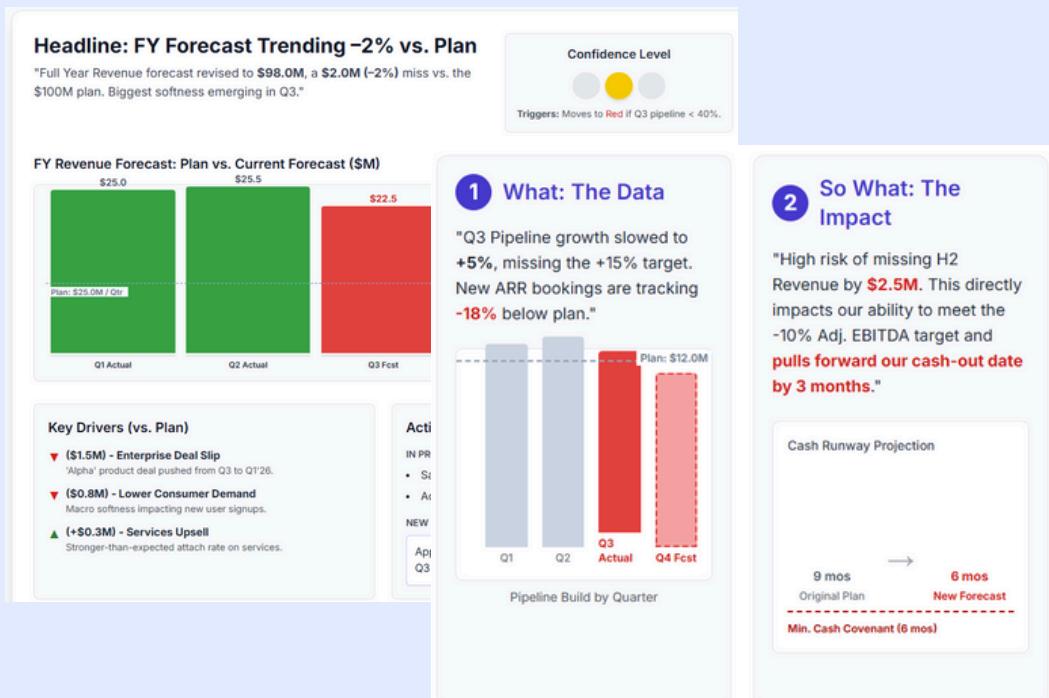


Financial Storytelling Strategies for Leaders

SWIPE →



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FRAMEWORKS



BY CHRISTIAN MARTINEZ
SENIOR FINANCE TRANSFORMATION MANAGER

1. The AIR Framework (Actuals → Insights → Recommendations)

A 3-step structure for every slide or verbal explanation.

A — Actuals (What happened?)

- Key metric vs plan / vs prior year
- State the variance clearly (size, direction, timing)

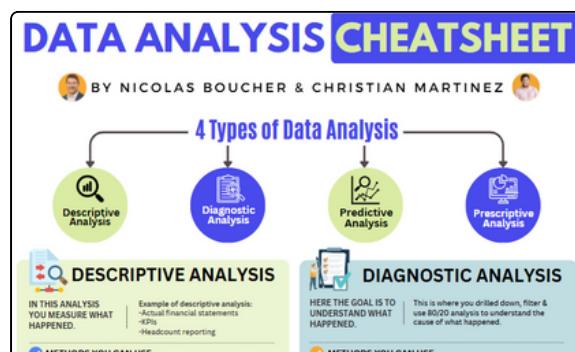
I — Insights (Why did it happen?)

- Root causes (price/volume/mix, FX, timing, one-offs, operational drivers)
- Quantify each driver
- Identify patterns or emerging trends

R — Recommendations (What should we do next?)

- Proposed actions
- Expected financial impact
- Owners + timeline

👉 Combine it with the 4 levels of analytics from my previous guide for greater impact!



