

OUTLIERS CFO EXCELLENCE CENTRE™

Capital Allocation Toolkit™

Allocate capital to the highest-return uses

CFO / Board / Investment Committee · Flagship Edition 2026

Outliers Professionals Ltd — publication-ready resource for the CFO Excellence Centre Resource Library

1. Full Guide

This toolkit helps allocate capital to the highest-return, strategy-aligned uses — with a consistent appraisal standard, prioritisation, hurdle rates and post-investment review.

Operating lifecycle

1. Frame — the capital framework and criteria
2. Appraise — consistent business cases (NPV/IRR)
3. Prioritise — rank by return, fit and risk
4. Decide — fund within the framework
5. Review — post-investment benefit tracking

Maturity model

L1 Initial	L2 Developing	L3 Defined	L4 Managed	L5 Optimised
Reactive / manual	Core but unstandardised	Standardised & controlled	Measured & automated	Predictive & value-creating

Key components

- Capital framework
- Investment appraisal
- Prioritisation
- Hurdle rates & criteria
- Funding decisions
- Post-investment review

2. Templates & Contents

Capital allocation framework guide

Principles, criteria and hurdle rates for allocating capital.

Business case template

Standard business case for investment requests.

Investment appraisal model (NPV/IRR)

Appraise investments consistently.

Capital allocation prioritisation matrix

Rank and decide on competing investments (supplied as a working XLSX).

Post-investment review template

Track realised benefits against the business case.

3. Checklists

- Capital framework and criteria defined
- Hurdle rates applied
- Business cases consistent
- Investments prioritised by return, fit and risk
- Funding decisions within the framework

- Benefits tracked post-investment
- Capital allocation reviewed against returns

Governance Structure

Capital allocation is governed by the board and CFO, with appraisal by finance and post-investment review:

Layer	Role
Board / Audit Committee	Oversees financial reporting, controls, risk and capital
CFO	Owns the finance function and agenda
Finance leadership	Run FP&A, control, treasury, reporting
Finance business partners	Connect finance to the business
Finance team	Deliver close, reporting, analysis and controls

Reporting Example

Standard report: executive summary · performance vs target (RAG) · key metrics · risks & actions · decisions sought.

Metric	Current	Target	RAG	Action
ROIC	11%	≥14%	Red	Improve capital efficiency
Capital allocation alignment	70%	≥80%	Amber	Re-allocate to top bets
Benefit realisation	On plan	On plan	Green	Maintain
Hurdle applied	Yes	Yes	Green	Maintain

Board Reporting Section

Illustrative one-page board summary (replace with live data):

Item	Status	Commentary
Capital allocation	Amber	Disciplined; returns below hurdle in places
Returns	Red	ROIC below hurdle
Alignment	Amber	Not fully aligned to top opportunities
Decisions sought	—	Approve capital re-allocation

Notes & Disclaimer

This resource is a professional finance management template, not accounting, tax, legal or financial advice. Calibrate frameworks, KPIs, thresholds and figures to your organisation and confirm accounting, tax and regulatory specifics against current applicable standards and law and professional counsel. Bracketed fields [like this] and sample figures are editable placeholders.