



INDUSTRY BENCHMARK REPORT 2022

The State of Strategic Finance



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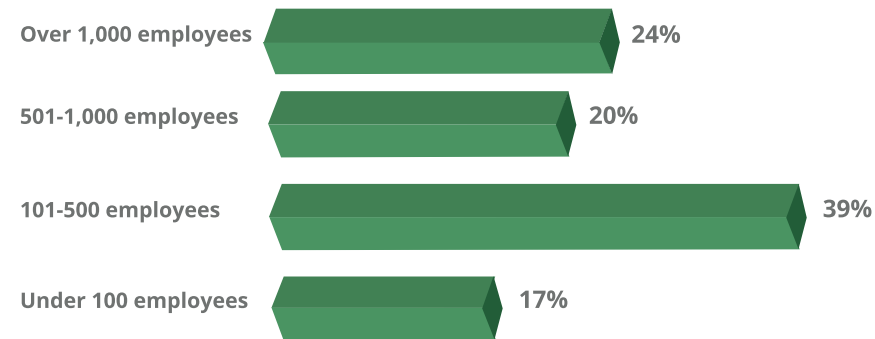
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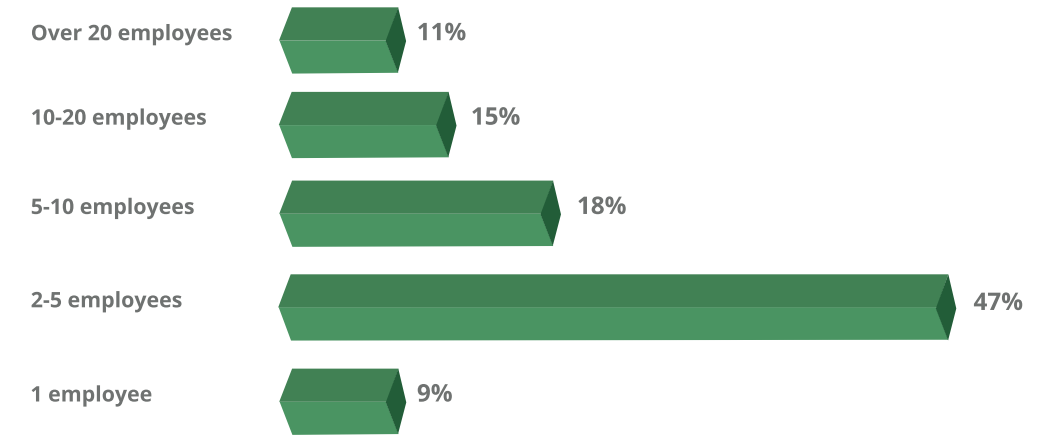
About This Survey

The Vena 2022 Benchmark Report is based on a survey of 132 business leaders and finance and operations professionals. The survey took place in May 2022 and included respondents from companies ranging from under 100 to over 1,000 employees, with 39% coming from companies of 101–500. Eighty-one percent of respondents came from finance or accounting departments, with teams ranging from one person (9%) to over 20 (11%) and 47% coming from teams of two to five. Responses emerged from across industries—including software and technology (13%), manufacturing and transportation (12%), healthcare (11%), not-for-profit (7.5%), banking and credit unions (4.5%) and insurance (1.5%).

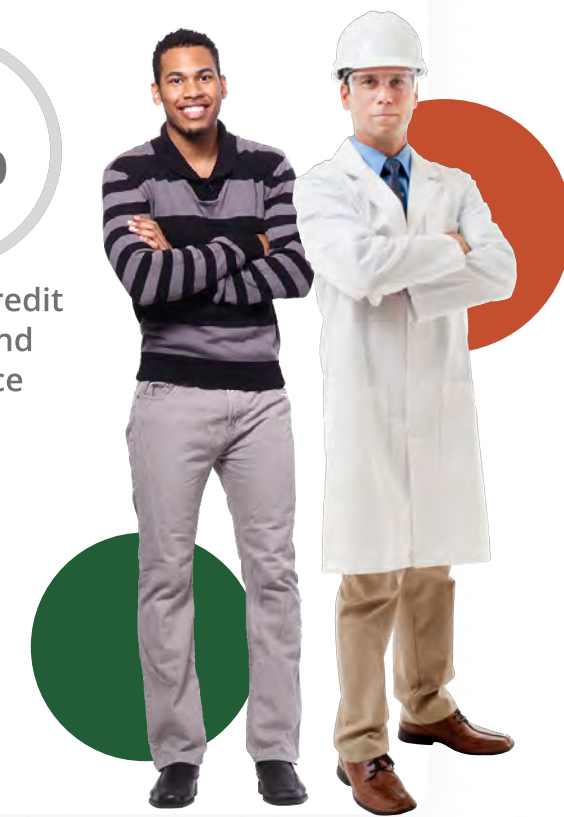
Company employee size



What size is your immediate team?



