



ASSOCIATION FOR
FINANCIAL
PROFESSIONALS

AFP® FP&A GUIDE TO

The FP&A Maturity Model Version 3.0



CONTENTS

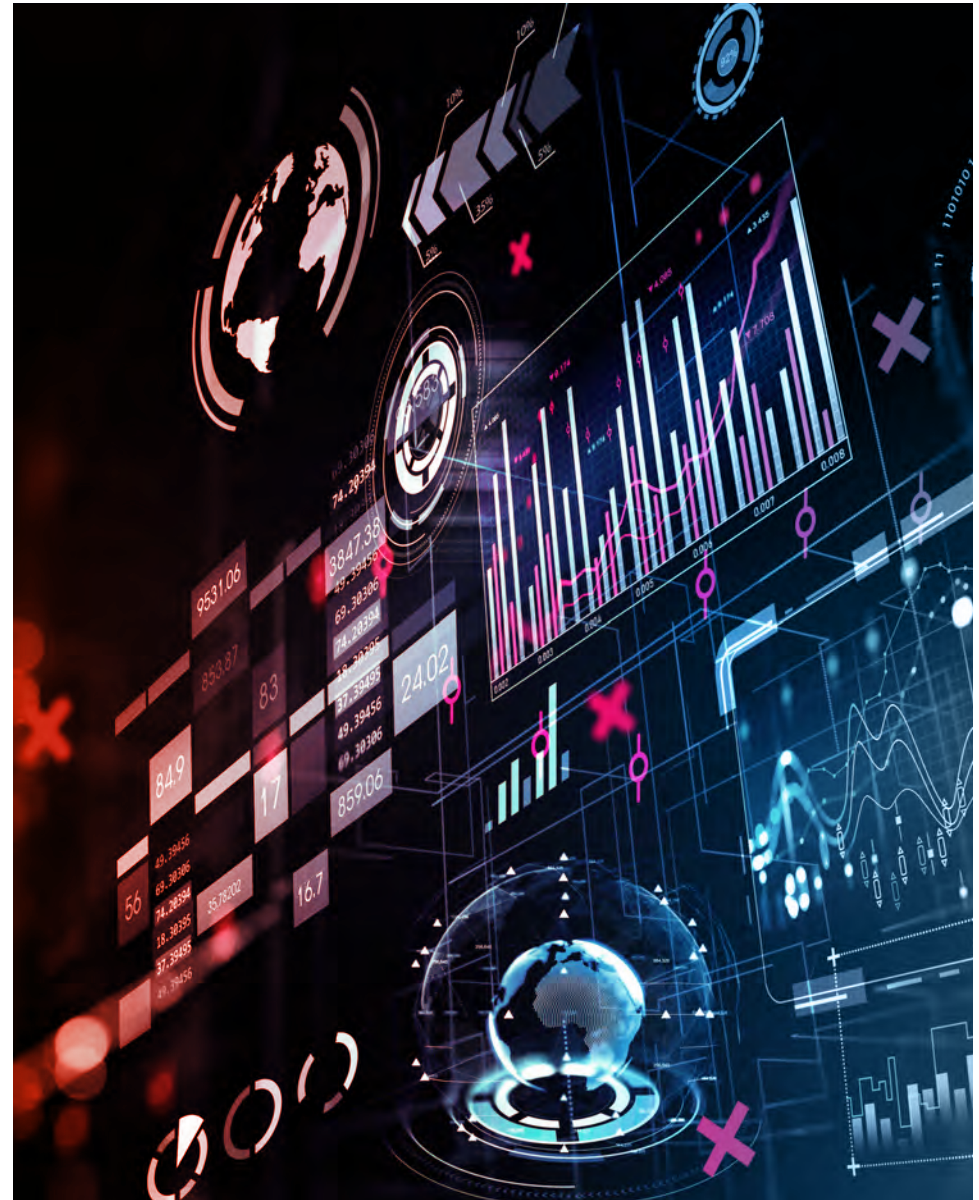
3 INTRODUCTION

4 HOW TO USE THIS MODEL

5 SUMMARY

6 DETAIL:

- MISSION
- FINANCE AND FINANCIAL PROCESSES
- TECHNOLOGY AND DATA
- PERSONAL AND TEAM EFFECTIVENESS



INTRODUCTION

Welcome to the third iteration of the AFP FP&A Maturity Model! Each version reflects both the times they were written and the constancy of the CFO function. The most significant change in the five years since we released version 2.0 is the continuing advance of technology impacting finance, as it has in every other part of the entire enterprise. New tools create new capabilities that lead to new operating models; however, we still need to center the work of the finance function and build back from there.

The CFO is the steward of enterprise capital, managing its sources and uses by reporting where it was, optimizing circulation for deployment, and supporting decisions of where the next unit should go. FP&A is the part of the CFO organization that provides actionable intelligence that drives long-term value creation through decision support, capital allocation and performance management.

The goal of the AFP FP&A Maturity Model remains the same: to offer a roadmap for excellence in FP&A in the near term and a pathway to prepare for changes on the edges of our vision. Appropriately defining the FP&A function allows the CFO to detail the responsibilities, training and career path for a large group of financial professionals, and to provide focus on how to deliver value to the business.

It is a challenge to create a single model that fits the broad expanse of the FP&A community, where practitioners and enterprises vary greatly by size, structure, industry, geography and culture. Our hope is that you will find inspiration and aspiration in the Maturity Model to improve your craft and advance the profession.

The Maturity Model 3.0 is streamlined to focus on why, what and how FP&A delivers on its mission. Each area is given its own vision of success. The following are the most significant changes to the model that reflect the evolved landscape of finance.

- **Finance and Financial Processes:** This section has a new title that clarifies that FP&A delivers finance and business acumen through the financial processes it operates. The leading practice in the area of Metrics and Performance Management is now an enterprise-wide analytical framework that unifies definition, calculation, operation, access and control over the metric regime. This greatly aids strategic and operational alignment and creates a foundation to accelerate automation and AI goals.
- **Technology and Data:** AI is not called out as a specific solution but rather is infused into all the leading-edge practices. Companies have differing technology stacks composed of platforms, systems, modules and tools with overlapping capabilities. Rather than prescribing a best tech solution, the Maturity Model focuses on what the technology achieves with close alignment to the financial processes it supports.
- **Personal and Team Effectiveness:** The Talent Management component is renamed Team and Culture to emphasize the importance of establishing a growth mindset in managing FP&A teams. As AI and automation grow, the premium skills for FP&A will be integrative intelligence, the ability to absorb and create information from disparate data sources, challenge the status quo and influence the rest of the company.

