

## Quick Guide: Improving Your 2023 Budget

<p><b>1</b></p> <p>Anticipate Economic Uncertainty</p>	<p><b>2</b></p> <p>Set Financial Baselines Post-M&amp;A Activity</p>	<p><b>3</b></p> <p>Prepare for Unexpected Finance Staff Turnover</p>
<p>Today's economic conditions are certain to remain uncertain, forcing management teams—especially CFOs—to develop more responsive and nimble plans for the fiscal year ahead. Here are considerations for planning in an uncertain business climate:</p>	<p>After a merger or acquisition, when teams face their first full year of operations as a newly formed entity, plans are often formed at a high level due to limited knowledge of operations or lack of historical data. Here's how to align budgets around a meaningful baseline for that first fiscal year after an M&amp;A event:</p>	<p>Budget season typically represents the highest activity load for FP&amp;A professionals. Here are a few tips to reduce the risk of unexpected attrition across key personnel and mitigate the related impacts:</p>
<ul style="list-style-type: none"> <li data-bbox="110 1003 511 1178">  <b>ACCELERATE</b> the budget process to provide management with a current outlook and a head start on executing the company's 2023 plans         </li> <li data-bbox="110 1220 511 1329">  <b>DEVELOP</b> scenario analyses to account for uncertainty and provide flexibility within plans.         </li> <li data-bbox="110 1549 511 1864">  <b>PLAN</b> for possible "emergencies" by prioritizing operational road mapping that will ensure nimble responses if certain scenarios arise. This could include pre-determined cost reduction initiatives based on trailing 12-month EBITDA or cash flow levels.         </li> </ul>	<ul style="list-style-type: none"> <li data-bbox="576 1003 1024 1146">  <b>ENGAGE</b> the broader management team to develop an enterprise-level planning process co- led by operations and finance leaders.         </li> <li data-bbox="576 1220 1024 1497">  <b>VIEW</b> the budget process as an operational road mapping exercise that yields a financial outlook. Develop a budget model with key operational drivers that can be measured as key performance indicators (KPIs) and metrics in the upcoming fiscal year.         </li> <li data-bbox="576 1549 1024 1864">  <b>CREATE</b> a consistent planning baseline across legacy organizations. Adjusting for one-time anomalies, create normalized baselines of operational and financial data (e.g., pipeline trending, customer sales and profitability, inventory costing, and more) for leaders to leverage when planning.         </li> </ul>	<ul style="list-style-type: none"> <li data-bbox="1071 1003 1528 1146">  <b>AVOID</b> key personnel burnout by reducing cadences or deliverables to a "bare minimum" during the height of the budget season.         </li> <li data-bbox="1071 1220 1528 1497">  <b>ANTICIPATE</b> unexpected attrition by documenting budget processes and key materials, including items such as key activity descriptions, an accountability matrix, calendars, templates, consolidated models, baseline analysis, and other critical information.         </li> <li data-bbox="1071 1549 1528 1692">  <b>ESTABLISH</b> a network of advisors with FP&amp;A expertise to assist in the event of key finance personnel turnover.         </li> </ul>

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