What industry do you work in?





Introduction

If 2022 has accomplished anything, it's to reinforce an old adage. Uncertainty is the only certainty there is, we've learned this year. And then some.

It's been a year marked by disruption. Even as the pandemic stretches on, the world has found itself face to face with supply chain breakdowns, the war in Ukraine, rising inflation, interest rate hikes, labor shortages, mass layoffs and stock market declines. By the time you're reading this, there's a chance that we could be in the midst of a recession as well.

"Unprecedented" has been a word thrown around a lot over the last few years. But in the past year, it took on new definitions with a level of unpredictability and complexity we've rarely seen before. And with the rapid pace of change and challenges around every corner, navigating through the always-evolving business landscape has never been more difficult.

All of this means that, more than ever, finance teams need to be agile and proactive. And they need to be able to enable their organizations to be agile, adaptable, proactive and efficient too. To accomplish that, the finance function can't afford to sit on the sidelines. Rather, finance has to find a place at the heart of strategy.

“With the rapid pace of change and challenges around every corner, navigating through the always-evolving business landscape has never been more difficult.”

With their comprehensive view of strategic priorities, capital allocation and financial performance, finance teams are in a unique position to become business challengers in a time where every repercussion of every planning decision risks reverberating in unexpected ways. And they are quickly becoming the linchpin for business-wide collaboration, decision making and agile planning in an uncertain and volatile business environment. By owning that position and taking a leadership role in driving performance, they can help navigate their organizations through whatever comes next.

And, as it turns out, that's exactly what they're doing. Through our 2022 benchmark survey, Vena was able to get a snapshot of the role finance teams have been playing during this turbulent time. And it's clear they aren't shying away from meeting the moment.

But how well positioned are they to *own* the moment? Do they have the tools, processes and people in place to help their organizations stay agile, proactive and drive performance in the face of the next uncertainty?

For our 2022 Benchmark Report, Vena wanted to find out.





Here Are Some of Our Key Findings This Year:

- 1 Finance leaders have become strategic partners to the business.** While there were still some respondents (13%) who said that their finance leaders are only asked for advice when it comes to finance-related decisions, 40% said their finance leaders have a seat at the table for most strategic planning decisions. Even more promising: another 28% have taken a seat at the *head* of that table—leading strategic planning discussions. In that capacity, they’re creating value in a number of ways—specifically when it comes to costs and margins (50%), revenue growth (34%) and operating risk (27%). But the fact that costs and margins are at the top of the list make us wonder if finance leaders are fully recognizing the top-line value they can bring as a strategic partner.
- 2 As strategic business partners, finance teams are adding value business wide.** Forty-one percent of the teams surveyed are influencing and challenging day-to-day decision making across the business. More than a third—39%—are building relationships with key stakeholders, 38% are enabling cross-functional collaboration and insights and 31% are driving strategic and tactical initiatives. But teams are still being held back and looking to build on their strategic capabilities. A full 50% of respondents said their teams are focused on improving data-driven decision making and 46% say they’re still spending too much time wrangling data.

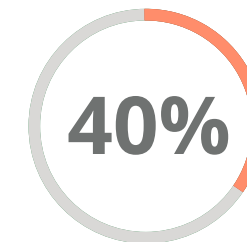
3 Revenue growth is still the most desired outcome teams are striving to achieve. Even through the uncertainties of 2022, more than half (52%) of teams have been focused on revenue growth. That's a good sign that they still see that growth as obtainable, even with the challenges they've faced. But it's not all that teams are concentrating on: cost optimization (33%), profitability optimization (25%) and faster financial close management (21%) were priorities for many of our respondents too. But only 15% called out risk mitigation as a priority in 2022—surprising in a year where new risks and challenges have been prevalent.

4 Finance teams are still spending too much time on manual processes. This leaves less time for value-adding activities such as developing a deep understanding of business performance and collaboration with key stakeholders to support decision making. Of the organizations we surveyed, 73% said they spent too much time on manual processes associated with planning and budgeting activities, such as data entry and validation. But that's not the only problem they're facing. While data-driven decision making may be a priority for many, there are still obstacles getting in the way—including data silos (31%) and data integrity (31%). Fortunately, 61% of organizations are planning to increase their technology investment—with data integration, finance-owned data analytics and automation at the top of the list.