AFP would like to thank the following members of the North American, Middle East and Africa, and Asia/Pacific FP&A Advisory Councils who reviewed and contributed to this version of the Maturity Model:

- Syed Zeeshan Pervez (regional team lead)
- Mario Vasquez (regional team lead)
- Scott Corvey
- Mohammed ElRouby
- Connagh Hopkins
- Hakam Kadour
- Puneeta Kapoor
- Rosemary Linden
- Claire Lu
- Larry Maisel
- Nikita Miller
- Philip Peck

HOW TO USE THIS MODEL

The maturity model is designed to be both easy to use and rich in detail. The image below shows how the model works. As you move from left to right, the delivery of the service becomes more advanced. As you move from top to bottom, you will see the *why*, *what* and *how* of the service being delivered. The full model is on the next page.

CATEGORY		ELEMENTS	FOUNDATIONAL	EMERGENT	FUTURE-FOCUSED
			The core elements are taking shape but reliance on manual processes and simple tools to manage the essential processes limits team impact.	Organizations start to adopt more sophisticated processes and technologies, such as advanced data analytics and forecasting methods.	Organizations use best practices and leading technologies to drive predictive analytics and optimize financial and operational performance.
WHY	MISSION		Leadership's stated desire of the value that FP&A delivers to the CFO and the business		
WHAT	FINANCE AND FINANCIAL PROCESSES		The processes and services FP&A employs to deliver finance and business insight		
HOW	TECHNOLOGY AND DATA		The supporting technologies, tools and data infrastructure FP&A relies upon to effectively and efficiently deliver its financial insight, processes and services		
HOW	PERSONAL AND TEAM EFFECTIVENESS		The personal and interpersonal skills required for FP&A to deliver its WHAT and become a trusted advisor to the business and a respected finance professional		

SUMMARY

CATEGORY AND GOAL		ELEMENTS	FOUNDATIONAL	EMERGENT	FUTURE-FOCUSED
WHY	MISSION Deliver actionable intelligence that drives long-term value creation	Mindset	HINDSIGHT: Focus on what happened	INSIGHT: Focus on what the information means and why things happen	FORESIGHT: Focus on what to do now and next
WHAT	FINANCE AND FINANCIAL PROCESSES Apply finance acumen through financial processes	Integrated Planning, Budgeting and Forecasting	Recorder of the budget	Plan facilitator	Strategic alignment
		Management Reporting	Book of record explaining what happened	The “what” and “why” of recent performance	The right information, person, time and format
		Metrics and Performance Management	Metrics abound but provide limited insight	Many metrics exist and several are useful	Enterprise-wide analytical framework
		Financial Analysis	Basic analysis and opaque investment decisions	Limited flexibility to change momentum	Structured decision and financial analysis
HOW	TECHNOLOGY AND DATA Support faster decision-making and deeper insights	Integrated Planning System	A cumbersome, manual process (“tyranny of spreadsheets”)	Core financial planning in a dedicated system	System-enabled integrated business planning
		Reporting	Done by hand — manual processes	Stable hands — repeatable and defined	Invisible hands — automated platform
		Analytics	Tools are a blank slate awaiting user input	Dedicated tools and defined analytical processes	Systematic computational analysis of data
		Data Management	Siloed data lacking a single source of truth	Robust data management in a few groups	Comprehensive, trusted data as a strategic asset
HOW	PERSONAL AND TEAM EFFECTIVENESS An agile, learning organization engaged with the business	Business Partnering and Communication	Task-oriented back-office function	Engaging and supportive, sharing insight and data	Highly credible, trusted advisor
		Organizational Design	Extension of or shared with another finance department	Independent team with a distinct identity	Structure matches maturity
		Team and Culture	FP&A part of generic finance pool	FP&A empowered with defined roles, resources and mandate	A culture of continuous improvement
		Ethical Conduct	A commitment to competence, confidentiality and integrity		



Mission

DETAIL

Mission

Deliver actionable intelligence that drives long-term value creation

What type of finance organization do you want to be?

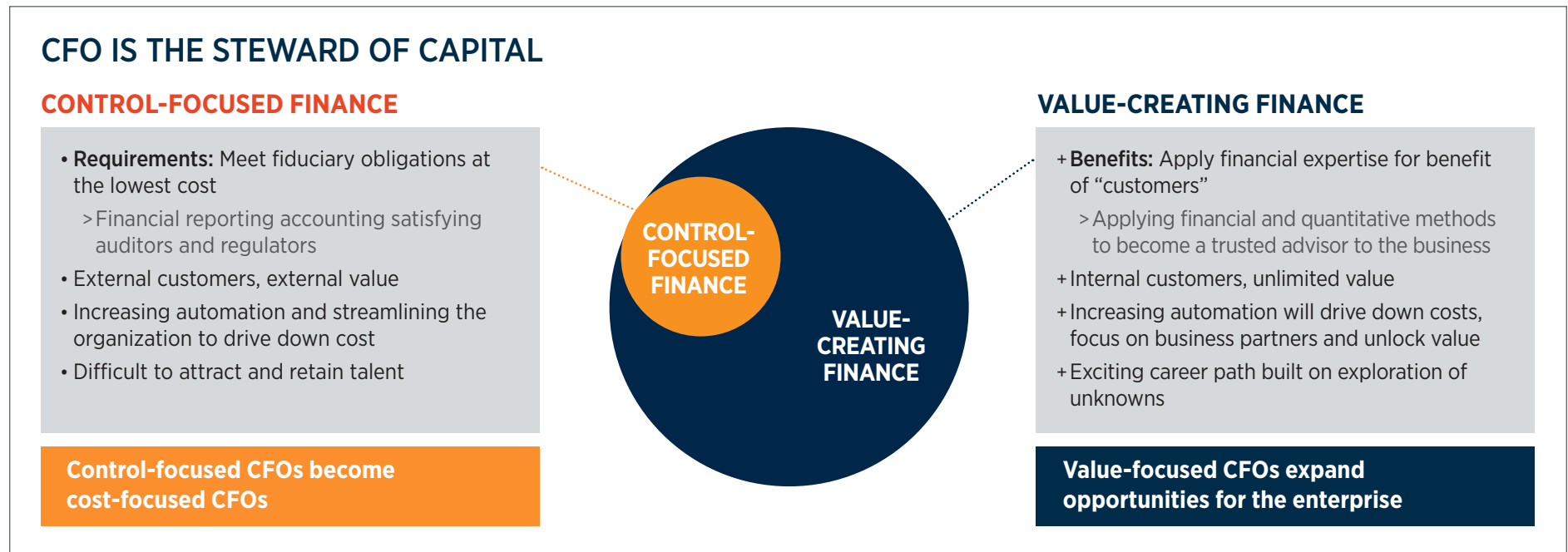
Companies can answer this question narrowly by defining finance as a base-level, control-focused organization that satisfies fiduciary duties — meeting the operational capital flows while completing the accounting, legal and compliance requirements that satisfy the board, auditors, shareholders and regulators. The costs incurred to deliver these services are overhead and frequently allocated to the business, like a tax on their P&L statements.