BY CHRISTIAN MARTINEZ

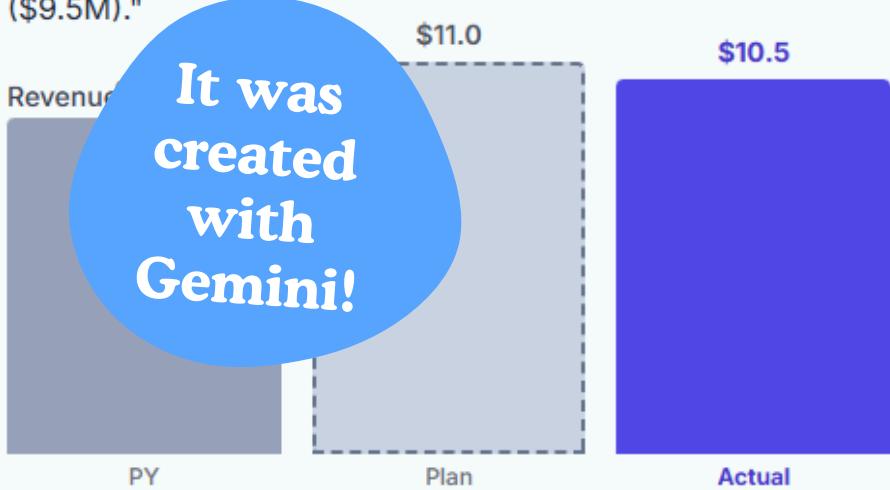
1. The AIR Framework (Actuals → Insights → Recommendations)

This is an example:

Executive KPI Review: Q3 Revenue

(A) Actuals

"Q3 Revenue was **\$10.5M**, missing the \$11.0M plan by **\$500K (-4.5%)**. This is **\$1.0M (+10.5%)** above prior year (\$9.5M)."

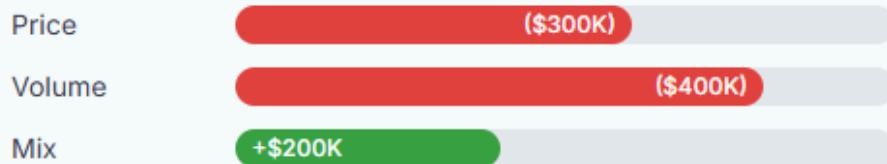


(I) Insights

"The **\$500K plan miss** was driven by:"

- **(\$300K) - Price:** Unexpected 2% discount on 'Pro' tier.
- **(\$400K) - Volume:** New 'Basic' tier signups 20% below forecast.
- **+\$200K - Mix:** Strong upsell to 'Enterprise' tier.

Variance Driver Breakdown (vs. Plan)



(R) Recommendations

Action 1: Marketing to launch a targeted 'Basic' tier campaign focusing on new use cases.

Owner: CMO | Timeline: Q4 Week 2 | Est. Impact: +\$150K in Q4

Action 2: Sales to hold the line on 'Pro' tier pricing; confirm competitor discount was a one-time event.

Owner: CRO | Timeline: Immediately | Est. Impact: Prevent further margin erosion



BY CHRISTIAN MARTINEZ

2. The 3x3 Variance Story (3 facts, 3 drivers, 3 actions)

For explaining any variance without drowning in detail.

