

*Insights
from the
FSN Modern
Finance
Forum on
LinkedIn*

The Future of Planning Budgeting and Forecasting Global Survey 2017

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The Modern Finance Forum

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Gary Simon
CEO FSN & Leader of the
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Dear Colleagues,

I want to take this opportunity to thank all of the members of the FSN Modern Finance Forum on LinkedIn who contributed to the “Future of Planning, Budgeting and Forecasting” (PBF) 2017 survey. The detailed survey was completed by 850 senior finance members from across the globe, making it one of the largest and most authoritative studies of its kind, building on the success of our June 2016 research.

Last year’s survey set a benchmark for forecasting performance which we measure in three dimensions, namely; the accuracy of forecasting, the speed of re-forecasting and the future time-horizon over which organizations feel confident in their forecasts. Despite little improvement in the time taken to reforecast, our 2017 survey shows a modest improvement in accuracy and extending the time horizon. Furthermore around 70% of organizations say that their forecasting process is “respected”, “inclusive” and “strategic”. But disappointingly only 40% say they are insightful! In other words, huge effort is expended in the PBF process yet, in the majority of cases (60%), it fails to support management’s decision-making with the insights it needs to improve performance.

So, the obvious question is what makes the forecasting process insightful? Usefully this year’s research shines a light on the characteristics of insightful organizations and reveals what technologies they deploy in support of this goal.

CFOs clearly appreciate the importance of technology in driving better forecasting performance, for example, 80% agree that standardizing and automating the planning budgeting and forecasting process is the top technology priority for their businesses over the next 3 years. The study also finds that the success of insightful organizations is amplified by the use of ‘cutting edge’ analytical tools, especially those that provide data visualization and charting. But early adopters of more ‘experimental’ methods such as machine learning and Artificial

Intelligence (AI) have yet to demonstrate that these technologies have a material impact on forecasting performance. Still, it's early days and organizations have yet to acquire the skills and experience needed to leverage fully these exciting and potentially transformational technologies.

Of course, forecasting performance is not just about technology. 78% of CFOs recognize that the key to forecasting more accurately lies in greater use of non-financial data as well as the use of rolling forecasts. To this end many CFOs are setting their sights on CRM data as a valuable source of insight.

I hope you find the study interesting and illuminating. Over the next few months we will be exploring and discussing what lessons we can draw from the survey and how we can each improve our contribution to our own organizations.

It is an immense privilege to have worked with you all on this study and I look forward to some quality discussions in the Modern Finance Forum.

Gary Simon

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Executive Summary

Executive Summary

The world of planning, budgeting and forecasting is changing rapidly as new technologies emerge, but the actual pace of change within the finance departments of most organizations is rather more sluggish. The progress companies have made in the year since *The Future of Planning, Budgeting and Forecasting 2016* has been incremental, with a little accuracy gained but very little change to the reliance on insight-limiting technologies like spreadsheets.

That said, CFOs and senior finance executives are beginning to recognize the factors that contribute to forecasting excellence, and there is a groundswell of support for change. They'll even make time to do it, and we all know how precious a CFO's time can be, especially when basic improvements like automation and standardization haven't yet been implemented.

The survey shows that most PBF functions are still using relatively basic tools, but it also highlights the positive difference more advanced technology like visualization techniques and charting can make to forecasting outcomes. For the early adopters of even more experimental technologies like machine learning and artificial intelligence, there is some benefit to being at the forefront of technological change. But the survey suggests that there is still some way to go before machines take over the planning, budgeting and forecasting function.

In the meantime, senior finance executives who are already delivering a respected, inclusive and strategic PBF service need to focus on becoming more insightful, which means using smart technologies in concert with non-financial data to deliver accurate, timely, long term forecasts that add real value to the business.



Making headway

CFOs are making incremental headway in improving their planning, budgeting and forecasting processes, reforecasting more frequently to improve accuracy. But spreadsheet use remains a substantial drag on process improvements, despite organizations increasingly looking towards new technologies to progress the PBF landscape.

That said, respondents seem open to change, recognizing the importance of financial planning and analysis as a separate discipline, which will help channel resources in that direction. At the moment, a slow and steady approach is enough to remain competitive, but as more companies make increasingly substantial changes to their PBF processes to generate better insight, those that fail to speed up will find they fall behind.

Leading the debate

FSN's insights gleaned from across the finance function shed light on the changes happening within the planning, budgeting and forecasting function, and identify the processes that make a real difference to outcomes. Senior finance executives are taking heed of these insights and making changes within the finance function. The most important one is the increasing inclusion of non-financial data into forecasting and planning processes. The Future of The Finance Function 2016 identified this as a game-changer, for the finance function as a whole, and for PBF in particular. It is starting to happen now. Companies are looking towards data from functions outside of finance, like customer relationship management systems and other non-financial data sources.

Senior executives are also finally recognizing the importance of automation and standardization as the key to building a strong PBF foundation. Last year it languished near the bottom of CFO's priority lists, but now it is at the top. With the right foundation, PBF can start to take advantage of the new technology that will improve forecasting outcomes, particularly in the cloud.

There is increasing maturity in the recognition of cloud solution benefits, beyond just cost, towards agility and scalability. With recognition comes implementation, and it is hoped that uptake of these technologies will follow with greater momentum.

Man vs machine

Cloud computing has enabled the growth of machine learning and artificial intelligence solutions, and we see these being embedded into our daily lives, in our cars, personal digital assistants and home appliances. In the workplace, machine learning tools are being used for predictive maintenance, fraud detection, customer personalization and automating finance processes. In the planning, budgeting and forecasting function, machine learning tools can take data over time, apply parameters to the analysis, and then learn from the outcomes to improve forecasts.

On the face of it, machine learning appears to be a game changer, adding unbiased logic and immeasurable processing power to the forecasting process, but the survey doesn't show a substantial improvement in forecasting outcomes for organizations that use experimental technologies like these. And the CFOs and senior finance executives who responded to the survey believe there are substantial limitations to the effectiveness of machine forecasts. As the technology matures, and finance functions become more integrated, machine learning will proliferate, but right now it remains the domain of early adopters.



Analytic tools

Many of the cloud solutions for planning, budgeting and forecasting involve advanced analytic tools, from visualization techniques to machine learning. Yet the majority of respondents still use basic spreadsheets, pivot tables and business intelligence tools to mine their data for forecasting insight. But they need to be upgrading their toolbox.

