

Part 16 of 20

Building and Leading a High-Performance FP&A Team

How to hire, develop, retain, and lead the human capability that makes everything else in this series possible — from the first finance hire through the world-class team required at scale

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WHAT YOU WILL LEARN AND WHY IT MATTERS

Every framework, methodology, and analytical technique described in the preceding fifteen parts of this series depends for its execution on one thing: the people in the FP&A; function. The most rigorous operating model is only as good as the analyst who builds and maintains it. The most disciplined forecasting process is only as accurate as the judgment of the people who set its assumptions. The most sophisticated business partnering model is only as effective as the relationships built by the finance professionals who live it. The technology stack is only as valuable as the analytical capability of the team that uses it.

Building and leading a high-performance FP&A; team is therefore the most important and most enduring leadership challenge the CFO and VP of Finance face. It is also the challenge that receives the least systematic attention in the finance leadership canon. There is extensive guidance available on financial modeling, forecasting methodology, and management reporting design. There is very little on how to identify, attract, develop, and retain the specific combination of analytical, commercial, and interpersonal talent that world-class FP&A; requires — and even less on how to lead that talent in a way that maximizes both individual development and organizational performance.

This part fills that gap. It covers the skills gap between what FP&A; needs and what finance programs produce, how to structure the FP&A; function at each stage of company growth, the hiring framework for identifying the talent that will perform at the highest levels in each role, the development disciplines that build analytical and commercial capability systematically over time, the retention strategies that keep top FP&A; talent engaged in an increasingly competitive market, the leadership behaviors that build and sustain a high-performance culture, and the career architecture that gives FP&A; professionals a visible path to the most senior roles in the finance function. This part is for the CFO building a team, the VP of Finance leading one, and the FP&A; director who aspires to do both.

THE SKILLS GAP: WHAT FP&A; NEEDS VERSUS WHAT FINANCE PROGRAMS PRODUCE

There is a persistent and well-documented gap between the skills that modern FP&A; requires and the skills that finance academic programs and early-career finance roles typically develop. Understanding this gap precisely — not as a general observation about the changing nature of finance work but as a specific inventory of skills that are undersupplied relative to demand — is the starting point for building a hiring and development approach that closes it.

Traditional finance education develops three categories of skills with excellence: accounting and financial reporting principles, quantitative analysis and financial modeling, and the regulatory and compliance framework within which financial activity occurs. These are genuine and valuable skills. They are the foundation without which no finance professional can function effectively in any serious organizational context. But they are not sufficient for the highest-value FP&A; work, and organizations that hire and develop exclusively for traditional finance skills will build FP&A; functions that are technically excellent and

strategically peripheral.

The skills that traditional finance education significantly undersupplies are commercial judgment, communication adaptability, and what might be called systems thinking — the ability to understand how the parts of a business interact with each other and with the external environment in ways that produce financial outcomes that simple linear models cannot explain. Commercial judgment is the capacity to evaluate business decisions not merely in terms of their financial model outputs but in terms of their competitive implications, their organizational feasibility, their customer impact, and their alignment with the strategic priorities of the business. Communication adaptability is the ability to translate quantitative analysis into qualitative insight that is accessible and persuasive to non-finance audiences. Systems thinking is the capacity to understand feedback loops, nonlinear relationships, and emergent dynamics in business systems that cause them to behave in ways that contradict the predictions of simple financial models.

The practical implication of this skills gap for hiring is that the best FP&A hires are often not the candidates who performed best in traditional finance roles. The investment banker with exceptional financial modeling skills but limited commercial judgment and no experience influencing decisions in an ambiguous organizational environment will often underperform relative to an expectation built on their technical credentials. The management consultant with strong commercial judgment, excellent communication skills, and broad analytical capability but limited financial modeling depth will often outperform relative to their initial lack of traditional finance credentials. Building the hiring approach around the full skills profile required for FP&A excellence — not just the technical finance subset — is one of the most important structural improvements a finance leader can make to the talent acquisition process.

STRUCTURING THE FP&A; FUNCTION AT EACH STAGE OF GROWTH

The organizational structure of the FP&A function should evolve as the company grows, because the analytical challenges the function faces at different stages of growth are genuinely different — not just larger versions of the same challenges, but qualitatively different in their complexity, their cross-functional reach, and the organizational sophistication required to address them. Building the structure appropriate to the current stage, rather than either the structure appropriate to a smaller stage or an overengineered structure designed for a scale the company has not yet reached, is one of the most important organizational judgment calls the CFO makes.