Three Facts

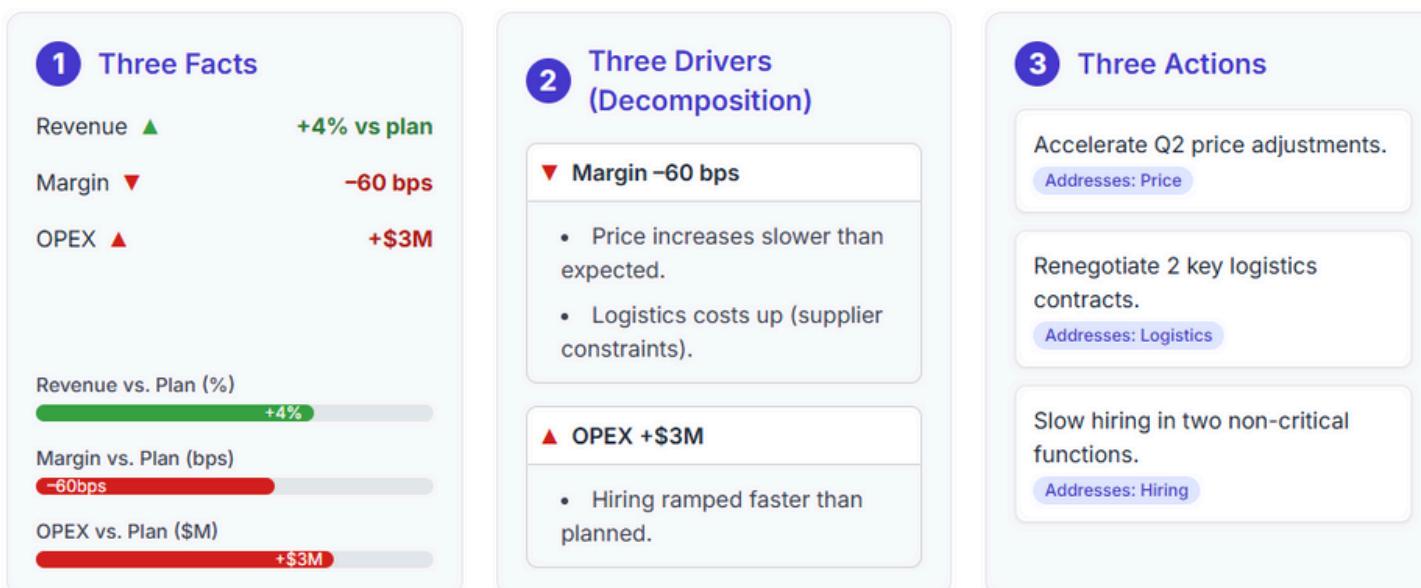
- “Revenue +4% vs plan, margin –60 bps, OPEX +\$3M.”

Three Drivers

- “Price increases slower than expected.”
- “Logistics costs up due to supplier constraints.”
- “Hiring ramped faster than planned.”

Three Actions

- “Accelerate Q2 price adjustments.”
- “Renegotiate 2 key logistics contracts.”
- “Slow hiring in two non-critical functions.”



👉 Use in MBR: Great for CFO questions on the spot.

3. The FP&A Pyramid (What → So What → Now What)

A simple, universally CFO-friendly narrative.

What:

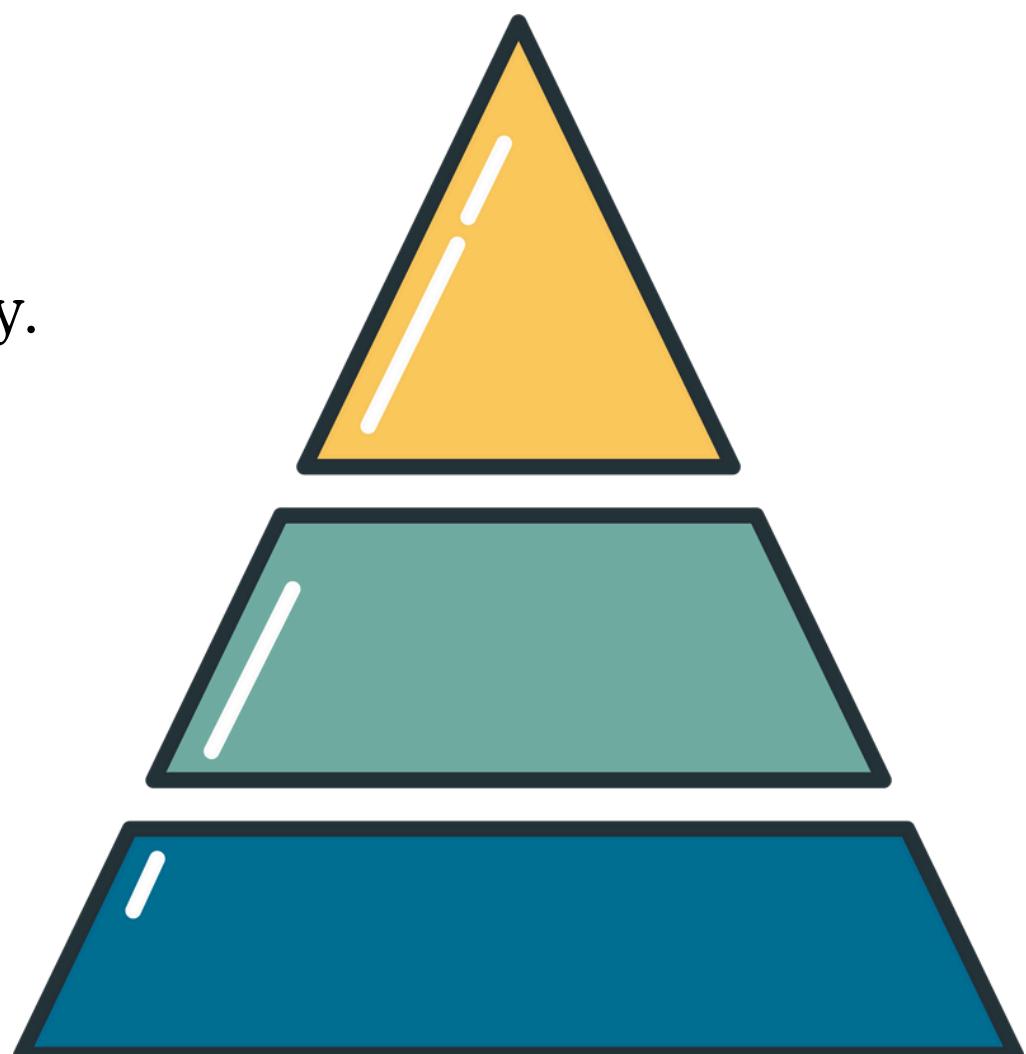
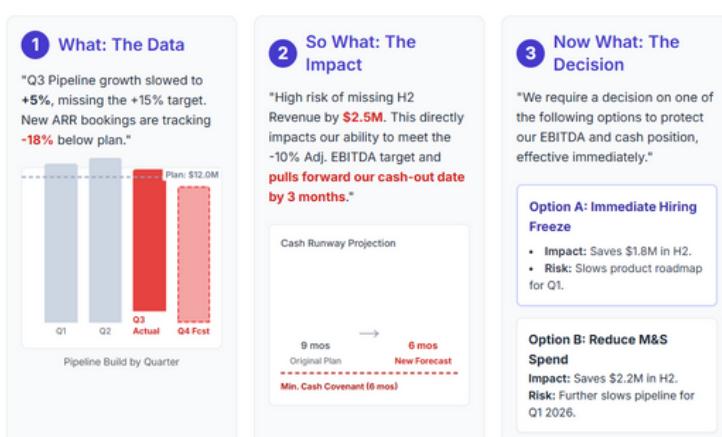
A concise summary of the data.

So What:

Impact on earnings, cash, or runway.

Now What:

Specific decisions required.



👉 Use in MBR: Use for slides that escalate into decision points like CAPEX, hiring, forecast downgrades.



BY CHRISTIAN MARTINEZ

3. The FP&A Pyramid (What → So What → Now What)

This is an example:

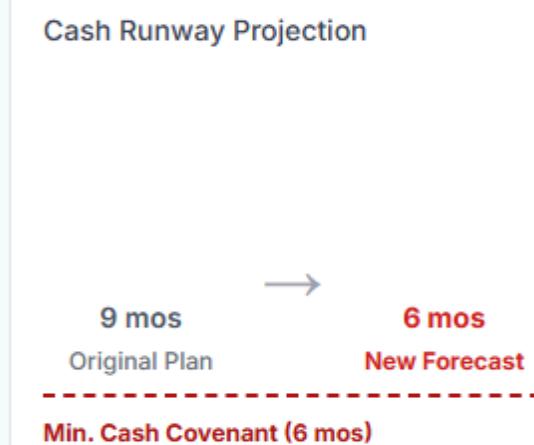
1 What: The Data

"Q3 Pipeline growth slowed to +5%, missing the +15% target. New ARR bookings are tracking -18% below plan."



2 So What: The Impact

"High risk of missing H2 Revenue by **\$2.5M**. This directly impacts our ability to meet the -10% Adj. EBITDA target and **pulls forward our cash-out date by 3 months.**"



3 Now What: The Decision

"We require a decision on one of the following options to protect our EBITDA and cash position, effective immediately."

Option A: Immediate Hiring Freeze

- **Impact:** Saves \$1.8M in H2.
- **Risk:** Slows product roadmap for Q1.

Option B: Reduce M&S Spend

- Impact:** Saves \$2.2M in H2.
Risk: Further slows pipeline for Q1 2026.