Over the long term, this limited scope often means control-focused CFOs are cost-focused CFOs. It is difficult to create a business case to invest in a cost center, so automation is justified as headcount reductions, investment in individuals is limited and their organizations exhibit a limited ability to attract talent. Worst of all, there are missed opportunities to support the business.

Alternatively, value-focused CFOs expand opportunities for the enterprise. Finance can apply its expertise to create and service internal customers, bringing to business operations the quantitative methods, critical analysis and even that skepticism inherent in finance DNA. Value-focused CFOs

recognize that automation will continue to drive down costs on both the control side and value-creation side, but automation helps to gain new capabilities to unlock that value.

Most AFP members see this as exciting — a path that is creative and exploratory, that prizes the finance skills we have honed for so many years. This shift to value-focused finance places a strong emphasis on financial planning and analysis (FP&A). More than simply a box on enterprise organization charts, FP&A is a skill set that can bring this vision to reality. FP&A often goes by different names in different companies and countries, but it always has the same goal: deliver actionable intelligence that drives long-term value creation.



Mission

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
WHY: MISSION	Mindset	Focus on what happened. Report historical data and trends to recognize patterns and outcomes that can inform current decisions.	Focus on what the information means and why things happen. Understand the drivers of financial performance and operational efficiencies to support decisions.	Focus on what to do now and next. Deliver actionable intelligence that drives long-term value creation through decisions, accountability and performance.
	Leading practices →	<ul style="list-style-type: none"> — Set the tone at the top. The CEO and the board define the type of value they want the CFO to deliver. Support the CFO in delivering it by investing in the department and establishing the expectation collaboration across departments. — Define the aspiration for FP&A as a business partner and change the mindset from a cost-center to service center or even a profit center. Define the value others will receive when they work with FP&A and build awareness around it. — Uncertainty, change and disruption are inherent in FP&A, not a challenge to its work. FP&A needs to balance contradictory imperatives: It needs to structure and run good processes to promote alignment, and it needs to expect and even seek out changes to the status quo. FP&A must incorporate agility into its processes and maintain multiple points of view of the business environment. 		

“The base layer is to explain what happened, why it’s interesting to the organization, and here’s what the organization should do as a reaction. You start to turn the corner to FP&A when you say why it’s interesting, why the C-suite or board should care, and there are interesting elements that could lead in different directions. That is when you start to have a data-based, theoretical conversation about the future.”

— Scott Corvey, FPAC, Vice President of Finance, Consero Global



Finance and Financial Processes

Finance and Financial Processes

Apply finance acumen and financial processes to allocate capital to its most productive use and support decisions

The “F” is first in FP&A because we deliver financial and business insight, the ability to ascertain the effect of choices and actions to maximize profits, decrease losses and take risks in accordance with the corporate risk appetite. We support the CFO’s capital-centric point of view in support of the business.

“At the end of the day, executives weigh the inputs from different functional areas. What does each group bring to the table?”

“Finance has methods for thinking through an uncertain future and quantifying thoughts and decisions. We bring strong analytical frameworks and analysis to the table. We think through a series of cash flows in the future, show the inflection points, and what we believe are the options and outcomes. We instill that discipline, and we are also creating risk and control points. Little stop-and-start nodes where we can say, “Where are we right now? And which direction do we now want to go?”” — Rob Trippe, corporate finance advisory

FP&A delivers that finance acumen as a service through the processes it oversees, as listed in this section. Process excellence is important because, if done well, it can accelerate agility throughout the company; it ensures consistency, efficiency, effectiveness, timeliness and opportunities for improvement. If executed poorly, the processes inhibit agility and progress.



Finance and Financial Processes

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
WHAT: FINANCE AND FINANCIAL PROCESSES	Integrated Planning, Budgeting and Forecasting	<p>Recorder of the budget. The plan/budget is inflexible and is used to measure performance. It is tied to the general ledger and is developed top-down, with minimal business input. The forecast is heavily influenced by a desire to get back to budget. Money is allocated to leaders rather than specific work, and reallocation is rare. The budget requires > 6 months of effort; re-forecasts occur < 4x per year. The overall process is laborious and prone to errors, omissions and inconsistencies.</p>	<p>Plan facilitator. The one-year plan/budget is a strategic coordination tool, involving negotiated budget commitments shared across business units. Budgets require 3-6 months to create; monthly or quarterly forecasts provide honest appraisals of performance, incorporating actual results and trends. Teams discuss variances to budget, consider risks and opportunities, and create scenarios. Resource reallocation may happen during the year.</p>	<p>Strategic alignment. The plan bridges long-term strategy to medium- and short-term operational activities, financial performance and risk framework; it is relied upon frequently in business discussions. Forecasts provide accurate assessments of direction and can be created on demand. Capital can be reallocated throughout the year. Budgets ensure accountability for enacting the plan and transparency in activities.</p>
	Leading practices	<ul style="list-style-type: none"> — Collaborative, integrated planning across the entire enterprise creates vertical alignment from the board and senior management through P&L owners, and horizontal alignment connecting adjacent businesses and processes. Financial and operational planning cycles are in sync; capital and operational expenses are linked in the financial outlook. — The business owns the forecast/budget, and FP&A facilitates the process through formal project/process methodologies, coordinated assumptions and metrics, and effectively challenging the business. Mid-year updates and variances drive accountability. — Forecasts are frequent, honest appraisals of expected performance, independent of budget. Rolling forecasts and driver-based forecasts are implemented to maintain future focus on the most important aspects of the business. Reasonable effort is required to develop forecasts (e.g., < 1 week) and budgets (e.g., < 2/3 months). — Risks and opportunities are identified at multiple entity levels (corporate, unit, product/services). This process includes developing scenarios and sensitivities (“what-ifs”) and considering potential contingency plans and levers of financial flexibility. Organizational resources are reallocated throughout the year, including capital, people, services, etc. — The external environment (political, economic, social, technological, legal/regulatory and environmental) is monitored to raise awareness as appropriate and incorporate the impact on value drivers through plans, forecasts and investment activities. 		

