

Predictive Business Steering enabled by Planning 5.0

Data and AI Team



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The highly volatile environment requires business steering and planning to be flexible and event-based

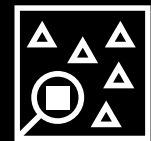
Challenges for organizations



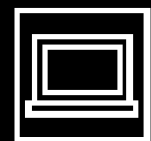
Geopolitical complexity and **rising complexities** require planning, budgeting & forecasting to be flexible and event based



Accelerated inflation and rising **interest rates** are putting enhanced pressure on margins and increased price sensitivity



Shortage & price explosion for energy, commodities & raw materials support **pricing management** and negotiations



Technological development is a differentiator more than ever; **Increased focus on efficiency** and effectiveness in Finance is therefore required



Rising expectations and **legal requirements** regarding ESG

Impact on business steering & planning



Business steering pushes the organization to **align its long-term strategic goals with planning** to ensure sustainable value creation



Planning is required to **account for unforeseen business challenges** and deliver valuable insights to enable decision making



Steering procedures such as forecasting require a certain degree of flexibility and therefore need to **leverage simulation capabilities**



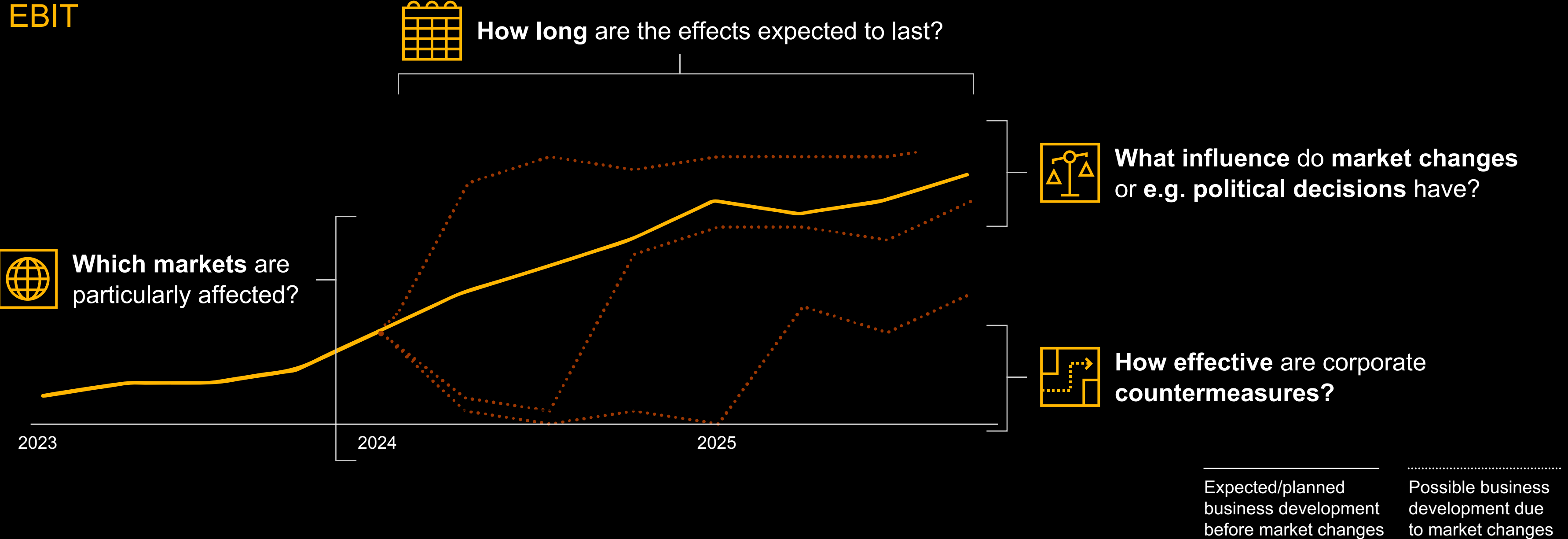
Integration of S&OP and finance in an E2E process is required to **ensure holistic value creation**



Non-value adding planning activities must be eliminated by automation to free up time for generating valuable business insights