Add which is your recommendation for greater impact!



BY CHRISTIAN MARTINEZ

4. Driver–Bridge Framework (Start → Changes → End)

AKA a financial bridge story, used by top-tier FP&A teams.

Start:

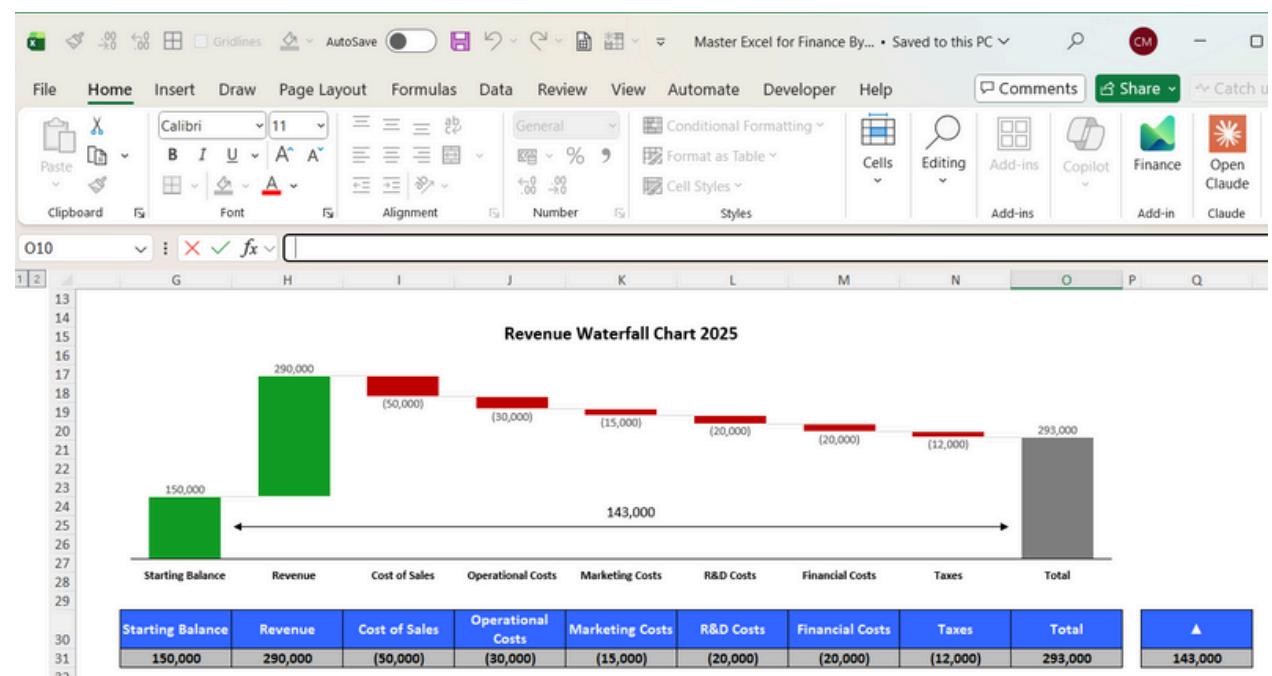
Beginning metric (e.g., EBITDA last quarter)

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Changes:

Break down the movement into quantified drivers:

- Volume
- Price
- Mix
- Cost inflation
- Productivity
- FX
- One-offs
- Timing



End:

Resulting metric (e.g., EBITDA this quarter)

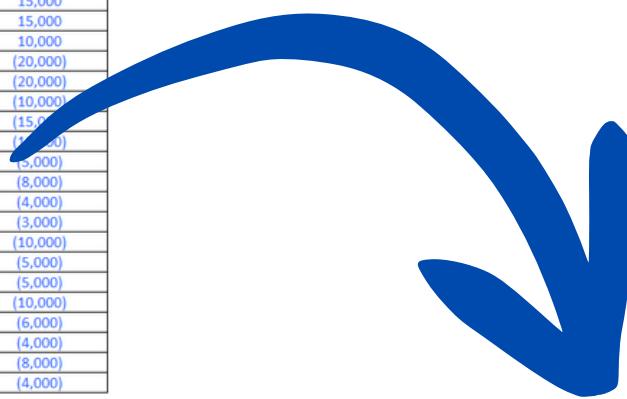
👉 Use in MBR: Use for revenue, margin, cash flow — CFOs love bridges.