The survey identifies users of cutting edge visualization tools as the most effective forecasters. They are more likely to utilize specialist PBF systems, and have an arsenal of PBF technology they have prioritized for implementation in the next three years to improve their forecasts.

Even experimental organizations that aren't yet able to harness the full power of machine learning and AI, are still generating better forecasts than the analytic novices.

The survey results are clear, advanced analytics must become the new baseline technology, it is no longer enough to rely on simple spreadsheets and pivot tables when your competitors are several steps ahead.



Insight – the top trump

But technology can't operate in isolation. Cutting edge tools alone won't provide the in-depth insight that is needed to properly compete against nimble start-ups. CFOs must ensure their PBF processes are inclusive, drawing input from outside the financial bubble to build a rounded view of the organization. This will engender respect for the PBF outcomes and align them with the strategic direction of the business.

Most importantly though, organizations need to promote an insightful planning, budgeting and forecasting function, by using advanced analytic techniques and tools, coupled with a broad data pool, to reveal unexpected insights and pathways that lead to better business performance.

Making Headway:

A year of incremental
improvements

Making Headway: A year of incremental improvements

As planning, budgeting and forecasting moves up the corporate agenda, its importance as a strategic contributor is becoming more apparent. Finance executives know the days of static budget preparations and a rigid finance plan for the year are waning, but the pace of change is slow. A few early adopters have embraced innovative and experimental technology through a complete overhaul of their systems and processes, but most will only commit to dipping their toe cautiously into the future of PBF.

In the year since the first Future of Planning, Budgeting and Forecasting survey, there have been some incremental improvements to forecasting outcomes, and some more substantial changes in the processes, specifically the frequency or reforecasting. That said, there are still some very fundamental processes that remain wedged in the spreadsheet era, unable to evolve beyond this relatively limited tool towards new technology and the vastly improved insight it can offer.

The good news

In the year since PBF 2016, organizations have not made any real progress in the time it takes them to reforecast, however there were small improvements in forecasting accuracy. From a low base (3.6%), a further 0.5% of finance executives are now able to reforecast earnings to within +/- 1%, a percentage increase of 13%. Meanwhile an additional 3.5% are able to reforecast to within +/-5%, bringing that total up to 38% of the organizations surveyed, a percentage rise of 9%.

Compared with last year, revenue was a little easier to forecast and enjoyed a similar up-tick in forecasting accuracy in 2017. An additional 4.5% of organizations were able to forecast revenue to within +/-5% accuracy, reflecting an 11% year on year increase.

There was also a slight improvement in the number of organizations that are unable to forecast beyond six months, with exactly half finding 6-monthly forecasts difficult, compared with 56% last year. But the figure remains very high and indicative of the unstable economic and political climate that is limiting company's longer-term view of the future.

But more substantially, there has been a large increase in the percentage of companies reforecasting more than twice a year as businesses try to manage volatile market conditions. 71% now reforecast more than twice a year, up from 56% last year.



55% of organizations are able to reforecast within one week.



44% of organizations are able to forecast revenue within +/- 5% accuracy

The bad news

CFOs are overcoming market volatility and driving small improvements in forecasting accuracy by reforecasting more frequently.

Incremental improvements are the result of incremental process and technology changes, but spreadsheets, the most limiting of technologies, remain embedded in many organization's core PBF function. 70% of businesses say they rely heavily on spreadsheet reporting across all their business units, only 16% are using on premise specialist software, and just 10% have implemented specialist cloud software across all their business units. All of these numbers have hardly changed since last year.

It seems that while the processes remain unchanged, an increase in the frequency of reforecasting is having some impact on the accuracy of the forecasts. The benefits of increased reforecasting are not to be dismissed, but in isolation these incremental improvements will quickly plateau. To enjoy a far bigger step-change in accuracy and rapidness, companies need to make a step-change in processes and technology.

Recognizing the benefits

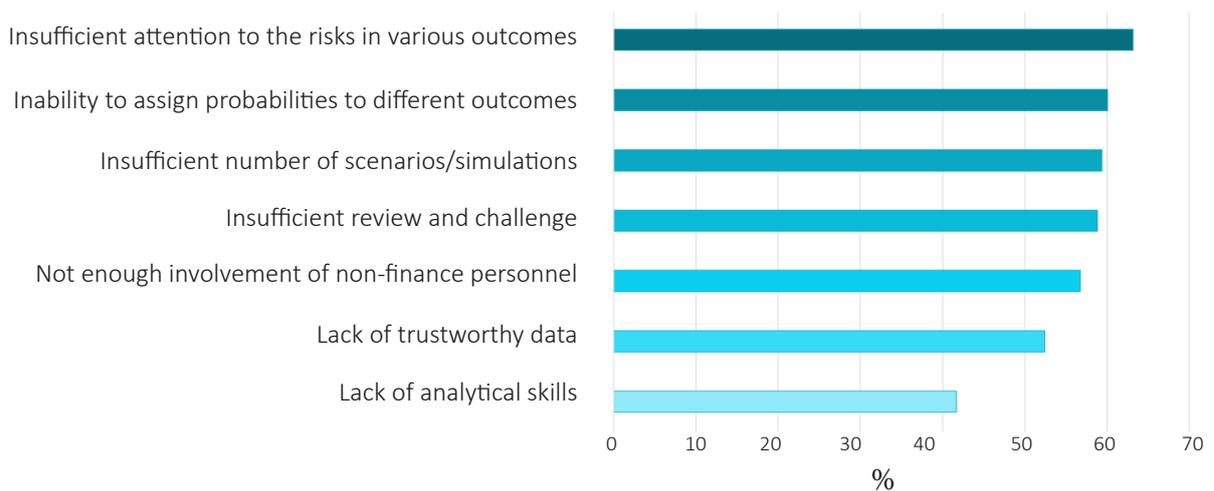
The strategic benefit of trustworthy, accurate insight cannot be underestimated. Which is why Financial Planning and Analysis (FP&A) professionals are carving out a very effective niche within the wider strategic foundation of many organizations. The evidence of this is the expectation that 71% of organizations intend to separate their FP&A function at some point. This compares to the 65% of finance executives who last year agreed that FP&A will increasingly become a separate discipline from the accounting function.

