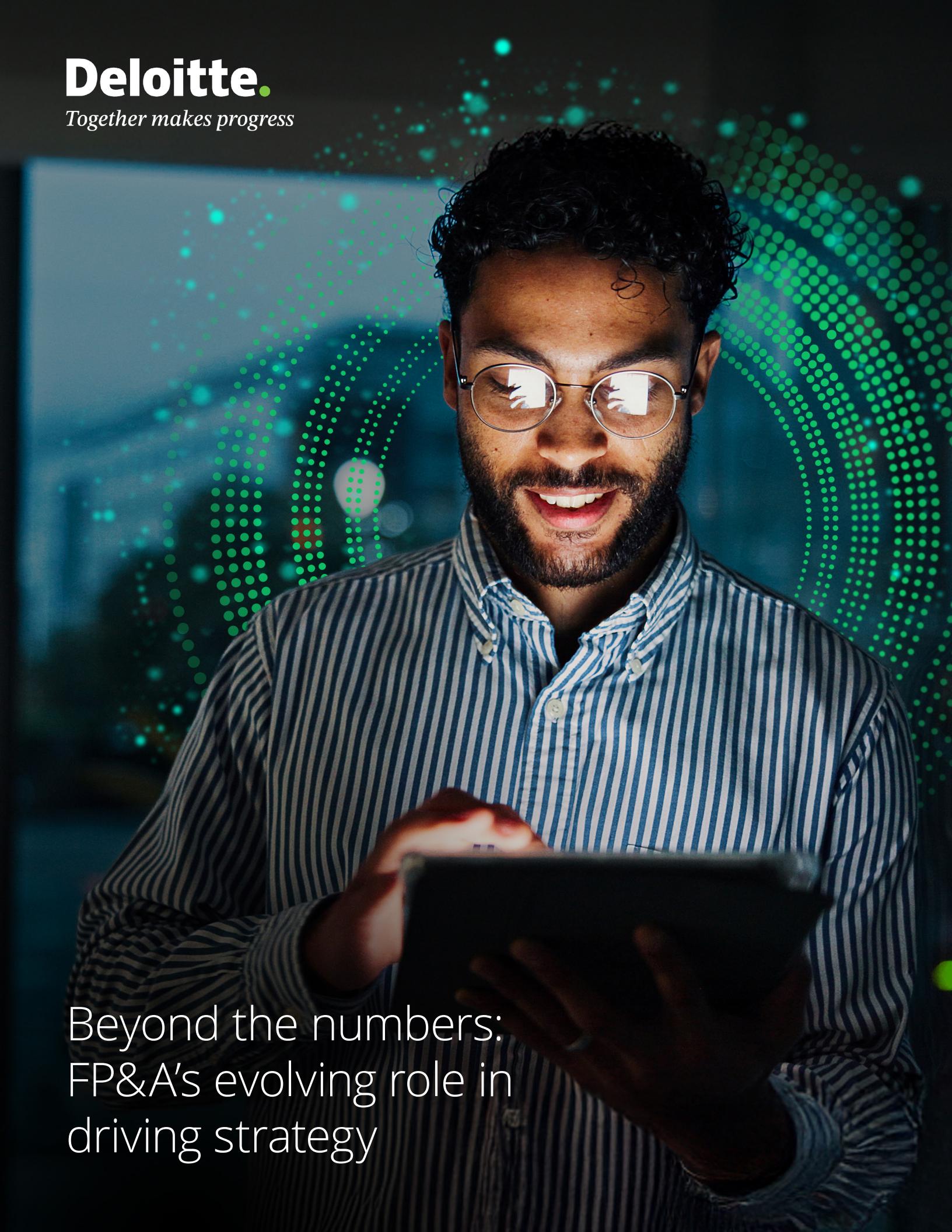


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Together makes progress



Beyond the numbers:
FP&A's evolving role in
driving strategy

Beyond the numbers: FP&A's evolving role in driving strategy

Across industries, the financial planning and analysis (FP&A) function is undergoing a transformation, driven by AI, autonomous finance and hyper-personalized workflows. Rather than relying on static reports and reactive forecasting, FP&A professionals must adopt AI-driven, real-time scenario planning. Success lies not in rigid frameworks or isolated business partnerships but in seamless, AI-powered integration that can enhance decision-making across all organizational levels.

