AI in Action:
How Machine Learning and AI are Reshaping the Role of FP&A

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About Workday

Workday Adaptive Planning empowers FP&A teams across the globe to build more speed, flexibility, collaboration, and accuracy into their organization's plans, budgets and forecasts so they can have more time to develop rich analysis that helps guide their business leaders to make faster, more confident decisions.

Workday is leading the way in finance transformation through scalable, innovative solutions across the modern enterprise. From Human Capital Management, to Financials, to Enterprise Planning across organizations, Workday is equipping organizations to move forward faster.

KPMG at a glance

KPMG LLP is a private partnership and a member of KPMG International Cooperative, a global network of professional member firms. KPMG has been a leading provider of audit, tax, and a variety of advisory services since our inception in 1870. Our service offerings have continually involved, as we continue to bring our clients innovative, leading-edge services and thought leadership focused on the latest developments in business theory and technology.

Global headcount

219,000+
professionals worldwide

Operating in **145** countries

Headcount

38,000+
in the U.S.

in all **50** states

We serve **80%** of the FORTUNE GLOBAL **500**

Finance Transformation capabilities

Strategy through implementation and finance managed services.

Business led, digitally enabled transformation. Customer centric approach focused on delivering desired business outcomes.

- Diagnostic and strategy
- Process reengineering
- Digital acceleration
- Data Intelligence
- Cost optimization
- Enterprise Performance Management
- Delivery model & organization optimization
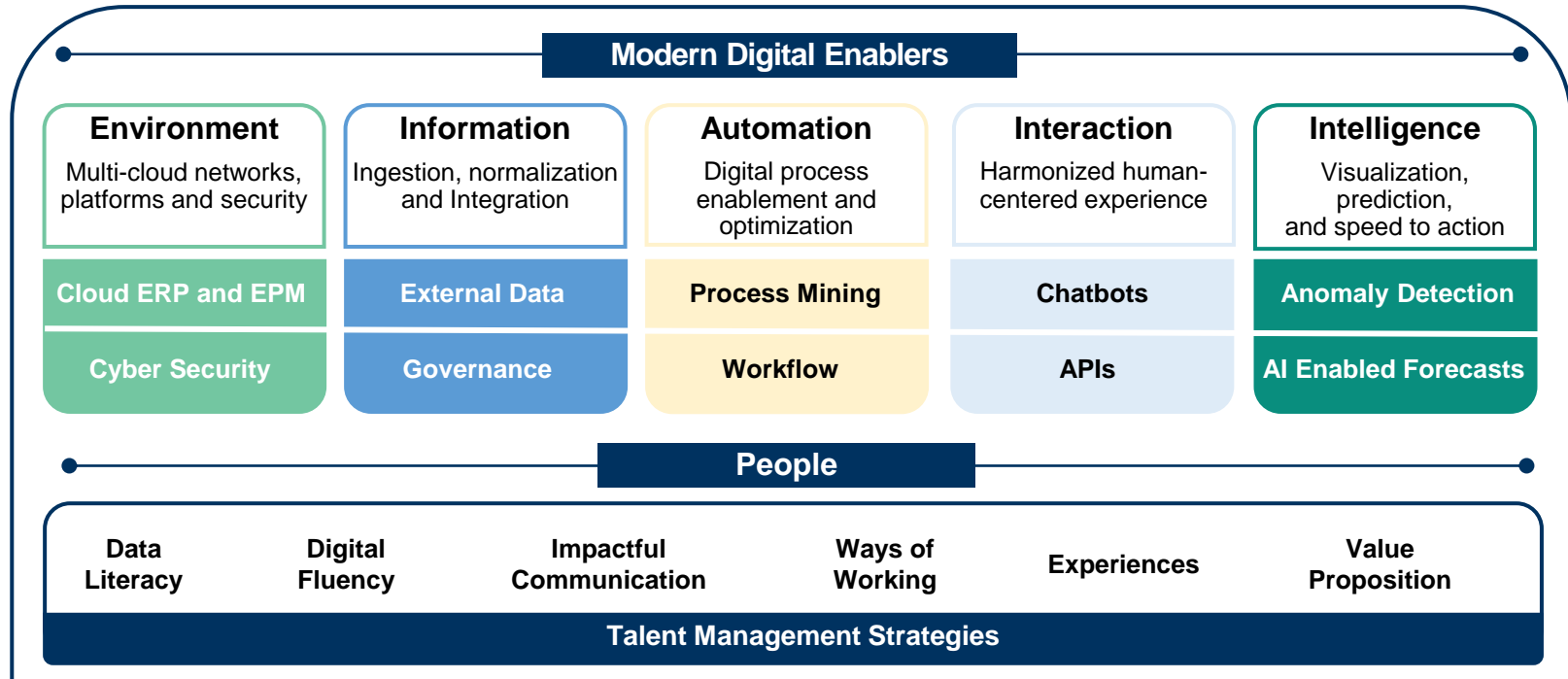- Event driven transaction services

