

3 Questions with AFP's Brian Kalish

The [Association for Financial Professionals](#) (AFP) in February announced it is in the process of developing the first-ever certification for the corporate [financial planning and analysis](#) (FP&A) profession.

In this article, we interview Brian Kalish, finance practice lead for AFP. Brian provides insight into why the time is right for this unique certification, and why the profession is in such hot demand. AFP is a professional society serving more than 16,000 members, providing news, economic research and data, treasury certification programs, networking events, financial analytical tools, training, and public policy representation to legislators and regulators. Its global reach extends to more than 150,000 treasury and financial professionals worldwide, including AFP of Canada; London-based gtnews, an on-line resource for the treasury and finance community; and bobsguide, a financial IT solutions network.

1. What was the impetus behind development of the AFP Certification and what FP&A competencies do you expect to see incorporated?

AFP members have been telling us about the importance of FP&A for many years. Now, the timing is right. We believe that economic uncertainty and globalization have sensitized companies to the many scenarios they may face as they expand internationally.

Through our flagship certification, the Certified Treasury Professional™ we have learned exactly what it takes to develop and sponsor a financial credential. You need information that is absolutely unbiased, without vendor pressure. You need a deep body of knowledge to represent the skills and abilities required to perform the job task with competence, and this should be contributed by practitioners themselves. You need to have earned trust from professionals around the world. And you need a certain amount of infrastructure for a smooth credentialing process.

With our successful track record, AFP is positioned to take on the challenge of an FP&A certification. The new FP&A credential will be based upon a comprehensive, multi-source body of knowledge compiled and curated by top corporate practitioners. What's interesting is that the information will be country-agnostic, so we are expecting the idea to resonate globally. To properly create a professional-level certification that is psychometrically sound and legally defensible, there is an enormous amount of in-depth analysis and content creation, so we are looking ahead at least a year.

[In terms of competencies], we have convened a task force to do a job analysis and now we are evaluating the exact skills that FP&A professionals use on the job, what their priorities are, what makes them successful. We are doing this through a giant survey of FP&A professionals themselves. While it is too early to reveal our findings, some obvious areas are budgeting, scenario planning and risk-adjusted financial forecasting.

2. What is behind the surge in FP&A as a profession?

With all the recent economic uncertainty, there is now high demand for the FP&A skill set. Do a Google search for FP&A and what do you see? Hundreds of job postings. The FP&A profession is one of the most sought after areas of expertise by CFOs. In fact [some say] the hottest position today is financial planning and analysis. That's because accounting is really the expert interpretation of past events and the treasury practice is all about optimizing the present.

FP&A is about preparing a company financially for the future. I think that's what many companies are looking for now. They want people who are comfortable handling a crystal ball.

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page 2 of 2

3. What role do FP&A professionals play in today's business environment?

Our CEO, Jim Kaitz, is fond of the saying "uncertainty is here to stay." In today's uncertain business environment, a company without an FP&A team is like a ship without a map, striking out into the unknown without knowing what the dangers ahead might be.

The FP&A professional is the person who adds a dose of realism to a company's budgeting and planning processes, the person who asks "what if?" Imagine what would happen if department heads were allowed to turn in budgets that were most advantageous to them but which didn't take into consideration known risks, strategic shifts, or other variables. FP&A professionals save companies money by saving the company from making bad decisions. Sure, there is technology that can assist, but the best forecasts and strategic scenarios are done by real people.

We are passionate about supporting the people who take on this important planning function within corporations. You can see some of the resources available on www.afponline.org/FPA. We believe that companies with solid planning are going to be more resilient to the changes that may lie ahead, and ultimately, that's what we need in this economy.