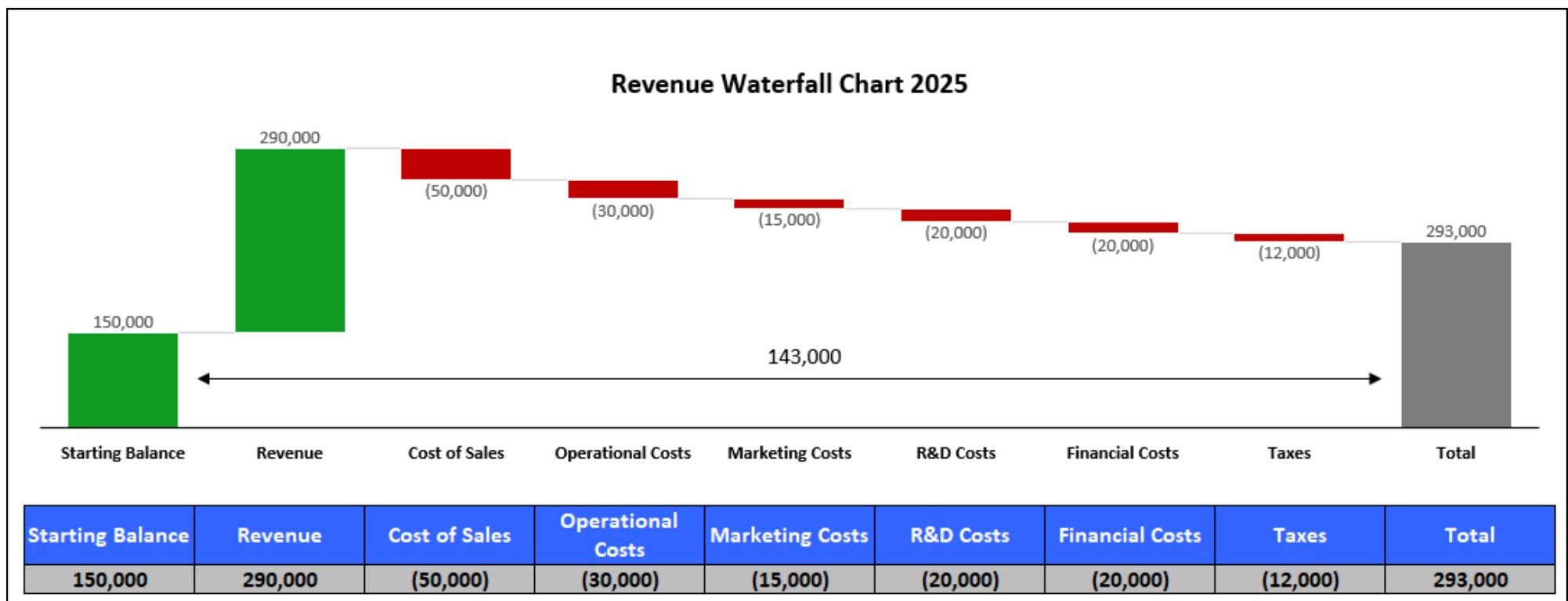
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4. Driver–Bridge Framework (Start → Changes → End)

Category	Type	Type 2	Amount
Balance from Prev	Starting Balance	N/A	150,000
Revenue Activity A	Revenue	Main Revenue	130,000
Product A Sales	Revenue	Product	30,000
Product B Sales	Revenue	Product	25,000
Product C Sales	Revenue	Product	25,000
Service Revenue	Revenue	Other revenue	40,000
Consulting	Revenue	Other revenue	15,000
Support	Revenue	Other revenue	15,000
Training	Revenue	Other revenue	10,000
Cost of Goods Sold	Cost of Sales	COGS	(20,000)
Other Costs A	Cost of Sales	Other Costs	(20,000)
Other Costs B	Cost of Sales	Other Costs	(10,000)
Salaries	Operational Costs	Operational Costs	(15,000)
Rent	Operational Costs	Operational Costs	(10,000)
Utilities	Operational Costs	Operational Costs	(5,000)
Digital Ads	Marketing Costs	Marketing Costs	(8,000)
Print Ads	Marketing Costs	Marketing Costs	(4,000)
Sponsorships	Marketing Costs	Marketing Costs	(3,000)
Product Development	R&D Costs	R&D Costs	(10,000)
Testing	R&D Costs	R&D Costs	(5,000)
Prototyping	R&D Costs	R&D Costs	(5,000)
Financial Costs	Financial Costs	Financial Costs	(10,000)
Loan Interest	Financial Costs	Financial Costs	(6,000)
Credit Line Interest	Financial Costs	Financial Costs	(4,000)
Tax 1	Taxes	Taxes	(8,000)
Tax 2	Taxes	Taxes	(4,000)