“Integrated planning helps to translate strategic plans into operational plans, set performance targets and monitor performance, allocate resources, monitor and respond to changes in value drivers.”

— FPAC Exam Prep Platform, Third Edition

Finance and Financial Processes

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
WHAT: FINANCE AND FINANCIAL PROCESSES	Management Reporting	Finance presents its book of record explaining “what happened” in the period for the budgeted cost center. The data is standardized within a month-end close package that aligns with the general ledger; the package is an excessively detailed compilation of facts (resembling a “data dump”) but lacks clear messages. Source data is scattered across data islands, necessitating substantial effort for wrangling, refining, validating and producing reports, which increases the risk of errors	Reports present the “what” and “why” of recent performance , standardized by group/role. They are timely, with minimal errors and a focus on financial data aligned with corporate goals. These reports prompt discussions about events and their implications. Business units contribute to report design. Finance aims to reduce manual effort through increased	The right stuff — right information delivered to the right person at the right time in the right format to enable timely, data-informed decisions. Insight guides action as the reports represent a mix of business understanding and finance skill; business units reference them in making decisions. The team can self-service the reporting architecture.
	Leading practices	<ul style="list-style-type: none"> — Reports bring the CFO point of view to the table, maintain a forward-looking orientation of what drives enterprise value, tie to KPIs and operational processes, and apply market benchmarks and references as appropriate. — Reports are relevant to your audience, containing information tailored to their needs. They are collaboratively developed with your audience and apply accepted metrics. — Reports are easy for your audience to digest, making key insights accessible. They are concise (complete without “dumping” too much to digest), have appropriate granularity and use visualizations appropriately. — Report delivery is operationally efficient, i.e., reports are inventoried and reviewed periodically for relevance; data is fresh and accurate; errors are rare; self-service reporting is available per access permissions. 		

“Given your reporting, what do your partners look at? What is most important in the information you’re providing to them? Make adjustments and do some strategizing to meet their needs. What are the goals of the business? What are the internal metrics that we develop? Those are your north star variables, as opposed to doing the work to meet the accounting requirements.”

— Nikita Miller, FPAC, Director of Facilities and Financial Planning and Analysis, Kresge Foundation

Finance and Financial Processes

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
WHAT: FINANCE AND FINANCIAL PROCESSES	Metrics and Performance Management	Metrics abound but provide limited insight into performance. Persistent debates about definition and calculation lead to skepticism and lost time. Extensive manual effort is required in collection, calculation and reporting. There is an informal creation and maintenance process, and old metrics linger. There is little predictive or actionable value. Information is disseminated when convenient for finance, not necessarily when it is fresh.	Many metrics exist and several are useful for the business. Users adopt a “trust but verify” approach toward these measures, remaining cautious about inconsistencies across different units. The process of collecting, calculating and reporting these metrics involves a moderate amount of effort, with some automation.	Enterprise-wide analytical framework. A structured, holistic framework to evaluate the enterprise’s financial and operational performance in a consistent manner. Finance and partners trust the data and do not relitigate the creation and use of KPIs. Confirmed metrics are available and accessible.
	Leading practices	<ul style="list-style-type: none"> — Create a consensus taxonomy that defines metrics via data sources, transformations and calculations. Finance and partner organizations collaborate on the following: <ul style="list-style-type: none"> - Purpose and name: Clearly state what the metric is intended to measure and why it’s important. - Formula: Specify the mathematical formula used to calculate the metric. - Data Sources: Identify where the data for the metric is coming from. - Calculation Frequency: Define how often the metric will be calculated (e.g., daily, weekly, monthly). - Target Audience: Determine who will use the metric and for what decision-making process. - Interpretation: Explain how to interpret the results of the metric. - Limitations: Acknowledge any potential limitations or caveats in the metric’s use or interpretation. - Ownership: Define ownership for monitoring, interpreting and communicating the metric; empower to initiate changes related to the metric. — Business drives the metrics regime, not the other way around. Metrics derive from corporate strategy and goals. Distinctions are made between key vs. non-key metrics. — Discipline at the core, flexibility at the edge. Centralized control reviews existing metrics and proposed changes to maintain consistency and rigor, but there is flexibility for the team to access and apply the trusted data. Automated collection, calculation and reporting of most metrics are present. 		

“Performance management helps companies track and drive continuous improvement through critical drivers and reporting related to strategic goals, operational planning and financial results. It creates a feedback loop that connects and clarifies the expectations across stakeholders.”

–Jeremy Pawlak, FPAC, Managing Director, Accordion

Finance and Financial Processes

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
WHAT: FINANCE AND FINANCIAL PROCESSES	Financial Analysis	<p>Basic analysis and opaque investment decisions. Investment decisions lack transparency and heavily rely on executive judgment or negotiations rather than systematic analysis and portfolio strategy. Comparing non-standard models and calculations across segments and investments is challenging, and business cases are infrequent. Budget allocations remain static throughout the year, and no established project governance process exists.</p>	<p>Limited flexibility to change momentum. Finance collaborates with business units to create business cases. Processes and standard models exist to evaluate investment decisions. Project governance leads to responsiveness to fluctuating business needs, but business users have limited ability to appreciate, understand and influence costs. Reallocating resources during the year proves challenging.</p>	<p>Structured decision and financial analysis. FP&A applies financial expertise and business understanding through modeling, pro formas and analysis. FP&A and the business actively partner. Capital is released through a gating process and reallocated throughout the year. Decisions align with business objectives and decision-making frameworks. Data projects are structured with defined business questions, data sets and partners.</p>
	Leading practices →	<ul style="list-style-type: none"> — Financial analysis is done in the context of the business. FP&A is fluent in corporate and business finance and versed in accounting and operations. Finance and business jointly build business cases. Investments are considered as part of a company portfolio, diversifying risk and needs across the enterprise. — Investment analysis demonstrates fairness. The decision process is transparent and timely. The project governance process is established and consistent across company/business units. — Spending and capital decisions can change mid-year. Resources are distributed as part of a gating process when milestones are met or reallocated as needed. — Financial analysis best practices are followed. The team follows best-practice modeling guides; standardized models and evaluation criteria are defined and shared across the enterprise. Expected outcomes go beyond single-point estimates to include ranged outcomes, sensitivities and scenarios. 		