Agenda

1. Introduction

2. Digital Revolution Impact on Financial and Enterprise Planning and Analysis

3. AI Trends and Benefits for FP&A

4. AI in Planning: The Workday Way

5. Applying AI Across Finance

6. Closing and takeaways for your AI Journey

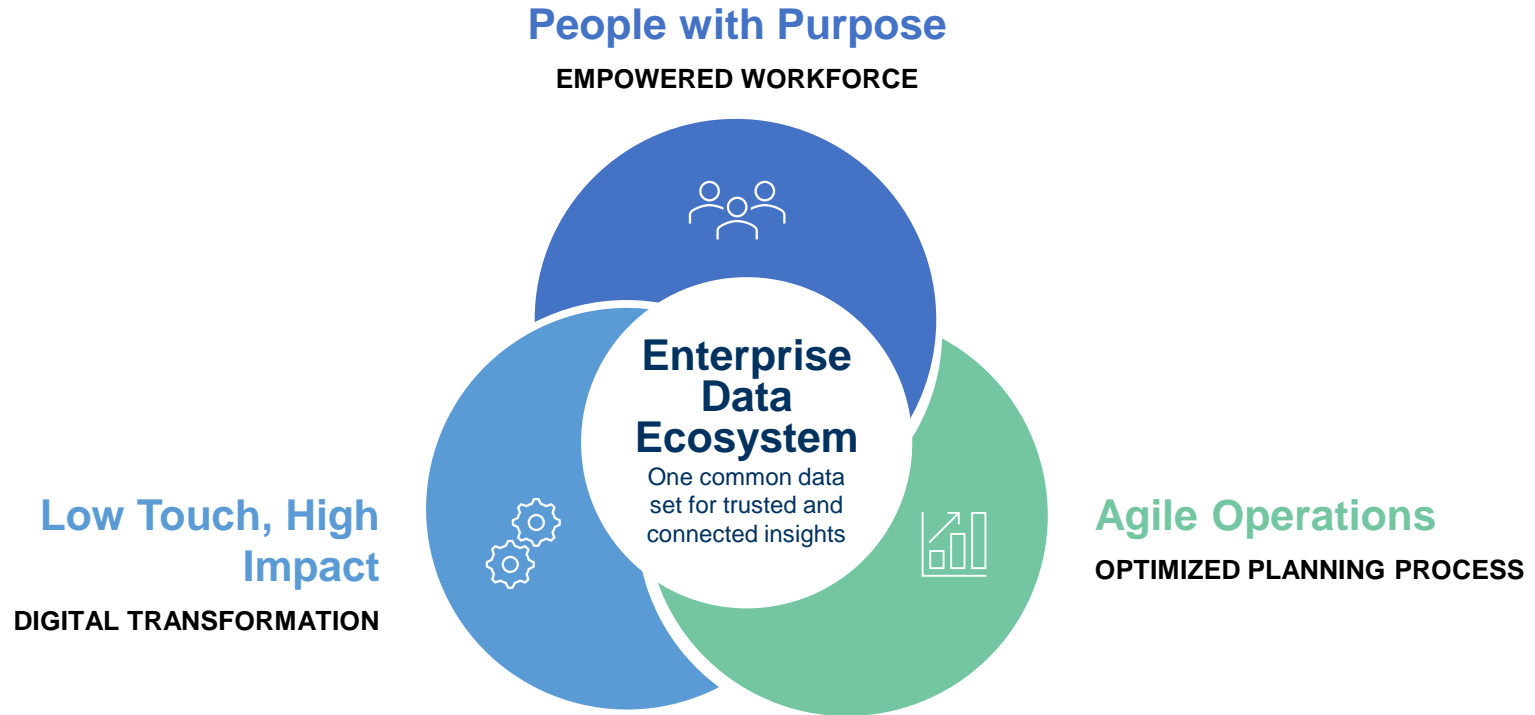# Digital Revolution Impact on Financial and Enterprise Planning and Analysis