In this new model, FP&A shifts from analyzing past performance to actively shaping the future. It enables rapid scenario modeling across timehorizons, markets, customer segments, risks and macroeconomic conditions, empowering agile pivots for product launches, investments and M&A. Decision-making becomes autonomous, deeply contextualized and multidimensional, unlocking strategic agility and value creation.

One result of this transformation? The increased importance of these finance professionals and leaders as they offer powerful holistic and strategic insights to their chief financial officer and the entire C-suite.

An intelligent, scalable foundation

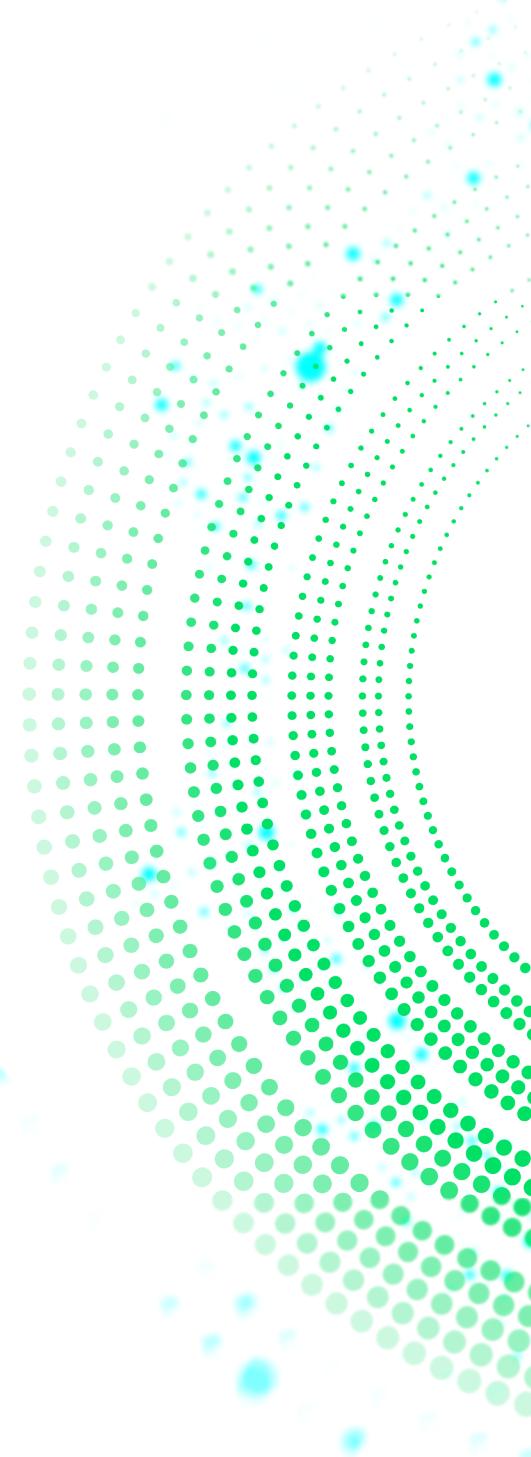
At the core of this evolution is a centralized yet flexible data architecture: Highly governed data facilitates consistency and security, while self-service analytics support localized insights that align with enterprise standards. This empowers both agility and cohesion, enabling business units throughout an enterprise to act independently while contributing to a unified view of performance.

Evolving FP&A into strategic roles

As the technology evolves, the FP&A group's offerings should become a suite of value-creating capabilities:

- **Integrated insights leader:** FP&A becomes a central analytics hub powered by AI and reliable data. Self-service dashboards and Generative AI streamline access to insights, continuously improving enterprise reporting and analysis.
- **Organic growth driver:** FP&A enhances productivity by optimizing pricing, trade spend and supply chain performance. It links financial insights to operational efficiency while adjusting forecasts rapidly to market shifts.
- **Strategic catalyst:** Long-term capital allocation is tightly coupled with enterprise strategy. FP&A helps ensure investments fuel sustainable growth and transformation.

