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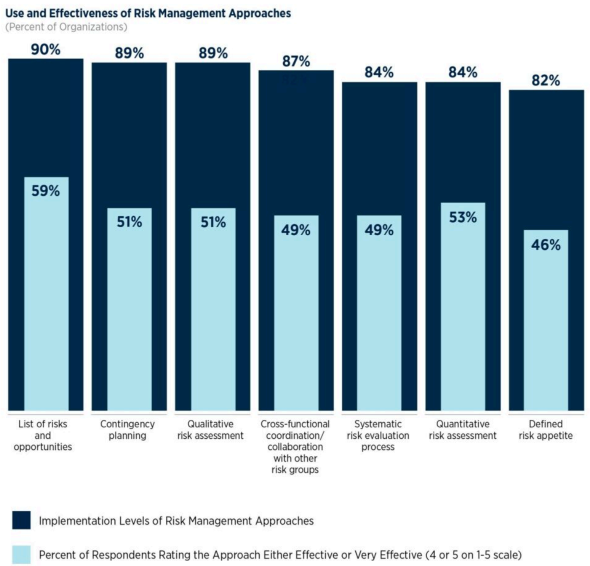
AFP Research Finds Structured Scenario Planning Drives Faster Budgets and Stronger Strategic Alignment

January 21, 2026



Organisations that use structured scenario planning, distinct from basic sensitivity analysis, are achieving measurably better outcomes in strategic alignment, budgeting speed, and execution, according to the *2026 AFP FP&A Benchmarking Survey Report* released by the Association for Financial Professionals (AFP).

The global study of 332 corporate finance practitioners shows that finance teams adopting structured scenario planning report **14% higher strategic alignment**, alongside **13% stronger integration of external factors** and **13% better horizontal alignment across the business**, compared with peers that do not use the approach.

Faster budgeting, despite a technology plateau

Finance teams using structured scenario planning complete budgets in an average of **8.1 weeks**, around **11% faster** than teams that do not, which average **9.2 weeks**. However, the research highlights a wider "tech paradox": despite heavy investment in planning technologies, the **overall average budgeting cycle remains stuck at 8.7 weeks**, unchanged from three years ago.

AFP concludes that **process maturity, not technology alone**, is the key driver of speed and agility. Structured scenario planning delivers efficiency gains where tools alone have failed to do so.

Clear distinction between planning approaches

The survey draws a sharp line between two commonly conflated methodologies:

- **Structured scenario planning** considers multiple plausible futures and prepares organisations for a range of outcomes.
- **Sensitivity analysis** tests the impact of individual variable changes in isolation and is regarded as a less mature approach.

Organisations applying the former consistently outperform those relying on the latter.

Risk management now central to finance

Risk management has become a standard part of the modern finance remit. Around **90%** of finance teams use risk or opportunity lists, and **89%** apply contingency planning. Yet only **38%** currently use structured scenario planning, despite those teams reporting higher effectiveness in identifying and managing risk.

As finance functions become more embedded in strategy, project delivery, and cross-functional leadership, this gap represents a missed opportunity for many organisations.

Strategy alignment weakens during execution

While executive-level alignment between budgets and strategy is generally strong, execution remains inconsistent. Only **46%** of finance professionals report effective horizontal alignment across operations, and just **47%** use consistent variables across planning processes.

Structured scenario planning again stands out. Teams using it report materially stronger alignment not just at the top, but across functions during delivery.

An expanding finance mandate

The research also confirms that the scope of corporate finance continues to widen. Finance professionals now spend **21% of their time** on areas such as strategy, technology implementation, HR, and operations. This shift is most pronounced in organisations with revenues under $100 million, where leaner structures demand broader leadership from finance teams.

Commenting on the findings, Bryan Lapidus, Director of FP&A Practice at AFP, said:
“Finance’s response to an unpredictable future must be to maintain multiple points of view of what can happen. Inflexible budgets break. Structured scenario planning is a key difference between organisations that can pivot quickly and those that get stuck in disconnected execution.”

The survey was conducted in August and September 2025 and reflects responses from finance leaders across industries and geographies.