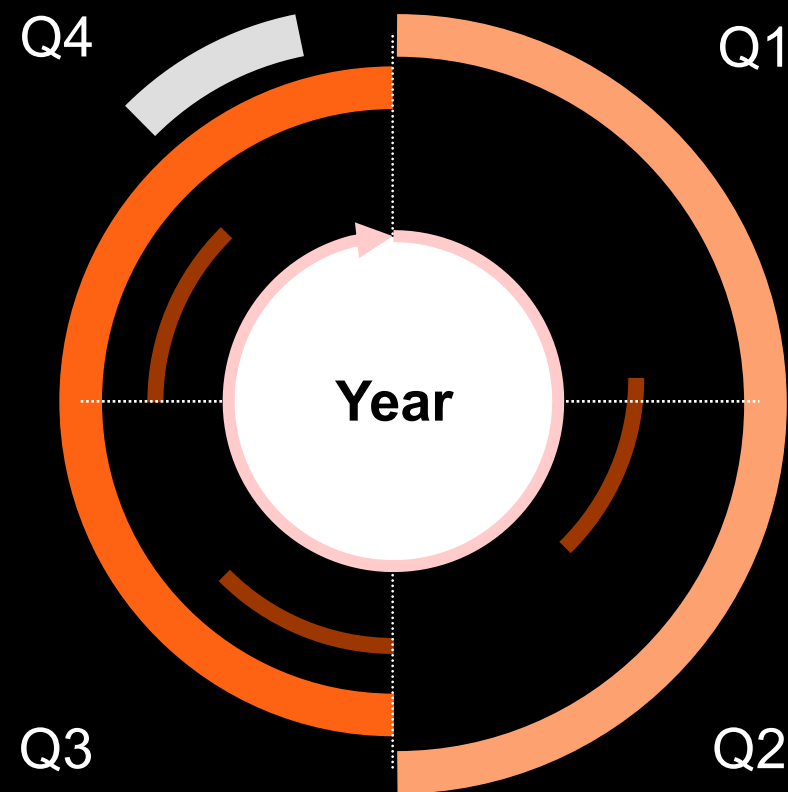
Latest market changes increase the uncertainty but also entail potentials which can be realized by effective steering decisions

