

Financial Planning and Analysis (FP&A)

The Finance function can and should become a strategic partner with the management team. Effective planning and analysis provides valuable insight to business issues and complements the perspectives of operating management.

Many insurance companies do not have the resources within the finance function to effectively perform FP&A functions. As a result, it becomes embedded within the accounting operation rather than being a separate function with specific objectives. Effective FP&A requires a different skill set from general accounting. While accounting knowledge is essential, so too, is the ability to look beyond the numbers to understand how they are influenced by strategic and operational activities.

Additionally, effective FP&A requires the ability to translate the analysis into meaningful projections to understand where the company is going, not just where it has been. Robust models need to be developed and updated regularly as actual data becomes available. By providing meaningful analysis and projections, the FP&A function can provide critical insight to the decision making process and strategy development.

When FP&A is embedded within the general accounting function, the FP&A activities are often set aside due to the various accounting processes that need to be completed and financial reporting deadlines met.

HCH Advisors offers outsourced FP&A services to small and medium sized insurance organizations. We have extensive experience with FP&A including building robust financial models and projections and providing insights to management based on various analyses.

In addition to having held various CFO positions, we have also provided outsourced CFO services focusing primarily on FP&A.

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