At Series A, the FP&A function is typically one or two people — often the CFO acting as the primary FP&A practitioner, supported by a financial analyst who handles the operating model, the cash forecast, and the reporting. The priority at this stage is establishing analytical credibility: producing an accurate operating model, a reliable cash forecast, and a board package that demonstrates financial rigor. The organizational structure question at Series A is not about design but about prioritization — which of the many potential FP&A activities should receive the limited time and attention available, and which should

wait until more resources are in place.

At Series B, the FP&A; function typically needs to grow to three to five people to support the increasing complexity of the planning and reporting requirements. The key organizational design decision at this stage is whether to build a generalist team — where each finance professional supports multiple functions and serves multiple business partners — or to begin building functional specialization. For most Series B companies, a generalist structure with clear ownership assignments by function or business unit is more appropriate than deep functional specialization, which requires a larger team to be sustainable.

At Series C and D, the FP&A; function typically reaches the scale at which the business partner model described in Part Fourteen becomes the organizing principle. Dedicated finance professionals are assigned to the major business units — typically the revenue organization, the product and engineering organization, and the general and administrative functions — with a central team retaining ownership of the operating model, the planning process, the board reporting, and the strategic finance activities. The leadership structure at this stage typically includes a VP of FP&A; or Director of Finance overseeing the business partner population, with direct reporting lines for each business partner and a dotted-line accountability to the business leader they support.

At Series D and E, the FP&A; function has typically grown to ten to twenty-five professionals organized around a combination of functional specialization and business unit coverage. A dedicated financial planning and analysis center of excellence may exist separately from the business partner population, owning the enterprise operating model, the planning process design, and the analytical methodology standards. A dedicated data and analytics capability within finance — either a separate team or embedded in the FP&A; function — may own the data infrastructure and the self-service analytics capabilities. The leadership structure at this stage includes multiple senior finance leaders with distinct domain responsibilities, coordinated by the CFO or VP of Finance.

THE HIRING FRAMEWORK: FINDING THE RIGHT TALENT

Hiring for FP&A; is one of the most consequential and most consistently poorly executed activities in finance leadership. The consequences of a bad FP&A; hire are severe and long-lasting: a poor business partner damages the relationship between finance and the business unit they serve in ways that take years to repair; a technically weak financial analyst introduces errors into the operating model that undermine the credibility of the entire analytical framework; a culturally misaligned hire can poison the analytical culture of a small team in ways that are difficult to diagnose and even more difficult to correct.

The hiring framework for FP&A; should assess candidates on four dimensions, with explicit evaluation criteria for each. The first dimension is technical finance capability: the ability to build and maintain rigorous financial models, to perform the variance analysis and forecasting work described in this series, and to manage the planning and reporting processes that are the operational backbone of the FP&A; function. Technical capability is assessed through structured case interviews — analytical exercises that

present candidates with a realistic FP&A; challenge and ask them to work through it in real time — rather than through resume review alone. A candidate who can explain their experience building an operating model but cannot demonstrate the analytical thinking required to build one under time pressure is telling you something important.

The second dimension is commercial judgment: the capacity to think about business decisions in terms of their competitive, customer, and organizational implications rather than solely in terms of their financial model outputs. Commercial judgment is assessed through structured business case discussions — presenting candidates with a realistic strategic decision and exploring how they think about it. Strong candidates will ask questions about competitive dynamics, customer behavior, and organizational capability as naturally as they ask about financial projections. Candidates with limited commercial judgment will immediately reach for the spreadsheet.

The third dimension is communication capability: the ability to translate complex quantitative analysis into clear, accessible narrative for non-finance audiences. Communication capability is assessed through a writing exercise — asking the candidate to produce a brief variance narrative or investment recommendation from a data set — and through the quality of their verbal communication during the interview itself. The clarity with which a candidate explains their own analytical work to the interview panel is a direct preview of the clarity with which they will explain analytical work to business leaders.

The fourth dimension is cultural fit with the specific values and working norms of the finance organization: the commitment to intellectual honesty that makes difficult analytical conclusions sustainable, the collaborative orientation that makes business partnering possible, and the personal resilience that makes it possible to absorb the organizational pushback that honest analytical work sometimes generates. Cultural fit is the most difficult dimension to assess in an interview and the most consequential when it is wrong. Reference checks — specifically structured conversations with former managers who have directly observed the candidate's behavior in challenging organizational situations — are the most reliable source of cultural fit information available.

DEVELOPING FP&A; TALENT: THE ARCHITECTURE OF GROWTH

The development of FP&A; talent is one of the most important investments a finance leader can make, and one of the most consistently underinvested. The development disciplines that build analytical and commercial capability systematically are well understood; they are simply not applied with the consistency and intentionality required to produce reliable results.