This year's survey sheds some light on what characterizes good planning, budgeting and forecasting. Companies that view their processes as insightful lead the pack in terms of accuracy, speed and forecast horizon, and the common characteristics of those companies are an understanding of the importance of non-financial data and the use of cutting edge technologies to take their analysis to the next level. CFOs who aren't there yet have something to aim for and they seem minded to make the changes. Whereas time has been a constraint on change for other areas of finance, only one fifth of respondents said it would be too difficult to change their PBF processes, and just 23% said they didn't have time to look into other budgeting processes.

It will inevitably take time for PBF trends to improve to the degree possible with innovative technology. Uptake of new technology, especially dedicated cloud solutions that can vastly improve the efficacy of the PBF process, remains slow, but, importantly, steady. Over the next year, as mounting evidence of the effectiveness of accurate insight impels organizations to seek out new solutions, there will hopefully be a more marked change in the fortunes of Planning, Budgeting and Forecasting.

Figure 1:

Apart from time what are the biggest barriers to forecasting accuracy?



Leading the debate:

CFOs are taking
note of the **FSN**
modern finance
agenda to improve
performance

Leading the debate

At the heart of all change is informed discussion. As the PBF landscape changes, FSN's surveys delve into the successes and frustrations of executives at the helm of this evolution, and they are taking heed of our insight.

Recognition for non-financial data

Last year's survey identified non-financial data as a game changer for PBF, but it was languishing at the bottom of CFOs' priority list. Now CFOs recognize it as the key to forecasting more accurately, with 78% of senior finance executives in agreement that greater use of non-financial data is the best way to improve the PBF process and outcomes. Underscoring this view, 76% of respondents recognized the importance of connecting with more stakeholders from outside of the finance function to improve the accuracy of forecasts.

Yet despite now recognizing the obvious benefits of leveraging non-financial data to provide a more well-rounded corporate view of the future, senior finance executives are still struggling to fully understand and extract its true value.

While they recognize that there is considerable insight to be gained from non-financial data 74% of CFOs and senior finance executives are still struggling to identify all relevant non-financial data sources. A quarter say their senior managers do not appreciate the value of non-financial data and 23% delegate non-financial data tasks to more junior staff despite 43% of respondents ranking it in their top 3 sources of 'most insightful data'. Meanwhile 41% of CFOs are concerned about the integrity of non-financial data and believe it is less reliable than financial sources.

Finance executives are taking on board the evidence FSN presented that non-financial data, has a substantially positive effect on PBF outcomes, but need to focus on identifying its sources, ensuring these are trustworthy and robust, and convincing senior leadership of its efficacy.



78% of organizations agree the key to forecasting more accurately is in the greater use of non-financial data



43% of CFOs rank non financial data it in their top 3 sources of 'most insightful data'

Automation and standardization

Standardization and Automation top the CFOs priorities

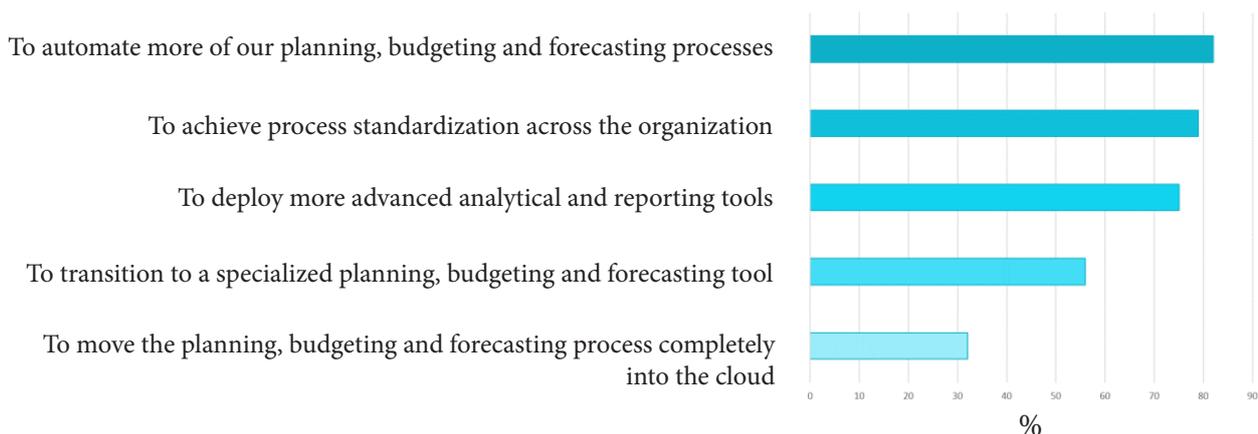
FSN's Future of the Finance Function survey last year identified standardization and automation as the fundamental cornerstones on which to build a modern finance function. Standardizing and automating frees up well qualified personnel for retraining into higher value roles, and allows senior finance executives to carve out time to improve their PBF processes and insights.

At the time of the 2016 survey, these two processes were also stuck, mid-table, under a growing pile of CFO priorities. But this survey points to a shift in perspective as FSN's insight gains traction. Automation tops the list of technology priorities for senior finance executives followed closely by standardization (82% and 79% respectively). There is growing recognition of the value of laying strong foundations on which to access new technology and redirect intellectual resources towards higher strategic goals.

Similarly, linking front and back-office functions was low on the priority list last year despite the data demonstrating that it improved forecasting accuracy and freed up time for executives to focus on strategic imperatives. This year, there is a growing interest in data sources direct from the front-line of customer engagement. A quarter of respondents ranked data from customer relationship management (CRM) systems top of their list of insightful data over the next three years. General ledger was understandably ahead, ranking first for 34% of finance executives, but the trend does show a keen interest in linking up with the front office to reinforce the insights in planning, budgeting and forecasting.

Figure 2:

What are your technology priorities for implementing changes to planning, budgeting and forecasting in your business over the next 3 years?