EBIT

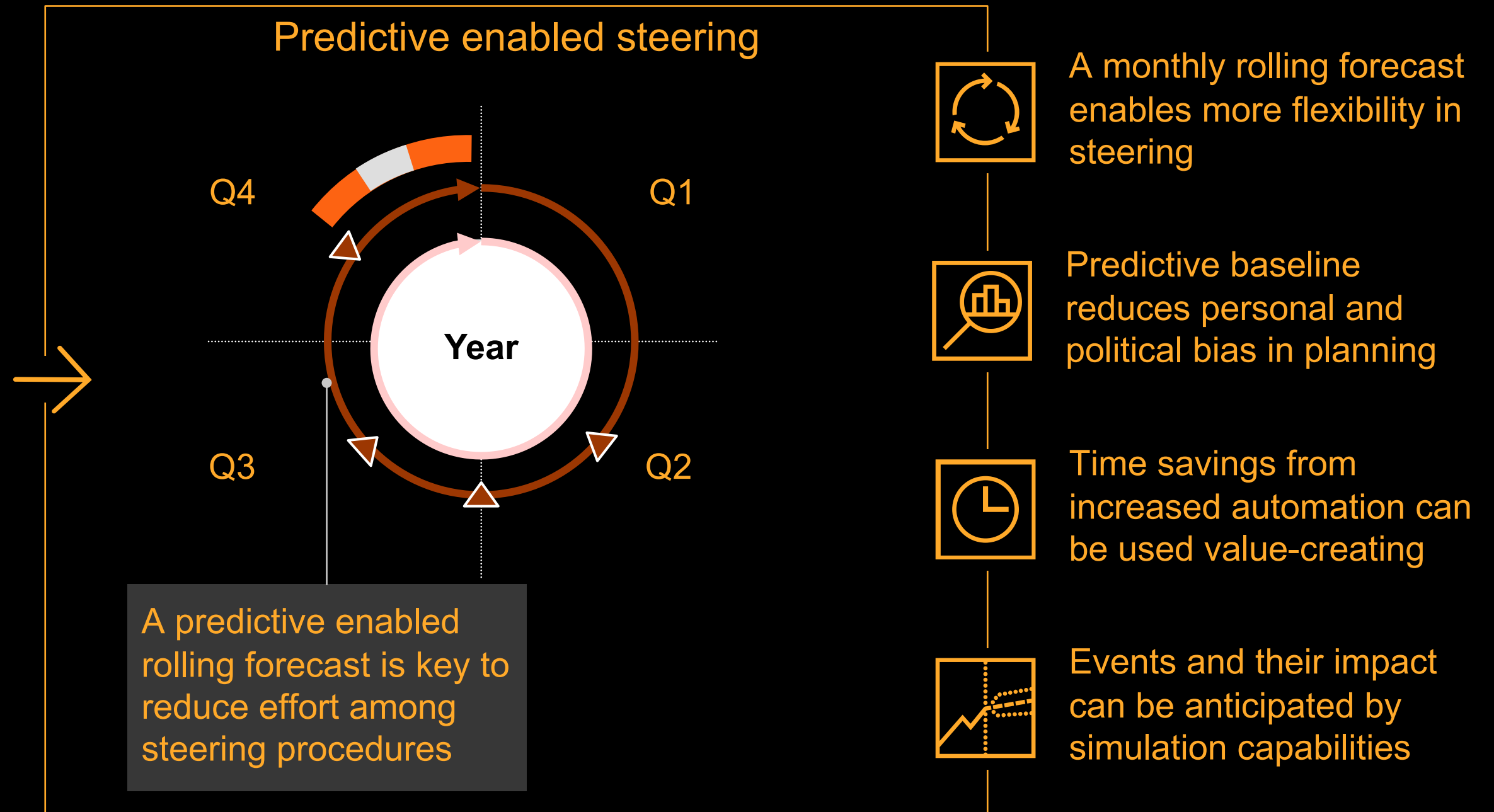


The starting point to establish leaner and more efficient business steering is the implementation of monthly rolling FC

