



WORKBOOK

Financial Statements Workbook: **Essential Questions to Uncover Inefficiencies and Boost Profitability**





Getting started

Figuring out where your company's money is coming from, where it's going, and where it is now are the basics of a financial statement. While you're surely aware of the usual suspects, there are likely inefficiencies in your current financial planning and processes that impact the balance sheet and bottom line. **Want to find them?**

Go through the questions on this workbook to spot gaps and identify areas to save money in unexpected areas.



Compensation Planning

Only 37% of organizations feel confident in their ability to explain pay decisions. Confidence is key, in life and in financial planning.

[Learn more](#) →

Gap analysis:

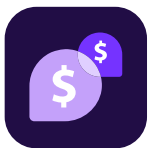
How do you give all team leaders confidence that their employees' compensation is being reviewed and adjusted fairly?

Closing the gap:

[Empower managers to plan merit raises more effectively](#) with a comprehensive view of performance ratings, equity, compensation, salary history, bands, and more — all in one system.

“I built our philosophy for what our merit and performance increases would look like in under an hour using ChartHop. When presenting the plan to our CEO and CFO, I was able to deliver all the data that informed this philosophy in a clear and easy to understand package.”

Hebba Youssef
People leader



AREA 1 CON'T

Compensation Planning

In the United States, wages increased by 4.2% on average in 2022, and companies expect to raise wages by an additional 4.6% in 2023. That'll be a lot of moving dollars to keep track of! Additionally, it can be challenging to track comp adjustments, especially if they do not follow a normal cycle.

[Learn more](#) →

Gap analysis:

Can you see total proposed budget change in real-time based on managers' submissions, ensuring you're staying on budget?

Yes

No

Closing the gap:

Compensation packages that tie compensation directly to job performance are especially effective at incentivizing employees to perform better. For example, when a financial bonus is tied to hitting a specific sales goal, this can motivate sales teams to work harder to achieve that goal.



Employee Retention

81% of CFOs are concerned about high turnover and labor shortages.

Luckily, a fair compensation strategy is proven to not only enhance retention, but also improve employee performance and morale.

[Learn more →](#)

Gap analysis:

What factors are you considering in your budget to retain top talent?

Closing the gap:

To analyze your current compensation strategy for existing employees, you'll need to look at metrics. By standardizing data-based decision-making, your team can accurately measure and reward your employees based on performance. Then look to promote internally, providing employees with growth opportunities and increasing the chances they'll stay longer at your organization.

Organizations with highly engaged employees experience a 20% increase in sales and 21% greater profitability. TL:DR when your employees thrive, so does your business.

[Learn more →](#)

Gap analysis:

How are you keeping a pulse on employee engagement to address concerns early, therefore improving employee retention?

Closing the gap:

Measuring and reporting on employee sentiment and engagement is crucial, but may be impossible to tackle if those insights exist in a black hole or are time-consuming to collect. With all your people data in one place, you can learn more about the factors that influence performance levels.



AREA 3

Scenario Planning

More than half (57%) of CFOs say in 2023 and beyond, they plan to hire in specific areas to drive growth. Hiring is comprehensive, so consider how your organization works holistically to achieve KPIs when setting headcount.

[Learn more](#) →

Gap analysis:

How do you know you have the right people in place to achieve goals and weather an economic downturn?

Closing the gap:

The right solution will allow you to view each scenario on an org chart to understand team structure, and then permit you to easily toggle over to see graphical and numerical views of the impact on any number of KPIs.

66% of FP&A leaders reported spending more time on scenario planning in recent years. And as we all know, time is money.

[Learn more](#) →

Gap analysis:

How many spreadsheets does your Finance team currently use to do headcount planning with business partners?

0 – We use a dedicated solution

1-6 – Each business partner has their own version

7-10 – Desperately need to get this under control

I'm not even sure at this point

Closing the gap:

By bringing their workforce planning into ChartHop, the 1Password Finance team reports a time savings of over 20 hours per month. And Finance teams using ChartHop report saving \$77,885 in lost productivity by bringing headcount planning into a single, collaborative platform.



AREA 4

Data Security

Data breaches cost companies \$4.24m per incident on average. When it comes to CFO involvement in data security, ignorance isn't bliss. It's costly.

[Learn more →](#)

Gap analysis:

Can you restrict what sensitive data people have access to in your current planning process?

Yes

No

Closing the gap:

Security doesn't have to hinder transparency. Ensuring sensitive people data (like compensation) is in a secure platform and visible only to those who should have access (as is possible with the many levels of access controls offered in ChartHop based on role, data category, and sharing permissions) provides business partners with a single source of truth and enables fair and equitable practices.

65% of security incidents were the result of business email compromise.

Business email compromise is actually the top cause of significant cyber incidents and underscores the importance of your employees as a line of defense for your business.

[Learn more →](#)

Gap analysis:

Do your current planning processes involve emailing spreadsheets with sensitive data?

Yes

No

Closing the gap:

Take a page out of computer and network security company 1Password's book. With security as the foundation of everything they do, the 1Password People team knew it was time to break up with spreadsheets to bring their comp planning into a secure system. A process that once upon a time involved confidential information in multiple spreadsheets floating through emails and shared drives is now centralized in ChartHop.



AREA 5

DEIB Strategy

Companies with gender diversity on executive teams are 25% more likely to have above-average profitability and executive teams with ethnic diversity are 36% more likely to outperform less diverse peers on profitability. Diversity on leadership teams drives better collaboration, higher rates of innovation, and better decision-making. DEI isn't just warm-and-fuzzies, it benefits the bottom line.

[Learn more](#) →

Gap analysis:

How easily and quickly can you find your current DEI breakdown by level for your company?

Closing the gap:

Aggregate all your people data together (from your HRIS and self-identification surveys) into a single place, allowing you to [filter by multiple layers of people data](#) like gender, ethnicity, or level, uncovering unique insights on your workforce.

“Companies spend millions trying to figure out if they have pay equity issues or gender gap issues. Now there will be no excuse because the data is sitting there – you can push a button and get it.”

Aileen Lee

Founder & Partner, Cowboy Ventures



AREA 5 CON'T

DEIB Strategy

57% of CFOs report having a workforce that reflects society is a top priority. Ideally, your team would have easy access to understand the current makeup of your people based on factors like race and gender, as well as the ability to overlay metrics like eNPS scores, attrition, and promotion rates.

[Learn more →](#)

Gap analysis:

When was the last time you looked at a report that shows promotions and retention metrics through a DEIB lens?

Closing the gap:

[Centralizing critical employee data](#), including demographics, engagement, and performance, helps your team to deliver on diversity commitments. This type of solution should unlock data for your team so that everyone involved in headcount planning can easily slice and dice data to identify trends and develop action plans accordingly.

Learn more about what it takes to make the most sense of the dollars spent on your people.

CHARTHOP FOR FINANCE LEADERS