Head in the cloud

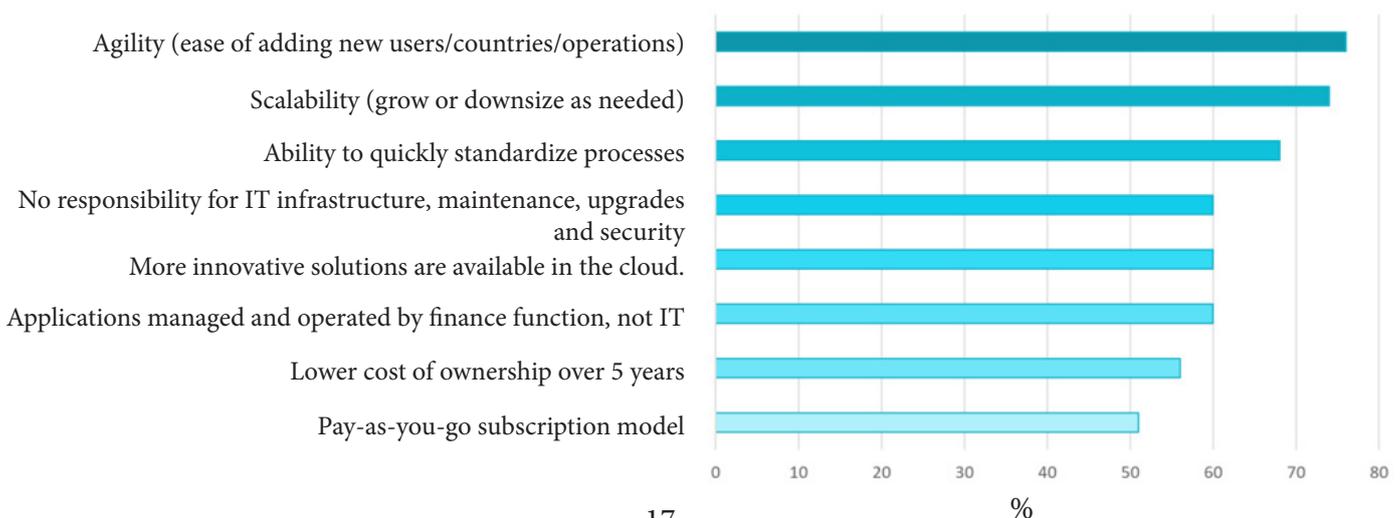
FSN's research into the finance function, PBF and financial reporting all present strong evidence of the beneficial effects of cloud solutions, and we have not been shy to hammer this point home. It hasn't been a total epiphany but senior finance executives' understanding of cloud benefits are maturing, from a straight cost decision to one that includes agility and scalability.

Only 4% of respondents disagreed that scalability is a key benefit of moving PBF to the cloud, while three quarters agreed it was. Agility also scored highly, with just 6% unable to extol the benefits, but 76% wide open to this advantage of cloud technology.

Senior finance executives are beginning to recognize the benefits of preparing their finance function through standardization and automation, so they can utilize cloud technology to bring in more balanced data from non-financial sources. For example, where organizations have introduced the cloud, the survey shows that uptake from marketing has been high. This promotes better integration and the opportunity to capture rich CRM data within finance, improving planning, budgeting and forecasting outcomes.

Figure 3:

From your experience what would you now regard as the benefits of moving to the cloud?



‘Man versus Machine’:

Early adopters
unconvinced by AI and
Machine Learning

Man vs Machine

People have been using machines to take the drudgery out of repetitious finance tasks for decades, but as those machines have become more powerful, their role in the process is increasing. Automation is the most basic of machine processes, and its proliferation has made it a necessity just to survive in today's business environment. But to thrive, companies must make sense of the growing volume of data being generated in every corner of a business. And to manage that level of analytical complexity within the planning, budgeting and forecasting function now requires a far more complex machine.

Artificial intelligence (AI) is no longer a pipe-dream, or a buzzword. It has become a reality in many situations, from Siri to Alexa to Nest smart thermostats. They all use behavioral algorithms to get smarter and improve the accuracy of predicting what we want, when we'll want it. Machine learning allows computers to find hidden insights in vast data stores, without specifically being asked where to look.

Its application within planning, budgeting and forecasting is still relatively nascent. Only 14% of respondents said their approach to analytics included machine learning and AI. The number of dedicated machine learning technologies that substantially enhance PBF is growing, but uptake is still in its infancy, perhaps held back by a wider delay in the transition to cloud applications.

Uptake may be low but there is keen awareness of the latent potential for these more experimental technologies. 56% of CFOs and their senior finance executives agree or strongly agree that we will become more dependent on machine learning to drive more accurate forecasts. They know that humans bring innate preference and partiality to their decision-making, and half the respondents believe that we are introducing too much of that bias into forecasting.



Artificial intelligence (AI) is no longer a pipe-dream, or a buzzword. It has become a reality in many situations. But its application within planning, budgeting and forecasting is still relatively nascent. Only 14% of respondents said their approach to analytics included machine learning and AI.



56% of CFOs agree or strongly agree that we will become more dependent on machine learning to drive more accurate forecasts.

We accept that machine learning is the future but do we have the skills to leverage it?

But despite the foresight to see a future with machine learning in it, 64% believe that humans will always play a greater role than machines in forecasting. They see global uncertainty as a hindrance to computational prediction, with 56% citing this as a limit to the usefulness of machine prediction. Therefore only 29% think we should rely more on machine generated forecasts.

At the moment, they might be right. Those small number of CFOs that already use AI and machine learning in their PBF process are no more likely to be able to forecast beyond one year than those who use less advanced technology like spreadsheets, pivot tables and advanced visualization programs (17% vs 18%).

There is some impact on the time it takes to reforecast, with 61% able to reforecast in under a week compared with 55% who don't use AI or machine learning, and there is also a modest improvement in accuracy. 45% of organizations that use AI and machine learning can forecast earnings to within +/- 5% accuracy, compared with 40% using less advanced technology.

Considering the fanfare with which machine learning and AI are presented in the press, the fact that there wasn't a hugely significant difference in forecasting outcomes could be taken as a victory for naysayers. But there are many possible reasons for the lack of substantial impact.

The most powerful effect of machine learning will come when it is integrated fully into an organization's wider systems, incorporating financial and non-financial data to be able to learn from scenarios and events with the richest source of information. This will only come in time. Basic standardization is not even effected across all business units, whereas AI and machine learning require richly linked data repositories. Until the right foundations are in place, the effects of machine learning will be limited by the quality and quantity of data from which it learns.

Advanced analytics: Are your tools too basic?

Organizations that use “cutting edge” technology are more likely to be insightful

Advanced analytics – Are your tools too basic?

Most finance executives believe their analytic tools are a step up from the baseline spreadsheet analysis, but even ‘advanced’ tools like pivot tables and business intelligence lag well behind the cutting edge visualization techniques and experimental machine learning that make a real difference to forecasting accuracy.

