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Driving Performance Excellence

Creating a world-class Financial Planning and Analysis organisation



Characteristics of a best-in-class FP&A organisation

Finance organisations in leading companies add value to business by enabling the management to continuously monitor performance against expectation and align individual goals with business objectives

Best-in-class finance organisations align their EPM* strategy to core business issues

Challenges to business

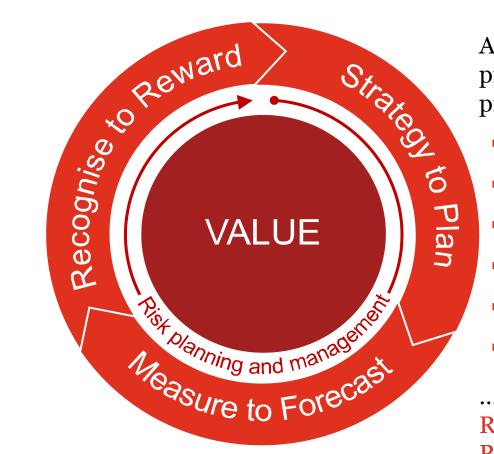
- Balance long term and short term focus
- Make value based strategies operational
- Embrace information transparency & accuracy
- Focus on what is truly important
- Enforce performance driven behaviour
- Establish consistent responsibility structure
- Balance Integration with simplification

Key questions to explore

- Do you have a clear picture of performance across the business?
- Can you provide analysis to the Board that enables confident decision making?
- Is your business strategy cascaded to business unit and team objectives through KPI's?
- Are you able to enforce performance driven behaviour consistently throughout the organisation?
- Do you have genuine foresight through predictive, risk based scenario plans?
- Is your organisation making decisions that affect short and long term focus based on facts and analysis?
- Are F&A personnel spending increasingly more time on analysis and decision support?
- Is your ability to plan and monitor performance against the plan undermined by inconsistent data in multiple systems?

^{*} Enterprise Performance Management

Effective EPM enables an organization to deliver a predictable contribution to sustained value creation...



A world-class performance management process consists of multiple sub-processes...

- strategy development
- strategy translation
- budgeting/target setting
- performance measurement
- performance review
- incentive compensation

... supported by an effective Enterprise Risk Management culture and strong People and Technology capabilities

... through rigorous monitoring of lead and lag indicators that actively support decision making

Key levers for reporting & analytics	Key question
Optimization / Scenario analysis	What is the best / worst that can happen?
Predictive Modeling	What will happen next?
Forecasting / Extrapolation	What if these trends continue?
Time-series forecasting	Why / When is it usually happening? Which are the typical pre-indicators?
Exception reporting	What/ When do you need to take action on exceptions?
Online (fully-flexible) self-service reports	What is the underlying problem?
Online (semi-flexible) reports	Where did the problem occur, why did it occur and at what frequency?
Standard (pre-formatted) reports	What is the current status of the problem and the resolution?

Analysis - based on lead indicators

Typical tools:

- XXX
- XXX

Reporting - of lag indicators

Typical tools:

- XXX
- XXX

How we assist our clients

Our service offerings - mapped to EPM sub-processes and support systems, enable CFOs deliver value to four key stakeholders - board, management, investors and employees

How we assist our clients (1/3)

EPM sub-process	Ares of intervention	Benefits
Strategy development	 Long range planning (LRP) Definition of Value drivers and Strategic objectives Growth option evaluation frameworks Bottom line improvement plan (BLIP) RoCE/ EBITDA improvement program 	 Clarity in strategy Alignment of Strategy and LRP Rigorous focus on relevant enterprise metrics - Shareholder wealth/ROCE/ROI etc.
Strategy translation	 Strategic, Operational and Financial KPIs Balanced Scorecards Management Scorecards Organisation designing/restructuring* 	 Alignment of Strategy and Organisation Seamless translation of strategy to implementation Enhanced accountability across the board Organisation that delivers long-term performance
Budgeting/Target setting	 Product/Service/Project Costing framework Annual planning, Monthly operational budgeting Integrated planning Variance and Performance analysis (e.g Fixed and Variable expenses, Capex RoI etc.) Capital investment governance 	 Clear handover points to improve alignment between strategic plans, business plans and budgets Shift of focus to material and controllable cost drivers Tight integration between planning, execution and monitoring

How we assist our clients (2/3)

EPM sub-process	Ares of intervention	Benefits
Performance measurement	 Monthly variance reporting and analysis Profitability and product/service portfolio analysis framework P&L analysis (and monthly performance reviews) Enterprise consolidation Linking Operational and Financial KPIs, and aligning employee rewards 	 Consistent view of the business across all reporting dimensions Faster decision making capability Predictive analytics and forecasts that provide real foresight
Performance review	 Monthly performance review Board meeting preparations Benefits management programs for large scale transformation initiatives Investor communication strategy 	 Institutionalised culture of continuous improvement Business ownership of financial objectives Rigour in tracking the effectiveness of transformation programs
Incentive compensation	 KPI-KRA alignment frameworks Rewards and benefits program Career development program Design and Implementation of Long Term Incentive (LTI) program 	 Alignment of individual goals to corporate objectives Alignment of incentives to measurable performance Long term career outlook for employees

How we assist our clients (3/3)

EPM sub-process	Ares of intervention	Benefits
Enterprise risk management	 Financial risk assessment frameworks Strategic/Operational risk assessment frameworks Market risk assessment frameworks Defining Key Risk Indicators (KRIs) Linking risks to Strategy and defining 'Strategy refresh' governance process 	 Understanding of revenue, cost and systematic risks and their impact on shareholder wealth Clarity in financial risks associated with the organisation's strategy and operations Insights into organization's performance and risk exposure in light of market movements
People and Technology	 Finance leadership assessment programs F&A Target Operating Model Business acumen training for finance personnel Business-IT alignment in technology transformation programs Benefits management programs in ERP implementation 	 Well articulated finance vision that is aligned with the organisation strategy Competent finance leadership that can meet/exceed board expectations Greater technology ROI Better alignment of finance IT with finance's objectives

Thank you

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