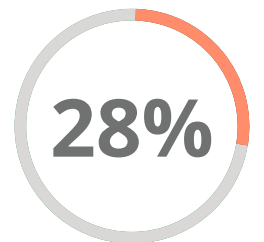
5 Businesses are still relying on Excel to power their planning processes. A full 86% of the organizations surveyed are still using Excel, regardless of the presence of other planning technology—with 73% saying it's central to all of their financial and operational planning processes. And that makes sense. When times are tough, people naturally go back to what they know. Excel offers familiarity as well as flexibility, with strong modeling capabilities. So why force unnecessary change in already turbulent times? While Excel allows teams to move quickly, though, it has limits. But, with the right technology investments, finance teams don't have to abandon Excel. They can enhance its full functionality for strategic business value with structured, database-centric controls, automations, data integrity and reporting. And controlled workflows can help finance teams bolster their internal controls.

So does that mean finance organizations are well positioned to usher businesses through the increasingly complex and rapidly shifting business landscape? Are they ready to be agile, proactive and confident in their strategic, financial and operational decision making? And are they prepared for the prospect of having to do more with less, to continually adapt and grow in order to elevate their organizations to overcome the unprecedented challenges they face?

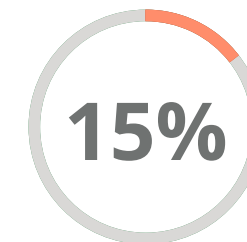
How closely does your finance team work with executive leadership in building out business strategy?



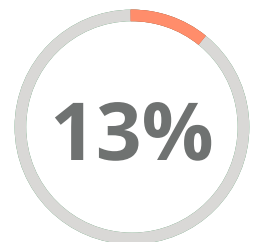
Have a seat at the table for most strategic planning discussions



Lead strategic planning discussions



Are asked for their advice on strategic planning decisions and it's usually taken into consideration



Are only asked for their advice on the financial aspects of strategic planning decisions, such as budgeting





The State of the World

Today, if businesses aren't prepared for anything, they risk everything. And in 2022, we've come to realize that there's always a new challenge ready to emerge.

That gives finance leaders a critically important role. To navigate an increasingly dynamic business environment and drive agility, proactive decision making and business performance, they must put the right infrastructure in place. That includes the people, processes and technology that will help them drive timely and informed decisions. This in turn will enable flexibility, adaptability and resilience in financial, operational and strategic planning.

So how prepared are finance leaders for this role? And what challenges are they focused on as they set themselves up for any prolonged turbulence ahead?

“To navigate an increasingly dynamic business environment, finance professionals must put the right infrastructure in place. That includes the people, processes and technology that will help them drive timely and informed decisions.”

Responding to Global Events

When asked what factors contributing to current global market volatility have affected their business most, it's not surprising that respondents said that the COVID-19 pandemic has still had the most impact. Forty-two percent of respondents named it as a significant influence on their business.

But other disruptive forces have made their mark as well, including inflation (36%), the hyper-competitive labor market (33%) and supply chain issues (24%). The hybrid work environment is having less of an impact this year, though, with only 10% of respondents saying they've been impacted by it significantly.

Which of the following factors contributing to global market volatility do you feel have impacted your business the most?



Staying on Top of Market Changes

It seems organizations are prepared, or at least a majority say they are.

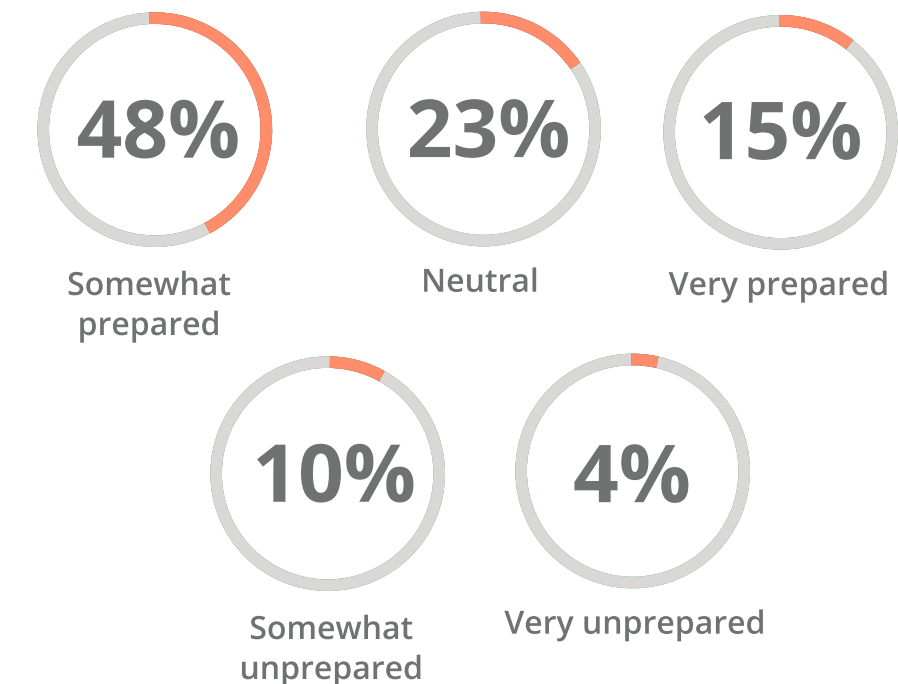
Sixty-four percent of organizations say they're either somewhat or very prepared for market changes. They're ready to leverage agile planning to pivot in the face of market volatility, ambiguity, uncertainty and complexity. A vast majority are engaging in operational planning and analysis (90%) and strategic planning and analysis (89%) this year—an indication that short-term and long-term planning, as informed by finance, are both top of mind. Teams are focused on what's going to get them through the next year while reassessing what their three-to-five year vision and goals should look like if the current market downturn is prolonged.