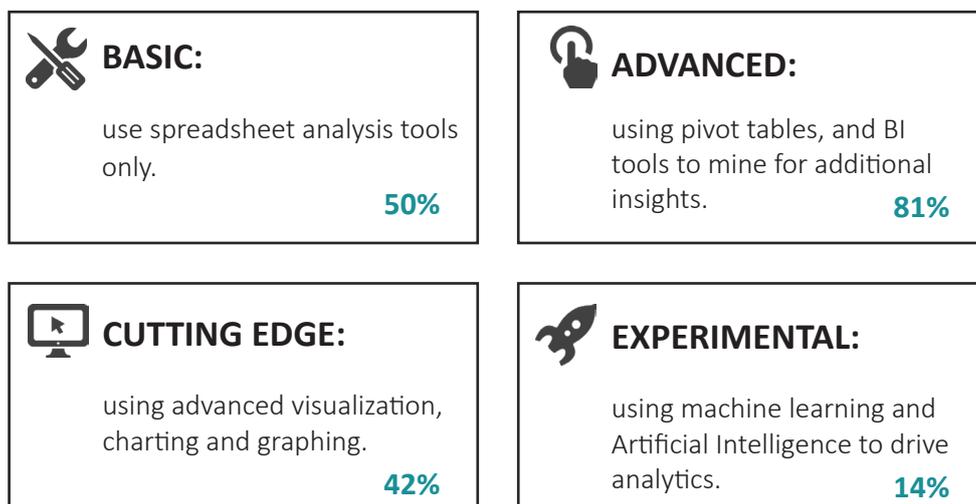
42% said they used cutting edge tools like advanced visualization, charting and graphs.

In this year’s survey, CFOs and senior finance executives were asked which tools formed part of their PBF arsenal, and half said they used basic spreadsheet analysis in at least some of their processes. 81% described their analytics as advanced, incorporating pivot tables and business intelligence tools, while 42% said they used cutting edge tools like advanced visualization, charting and graphs. Only 14% described their tools as experimental, incorporating machine learning and artificial intelligence.

While these descriptors weren’t mutually exclusive, the responses show a trend towards advanced tools and a sharp drop off at the experimental end of the scale. This is to be expected, as new technology will always take time to mature and plateau. What is telling, is how these companies performed in terms of forecasting accuracy, agility and forecast horizon.

Figure 4:

CFOs were asked how they would describe their approach to analytics...



Making the cut

The expectation might be that using the newest and most advanced tools would elicit the best outcomes, but in two of the three key performance indicators, cutting edge companies came out ahead of their counterparts, while experimental companies performed better in one key KPI.

Companies with an experimental approach to PBF technology won out on speed, where 61% were able to reforecast within a week, compared with the 55% who did not describe their tools as experimental.

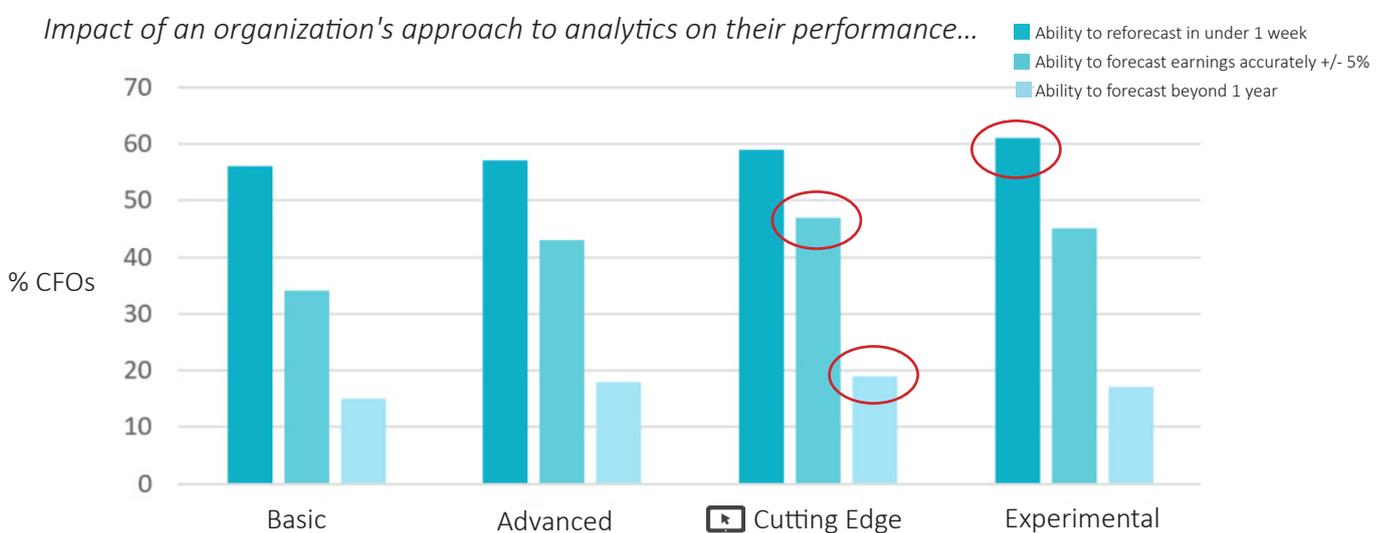
Cutting edge companies though were more accurate, with 47% able to forecast to within +/-5%, compared with 34% who were not cutting edge. And foresight, while marginal, still showed that cutting edge companies edged in front of experimental ones in their ability to forecast out beyond a year.

New developments in technology are an essential part of progress- the digital revolution has made this clear. But new technology is not always a panacea. In the case of machine learning and AI, there is clearly still some way to go before businesses are ready to take advantage of these powerful tools.

Meanwhile cutting edge companies are managing to extract the best value out of their PBF tools. Their profile is of a tech savvy organization that understands the importance of the cloud and generates its cutting edge insight from specialist PBF systems. Cutting edge companies are more likely to prioritize specialist planning tools, deploy more advanced analytical tools and move the PBF processes into the cloud in the next three years than their less cutting edge competitors.

Some are already there. 40% use specialist PBF software in the cloud, compared with 27% of the remaining respondents, and they are also more likely to use specialist PBF software on premise (13% vs11%).

Figure 5:



Aim for insight

Having the right technology is only part of the solution. Insightful organizations set themselves apart in terms of their ability to handle non financial data. As we have seen from the Future of the Finance function research, mastering non financial data is the key to being able to forecast accurately and further into the future.