Rapidly Changing Finance Landscape

Modern Digital Enablers

Environment	**Information**	**Automation**	**Interaction**	**Intelligence**
Multi-cloud networks, platforms and security	Ingestion, normalization and Integration	Digital process enablement and optimization	Harmonized human-centered experience	Visualization, prediction, and speed to action
Cloud ERP and EPM	**External Data**	**Process Mining**	**Chatbots**	**Anomaly Detection**
Cyber Security	**Governance**	**Workflow**	**APIs**	**AI Enabled Forecasts**

People

Data Literacy	Digital Fluency	Impactful Communication	Ways of Working	Experiences	Value Proposition

Talent Management Strategies

The DNA of FP&A is changing

People with Purpose

EMPOWERED WORKFORCE

Enterprise Data Ecosystem

One common data set for trusted and connected insights

Low Touch, High Impact

DIGITAL TRANSFORMATION

Agile Operations

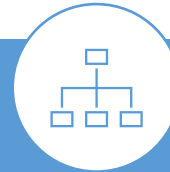**OPTIMIZED PLANNING PROCESS**

The Foundation for Success

Efficiently deliver 'standard' services...

Cloud-enabled, fit for purpose planning solution built on dynamic planning drivers

Reliable and robust data and reporting enabled by **enterprise data repository**

Clearly defined structures and **catalog of services**

Embracing Change of Evolving FP&A

...Elevate purposeful and impact-driven interactions

Integrated Enterprise Planning	Intelligent Forecasting	Rapid Strategic Modeling	Continuous Analytics	Generative Creation and Insights

Augmented Intelligence for Strategic and Commercial Decisions

Customized Products and Offers

SKU Rationalization and Optimization

Pricing Strategies

Optimized Distribution & Supply Chain Channels

Growth Innovation Profitability Sustainability

Inventory Optimization

Share Buyback/Dividend Strategies

Resource Management and Deployment

Environmental, Social, Governance Priorities

Finance is at the center of enterprise performance

Top Desired Outcomes

Elevate value of services delivered

Enable faster, more informed decisions

Redeploy capacity to higher value areas

Develop talent & increase digital fluency

Value Realized

2-3x more time spent on analytics & decision support

5x faster financial close & planning cycles

70%+ automation of processes and reporting

60%+ more accurate forecasts

>10% revenue growth reported

Key Enablers to Value Realization

Common Vision & Goals

>80% adopted cloud ERP

>60% adopting predictive forecasting & analytics

>80% integrate external data into decision making

75% enable organizational agility with specialized Centers of Excellence

66% have robust talent strategies

Poll Question 1:

What is the biggest challenge faced by FP&A teams in embracing digital transformation?

a.   Lack of support and buy-in

b.   Insufficient technical skills among employees

c.   The high cost of implementing digital solutions

d.   Security and privacy concerns around data handling

e.   Resistance to change and uncertainty around the ROI of a digital transformation

f.   Integration challenges with legacy systems and existing IT infrastructure

Poll Question 1 Results: (Placeholder)

AI Trends and Benefits for FP&A

*"**By 2027, spending on AI software will grow to $297.9 billion with a CAGR of 19.1%.** Over the next five years, the market growth will accelerate from 17.8% to reach 20.4% in 2027. Generative AI software spend will rise from 8% of AI software in 2023 to 35% by 2027."*

Existing Trends and Future Predictions

- Significant Investment in R&D
- Exploring AI in Planning
- Adoption driving innovation

- **Shift in Planning**: moving towards data-driven, exception-based, more continuous, and automated planning.

- **Enhanced Scenario Analytics**: simplifying complex planning and delivering timely insights.

- **Personalization**: Products are tightly interconnected to provide a personalized experienced.

- **Broader use cases**: support is expanding for a wide range of integrated planning use cases, including industry-specific modeling and insights frameworks.

- **Generative AI:** the future!

Poll Question 2:

On a scale from 1 to 10 (1 being the lowest), where are you on your journey to adopt AI in Planning Processes?

a. 1

b. 2

c. 3

d. 4

e. 5

f. 6

g. 7

h. 8

i. 9

j. 10

Poll Question 1 Results: (Placeholder)

Evolution of FP&A's Role & Technology

Shifting from number-crunching to **strategic advisory roles.**

Skills evolution: growing need for business insights, predictive modeling, scenario analysis, and AI comprehension.