This evolution demands commitment: presenting innovative margin-expansion strategies while guiding long-term investments cements FP&A's role as a pivotal business partner.



Enhanced business insights

FP&A generates deeper and more timely insights that drive impactful **business outcomes**, and provide transparency into the long-term horizon to inform **strategic decisions** and **resource allocation** capabilities

Increased shareholder value

FP&A works with investor relations and the sustainability office to analyze market trends, manage risks, and integrate investor feedback to drive **shareholder value** and build **investor confidence**

Technology



Commercial



Supply chain



Enabling functions



Process



Data



Talent



Optimized margin efficiency

FP&A uses advanced analytics and automation to discover **cost reduction** and **productivity opportunities** across core planning and analysis activities

Op model

Integrated business partnerships

FP&A drives **enterprise-wide value creation** through data-driven performance management and collaborative ways of working, joining with functions to achieve both top-line growth and bottom-line improvements in an **integrated manner**



Strategic impact across the enterprise

Commercial: Enabling strategic growth in competitive markets

Sales and commercial teams face an onslaught of new entrants and market volatility. FP&A helps them thrive by delivering predictive, real-time insights. Take a tech company selling smart home devices: FP&A models, powered by financial, operational and third-party data, predict seasonal demand shifts. These insights allow commercial teams to launch targeted campaigns and refine pricing to meet market demand—boosting revenue while reducing customer costs and grid load.

Beyond revenue generation, FP&A leaders act as capital investment advisers. Scenario modeling helps assess whether to allocate funds toward product expansion or infrastructure improvements, connecting decisions directly to financial and strategic goals. Its cross-functional perspective can help ensure all implications (e.g., manufacturing capacity, supply chain pressure) are considered before execution.

Additionally, FP&A supercharges analytics across commercial teams, highlighting underpenetrated markets, recommending tailored promotions and optimizing trade spend. It triangulates sales, supply and operational data to drive holistic, profitable decisions that support both near-term wins and long-term enterprise value.

Supply chain: Powering resilience through predictive insight

Supply chains today should be agile, resilient and cost-effective. FP&A enables this by integrating deeply with supply chain operations and using tools like digital twins, virtual models of assets and processes, to simulate scenarios and plan around disruptions.

For example, in launching a new product, FP&A collaborates across supply chain and commercial to help ensure a financially viable rollout. AI-assisted demand planning suggests production volumes, while digital twins model sourcing, logistics and capacity decisions. Within hours, FP&A can deliver enhanced recommendations

to balance cost, efficiency and environmental impact.

Beyond tactical planning, FP&A supports major strategic moves like plant investments, sourcing strategies or build-vs.-buy decisions. AI algorithms continuously adjust forecasts using thousands of data feeds (plant assets, vendor capacity, commodity prices), providing real-time financial clarity. Long-term planning is also enhanced, with insights from digital twin models guiding supply network changes, working capital optimization and risk mitigation.

R&D: Maximizing ROI on innovation

In high-stakes innovation environments like the life sciences, every research and development (R&D) dollar must be justified. FP&A steps into a leadership role enabling resources to fuel the right innovations. It leverages scenario modeling and predictive analytics to prioritize funding, manage trade-offs and drive high-value outcomes.

This evolved FP&A function doesn't just assist with portfolio management, it owns it. By evaluating performance across the R&D pipeline, FP&A identifies projects worth accelerating or terminating, enhancing return on capital. With real-time tools and rolling forecasts, it harmonizes decision-making between R&D, commercial and finance, ensuring innovation aligns with business goals.

Digital planning platforms eliminate offline inefficiencies, allowing FP&A to serve as a strategic bridge, connecting scientific development with operational capability and market potential. This orchestration can help ensure R&D delivers breakthroughs that are not only novel but commercially and financially sound.

Enabling functions: Elevating strategic influence

Enabling functions, often seen as cost centers, can drive competitive advantage when paired with strategic FP&A support:

- **IT:** FP&A facilitates agile, product-centric funding models, rolling forecasts and financial clarity around technical debt and value delivery.
- **HR:** Collaborates with FP&A to analyze the cost-benefit of staffing models, talent strategies, and in-house vs. outsourced roles, enabling workforce agility and efficiency.