The most important development investment is the quality and regularity of feedback. FP&A; professionals develop analytical judgment primarily through experience — through building models, writing narratives, presenting analyses, and receiving feedback on the quality of each. But experience without feedback produces confidence without capability: the analyst who builds ten models with the same structural weaknesses and receives no feedback about those weaknesses will build the eleventh model with the

same weaknesses more quickly, not more accurately. The finance leader who reviews every significant analytical output produced by the team and provides specific, actionable feedback — not just on the conclusions but on the analytical methodology, the communication clarity, and the business judgment embedded in the work — is the most powerful development resource available to the team.

Deliberate rotation is the second most important development investment for building the commercial understanding that traditional finance training undersupplies. Assigning FP&A; professionals to spend three to six months embedded in a non-finance function — working within the sales organization, the product team, or the customer success function — is the fastest way to develop the firsthand commercial knowledge that makes business partnering genuine rather than performative. The finance professional who has personally experienced the operational reality of the sales motion, who has been present in customer conversations and pipeline reviews, who understands the product roadmap from the inside, will bring a qualitatively different perspective to financial analysis than one who understands these functions only through the data they report to finance.

Stretch assignments — analytical projects that are genuinely beyond the current capability level of the assigned professional — are the third critical development tool. The FP&A; analyst who is assigned to build the first cohort analysis the company has ever produced, or to lead the financial modeling for a first-ever M&A; evaluation, or to present the board variance analysis for the first time, is being developed at a rate that routine analytical work cannot produce. Stretch assignments require the development of new capability under conditions of genuine accountability — conditions that produce rapid and durable learning in ways that training programs and coaching conversations cannot replicate.

Mentoring and sponsorship within the finance function and across the broader organization are the fourth development investment. The finance professional who has access to a trusted senior mentor — someone who will engage honestly about the gaps in their analytical work, the developmental areas in their professional presence, and the career choices that will most accelerate their growth — develops faster than one who receives only formal performance management feedback. And sponsorship — the active advocacy of a senior leader for a finance professional's visibility, opportunity access, and career advancement — is particularly important for talented professionals who may be underseen because they are in roles or organizational positions that do not naturally provide high visibility.

RETAINING TOP FP&A; TALENT

The market for excellent FP&A; talent is intensely competitive. The skills that make someone an excellent FP&A; professional — analytical rigor, commercial judgment, communication capability, and the organizational credibility that comes from a track record of influential work — are in high demand across finance functions, strategy functions, and the growing population of fintech, analytics, and AI companies that are actively recruiting from the FP&A; talent pool. Retaining the best FP&A; talent requires a deliberate and multidimensional approach, because the factors that cause excellent FP&A; professionals to leave are diverse and often invisible until the departure is already decided.

The most common reason that excellent FP&A; professionals leave is the perception that they are not growing — that the work they are doing is not developing their capability in meaningful ways, that the challenges they face are not becoming more interesting and consequential over time, and that the organization does not have a visible path for their continued advancement. This perception is often accurate: in organizations where the FP&A; function is primarily a reporting shop, the work does not naturally generate the growth experiences that top talent requires. The retention solution to this failure mode is the development architecture described in the preceding section — the commitment to feedback, rotation, stretch assignments, and mentoring that signals genuine investment in the professional's growth.

Compensation competitiveness is a necessary but not sufficient retention factor. Excellent FP&A; professionals will not leave for compensation alone if they are growing, doing meaningful work, and working in a culture they respect — but they will leave if compensation falls significantly below market, because the gap signals a misalignment between the value the organization says it places on FP&A; talent and the investment it is actually making. The CFO who benchmarks FP&A; compensation against the market annually and adjusts proactively — before retention problems emerge — will lose fewer of the people who matter most than the CFO who reacts to departure announcements with retention offers.

The quality of the organizational culture — specifically the degree to which the finance function operates with intellectual honesty, the extent to which analytical contributions are genuinely recognized and influential, and the respect with which finance professionals are treated by the business leaders they serve — is the retention factor that is most powerful and most invisible in standard talent management frameworks. Excellent FP&A; professionals have choices about where to work, and they will choose organizations where their analytical judgment is sought and respected over organizations where it is tolerated or ignored. Building the culture of intellectual honesty and analytical influence described throughout this series is therefore not only a strategy for business performance improvement; it is a talent retention strategy of the highest importance.

THE FP&A; CAREER ARCHITECTURE

One of the most important things a finance leader can do to attract and retain top FP&A; talent is to make the career architecture of the function visible and credible — to show analytically ambitious professionals a clear path from the entry-level roles they currently occupy to the senior roles they aspire to, with specific capability milestones, role transitions, and development investments along the way.