Task automation: leveraging technology for automating repetitive tasks and focusing on strategic value.
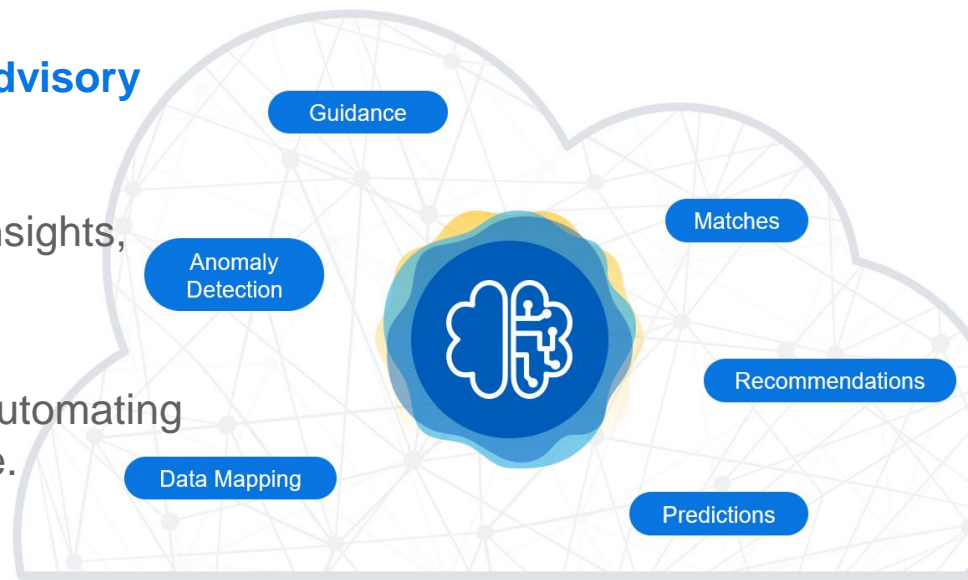
Harnessing AI as a Competitive Advantage

Engaging Experience

Create an engaging experience personalized to each user

Increased Automation

Automate repetitive, predictable tasks for improved accuracy and productivity

Machine-Augmented Decisions

Arm people with insights and recommendations for faster, better decisions

Poll Question 3:

What is the biggest challenge you foresee for FP&A in incorporating AI?

a. Software/technology not good enough yet
b. Lack skill sets to implement
c. Poor data quality
d. Bias or inertia in the org to trust AI

Poll Question 2 Results: (Placeholder)

AI in Planning: The Workday Way

How FP&A Benefits from AI and ML in Workday
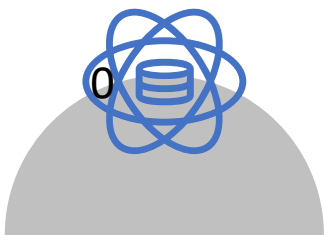
Eliminate Inefficiencies

Interrogate high-volume data faster

Save Time

Intelligently automate manual and repetitive tasks

Manage Risk

Continuously detect patterns and anomalies surfacing areas of concern

Predict Outcomes

Optimize business processes and accelerate data-driven decision-making and forecasts
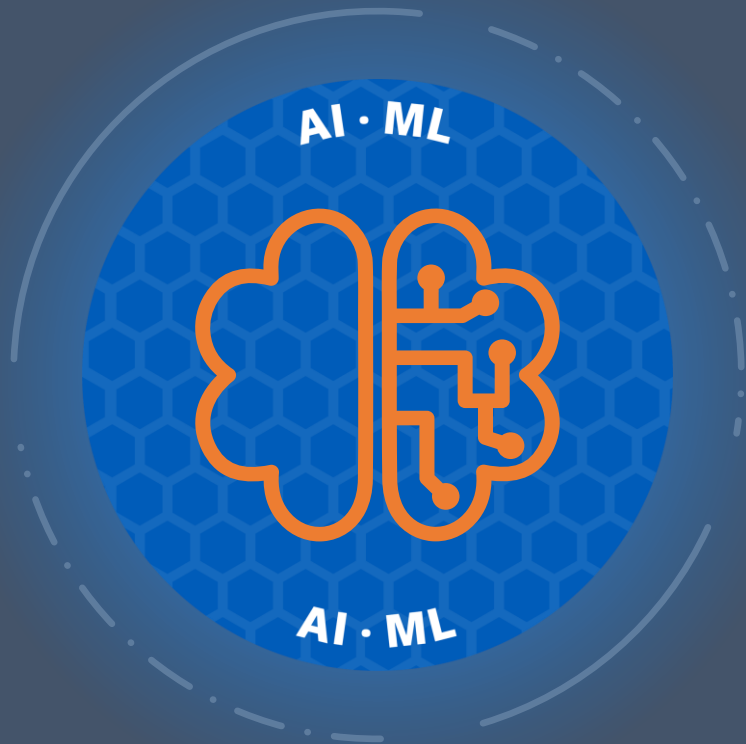
Embedded
Directly into the planning platform