Of the finance organizations surveyed, 61% practice agile planning that enables them to revise and facilitate iterative changes to financial and operational plans, easily adjust and change assumptions and share them with their management team. When asked what benefits of agile planning most resonated with them, proactive decision making (32%) was the top answer. Expense reduction or efficiencies (11%), uncovering previously unidentified risks (8%) and optimization of revenue (7.5%) also resonated—with 42% of respondents listing “all of the above.”

But what other processes are finance teams drawing on to stay agile and proactive in this new world? And how are people and technology helping them along the way?



How prepared has your business been to leverage agile planning to pivot in the face of recent market volatility, ambiguity, uncertainty and complexity?





The State of Finance

Agile planning is effective for meeting the challenges and uncertainties in today's market. But without the right people, processes and technology in place to support it, organizations won't get far. In order for finance leaders to be successful strategic business partners today, those three things need to align. Finance can and should drive this alignment to deliver greater insight, foster cross-functional collaboration and support smarter decision making.

So let's look at how our respondents measure up.

1. People

To stay agile in the face of change, create value and usher in continued growth, finance organizations need agile teams buoyed by the right mix of talent with diverse skills. This includes professionals who can work quickly and proactively to deliver timely insights, challenge the status quo, connect strategy to execution, collaborate across the organization and look ahead to confidently navigate a path to achieving and surpassing business goals.

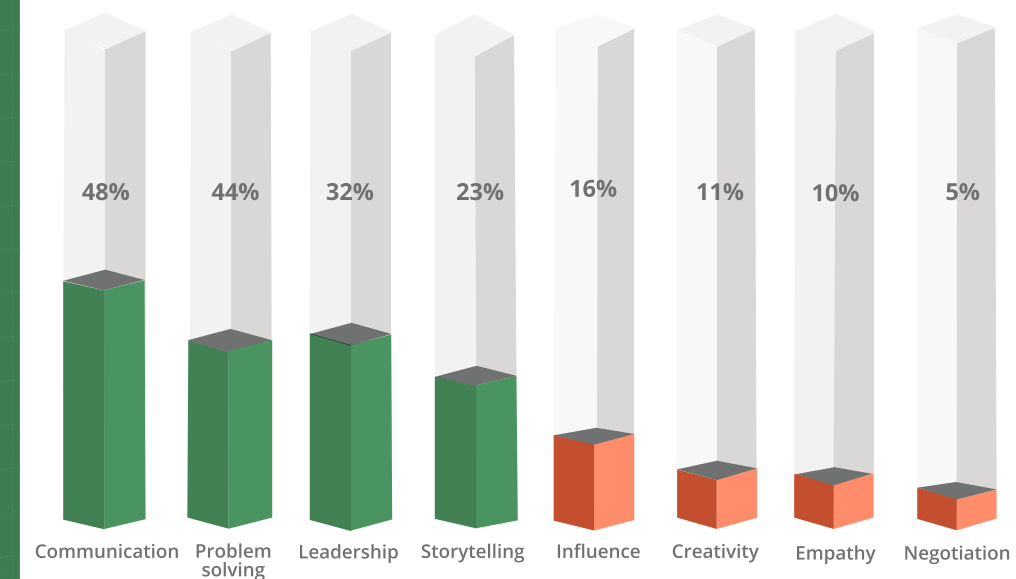
All of that requires more than just a talent for numbers—it draws on communication, influence, leadership and problem-solving skills as well as the technical abilities that allow your team to drive the tools and processes they require to thrive.

The teams we surveyed are prioritizing both. But there are still gaps in the skill sets they've enlisted.

The Right Skill Sets

On the non-technical side, almost half of finance and operations teams deemed communication skills critical, with 48% calling them a top priority. Forty-four percent called out problem solving and 32% listed leadership. While just as important for modern finance leaders guiding their businesses through change, though, negotiation skills (5%), empathy (10%) and creativity (11%) were ranked low—showing room for growth for teams in their soft skills development.

