Excel vs Decision Thinking
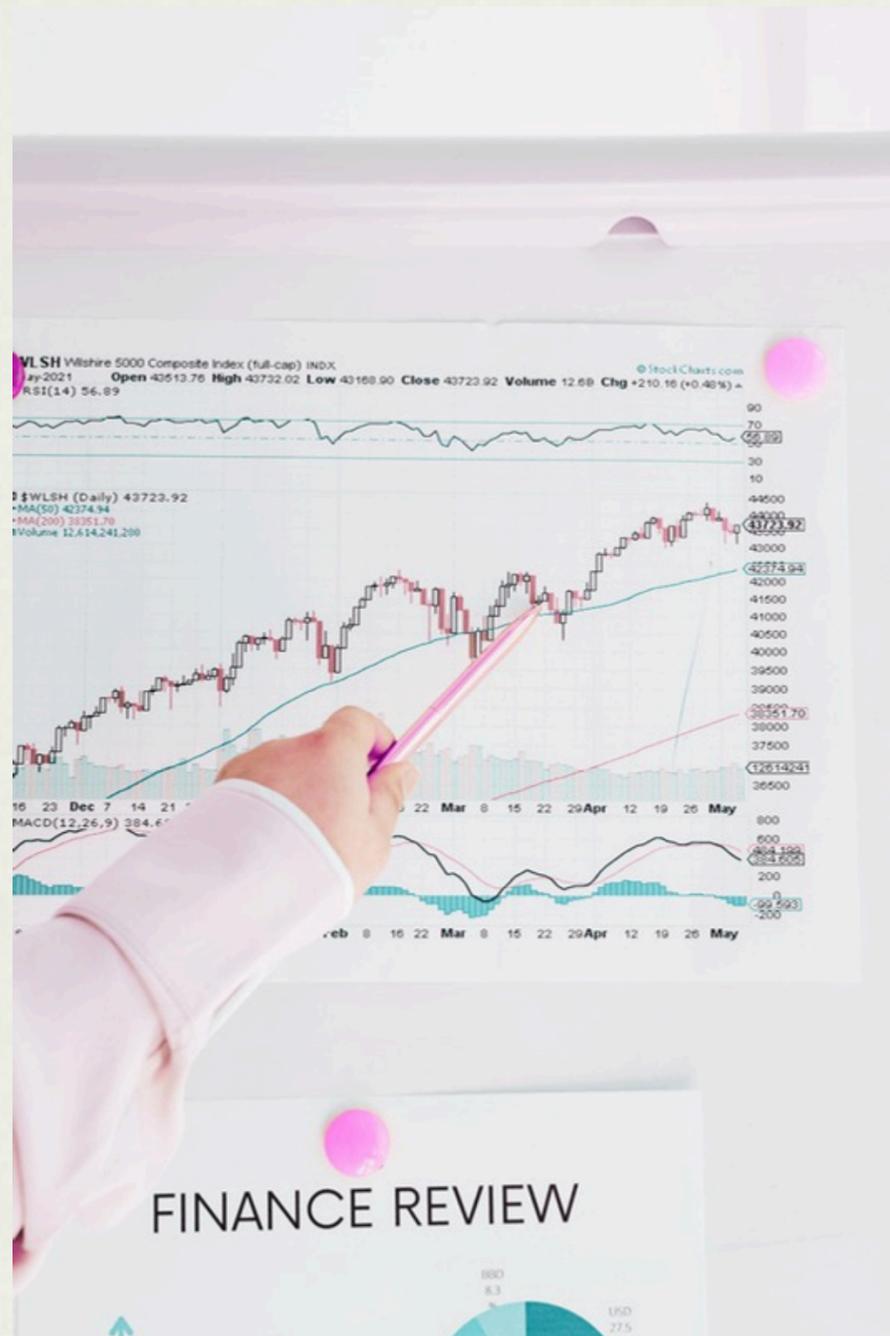
A self-assessment map for modern finance teams

Purpose of this resource

This short self-assessment is designed to help finance leaders and decision-makers reflect on how financial decisions are currently made — and where complexity may already exceed what spreadsheets are built for.

It is not a technical guide.

It is a thinking tool.

FINANCE REVIEW

For each area, read both statements.
If the left side describes your situation most of the time, Excel is likely sufficient.
If the right side feels familiar, decision complexity may already be higher than it appears.
There are no "right" or "wrong" answers.

How to use this map

Forecasting

Excel works well when:	Decision risk increases when:
• Forecasts are updated infrequently • Assumptions remain relatively stable • Variance analysis is mostly backward-looking	• Forecasts need frequent revision • Small assumption changes lead to large outcome swings • Forward-looking decisions depend on timing and uncertainty

Scenario Thinking

Excel works well when:

- You model one or two alternative cases
- Scenarios are static and rarely reused
- The goal is illustration, not continuous decision support

Decision risk increases when:

- Multiple variables change simultaneously
- Scenarios need to be revisited often
- Trade–offs between options are unclear

Profitability

Excel works well when:	Decision risk increases when:
• Profitability is viewed at an aggregate level	• Profitability differs by product, client, or channel
• Cost structures are relatively simple	• Fixed and variable costs interact non-linearly
• Margins behave predictably	• Growth impacts margin and cash differently

Cash & Liquidity

Excel works well when:	Decision risk increases when:
• Cash movements are stable and predictable • Working capital dynamics are simple • Liquidity risk is low	• Growth consumes cash faster than expected • Small operational changes impact liquidity • Timing matters more than totals

Excel works well when:

- Growth assumptions are incremental
- Decisions are reversible
- Risks are limited

Decision risk increases when:

- Growth choices are structural or irreversible
- Trade-offs between speed, margin, and cash exist
- Decisions need to balance short-term and long-term effects

Growth Decisions

Decision Process

Excel works well when:	Decision risk increases when:
• Decisions are based on single outcomes • Models are owned by one person • Interpretation happens offline	• Decisions involve multiple stakeholders • Interpretation varies across teams • Context gets lost between analysis and action

Reflection

Ask yourself:

- Which areas triggered the most "Decision risk" signals?
- Where do we spend the most time explaining numbers instead of discussing choices?
- Which decisions feel harder than the models suggest they should be?

These are usually not data problems.
They are decision structure problems.