“I tell my business partners that every decision that they make has a bottom-line impact, and the job of financial analysis is to help all parties understand the financial impact of those decisions.”

— Geetanjali Tandon, SVP of FP&A, Ceridian



Technology and Data

Technology and Data

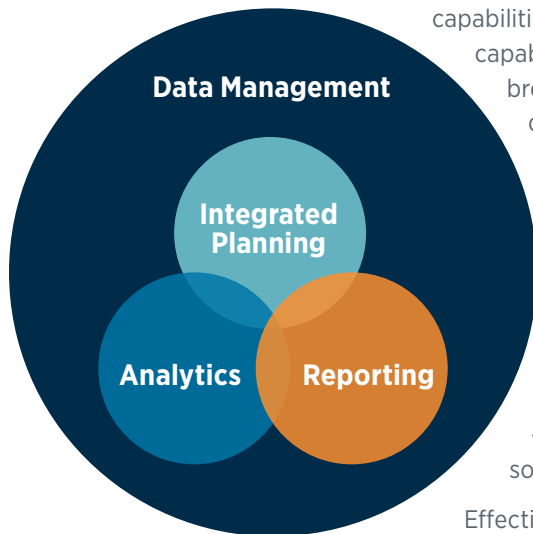
Support faster decision-making and deeper insights

The maturity model outlines expectations for the functional requirements for Integrated Planning, Analytics and Reporting, and all of these exist within the needs of Data Management. However, as the diagram indicates, the specific tools that fulfill these needs are becoming more capable and may overlap these functional categories. For instance, enterprise performance management systems (EPMs) are designed to be do-it-all tools that integrate planning, reporting, analytics and data management. Reporting tools may include business

intelligence, data visualization and analytical capabilities. Some tools may focus on specific capabilities designed to be “best of breed,” and still other companies may design their own bespoke tools, such as custom-made machine learning forecasting. Knowing that companies often use composable systems, integrating tools based on their strengths, the Maturity Model takes a function-based approach — separating planning, reporting and analysis requirements — rather than a technology-based solution that focuses on the tool suite.

Effective data management is central to the effectiveness of FP&A technology in terms of process efficiency, quality outputs and security.

Data management may be an input to the technology systems or part of those systems themselves. There are multiple ways to design your technology stack to achieve your outcome, and you should watch for how artificial intelligence can inform all these elements. Ultimately, the goal is an infrastructure that allows FP&A to be more efficient “backstage” to interact better with business partners “on stage.”



Technology and Data

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
HOW: TECHNOLOGY AND DATA	Integrated Planning System	The “tyranny of spreadsheets.” A cumbersome, manual process pulling data from fragmented, non-integrated sources and numerous distinct models, often with an over-dependence on spreadsheets as the core planning tool. Administration is handled by a small group of specialists who possess unwritten “tribal knowledge” and represent key-person risk. Tools have limited capacity for version control and “what if’s”(defined below).	Core financial planning is done in a dedicated system with centralized model administration (defined below). The tool consolidates and aggregates data from various sources but lacks direct visibility into the underlying operational details. Some processes depend on manual effort (offline calculations loaded into the system for consolidation). There is low integration with operational planning, with ad hoc review of offline subsidiary models, and moderate support for “what if’s.”	System-enabled integrated business planning. A fit-for-purpose enterprise modeling and planning platform connects operational and financial planning domain areas, and potentially external factors. Data integration from source systems is seamless and automated. Automation and workflow facilitate the process and generation of long-range plans, budgets, forecasts and “what if’s” throughout the year.
	Leading practices →	<ul style="list-style-type: none"> — Enhances connectivity among people and data. Allows multiple departments to interact with the plan on a self-service basis; potentially includes automated/AI algorithms. Automates access/loading data (e.g., operational, financial, statistical). Links long-range plans to annual operating plans, and integrates operational planning with financial planning. — Integrates and consolidates all domains of base planning requirements, creating a single version of the truth for the strategic plan (long-range plan), annual budget, and periodic and ad hoc forecasting. Planning domain areas include market demand, revenue, operational expenses (including labor), capital expenses, projects, profit & loss statements and all financial statements. Natively enables driver-based modeling and trend-based planning, and creates a direct linkage to satellite models using assumptions that are consistent, measured and validated. Supports “what-if’s” including sensitivity analyses, simulations, scenario planning, stress testing, contingency planning and actionable operational playbooks. — Aids insights through drill-down/through paths available through charts (guided analytics through the graphical user interface) and interactive data exploration (e.g., drill down/through, slice & dice, multiple dimensions). Forecasts outcomes based on statistical techniques (predictive modeling) and recommends a course of action (prescriptive modeling). Suggests areas of inquiry and ideas, and facilitates the tracking of accuracy and relevancy to promote refinements. — Enables centralized administration by FP&A with minimal IT support. A robust security framework assigns roles and access to distributed FP&A, finance and the business users. Allows for meta data management (e.g., account dimension updates). Global and local assumptions are delineated, driver values exist for domain areas, and core financial calculations are standardized. Helps to manage workflow (e.g., task lists, dates and deadlines, assignments, notifications). 		