The FP&A; career ladder in most organizations has four levels below the CFO. The analyst level — typically one to three years of experience — is focused on the technical foundation: mastering the financial modeling, variance analysis, and reporting skills that are the craft foundation of the function. Analysts at this level should be building operating model components, producing variance analysis narratives under supervision, and developing the data fluency that makes them effective in all subsequent roles. The evaluation criteria at this level should emphasize analytical accuracy, learning velocity, and the development of technical depth.

The senior analyst or associate level — typically three to six years of experience — is where the commercial dimension of FP&A; capability begins to develop seriously. Senior analysts should be owning specific components of the planning and forecasting process, building and presenting analyses to business partners, and beginning to develop the relationship skills and commercial judgment that distinguish the highest-performing finance professionals. The evaluation criteria at this level should include not only the quality of analytical work but the influence of that work on business decisions.

The manager level — typically five to eight years of experience — is the transition from individual contributor to team leader. Finance managers at this level are responsible for the analytical work of a small team, for the quality of the business partner relationships in their assigned area, and for the development of the analysts who report to them. The capability jump at this transition — from being excellent at analytical work personally to being able to develop that excellence in others while maintaining strategic oversight of a broader portfolio of work — is one of the most demanding transitions in the FP&A; career path and the one where the most capable individual contributors sometimes struggle.

The director or VP level is the senior FP&A; leadership role below the CFO. At this level, the individual is responsible for the strategy of a significant portion of the FP&A; function, the development of the manager-level population, the quality of the function's relationships with senior business leaders, and the evolution of the analytical methodology and technology infrastructure the function uses. The VP of FP&A; who aspires to the CFO role needs to develop not only deeper financial expertise but the organizational leadership capability, the board-level communication skills, and the strategic breadth that the CFO role requires.

LEADERSHIP BEHAVIORS THAT BUILD HIGH-PERFORMANCE CULTURE

The culture of an FP&A; function is created and sustained primarily by the behavior of its leader. The values the leader consistently demonstrates in their own work — the analytical standards they hold themselves to, the intellectual honesty they model in difficult situations, the respect with which they treat team members and business partners — become the norms of the function over time. No amount of formal culture-building activity will create a genuinely high-performance culture if it is inconsistent with the daily behavior of the leader.

The most important leadership behavior for building analytical culture is the consistent demonstration of intellectual honesty in the leader's own analytical work. When the CFO presents a forecast to the board that acknowledges genuine uncertainty rather than projecting false confidence, when the VP of Finance presents a variance analysis that identifies the root causes of a disappointing result with precision rather than vague market condition explanations, and when the FP&A; director challenges a business leader's preferred investment case with a rigorous counter-analysis rather than deferring to organizational authority, the entire team observes what the culture values and calibrates their own behavior accordingly.

The leader's approach to mistakes is one of the most powerful cultural signals available. In a high-performance FP&A; culture, mistakes are analyzed rather than punished — the team understands that the right response to an analytical error is to understand its cause, correct its consequences, and build the process improvement that prevents its recurrence. In a culture where mistakes are punished, the team learns to hide uncertainty, to present analysis with false confidence, and to avoid the intellectual risks that would expose them to criticism. The leader who responds to a forecast miss or a modeling error with curiosity and analytical discipline rather than blame and recrimination is building the psychological safety that makes genuine intellectual honesty possible.

The recognition of excellent analytical work — not just the outputs that look impressive but the analytical process that produced genuinely useful insight — is the third critical leadership behavior. When the CFO explicitly recognizes an analyst who identified a significant risk in an investment case that would otherwise have been missed, who produced a variance analysis that changed the business's response to a performance shortfall, or who built a model that enabled a strategic decision to be made with genuine confidence, the entire team understands what the function values and what excellence looks like. Recognition that is specific, timely, and connected to the analytical impact of the work — rather than generic praise for effort or output volume — is the most effective reinforcement of the behaviors and standards that produce high performance.

DEVELOPING FP&A; LEADERS WHO CAN SIT IN YOUR CHAIR

The ultimate measure of FP&A; leadership is not the performance of the function during the leader's tenure but the capability of the leaders the function develops — the finance professionals who go on to become CFOs, VPs of Finance, and senior finance executives themselves. Building that kind of developmental legacy requires a specific orientation toward talent development that the most effective finance leaders maintain consistently throughout their careers.