Non-technical skills





When it comes to the technical skills teams need to thrive, data analysis was unsurprisingly a key priority for 60% of respondents. Fifty-five percent prioritized financial modeling—putting both of those skills at the top of the list for finance leaders looking to build out their teams.

Only 24% prioritized data visualization skills, though—surprising, given that (as we’ll see later in this report), data visualization is becoming increasingly important to teams as a way of gaining new strategic insights and communicating them company wide. Are they getting the most out of it without the right skill sets in place? Even fewer—at just 5%—prioritized artificial intelligence (AI) and machine learning (ML) skills this year, showing that AI has yet to become a focal point for growing finance and operations teams. In 2021, our benchmark survey found that only 7% of respondents were using AI.



Technical skills



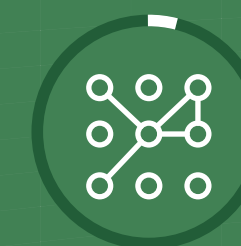
55%
Financial modeling



24%
Data visualization



5%
AI/ML



3%
Coding

A Strategic Team

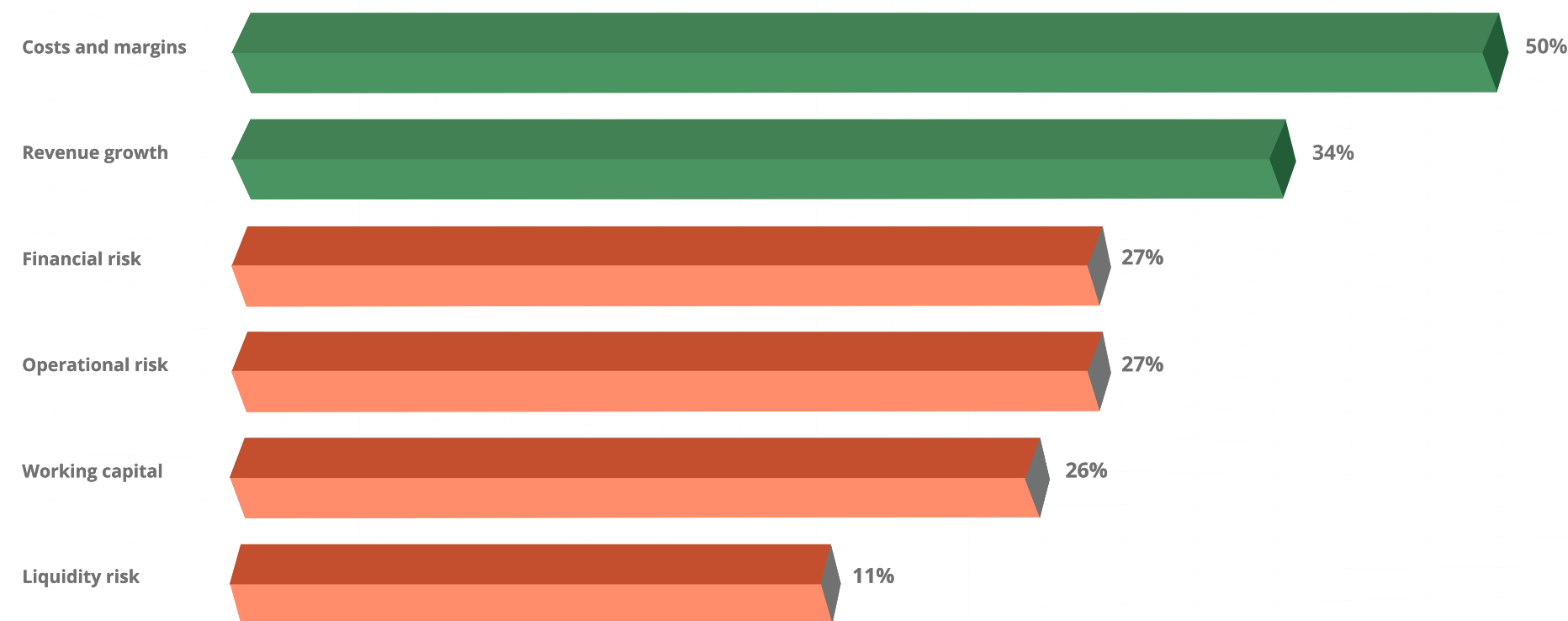
Finance organizations are using those skills to lead in business partnering—but there’s still room for improvement.

Sixty-eight percent of respondents said that their leaders either have a seat at the table during strategic planning decisions or sit at the head of that table—but that leaves over 30% of teams that don’t. And that’s detrimental to businesses, because finance business partnering can create real value—through costs and margins (50%) and revenue growth (34%), but also in managing different types of risk.