Technology and Data

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
HOW: TECHNOLOGY AND DATA	Reporting System	Done by hand. Excessive manual effort is involved in data collection, normalization, transformation, reconciliation, formatting and reporting. Low automation and multiple spreadsheets, a high use of linked spreadsheets pivot tables, manual graphical visualization and leads to low interactive capabilities and a lack of self-service. The outcome is low utilization of the report due to distrust of data, low readability and absence of analysis.	Stable hands — repeatable and defined. System-generated core financial and management reporting handles most of the work. Data is primarily financial, mostly pulled from trusted sources with minimal manipulation and low error rate. Report packages are electronically distributed and available on demand, are periodic, and mix static downloads with self-service options and some interactive data. Dashboards exist and basic visualization tools are available. New/ non-standard requests require moderate time and effort with some IT support.	Invisible hands. A robust reporting platform provides automated standard management variance reporting, self-service capability, and a flexible ad-hoc “slice & dice” functionality. It seamlessly integrates with the “source of truth” enterprise data repository, and provides automated data gathering, report generation and distribution. Reports are customized per individual, with flexibility to quickly accommodate evolving business needs. Change requests can be handled by a finance administrator.
	Leading practices →	<ul style="list-style-type: none"> — Enhances connectivity among people and data. Allows multiple departments to interact with the plan on a self-service basis. Data is from a trusted single source of truth and does not require manipulation or extensive reconciliation. Data is available on demand and taps into an approved enterprise analytical framework. — Automated, accurate and timely: Reports, dashboards and variance threshold alerts are automatically generated and distributed. There are zero errors due to system-generated report creation. Reporting and analysis are delivered while fresh and relevant, “at the speed of thought.” Reports enhance readability, have a consistent look and feel across the enterprise with easy-to-read interfaces and clear and insightful data visualization, and allow for written communication. Reports can also be adapted in unique and insightful ways, and are intuitive and informational to core users and extended stakeholders. — Aids insights through drill-down/through paths available through charts (guided analytics through the graphical user interface) and interactive data exploration (e.g., drill down/through, slice & dice, multiple dimensions). System may include AI-enabled question-and-answer, and natural language generation of draft analyses. — Enables centralized administration by FP&A with minimal IT support. A robust security framework assigns roles and access to distributed FP&A, finance and the business users. Allows for meta data management (e.g., account dimension updates). Automated reporting (system automatically updates reports as specified, routes distribution to users) with customization of outputs for specific users. Finance can monitor the usage of reports and metrics. 		

Technology and Data

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
HOW: TECHNOLOGY AND DATA	Analytics	<p>Tools present a blank slate awaiting user input. As with spreadsheets, data is manually sourced and manipulated from multiple locations that may not tie back to other official reports, leading to frequent errors, inconsistencies, and distrust of insights and reported business results. The user relies on prior knowledge of how to analyze data and how to apply the tool's capabilities. Output is shared with a limited number of executives without sophisticated tools.</p>	<p>Dedicated tools and defined analytical processes. The core data quality is good, but errors and gaps occur once multiple sources are introduced. FP&A produces analysis and insights with moderate levels of effort. Self-service tools and solid, accurate financial data support user-generated analysis. Advanced Excel and a few specialty tools are available and deployed in the organization. There is an emerging use of data visualization tools.</p>	<p>Systematic computational analysis of data. Analytics facilitate the exploration and explanation of data and support the prediction of forward-looking activity and prescribes potential actions to influence future business performance through the application of advanced analytic capabilities (e.g., AI, generative AI, machine learning, statistical algorithms), robust data computation and analysis, and data visualization. Functional teams can iterate quickly through the process.</p>
	Leading practices →	<p>Note: Due to overlapping functionality, some of these requirements may be integrated with the previously mentioned planning or reporting tools, or be a standalone tool.</p> <ul style="list-style-type: none"> — Facilitate the analysis by having connections to trusted data sets from multiple sources and having guided analytics — flexible, user-driven drill paths available through the common graphical user interface. The system helps to gather and prepare data, create a baseline analysis for consideration, and suggest areas of inquiry and potential actions. FP&A knows how to use the tools. — Facilitate collaboration as cross-departmental teams apply appropriate analytical tools and techniques to solve structured and unstructured business problems and conduct data analysis to enable decisions and actions. Tools allow teams to contribute and revise analysis. — Facilitate communication and decision-making with dashboards and visualization that are easy to apply in insightful ways and generate ideas and insights for the user based on the data. 		

Technology and Data

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
HOW: TECHNOLOGY AND DATA	Data Management	<p>Siloed data. Important data is scattered across different systems and offline files means no “single source of truth” exists, resulting in time-consuming manual work to gather and prepare the data for use, often using spreadsheets. There’s no overall plan for managing and governing data across the company; existing data systems were set up independently, without considering interoperability. Potentially significant issues persist and errors are common.</p>	<p>Robust data management exists in a few coordinated groups with intentional activity to drive collaboration across the organization. There is a mix of centralized management supported with solid tools and technology but also manual effort from shadow systems and offline models. There are some elements of a formalized governance program with pockets of best practices. Legacy systems likely exist, but explicit links are established between the systems.</p>	<p>Comprehensive, trusted data leveraged as a strategic asset. Data is actively managed so that trusted, accurate data is accessible to all stakeholders with minimal effort. A strategic vision and data governance/management standards describe how data interacts with and moves through all enterprise systems. Organization has a data officer to promote policies, standards and best practices.</p>
	Leading practices →	<p>Data characteristics</p> <ul style="list-style-type: none"> – Access: There is complete and timely access to the trusted single source of truth. – Quality: Data is accurate (free from error), complete (contains all relevant information without gaps), consistent (uniform across sources), coherent (aligns logically) and timely (up to date). – Usage: Data sources incorporate a full array of financial, operational, customer and external industry domain areas. FP&A, finance, business, operations and IT stakeholders collaborate on definitions (attributes and meanings) creating interoperability between financial and operational data. <p>Data management</p> <ul style="list-style-type: none"> – Architecture: The data lineage — data flows and interfaces across systems — are managed from source to end use, enhanced and maintained as data and systems evolve. – Governance: A comprehensive, formalized governance program containing the rules around the collection, identification, storage and usage of data as it moves through the enterprise; it includes ownership and accountability, stewardship, quality, integration, definitions, lineage, processes and procedures, and robust enabling tools and technology. – MDM (Master Data Management): Enabling technologies and operational processes to enforce data governance for critical business entities (e.g., customers, products, locations). 		

“It is critical to understand the whole data lifecycle: where the data are coming from, how they are transformed, whether the calculations are standardized, and how people will interact and use the data.”