The first element of this orientation is succession planning done seriously. Most finance organizations have a nominal succession plan — a list of names associated with each senior role — but very few have a genuine succession development program that identifies the specific capability gaps of each potential successor and invests systematically in closing them. A genuine succession plan names the two or three individuals who could plausibly step into the CFO or VP Finance role within two years, identifies the specific capabilities each needs to develop to be fully ready, and assigns specific development activities — projects, relationships, training, and experiences — to close each gap. The succession conversation should happen annually, at minimum, between the CFO and the board's audit committee or compensation committee.

The second element is the willingness to stretch potential successors into responsibilities they are not fully ready for. The VP of FP&A; who is being developed for the CFO role needs experience presenting to the board before they are in the CFO role, not only after. The FP&A; director who is being developed for the VP role needs experience leading cross-functional planning processes and managing business partner relationships at the VP level before the promotion, not only after it. These stretch experiences are uncomfortable for both the developer and the developing — they involve genuine risk of performance shortfall in high-visibility situations — but they are the developmental accelerants that no amount of training or coaching can replicate.

The third element is the explicit discussion of career aspirations with every finance professional on the team. Many finance leaders assume they know what their team members want from their careers, but those assumptions are often wrong. The analyst who seems content in their current role may be privately planning to leave because they see no path to advancement. The senior analyst who appears to be a succession candidate for the manager role may have no interest in managing people and may aspire instead to a deep technical finance specialization path. Having direct, honest conversations about career aspirations — not in the context of performance reviews but as a regular leadership dialogue — is the foundational activity for building a development relationship that retains talented people and develops them toward the roles that will make them both more valuable to the organization and more fulfilled in their work.

ACTIONS TO TAKE IN THE NEXT THIRTY DAYS

Building a high-performance FP&A; team is the work of a career, not a thirty-day sprint. But the following actions will produce meaningful improvements in team capability and culture in a near-term timeframe and establish the foundation for sustained improvement over the years that follow.

The first action is to conduct a talent assessment of your current FP&A; team against the four hiring dimensions described in this part: technical finance capability, commercial judgment, communication capability, and cultural fit. For each team member, identify their strongest dimension and their most significant development area. This assessment will give you a precise picture of the capability profile of your current team and the most important development priorities for each individual.

The second action is to schedule a one-on-one career conversation with every member of your FP&A; team this month — not a performance review, but a genuine dialogue about their career aspirations, their perception of their own development trajectory in the current role, and the development investments that would most accelerate their growth. The conversations will surface information about retention risk, development needs, and career aspirations that routine management processes do not produce, and they will signal to the team that their development is a genuine priority for the function's leadership.

The third action is to identify one stretch assignment for each of the two or three team members with the highest potential for significant advancement. A stretch assignment should be genuinely beyond the individual's current demonstrated capability — not simply a larger version of what they already do well — and it should carry enough organizational visibility that the quality of the work is observed by senior leaders beyond the finance function. Assign these stretch projects now and plan to provide active coaching support throughout the execution.

The fourth action is to review the feedback quality you are providing to your team and commit to a specific improvement. Are you reviewing significant analytical outputs and providing specific, actionable feedback on both the content and the methodology? Are you following up on prior feedback to assess whether it was applied? Are you distinguishing between feedback on technical quality and feedback on communication quality and business judgment? If the answer to any of these questions is no, the improvement is straightforward and the impact on team development will be immediate and visible.

CLOSING PERSPECTIVE

The FP&A; team is not a supporting cast for the analytical work described in this series. It is the primary instrument through which that work is performed, the organizational capability through which financial insight reaches the decisions that shape the trajectory of the business. Every framework, every methodology, every analytical discipline in this series is only as good as the people who apply it — who bring judgment, creativity, and intellectual courage to the messy, uncertain, and consequential work of helping organizations navigate toward better futures.

Building that capability — recruiting the talent that has the potential to perform at the highest levels, developing it through feedback, rotation, and stretch experience, retaining it through genuine investment in growth and culture, and leading it through the behavioral modeling that makes high standards sustainable over time — is the most important and most enduring contribution a finance leader makes to the organizations they serve.

The best FP&A; leaders are not those who build the most sophisticated operating models or produce the most precise forecasts, though they may do both. They are those who build the teams that build the models and produce the forecasts — who develop the next generation of finance leaders who will carry the craft forward. That legacy of developed capability is the measure of finance leadership that matters most and lasts longest.

COMING NEXT IN THE SERIES

Part 17 — World-Class Board and Investor Presentation Package

Part Seventeen opens the Benchmark Showcase section of this series — four parts dedicated entirely to annotated exemplars of world-class analytical output. Part Seventeen presents the complete architecture of a world-class board and investor presentation package, with detailed commentary on every structural and narrative decision, so that CFOs and FP&A; leaders have a concrete benchmark against which to evaluate and elevate their own board materials.

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