So what’s holding back finance teams from unlocking the full potential of finance business partnering? For 35% of respondents, the biggest challenge is building out those necessary skills on their teams. But there are other obstacles as well: 33% are still struggling with inaccessible or siloed data, while collaboration with other departments (24%) and lack of support from leadership (15%) are also issues for some. In fact, only 14% say nothing’s getting in the way because they’re already exactly where they need to be.

Clearly, there’s still work to do on the people side. So let’s see how finance teams are faring in terms of the processes and technologies they have in place.

In which areas of your organization is finance business partnering creating more value?



What’s holding you back from building out the role of strategic business partner?



2. Process

As strategic business partners, the finance professionals on your team deliver insights, influence decision making and drive change. But to stay ahead in an increasingly complex and uncertain business environment, plan confidently for the future and create true strategic value for your organization, your team needs the right processes to fuel their efforts. Those processes allow finance teams to develop a deep and holistic view of business performance, collaborate effectively across the business and remain proactive and agile in the face of disruption and uncertainty.

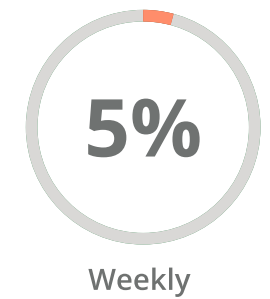
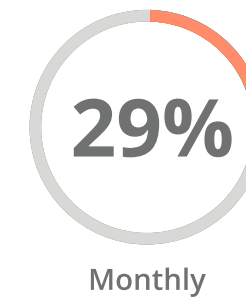
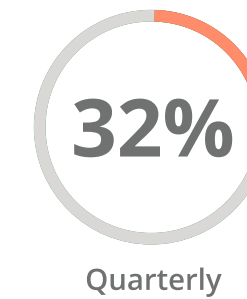
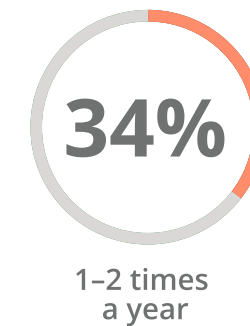
Most of our survey respondents understand that, too. Seventy percent have an integrated planning process in place, led by finance and involving a collaborative, cross-functional and departmental approach. Of course, that means 30% don't—and even for those who do, there's still room for improvement in the way they look ahead.

Looking Ahead

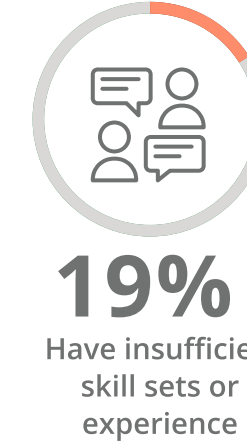
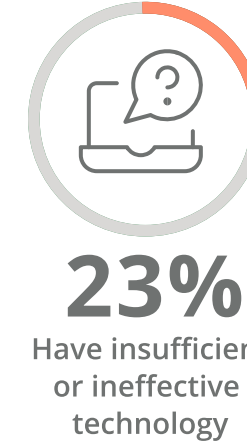
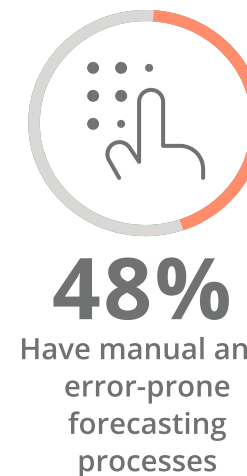
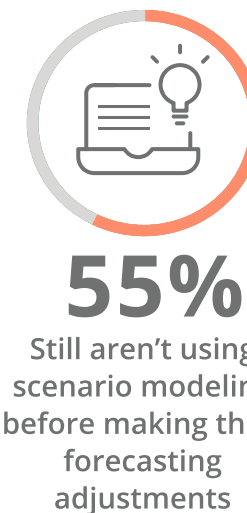
Forecasting and **scenario modeling** are key processes that help finance teams stay agile and proactive. Yet 34% of respondents are still only forecasting once or twice a year and 32% are doing it quarterly. Only 29% forecast on a monthly basis and a mere 5% are doing it weekly. There are challenges getting in the way of more frequent and seamless forecasting, though: manual and error-prone forecasting processes (48%), insufficient or ineffective technology (23%) and insufficient skill sets or experience on the planning team (19%) are holding them back.

What's more, 55% still aren't using scenario modeling before making their forecasting adjustments. That means a majority of companies aren't in a position to mitigate risks or capitalize on new opportunities in as timely a manner as they would if they were maintaining an agile forecast and scenario planning process.

How often do you forecast?