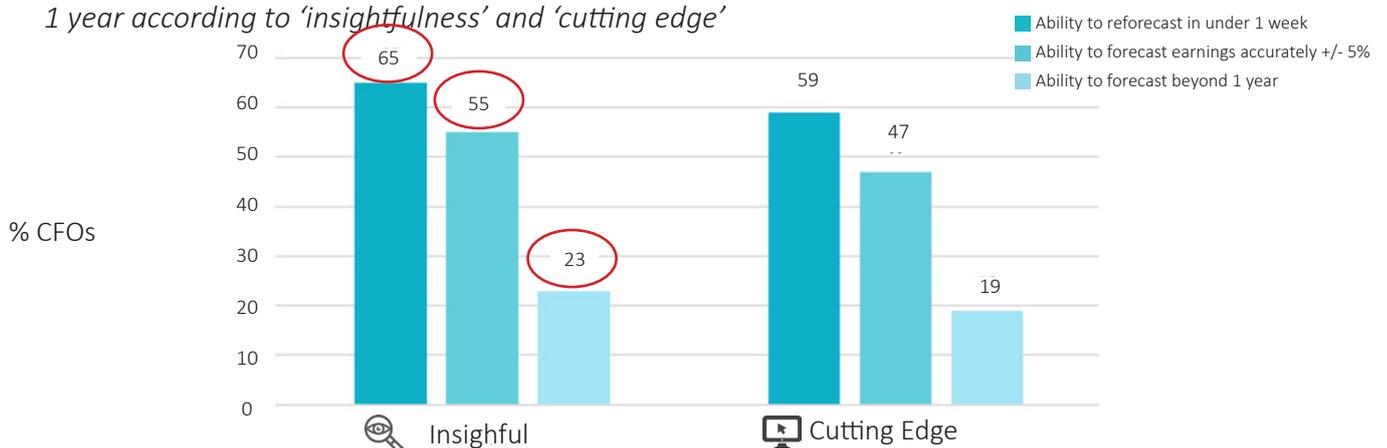
Cutting edge technology is all very well, but it's not the final word on planning, budgeting and forecasting. In a straight showdown against companies that describe their PBF process as insightful, cutting edge fell short on all three key KPIs (see figure 6 below). The message is – it's better to be cutting edge in your PBF tools rather than relying on spreadsheets and pivot tables, but it's even better to be insightful, which incorporate elements of cutting edge technology, but also a recognition of the value of non-financial data.

Having the right technology is only part of the solution. Insightful organizations set themselves apart in terms of their ability to handle non-financial data. As we have seen from the Future of the Finance Function research, mastering non-financial data is the key to being able to forecast accurately and further into the future.

Technology is a vital part of the evolution of the planning, budgeting and forecasting function, but it cannot work in isolation. Organizations must strive to become insightful, using their cutting edge tools to get there.

Figure 6:

Percentage of CFOs that are able to reforecast quickly, forecast accurately and forecast beyond 1 year according to 'insightfulness' and 'cutting edge'



**“Insightful”
organizations drive
better all-round PBF
performance**

Respected, Insightful,
Inclusive, Strategic –
How does your PBF
process stack up?

Respected, Insightful, Inclusive, Strategic – How does your PBF process stack up?

When does a forecast gain the respect of the whole organization? When it is trusted by all levels of management? When it engages with many stakeholders to provide the most inclusive view? When it uses advanced analytical techniques to reveal unexpected insights? Or when it is closely aligned with strategy to underpin decisions at the heart of the business?

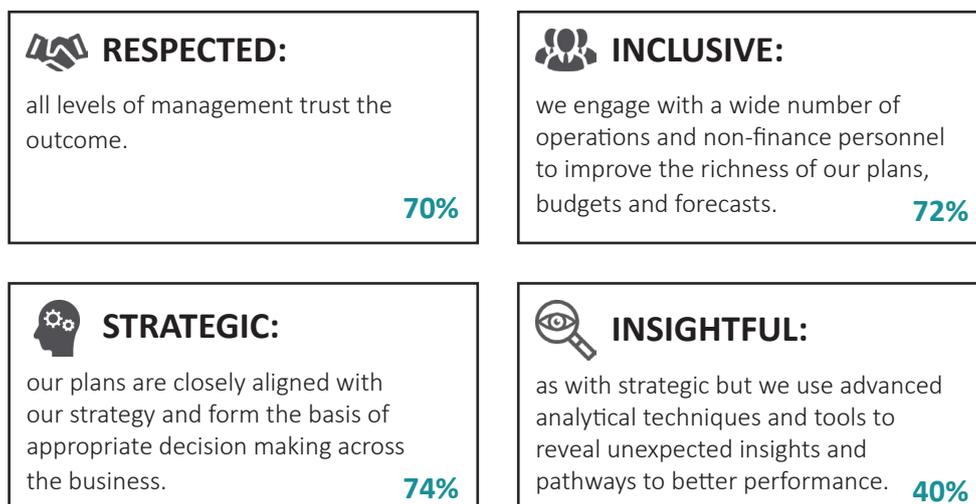
Just 40% of organizations claim their PBF process is insightful.

In a perfect world, planning, budgeting and forecasting would encompass all these traits. In reality, at least some of them are being realized. 70% of senior finance executives believe their PBF processes are respected, 72% believe they are inclusive and 74% believe they are strategically aligned. But, and it is an important but, only 40% characterized their PBF process as insightful, defined as the use of advanced analytical techniques and tools to reveal unexpected insights that lead to better performance.

That's not to diminish the achievements of the respected, inclusive and strategic CFOs. It remains vital to ensure organizational buy-in for plans and forecasts, by including all stakeholders. This in turn leads to trust and respect in the process and helps to focus the outcomes on the organizations own strategy.

Figure 7:

CFOs were asked how they would describe their planning, budgeting and forecasting process



Inside an insightful mind

But companies with insightful PBF processes do better on three key forecasting outcomes – the ability to reforecast in under a week, the ability to forecast earnings accurately within +/-5% and the ability to forecast beyond a year. Accuracy, agility and forecast horizon are key indicators of a robust PBF process yet less than half of respondents believe their own processes are insightful.

65% of insightful companies can turn their forecasts around in under a week, compared with 48% who did not consider their process insightful. Insightful companies are more accurate, with 55% reforecasting to within +/-5% compared with 31%, and 23% are able to forecast beyond a year, compared with 13% for non-insightful companies.