Extended
To leverage 3rd party innovation

Open Framework
Support for data scientists with Jupyter Notebook integration

Anomaly Detection

Intelligent Platform
Key Features

- Data governance
- Enhanced user insights
- TIme Series prediction
- Continuous learning from user feedback

Description

- Utilizes time series prediction to alert planners if plan data fall outside normal or historical ranges.
- The model will learn from user feedback to continually improve the process of anomaly detection.
- User controlled upper and lower bounds for detection

Benefit

- In real-time, significantly enhances a user's insight into data anomalies, allowing for timely data adjustments.
- Supports enhanced data governance.

Predictive Forecaster

Intelligent Platform
Key Features

- Accurate, predictive forecasts
- Embedded capabilities
- Options to utilize external data & drivers
- Support for multiple use cases
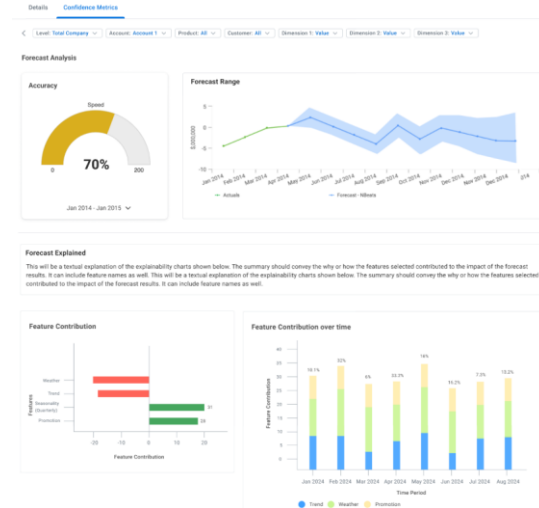
Description

- Allows planners the ability to create smarter and accurate forecasts, surpassing traditional methods.
- Offers the capability to utilize advanced machine learning and statistical models in an easily consumable manner, assisting planners in selecting the most effective forecast possible.

Benefit

- Improve forecast precision, accuracy and responsiveness to evolving data trends
- Relying on data and learned patterns, forecasts can be more objective and data-driven
- Reliable 360° Forecast with internal and external data

Predictive Forecaster Customer Use Cases

Team Car Care

Largest Jiffy Lube Franchise with 520 locations

Improve store-level guest forecasts by incorporating weather data to predict visitor numbers more accurately.

Communications

U.S. leading telecommunications provider

Forecast subscriber growth in both existing and emerging markets, as well as across new product lines.

Wholesales Dist.

Multinational producer of artisan produce

Enhance sales forecasting across customer base by providing a smarter, data-driven baseline for product sales.

Insurance

Industry leader for insurance, with over 16 mil policy holders

Utilize forecasted policy data as a basis for scenario planning, enabling more strategic decision-making.

Wholesales Dist.

National production, sales, marketing partner for major ice cream brands

Enhance product forecasting precision by analyzing SKU-level data across various customers and channels.

Healthcare

Fortune 500, multi-state health care organization

Support scenario analysis to compare bottom-up forecasts for expenses and revenue, enhancing accuracy and strategic planning.

Retail

Multinational supermarket chain with 500+ stores across North American the UK

Forecast expenses to provide planners with a solid baseline for initiating their plans.

Biotech

A world-leading medical device company

Drive demand forecasting across all products to optimize operational planning.