Forecasting challenges



Adding Strategic Value

In their position as a strategic partner to their business, finance teams also need processes that will help them communicate and collaborate with the rest of the organization to distill and deliver timely insights. With that in mind, 49% of the organizations we spoke to were prioritizing data visualization to add that strategic value. Ad hoc reporting was important for 40% of them, while agile forecasts were a priority for 33%—showing how critical real-time, in-the-moment information is for teams looking to build that strategic value

What tools and processes are your team prioritizing?



Data visualization



Ad hoc reporting



Agile forecasting

And in the year ahead, organizations need to continue adding to that value—something that many of our respondents understood. When it comes to transforming their planning and reporting/analytics processes, more than half of our respondents (53%) saw the greatest opportunity in improving their financial reporting and operational insights to establish cross-functional alignment and accountability around key planning goals and objectives.

53% 

of respondents saw the greatest opportunity in improving their financial reporting and operational insights to establish cross-functional alignment and accountability around key planning goals and objectives.

3. Technology

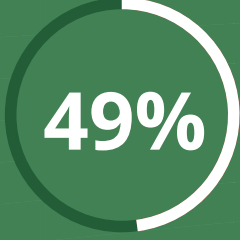
Finally, to drive those processes, add new efficiencies, improve cross-functional collaboration and empower their people to focus on adding strategic value, finance teams need the right technology. And today, point solutions that empower or automate specific use cases don't cut it—it's businesses with Complete Planning platforms, driving all financial and operational planning in a single, cloud-based solution that thrive.

By connecting disparate source systems, those teams have real-time access to financial and operational data as well as a constant view of leading indicators and performance. They can embrace automation to free up time for value-adding activities such as deeper analysis to uncover more robust and actionable insights—using business intelligence capabilities and data visualization tools to dig deeper and find creative solutions to complex business problems.

Despite the importance of embracing technology and automation, though, 73% of organizations still spend too much time on manual, error-prone tasks associated with planning and budgeting processes, such as data entry and validation. And about half—49%—said their IT team is still heavily relied upon to manage their existing systems.



Of organizations still spend too much time on manual, error-prone tasks, such as data entry and validation



Of organizations still heavily rely on IT to manage their existing systems

Making the Right Technology Investments

Most of our survey respondents are aware that there are still strides to be made on the technology front, with 61% of organizations planning to increase their investment in technology supporting financial and operational planning.

Embracing new technologies doesn't mean letting go of the tried and true, though. In fact, a full 86% of the finance professionals we surveyed still use Excel regardless of the presence of other planning tools, leaning into its inherent flexibility and ease of use. For 75% of respondents, it's still central to all financial and operational planning processes. During turbulent times, this demonstrates that finance professionals are turning to their comfort zone—and shows a future where Excel continues to be the most trusted tool for finance teams that need to get things done.



Plan to increase their investment in planning technology



Use Excel regardless of the presence of other planning tools



Said Excel is central to all financial and operational planning processes

How Are Organizations Using Data?

Data powers all agile decision making—which makes accessing and effectively using data from across the organization critical to finance organizations today. But it's also important that teams draw on the best data available to them and use it in ways that will add true value. So Vena set out to find out how organizations are using data in 2022.

Data-driven decision making: Perhaps not surprisingly, financial data is still the most common type of data that finance teams are drawing on to drive their decision making. It's integral to 72% of organizations today. But 59% are drawing on operational data too. Other types of data are also starting to play a role for a small percentage of teams, including sales data (36%), HR/employee data (21%) and customer data (20%).

Data visualization: Businesses are increasingly prioritizing data visualization to effectively deliver insights around business performance. Only 2% of respondents said they weren't interested in it at all, with another 19% currently not using it but trying to learn more. On the other end of the spectrum, 12% have it deployed across their organization and 48% are leveraging it in some way that's still evolving, having either just implemented it or still trying to improve on their usage. The most popular use cases for data visualization are tracking key performance indicators (37%) and providing executives with at-a-glance awareness of current performance (36%).

Data challenges: Data challenges have been a running theme in Vena's past two benchmark surveys and it's clear that they haven't gone away. Today, teams are still spending too much time wrangling data (46%) and face issues around siloed data (31%) and data integrity (31%) too. Only 6% of organizations experience no data challenges at all.



The Good Citizen

It's not enough for finance and operations teams to just stay on top of their own strategic goals. Today, they need to do more—look wider to ensure their businesses are good citizens of the world as well. And while the tumultuousness that's defined 2022 may inspire some businesses to put programs that create good corporate citizenship on the back burner, it's more necessary than ever.

The challenges of 2022 and the years leading up to it have inspired many employees, customers and partners to look at the companies they do business with in a different light. They're seeking organizations that embrace corporate citizenship and consider the good they're doing in the world and how the decisions they make add to it. To thrive with stakeholders and in the world at large, then, businesses need to embrace that role.