There are many indicators of insightful success. Insightful companies have a strong tendency to use rolling forecasts (43% vs 29%), they are more likely to depend on specialist software in all their business functions (29% vs 14%) and they are less likely to depend on spreadsheet modeling (67% vs 76%).

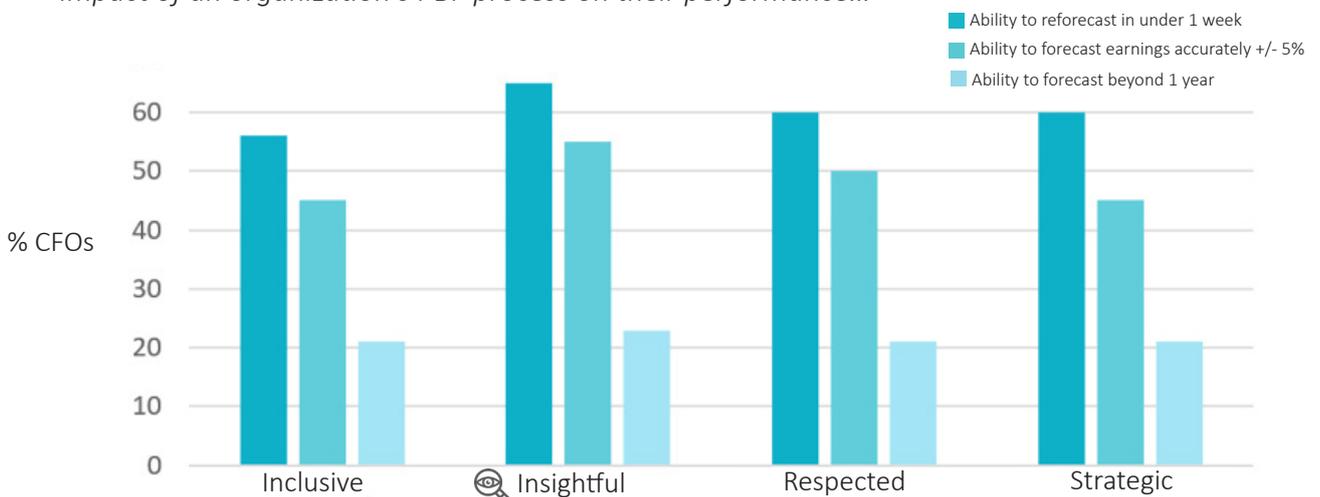
Insightful CFOs also put more emphasis on improving accuracy through the use of granular models, with 52% agreeing that deploying larger more granular forecast models would be the best way to improve the accuracy of forecasts, compared with 42% of non-insightful respondents.

Their approach to analytics was more cutting edge, with 59% using advanced visualization, charting and graphs compared with 26%. And 22% of insightful finance executives also said they used experimental technologies like machine learning and artificial intelligence, compared with just 5% of respondents who didn't identify as insightful.

Crucially, senior management are more likely to appreciate the importance of non-financial data, which the Future of the Finance Function has shown is critical to improving forecasting accuracy and agility.

Figure 8:

Impact of an organization's PBF process on their performance...



Working together

It’s clear that the smart use of analytical techniques has a positive impact on forecast outcomes, and organizations should aspire to moving towards these goals. But it’s also clear they don’t work in isolation. Analytics requires the most relevant data, which demands inclusivity, and the outcomes need to be trusted and respected in order to underpin the group strategy. The survey suggests that senior finance executives are most often achieving their PBF goals in combination. 28% of respondents believed their PBF process were all these – respected, inclusive, insightful and strategic. A further 28% identified with three of these elements, and only 13% agreed with just one element.

Just 28% of organizations believe they met the criteria for respected, inclusive, insightful and strategic

The most common pairing was inclusive and strategic, with 60% of respondents choosing those two elements in tandem, which supports the idea that getting the right stakeholders to contribute to forecasts helps align the outcomes across the entire organization.

Equally revealing, the least common pairing was insightful and inclusive, with just 33% choosing these two elements together. This suggests that you can’t gain real insight unless you include information from outside the finance function, but equally that without advanced analytical techniques, inclusive information won’t reveal its hidden insights.

It’s unrealistic to expect organizations to be all things to all people. In planning, budgeting and forecasting there is a strong movement towards inclusivity which is having a positive impact on strategy and respect. And while this is laudable, more needs to be done to add insight into the mix to improve outcomes and find pathways to better performance.