Traditional steering



Predictive enabled steering

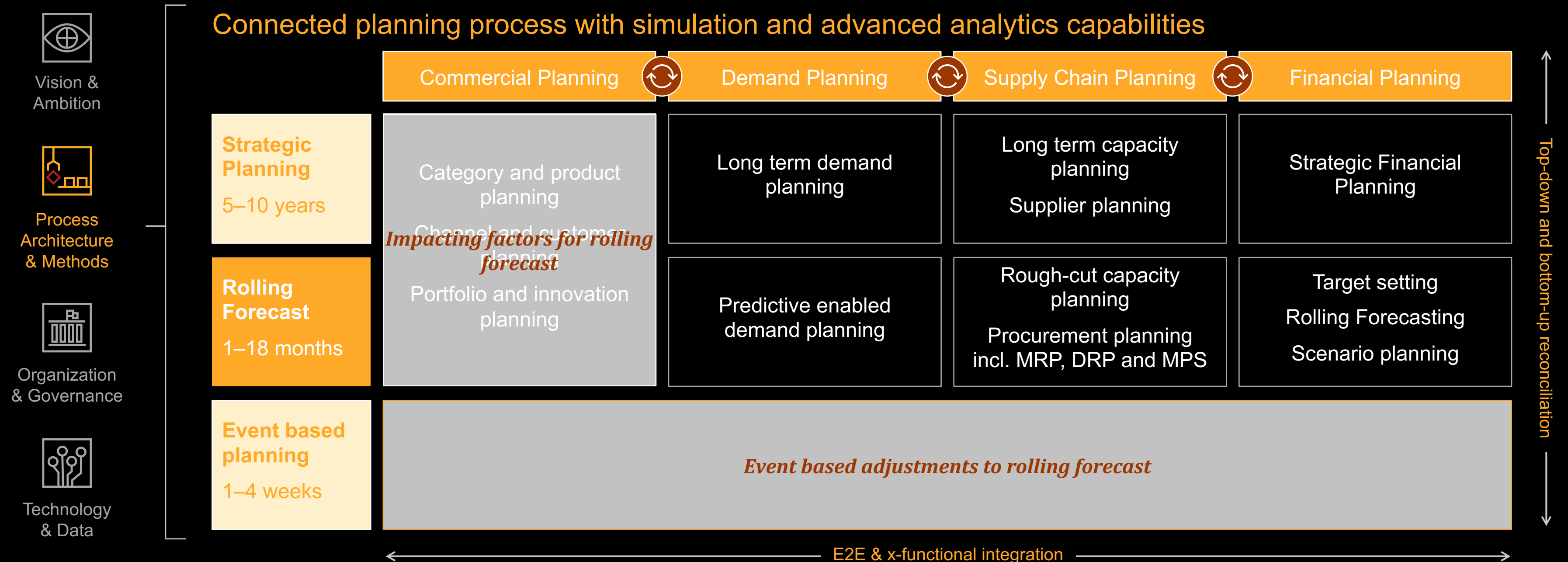


■ Budgeting
 ■ Mid-term planning
 ■ 1y target setting
 ■ Forecasts
 ▲ Events

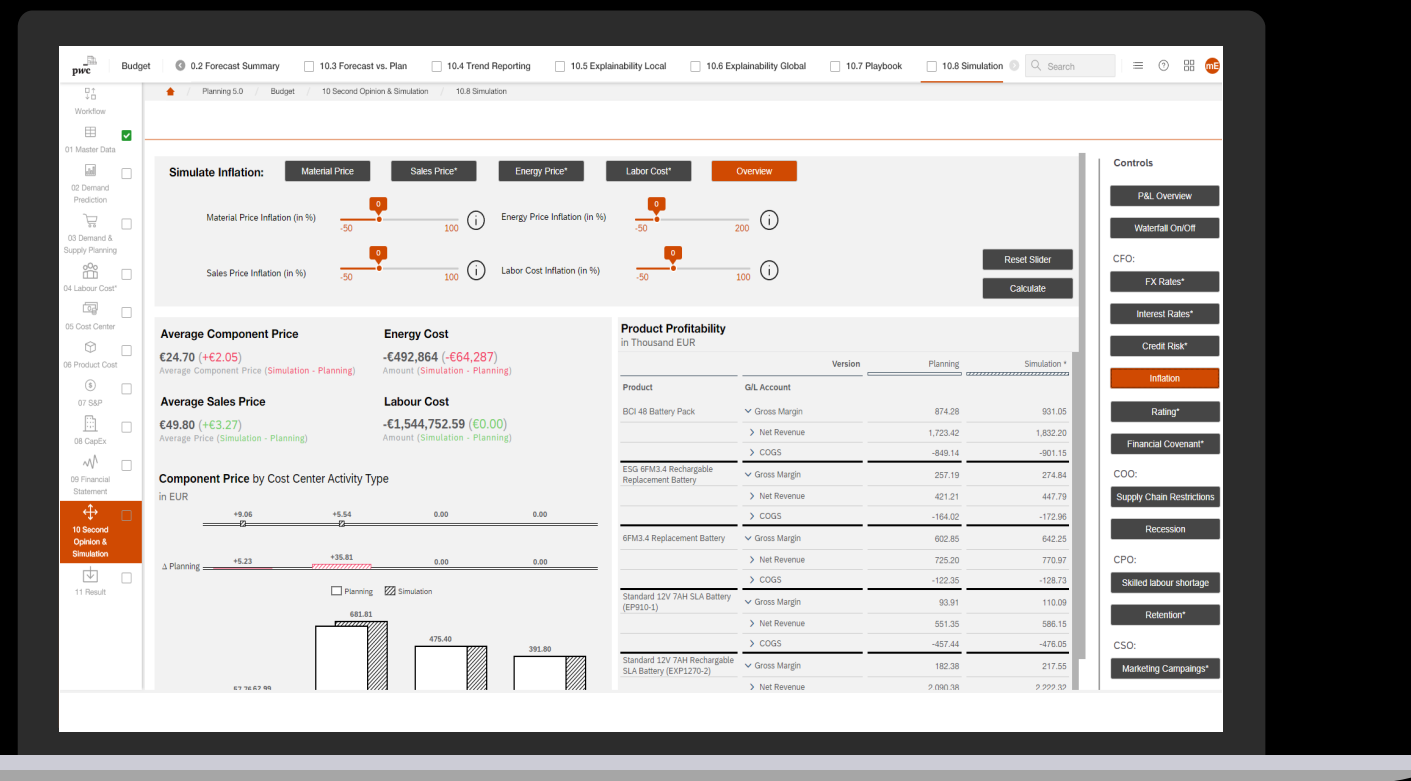
To succeed in transforming business steering, our defined TOM dimensions and methods need to be elaborated



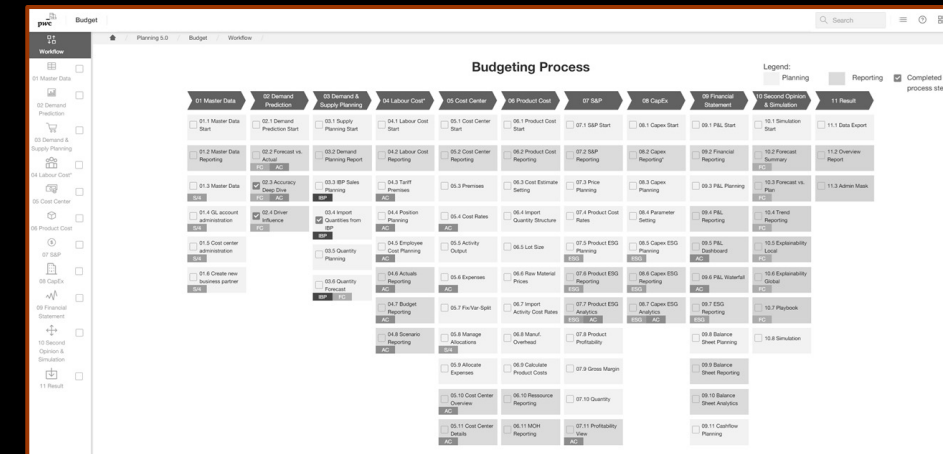
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PwC's thought leadership and Planning 5.0 framework enable organizations to live up to the new requirements



PwC Thought Leadership & Planning 5.0



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