“Finance can be a leader in ushering in strong environmental, social and governance efforts, such as sustainable investments and hiring policies that embrace DEI.”

Leading Social Change

Finance can be a leader here, ushering in strong environmental, social and governance (ESG) efforts, such as sustainable investments and hiring policies, that embrace diversity, equity and inclusion (DEI). The respondents we surveyed saw the importance of these kinds of efforts—but showed that there's still more to do in applying them.

Seventy-five percent of respondents called ESG "somewhat important," "important" or "very important" to their business strategy. Only 5% said they don't consider it at all.

Despite that, though, only 21% of respondents said their finance team was reporting on ESG-related metrics. And just 28% were applying an ESG lens when guiding their investment decisions.



Believe ESG is important to business strategy



Apply an ESG lens to investments



Are reporting on ESG



Aren't currently considering ESG

Embracing Diversity, Equity and Inclusion

The story is a similar one when it comes to DEI—and even more overwhelmingly so. A full 91% of respondents called diversity, equity and inclusion "somewhat important," "important" or "very important" to their business strategy. Yet only 35% gave a definite "yes" when asked if it informs their hiring strategy (another 37% answered "sometimes").

Obviously, more work needs to be done to put action to those beliefs—and finance is in the right position to guide those efforts. As a key part of business-wide decision making, they can advocate to make the workplace better for everyone and to align organizational decision making to a greater sense of purpose and change.

After all, it's what's necessary to create a better world in the years ahead.



Prioritize DEI



Always use DEI to inform hiring decisions



Sometimes use DEI to inform hiring decisions





Next Steps: 4 Recommendations Going Forward

So what else should finance leaders be doing to position their teams at the heart of strategy? How can they better lead business partnering to set their organizations up for continued success, even as uncertainty continues to prevail amid a gloomy global economic outlook?

Vena has four recommendations for the year ahead. →

“How can finance better lead business partnering to set their organizations up for continued success?”

Recommendation 1

Prioritize Agile Planning and the Processes That Support It

While 61% of our survey respondents were practicing agile planning, that leaves almost 40% who weren't. In the current business climate—where change is rapid, economic conditions complex and the future uncertain—that leaves many organizations at risk of being unprepared for whatever's ahead. And to further build agility and proactivity, it's critical that teams embrace the processes that help them look forward. Forecast more frequently and employ scenario modeling before making forecasting adjustments—something 55% of organizations still aren't doing.

Recommendation 2

Integrate Your Data—and Put It To Use

Financial data, alone, is no longer enough for finance teams—not if you want to lead your entire business through change. To fuel a holistic, organization-wide approach to data-driven decision making, you need to combine it with data from across the business to derive insights that will drive performance. Yet only 59% of organizations are drawing on operational data, with even fewer using sales data, HR/employee data or customer data. You shouldn't be afraid to put all of that data to work—employing data storytelling and data visualization to deliver timely, actionable insights to your key business stakeholders.



Recommendation 3

Invest in a Planning Solution That Has Excel at Its Core

With 73% of organizations still spending too much time on manual processes around planning and budgeting, it's clear that teams still have a ways to go in integrating the technologies they need to connect their planning processes, communicate and collaborate more effectively and add more strategic value across the business. The good news is that 61% of teams plan on increasing their investment in planning technology, showing signs of good things to come.

But as you make those critical technology investments, don't dismiss what's already working. It's no surprise that 86% of finance teams still rely on Excel regardless of the presence of other planning tools, or that it's still central to financial and operational planning processes for 75% of them. Your team is comfortable with Excel and wants to continue using it—so why not make it core to the rest of your technology investments rather than learning a new software from scratch?

Recommendation 4

Set an Example the Whole Business Can Get Behind

Finally, wider issues such as the environment, social change, diversity and inclusion can no longer be put aside as "someone else's problem." Rather, they're issues every business should consider, as many of their customers and potential employees are already prioritizing them too. And as a leader in your business, it's up to finance to guide the way. That means putting ESG-related metrics in place, searching out ethical investments and supporting DEI-led hiring practices. After all, with a majority of finance and operations professionals seeing the importance of ESG and DEI today, ushering in change is just a matter of following through and putting real action into place.

Build agility and resilience into your financial and operational planning. [Talk to a Vena Expert](#) to find out how you can transform your Plan To Grow™.



About Vena

Vena is the only native Excel Complete Planning platform built for Microsoft 365 with Power BI Embedded.

Vena transforms how business, finance and operations leaders Plan To Grow™ with the Vena Growth Engine, the SaaS platform and methodology that empowers and inspires your plans and guides your growth journey. Over 1,300 of the world's leading companies power their growth with Vena.

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