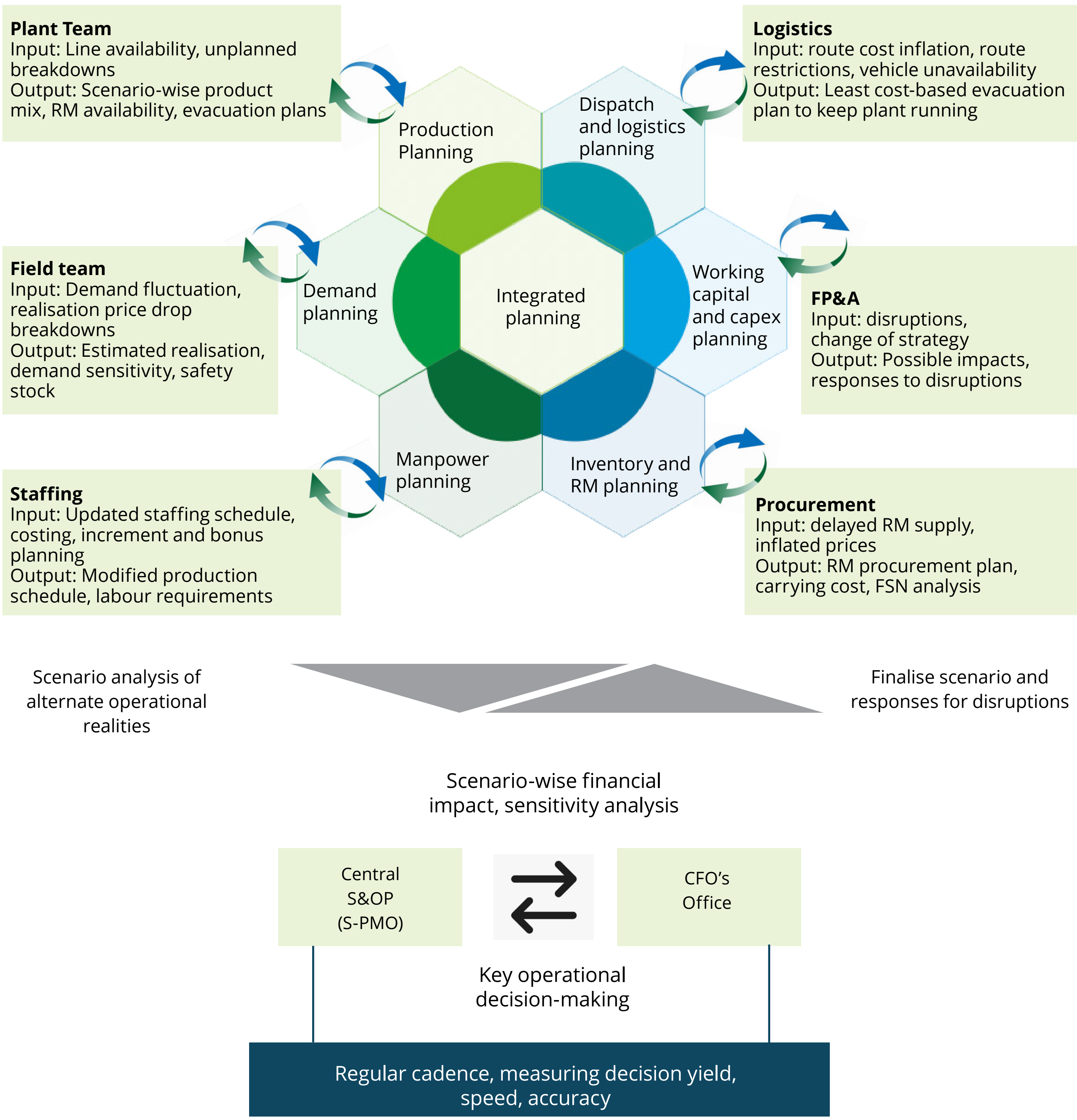
Amit Bagga: Integrated planning is the foundation of decision excellence, enabling organisations to unify data, people and plans in real time. By combining continuous forecasting with AI-driven insights, businesses can adapt quickly and with confidence. In a dynamic environment, this agility is critical – empowering leaders to anticipate change, optimise outcomes and make smarter decisions that drive sustained competitive advantage..

Amit Bagga
APAC Managing Director,
Anaplan

Integrated planning shifts organisations away from static, point in time plans toward a living system of decision making in which foresight and execution are closely aligned. Within this model, scenario planning and decision excellence act as critical enablers. Scenario planning provides the discipline to test strategic options across multiple plausible futures, strengthening organisational resilience and adaptability. Decision excellence complements this by improving the quality, speed and efficiency of decisions through strong governance, clear metrics and advanced analytics. Together, they embed predictive insight and optimisation directly into planning cycles, enabling faster and more confident responses to disruption.

A centralised planning platform allows these capabilities to scale consistently across the enterprise, driving improved outcomes and sustained performance. However, technology alone is not sufficient. Successful integrated planning requires a disciplined roadmap supported by the right people, processes and governance, including regular performance reviews, structured variance analysis and clear accountability to keep plans relevant and actionable.

Long term success depends on enablement and adoption. In system training and early end user involvement build internal expertise, increase ownership and ensure planning models continuously evolve with changing business needs.



EXECUTIVE SUMMARY TAKEAWAYS

Scenario planning is no longer an event-based exercise but a strategic necessity in a VUCA environment. Organisations that embed scenario planning into their operating rhythm consistently outperform peers by making faster, more informed and resilient decisions. Evidence from CXO and CFO surveys shows that as volatility increases, leaders are shifting away from intuition driven judgments toward scenario tested, data backed decisions, particularly for capital allocation, sourcing and growth strategy.

The performance impact is clear. Organisations that achieve decision excellence realise measurable uplift in total shareholder return, while those trapped in spreadsheet driven planning models experience sustained value erosion. This advantage is amplified when scenario planning is paired with integrated planning on an agile, technology enabled platform that provides a single source of truth across FP&A, supply chain and operations.

Ultimately, long term success requires more than tools. It depends on embedded governance, continuous re forecasting and the development of internal model building capabilities so planning solutions evolve alongside the business and continue to deliver growth, agility and confidence in decision making.

Connect With us

Deloitte India

Aditya Dube,
Partner, Deloitte India
adube@deloitte.com

Anaplan

Puneet Gupta
Sr. Principal Advisor,Anaplan, APAC
puneet.Gupta@anaplan.com

Contributors

Jimit Chhapia
Sarvesh Bubna
Amol Borgaonkar