— Carmen Turner, AFP FP&A Advisory Council



Personal and Team Effectiveness

Personal and Team Effectiveness

An agile, learning organization engaged with the business

In his FP&A keynote address at an AFP conference, Avi Goldfarb, an economics professor at the University of Toronto, drew an insightful analogy between people and technology. Imagine a world with just two beverages: coffee and tea. Imagine they are perfect substitutes for each other. Now, suppose coffee has become free and universally accessible. What would happen? We would consume it constantly, discover new uses and increase our consumption even more. What would happen to the price of tea? It would decline because it is hard to compete with a free good!

Similarly, computing costs are continually decreasing, and we are creating new use cases, achieving more and better outcomes. We cannot out-compute the computer, AI, or robots; instead, we should find skills that complement the technology. Rather than being the tea competing with coffee, Goldfarb advises, we should be the cream and sugar that enhances the blend. Our human skills — connecting ideas, asking questions, communicating effectively and safeguarding integrity — become essential in our work. This section addresses the skills that empower FP&A to become better human practitioners in a high tech landscape.



Personal and Team Effectiveness

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
HOW: PERSONAL AND TEAM EFFECTIVENESS	Business Partnering and Communication Skills	<p>Task-oriented back-office function. The majority of interactions are with other finance functions; business interactions are finance-focused, occur at preset intervals, are the same across the enterprise, and are distributed with minimal explanation. There is a basic understanding of how the business operates and makes money. Articulating challenges and elevating concerns to leadership may still pose a struggle.</p>	<p>Engaging and supportive, sharing insight and data based on understanding drivers, value chain and unique business complexities. Efficiently provides requested information to decision-makers. Communicates effectively with the business, primarily at set operational review meetings. Delivers clear, impartial updates and recommendations, and is able to question prevailing beliefs. Diplomatically asserts viewpoints to higher management.</p>	<p>Highly credible and trusted advisor, engaging frequently and meaningfully with business. Clearly and persuasively articulates business understanding and insights in both formal and informal settings. Utilizes applicable analytic techniques with relevant data to produce compelling, easy-to-understand insights; conveys meaning without finance jargon.</p>
	Leading practices →	<ul style="list-style-type: none"> — Knows the business and takes a holistic view of operations and finance. FP&A upholds the CFO’s responsibility as the steward of enterprise capital while demonstrating an interest in learning the business, economics, stakeholders and value chain, and using that knowledge to deliver insights aligned to business objectives (e.g., focused on key products, channels, markets, etc.). — Knows the people and strategic and political landscapes, develops relationships through formal and informal settings, and is a role model for collaboration. Has a partnership strategy of how to align and interact with the business. — Communicates effectively and converts data to information to insight through a story strategy of concise messaging that emphasizes what, why and what next, a visual strategy of communicating information in a visually inviting and readable way, and an engagement strategy of understanding the audience. Has strong “presence” and credibility. Tailors presentation of information to the needs and terminology of the business. — Communicates honestly. Delivers timely and objective news and recommendations. Exhibits curiosity and challenges status quo beliefs without being confrontational. Comfortable with ambiguity. 		

“As a business partner, present yourself as a ‘line,’ not a ‘point.’ A point is a person who shows up once and asks for something, then goes away; a line is a person who has many interactions that create many points, which then become a line. The line person may not ask for something in each interaction, but is building a relationship through trust and engagement, sharing information and setting the groundwork for the partnership.”

—Bryan Lapidus, FPAC, Director, FP&A Practice, AFP

Personal and Team Effectiveness

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
HOW: PERSONAL AND TEAM EFFECTIVENESS	Organizational Design	Extension of or shared with another finance department , such as accounting, treasury or a pool of finance analysts. FP&A's goal is to deliver finance processes (i.e., budget, variances, investment analysis) to the business.	An independent team with a distinct identity within finance that is recognized by its business partners. Operates with a central consolidation function and decentralized business unit focus.	Structure matches maturity. FP&A is a recognized department and discipline with a defined value proposition. The organization is forward-looking, embracing both strategic and operational change. The team is appropriately staffed and provisioned with necessary tools. FP&A is a recognized department and discipline with a defined value proposition. The organization is forward-looking, embracing both strategic and operational change. The team is appropriately staffed and provisioned with necessary tools.
	Leading practices →	<ul style="list-style-type: none"> — Structurally distinct. FP&A reports directly to the CFO with a dotted line to the business leads. FP&A has a mission statement explaining the value it delivers. Its organizational structure aligns with company size and maturity, with centralized consolidations and decentralized, dedicated business-facing specialists. It may be supported by shared services or centers of excellence to bring scale to operations. — Aligned and defined interfaces with operational teams. FP&A has clear points of contact and effective alignment to support the business. FP&A has clarified its service offerings, roles, activities and timelines for processes (e.g., budgeting). FP&A monitors its effectiveness in delivering value to finance and the business. — Invested in its own growth. The team is appropriately staffed to deliver on its mission and goals; its technology plan is integrated with the company's IT roadmap. 		

“The way that I look at it, controllership and FP&A actually have two different frames of reference. For controllership, the reference is more around the accounting rules. What are the GAAP or IFRS rules that the company needs to adhere to? For FP&A, the frame of reference is more around KPIs and business performance. How to improve the business, increase profitability and give supporting advice.”

