



Weekly Brief

July 16, 2025

Annual and Strategic Planning Can Be Your Friend, Especially Now

Uncertainty seems to be a constant backdrop for business leaders these days. It comes up in nearly every conversation I have with CEOs and other executives.

But it's important not to equate uncertainty with paralysis. In fact, companies have [more tools than ever to make sense of the world](#) and move forward with big priorities and investment decisions.

Many are finding smart ways to use [AI to harness uncertainty](#). Others are creating [trade and tariff command centers](#) to prepare for a range of outcomes that will affect their supply chains, demand for products, and pricing.

It may be impossible to predict the future, but you can still anticipate it. Strategic and annual planning are more important than ever—not the rigid, time-consuming, top-down approach of yesterday but a flexible, dynamic, ongoing activity that will prepare companies for a range of scenarios.

Based on our work with clients from around the world, here are five practices that consistently help companies sharpen their annual, mid-year, or ongoing strategic and operating planning processes:

- **Building a Dynamic Revenue Model.** You can't forecast what you do not understand. By developing a digital, continuously updated driver tree, you can analytically

capture and monitor key revenue factors, margins, costs, and forward-looking indicators. This work will enable faster, smarter responses to market changes.

- **Establishing a Robust Base Case Using Scenarios.** You need to understand the downside in order to plan. That is even more true in this complex and dynamic trade environment. Use scenario planning to rigorously test market and financial assumptions and to create a base case for how much cash, EBITDA, and debt capacity is available under worst-case scenarios.
- **Adopting Rolling Forecasts for Agility.** To keep your planning nimble, integrate a rolling forecast that continuously tracks forward-looking indicators and other variables. If an indicator flags a move to the lower bound of the base case forecast, you can reduce variable costs rather than shrinking operating margins. If an indicator suggests you will exceed the base case, you can expand margins. These indicators can also help CEOs pivot if an alternative scenario is poised to displace the base case.
- **Investing Strategically in Future-Oriented Assets.** Balance investments between current revenue streams and long-term growth opportunities. You should aim to champion strategic assets—including transformations, joint ventures, and M&A—that provide lasting competitive advantage.
- **Maintaining AI Momentum.** By continuing to scale investments in AI initiatives, particularly GenAI and AI agents, you'll enhance strategic forecasting, optimize processes, and generate new revenue streams.

None of this is a defensive tactic. Enhancing your strategic agility is a way to harness volatility. And companies that make smart moves during times of economic stress outperform their industry peers. For example, deals made in down markets [generate 9 percentage points greater relative shareholder returns](#) over two years, compared with deals made in up markets. And [43% of transformation programs launched during the pandemic](#) achieved improved sales and TSR growth relative to peers, compared with only 28% launched in more stable markets.

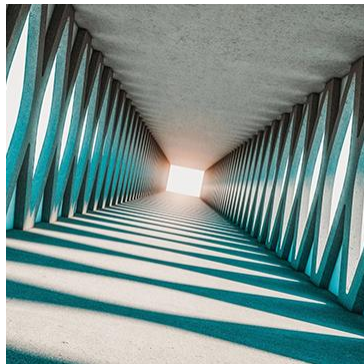
Rather than just weather the storm, companies can work with the winds of change to emerge stronger, smarter, and ready for what lies ahead.

Until next time,



Rich Lesser
Global Chair

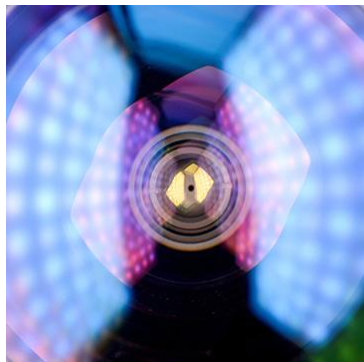
Further Insights



Strategic and Annual Planning in Volatile Times: What Every CEO Should Know

Five actions can help CEOs move forward with big investment decisions, despite uncertainty.

MAKE BIG MOVES NOW



Tariffs Highlight the Power of an Uncertainty Advantage

Tariff volatility serves as the most recent reminder that companies can anticipate and benefit from rapid change by deploying a strategic foresight toolkit.

BUILD YOUR ADVANTAGE



Navigating the Future with Strategic Foresight

An updated approach to planning combines powerful analytics with proven creative tools and AI to give executives greater confidence about where their companies should go.

LEAD WITH FORESIGHT