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5. The CFO Decision Sheet (Decision → Options → Impact → Risks)

A structured format for any slide that requires approval.

Decision Needed:

“What we need from you today.”

Options:

Enumerate 2–3 real alternatives (including ‘do nothing’).

Impact:

Financial implications (revenue, EBITDA, cash, headcount)

Risks / Assumptions:

Limitations, dependencies, exposure

👉 Use in MBR: Helps CFOs make clean decisions without going into weeds.

1. Decision Needed			
"Approval for \$1.2M Capex to deploy the 'Alpha' automation line, with a target go-live of Q3."			
2. Options Analysis			
RECOMMENDED			
Option A: Full Automation Deploy the 'Alpha' line. Full automation of packing and sorting.			
Option B: Partial Upgrade Manual-assist conveyor belt upgrade. Addresses sorting only.		Option C: Status Quo Do nothing. Absorb rising labor costs and fulfillment errors.	
3. Financial Impact			
Metric	Option A: Full Auto	Option B: Partial	Option C: Status Quo
Capex Request	(\$1.2M)	(\$400k)	\$0
Annual OpEx Savings	\$550k	\$100k	\$0
Net EBITDA Impact (Yr 1)	+\$550k	+\$100k	(Est. -\$50k)
Payback Period (Years)	2.2	4.0	N/A
Headcount	-8 (Redeployed)	-2 (Redeployed)	+2 (New Hires)



BY CHRISTIAN MARTINEZ

5. The CFO Decision Sheet (Decision → Options → Impact → Risks)

An example:

1. Decision Needed

"Approval for **\$1.2M Capex** to deploy the 'Alpha' automation line, with a target go-live of Q3."

2. Options Analysis

RECOMMENDED

Option A: Full Automation

Deploy the 'Alpha' line. Full automation of packing and sorting.

Option B: Partial Upgrade

Manual-assist conveyor belt upgrade.
Addresses sorting only.

Option C: Status Quo

Do nothing. Absorb rising labor costs and fulfillment errors.

3. Financial Impact

Metric	Option A: Full Auto	Option B: Partial	Option C: Status Quo
Capex Request	(\$1.2M)	(\$400k)	\$0
Annual OpEx Savings	\$550k	\$100k	\$0
Net EBITDA Impact (Yr 1)	+\$550k	+\$100k	(Est. -\$50k)
Payback Period (Years)	2.2	4.0	N/A
Headcount	-8 (Redeployed)	-2 (Redeployed)	+2 (New Hires)



BY CHRISTIAN MARTINEZ

6. The 1-Slide Forecast Story (Headline → Drivers → Actions → Confidence)

For rolling forecasts, avoid drowning in detail.

Headline:

“FY Forecast trending -2% vs plan; biggest softness in Q3.”

Drivers:

3–4 quantified items explaining the delta.

Actions:

Mitigations already in progress + new asks.

Confidence Level:

Red / yellow / green + what would change it.