—Douglas Yeung, Senior Director, APAC Finance, Genesys

Personal and Team Effectiveness

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) →	EMERGENT (INSIGHT) →	FUTURE-FOCUSED (FORESIGHT)
HOW: PERSONAL AND TEAM EFFECTIVENESS	Team and Culture	<p>FP&A part of generic finance pool. Roles resemble other finance positions, with job descriptions that could apply broadly to other finance roles. Individuals (or their managers) must negotiate for time and resources. Skill acquisition primarily centers around financial acumen and occurs ad hoc; individuals chart their own path. Management emphasizes maintaining the status quo rather than driving improvements or change in FP&A and the enterprise; finance is a cost center.</p>	<p>FP&A empowered with defined roles, resources and mandate. Job descriptions are FP&A-specific. Individual development plans exist. Skill development happens in the context of current jobs, primarily focused on developing financial and analytical acumen to perform their role, with less emphasis on business partnering skills. FP&A is empowered to seek margin improvement around the company.</p>	<p>A culture of continuous improvement on the team and exported to the businesses. Ongoing professional development is prioritized and valued, with a focus on current and future needs. The company provides time, money and a career path to support development. Culturally, FP&A challenges the status quo with data and strategically informed questions, taking calculated risks and engaging in constructive conversations. Finance is a profit driver in the enterprise.</p>
	Leading practices →	<ul style="list-style-type: none"> — Leadership has a lifecycle plan for talent: <ul style="list-style-type: none"> – Attract: Make FP&A a desirable career path, accelerating growth and exporting talent to other parts of finance and the business. – Hire: Provide a market competitive offer, defined roles and responsibilities, and a smooth onboarding process. – Manage: Provide formal goal setting and ongoing consistent feedback. – Develop: Assess and close gaps between current and future skills, including both tactical and soft skills training. Actions may include projects that broaden exposure, formal (class) education, certification, mentoring, transfers, targeted promotions, etc. Giving and receiving feedback is encouraged. — Consciously create a growth culture. FP&A has a team ethos of continual improvement and calculated risks (e.g., experimentation, new methods, disruptive ideas) and accepts smart failures. FP&A has the “psychological safety” to voice opinions/suggestions without fear of negative consequences. FP&A has the ability to adapt well to changing circumstances and technology. Collaboration is encouraged. 		

“We have been asked as finance professionals to shift to being more value-based. We can all create opportunities to teach, lead and be a part of that transformation. We can create a safe space that encourages bravery, where people are able to step out of their comfort zones and do something novel. Encourage authenticity and honesty for your team to express what they can and cannot do, where they will need support and when they make mistakes. Change is a tough business and growth does not coexist with comfort; make it easy for people to succeed.”

—Emma Martin, CFO, APAC, Edelman

Personal and Team Effectiveness

CATEGORY	ELEMENTS	FOUNDATIONAL (HINDSIGHT) → EMERGENT (INSIGHT) → FUTURE-FOCUSED (FORESIGHT)
HOW: PERSONAL AND TEAM EFFECTIVENESS	Ethical Conduct	<p>Foundational and Emerging levels are not listed here intentionally. Ethics and integrity are critical to success in this role and becoming a trusted advisor to the business and the CFO. While the “tone at the top” permeates the culture of an organization, FP&A must recognize and do its part to ensure high ethical standards, honesty and objectivity in its numbers, as well as the best interest of the enterprise.</p>
	Leading practices →	<p>Commitment to competence, confidentiality and integrity. Lead by example. Ethical conduct in the present supports value in the long term.</p> <ul style="list-style-type: none"> – Competence: <ul style="list-style-type: none"> – Perform professional duties in good faith and in accordance with technical, legal and regulatory practices, as well as the letter and spirit of the law in the field of finance. – Ensure accuracy and diligence in preparing and delivering consultation. – Continue to acquire an appropriate level of professional knowledge and skills in finance. – Confidentiality: <ul style="list-style-type: none"> – Maintain confidential information acquired in the course of professional activities and only disclose such information when legally obligated to do so. – Refrain from using or appearing to use confidential information for unethical or illegal advantage, either personally or through third parties. – Maintain access to information in accordance with business needs and seniority. – Integrity: <ul style="list-style-type: none"> – Practice honesty and standards of professional care in all dealings without engaging in any activity that would prejudice your ability to carry out professional responsibilities competently and fairly. Avoid conflicts of interest or the appearance thereof. Act in a consistent manner across all scenarios. – Disclose fully all relevant information that could reasonably be expected to influence business dealings. Present information and insights objectively. – Avoid issues of moral turpitude.

FP&A Maturity Model Version 3.0

Copyright © 2024 by the Association for Financial Professionals (AFP).

All Rights Reserved.

This work is intended solely for the personal and noncommercial use of the reader. All other uses of this work, or the information included therein, is strictly prohibited absent prior express written consent of the Association for Financial Professionals. The *FP&A Maturity Model Version 3.0* or the information included therein, may not be reproduced, publicly displayed, or transmitted in any form or by any means, electronic or mechanical, including but not limited to photocopy, recording, dissemination through online networks or through any other information storage or retrieval system known now or in the future, without the express written permission of the Association for Financial Professionals. In addition, this work may not be embedded in or distributed through commercial software or applications without appropriate licensing agreements with the Association for Financial Professionals.

Each violation of this copyright notice or the copyright owner's other rights, may result in legal action by the copyright owner and enforcement of the owner's rights to the full extent permitted by law, which may include financial penalties of up to \$150,000 per violation.

This publication is not intended to offer or provide accounting, legal or other professional advice. The Association for Financial Professionals recommends that you seek accounting, legal or other professional advice as may be necessary based on your knowledge of the subject matter.



All inquiries should be addressed to:

Association for Financial Professionals

12345 Parklawn Dr., Ste 200, PMB 1001, Rockville, MD 20852

Phone: 301.907.2862

E-mail: AFP@AFPonline.org

Web: www.AFPonline.org



About the Author

Bryan Lapidus, FPAC, director of FP&A Practice for the Association for Finance Professionals (AFP), has more than 20 years of experience in the corporate FP&A and treasury space working at organizations such as American Express, Fannie Mae and private equity-owned companies. He is the staff subject-matter expert on FP&A for AFP, which includes designing content to meet the needs of the profession and helping keep members current on developing topics. Lapidus also manages the FP&A Advisory Councils in North American, Asia Pacific and the Middle East and Africa, which act as a voice to align AFP with the needs of the profession.



CERTIFIED CORPORATE
FINANCIAL PLANNING &
ANALYSIS PROFESSIONAL

The topics in this guide are intended for education and reflect the state of practice for corporate finance. While not intended as study materials for the Certified Corporate FP&A Professional exam, it does relate exam knowledge domains.

FPAC, Certified Corporate FP&A Professional and the FPAC logo are registered trademarks of the Association for Financial Professionals.

Learn more about the FPAC [HERE](#).



ASSOCIATION FOR
FINANCIAL
PROFESSIONALS

About AFP®

As the certifying body in treasury and finance, the Association for Financial Professionals (AFP) established and administers the Certified Treasury Professional (CTP) and Certified Corporate Financial Planning and Analysis Professional (FPAC) credentials, setting the standard of excellence in the profession globally. AFP's mission is to drive the future of finance and treasury and develop the leaders of tomorrow through certification, training, and the premier event for corporate treasury and finance. Learn more at www.AFPonline.org.