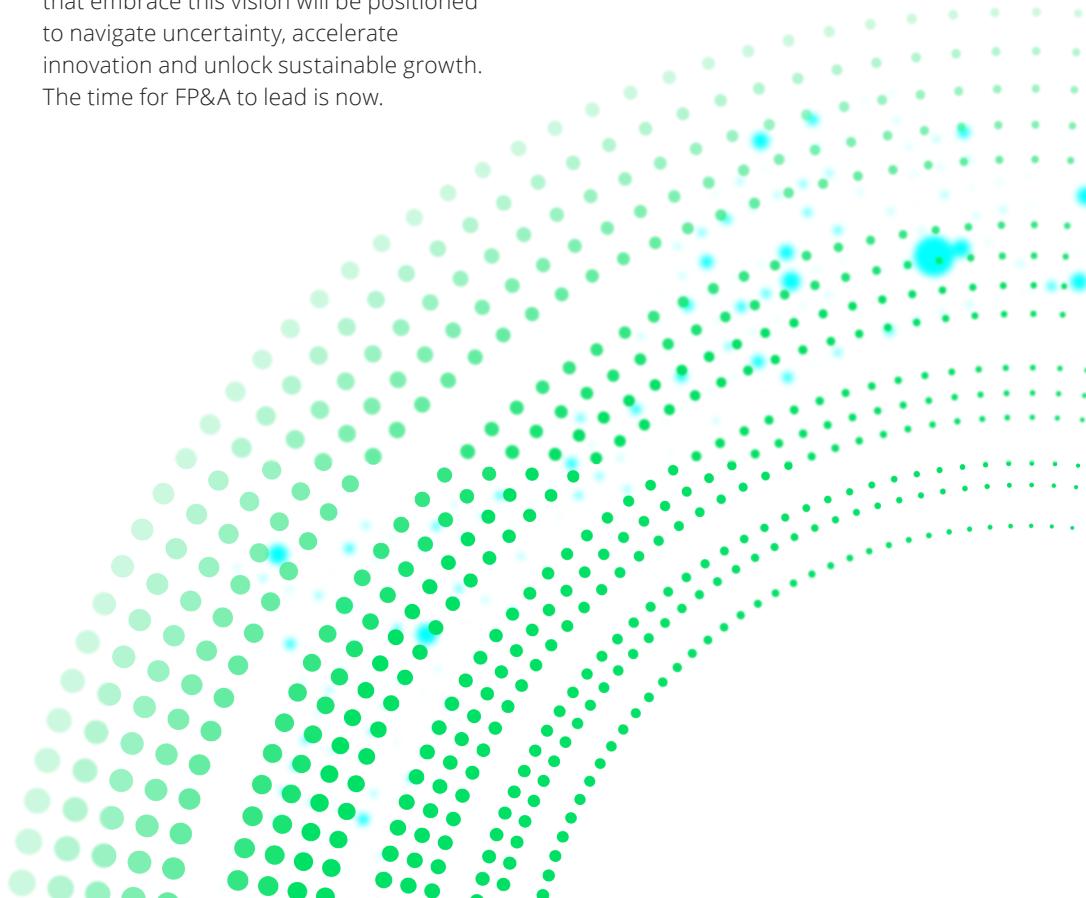
- **Procurement:** Gains predictive spend analytics and vendor risk modeling to improve negotiation strategies and demonstrate strategic value.
- **Finance:** As finance professionals evolve under pressure to "do more with less," FP&A leads the modernization of systems, reduces manual tasks and helps ensure finance becomes a proactive, data-enabled business partner.

By enabling better resource allocation and dynamic forecasting, FP&A's transformation elevates these functions from support roles to strategic contributors.

Bringing it together

By combining the roles of growth driver, strategic catalyst and contextual analytics provider, FP&A is redefining how businesses operate. It enhances operational efficiency, aligns investments with strategy, and enables real-time, agile decision-making across all functions.

This is more than financial planning, it's a strategic transformation. Organizations that embrace this vision will be positioned to navigate uncertainty, accelerate innovation and unlock sustainable growth. The time for FP&A to lead is now.



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