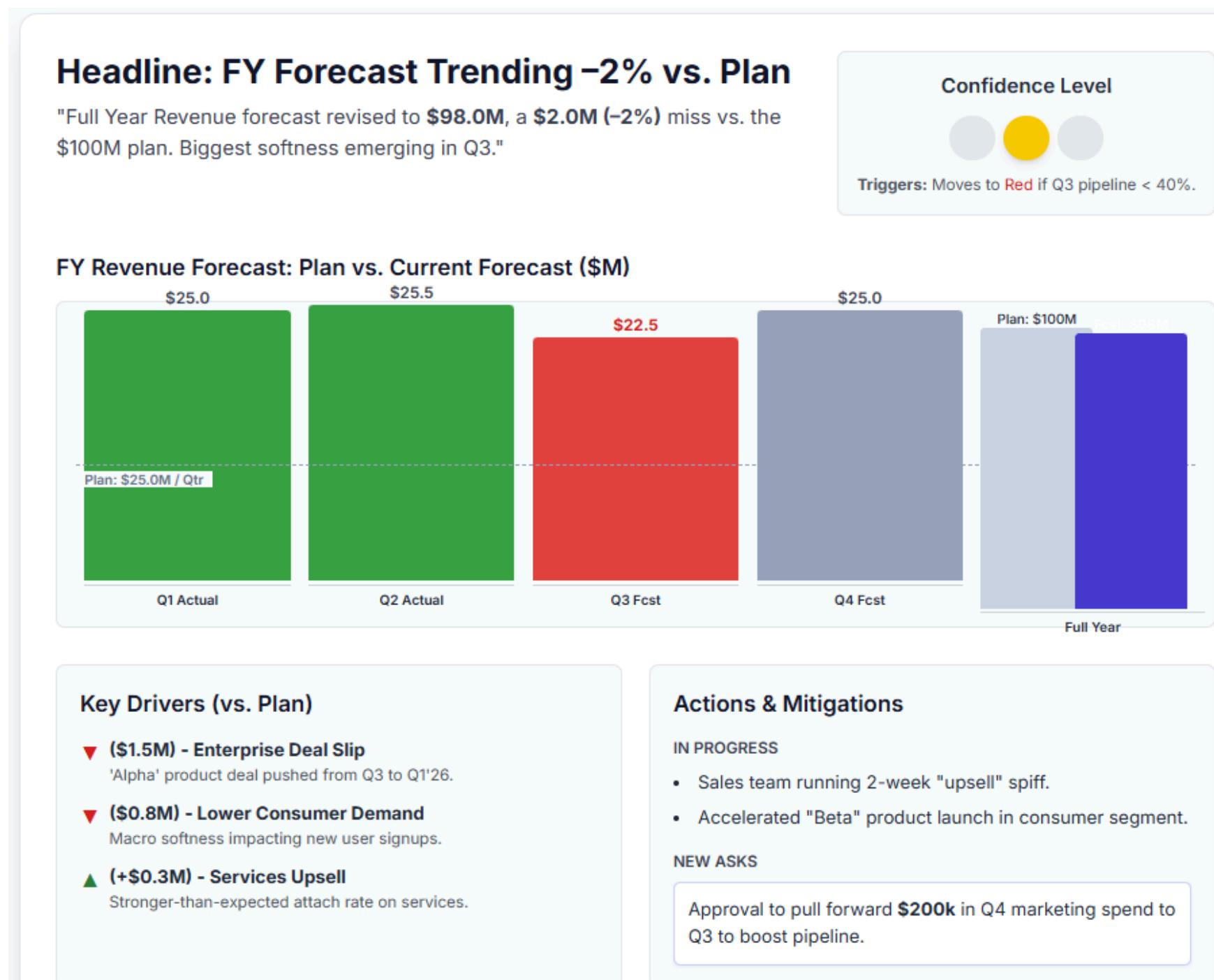
👉 Use in MBR: Gives CFO quick forecast direction + whether FP&A has control.



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6. The 1-Slide Forecast Story (Headline → Drivers → Actions → Confidence)

An example:



BY CHRISTIAN MARTINEZ

Here is a Summary:

- 1) AIR Framework (Actuals–Insights–Recommendations):** Deliver a KPI story by stating what happened, why it happened, and what should happen next.
- 2) 3×3 Variance Story:** Explain any variance with three facts, three drivers, and three actions.
- 3) FP&A Pyramid (What–So What–Now What):** Move from data to impact to required decisions in a tight narrative.
- 4) Driver–Bridge Framework:** Break financial movement into quantified drivers from start value to end value.
- 5) CFO Decision Sheet:** Present a decision, the options, the financial impacts, and the associated risks.
- 6) 1-Slide Forecast Story:** Summarize forecast direction, key drivers, planned actions, and confidence level on a single slide.



**Christian
Martinez**



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