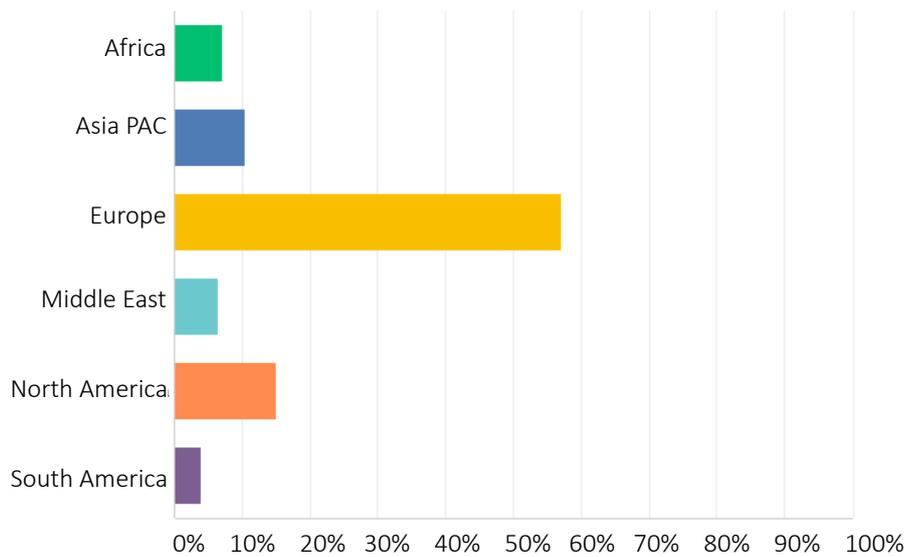
Methodology

METHODOLOGY

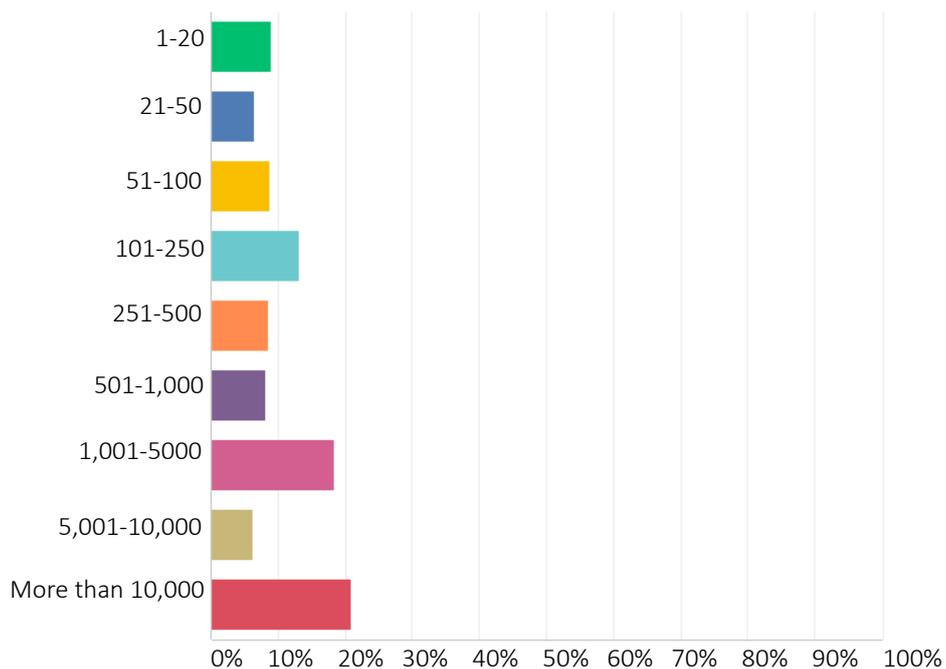
The survey drew responses from 849 international senior finance professionals from our 50,000 strong FSN Modern Finance Forum on LinkedIn.

This survey covered finance professionals across 23 different industries. 80% of these professionals were considered to have senior job titles and above.

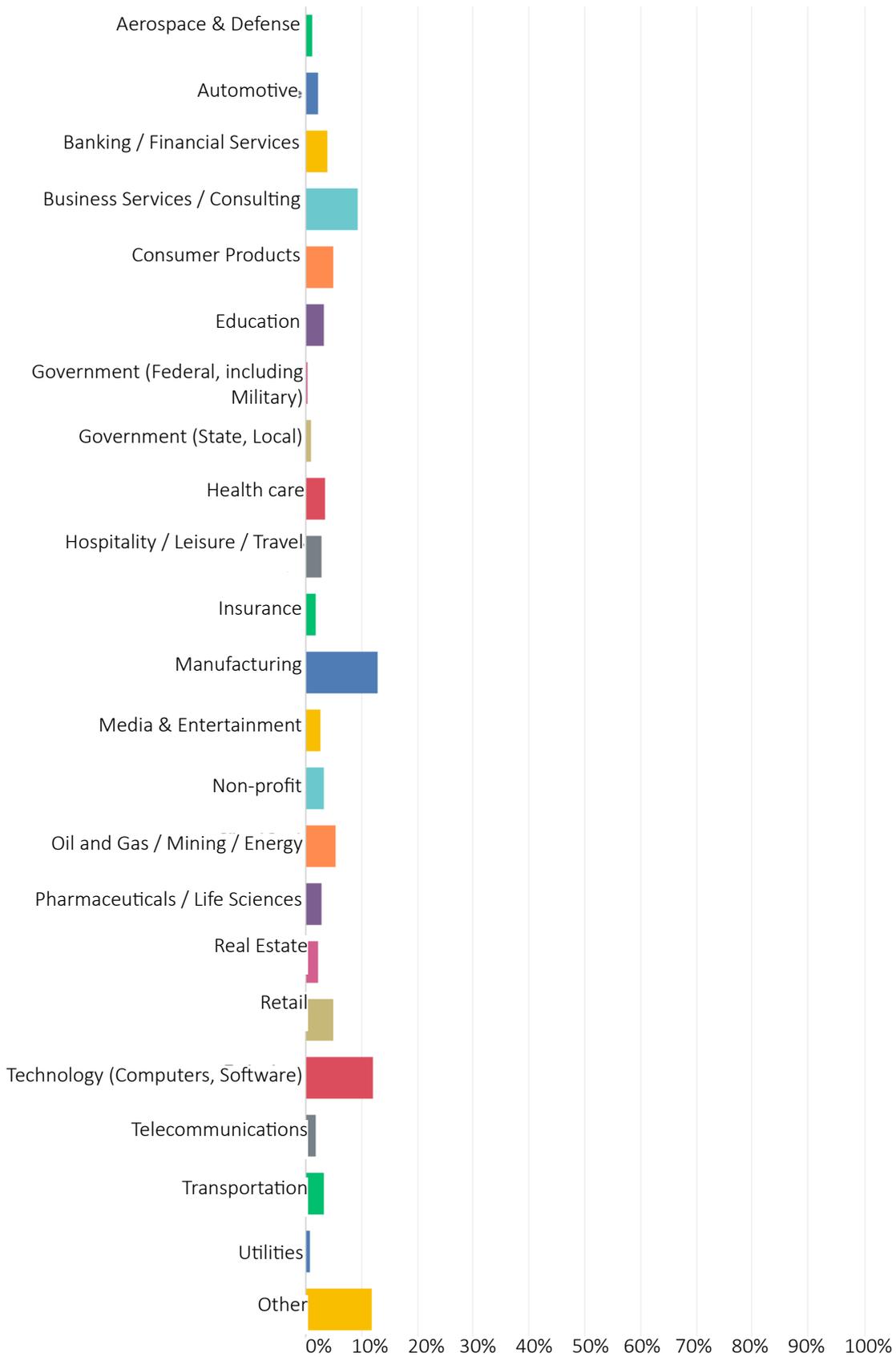
Geography of Respondents



Organizational Size- Number of employees



Industry of Respondents



ABOUT FSN

[FSN](#) is a global publisher of thought leadership, research and “must-have” content for CFOs and senior finance professionals around the world. FSN’s highly popular and active [Modern Finance Forum](#) on LinkedIn has a membership of more than 48,000 readers in more than 23 countries and across every major industry segment. It is also the publisher of the popular www.fsn.co.uk website and regularly holds networking dinners and events for its members.

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