Augment Decisions
Not replacing humans

Competitive Edge
Help our customers stay ahead

Deliver ML Rapidly
Faster value to our customers

Applying AI Across Finance

Applying AI across Finance

Intelligent Monitoring

Intelligent Document Processing

Intelligent Forecasting

Generative AI/ Prescriptive Insights

GenAI applications for FP&A organizations

Automation ← → Insights Generation

Automating Report Generation

Forecasting and Scenario Analysis

AI-Driven Rapid Query Resolution for Financial Statements

AI-Based Financial Trend Analysis and Forecasting

AI-Assisted Financial Data Interpretation for Novice Stakeholders

AI-Powered Business Decision Support Through Financial Data Analysis

Improve Financial Decision-Making

Reinvention of FP&A

Digitally enabled Finance[1]

Automation

- Transactional Processing
- Risk & Compliance
- Digital Transformation
- Business Partnering
- Reporting & Analytics

Traditional AI & Analytics

GenAI enabled Finance[2]

GenAI

- Business Intelligence & Prescriptive Analytics
- Continuous Transformation & Innovation
- Strategic Advising
- Exception Management
- Proactive Compliance

Operating Model Transformation

Key Talent Differentiators

- Adaptability
- Strategic thinking
- Intellectual curiosity
- Creative problem solving
- Impactful storytelling
- Ability to challenge and influence
- Relationship building
- Collaboration and Conversation
- Ability to lead and motivate teams

[1]Represents approximate distribution of total finance function costs of top-quartile companies
[2]Estimated impact of GenAI on top-quartile companies finance function costs in the next 24 – 36 months

People with purpose

New and Evolving Roles

Roles are expanding beyond value preserver to roles such as:

Data Modeler
Understands important trends and how the market works. Brings ideas to drive competitive advantage and create value

Performance Driver
Trusted advisor, providing objective and specialized expertise to drive business outcomes

Story Teller
Translates, interprets, and communicates data in a meaningful way, leveraging technology and deep business understanding

Strategic Partner
Spots and actively drives growth opportunities while balancing customer and commercial needs to create value for the business.

Challenger
Challenges the status quo and develops better ways of doing things, navigating risks and opportunities for the business.

Achieving organizational agility

Engage

Commercial Business Partners

- Strategic advisor to business and function leaders
- Data-driven insights to help in decision-making
- Assists prioritization of initiatives to drive profitability
- Forms partnerships across business units to support growth initiatives

Plan

Corporate Finance

- Leads enterprise strategy and performance
- Proactively manages business and financial risk
- Finance-as-a-platform capabilities allow for both routine (transactional) and bespoke (service oriented) services

Build

Modelers and Architects

- Builds technical and analytical solutions
- Collaborates with stakeholders to deliver innovative solutions
- Serves as technologists and solutionists
- Leverages technological advancements to drive innovation

Run

Centralized Services, e.g., Planning Hubs and COEs

- Executes wide-ranging, recurring processes
- Provides enterprise-wide analytics and KPIs
- Leverages technologies to provide data transparency and accuracy
- Self-service capabilities to business users
- Defines operational requirements and policies

Assess Finance as a Service offerings to help fill talent gaps, support staffing challenges, or provide interim support during critical periods

What skills will the new Finance workforce need to succeed?

Technical skills
Knowledge and proficiency in data science, deep learning, natural language processing, and other relevant AI technologies.

Critical thinking
Capacity to evaluate and interpret AI-generated insights and make informed business decisions.

Analytical skills
Ability to analyze and interpret data using AI-powered tools and platforms to gain insights into customer behavior and preferences.

Interpersonal skills
Strong communication skills to collaborate with AI experts and effectively communicate complex information to internal and external stakeholders.

Creativity and innovation
Capacity to identify and develop new AI-based products and services that meet evolving customer needs and preferences.

Lifelong learning
A willingness and interest in continually updating skills and knowledge to keep up with rapidly evolving AI technologies.

Poll Question 4:

What is your primary objective when considering AI integration in FP&A?

a. Improving decision-making and insights.
b. Reducing operational costs and increasing efficiency.
c. Gaining a competitive advantage in the market.
d. Compliance with industry standards and regulations.
e. All of the above

Poll Question 2 Results: (Placeholder)

Closing and Takeaways for your AI Journey

What should you be thinking about?

How does your **digital strategy** align to **enable** business objectives?

What skills & capabilities are required to **differentiate** you from your competitors?

Envision

Strategize

Evaluate

Reskill

Commit

How can the **reinvention of FP&A** be more **accretive to the enterprise strategy?**

How are **KPIs aligned to the enterprise strategy** and **cascaded** through the organization?

What is the transformation **value case** and **roadmap to the future?**

Questions and Answers

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Thank you!

Workday

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