Guide

TECHNICAL DIMENSION

What Does It Take to Be a Finance Futurist?

Optimizing core finance processes to drive greater value creation.

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Introduction.

Leveraging the Finance Assessment Model for Effectiveness to achieve your goals.

Regulatory shifts. Data explosion. Compressed business cycles. Geopolitical uncertainty. Industry conversion. Talent wars. Ever-evolving consumer behaviors.

Change today is both rapid and relentless, and business leaders increasingly turn to finance leaders for strategic guidance around which levers to pull in order to minimize risk, maximize opportunity, and ultimately, generate more value for the enterprise.

When we consider the Technical dimension of FAME, what we are really talking about is why finance and accounting professionals are at the table. It's for their technical skills in controllership and financial reporting, in the transactional processing and accounting, in the risks and compliance and planning and analysis.

Ash Noah
Managing Director, Management Accounting & ESG, AICPA & CIMA

Assuming a more strategic approach isn't simply a matter of motivation for next-generation finance leaders. Today's finance professionals need skills, capabilities, and technologies to fulfill their traditional remit while also delivering insights that help shape the organization's future. The Finance Assessment Model for Effectiveness (FAME), developed by AICPA & CIMA in collaboration with CFOs and senior finance leaders from *Fortune* 500 and Global 1000 companies, offers a structured approach to achieving just that.

FAME identifies five progressive maturity levels of the finance effectiveness framework, starting at the foundational role of Scorekeeper and moving toward Advisor, Partner, and Value Creator, until reaching the aspirational status of a Finance Futurist. This guide focuses on the Technical dimension within the FAME model—where we explore the technical skills needed to fulfill statutory and regulatory obligations, comply with required accounting standards, perform budgeting and forecasting to plan for the future, and execute the transactional and accounting processes that are fundamental to internal and external financial reporting.

This guide, developed in close collaboration with KPMG, is part of a larger series aimed at helping finance leaders assess their current maturity level and plot their unique path toward Finance Futurist across all five FAME dimensions.

Every organization's starting point is different, just as every organization's journey will be unique. But—universally—the most important step is the first one: understanding where you are today.

Looking to deepen your understanding of the AICPA & CIMA FAME model and explore key examples of best practices across the five critical dimensions of finance effectiveness? Read our eBook *A New Framework for Finance Excellence*.

Driving change, driving value.

No business works without a strong finance function—but the better it works, the greater the opportunity for improved performance and growth. That's why today, as global disruption and uncertainty proliferate, finance leaders are turning an increasingly critical eye toward their current ways of thinking and working, assessing not only whether the office of the CFO adequately protects enterprise value but also whether it actively drives value creation.

Controllers are traditionally focused on maintaining the integrity of the books and records. Going forward, there will be an additional emphasis on incorporating more operational data into their purview; for example, environmental, social, and governance (ESG) and having the right governance and control around that reporting. We will start to see a shift toward increased collaboration between the controller's organization and FP&A to drive better insights, faster.

To unite as strategic change agents, finance teams need a single meeting point for their various priorities—including controllership, with its focus on strong data governance; tax reporting and analysis' concern for regulations and reporting across borders; and FP&A's appreciation for business causality and scenario modeling to drive strategic moves. Each function must collaborate using a single source of truth so that finance can move beyond merely collecting and sharing information to generating real-time, holistic analysis that drives decisions and translates strategy into business outcomes.

Accordingly, top-performing finance functions will increasingly become value integrators that align end-to-end processes across the front, middle, and back office. They will redefine reporting and decision-making processes to unify accounting, procurement, and operational data into a single system presenting a multidimensional, real-time picture of the business. This, in turn, will elevate planning and forecasting to make more forward-looking, strategic decisions.

"Ultimately, accounting and FP&A will come together to deliver on this increased demand for insight," says Karen Schreiber, principal, Finance Transformation, KPMG. "Accountants will still handle organizational controls and close the books but with an increased partnership with FP&A and a focus on the story behind the numbers and what's driving variances. Leveraging both operational data and external factors will be at the forefront of great insights into the organization."

> Controllers will also start to take a greater role in driving data management. The ability to drive better insights, leverage some of the advanced technologies around AI and Gen AI require clean data from the source. Partnering with the upstream functions is even more critical to drive straight through processing. This will allow controllers to work more closely with their FP&A counterparts and drive greater insights.
>
> **Karen Schreiber**
> Principal, Finance Transformation, KPMG

This shift demands a fundamental rethink of the processes that power the office of the CFO—modernizing the technologies, capabilities, and means of collaboration that can enable accounting, FP&A, and procurement alike to become not only value protectors but also strategic Value Creators.

The good news is that there's a widespread appetite for moving ahead: KPMG's latest CAO survey found that 79% of chief accounting officers are currently implementing or have fully implemented process improvement and automation into their governance and compliance duties—a noteworthy 34% jump from 2022. And a separate KPMG survey shows 85% of finance and operations leaders, including procurement, want to play a greater role in driving enterprise transformation, such as evaluating new business models.

"The need for human oversight in finance will never go away," says Schreiber. "But as we enter the age of hyper-automation, finance teams have to elevate their work by adding insights and analysis."

Read on to delve into four core processes within the FAME Technical dimension, including actionable best practices to help you strengthen and elevate these processes—no matter your starting point.

61%

of CAOs are implementing digital technologies such as machine learning and robotic process automation with the aim of enhancing their ability to turn data into insights[1]

1 Record-to-Report.

Shifting gears to unlock more value from the cornerstone of the finance function.

With so many other processes and activities dependent on finance's ability to collect, process, and present accurate financial data, the record-to-report (R2R) process is perhaps the cornerstone of the finance function. It's also become more unwieldy—if not overwhelming—at many organizations, as accounting teams juggle an explosion of available and requested data, ever-evolving regulatory requirements, and internal stakeholders clamoring for faster, richer financial information they can trust and act upon.

"We're experiencing a high level of regulatory intensity, meaning not simply new regulations but also a high volume of regulatory issuances and greater complexity and breadth of regulatory supervision," says Ekam Ramesh, advisory managing director, Finance Transformation, KPMG. In a 2024 report, KPMG set its Regulatory Barometer at 7.5 out of 10, noting that regulatory intensity is expected to be particularly high in the areas of financial risk, data, and risk management. "Evolving regulatory requirements creates a lot of external pressure. At the same time, a lot of accounting rules have changed and will continue to change. Whether organizations are looking to get ahead of emerging reporting requirements or to potentially gain competitive advantage, there's an ongoing emphasis on environmental, social, and governance," Ramesh says.

> Chief accounting officers today see themselves as problem-solvers first and foremost. They are pushing for modernization and better systems and data analysis tools. CAOs increasingly have a technologist's mindset, and since their teams do not have the right tools, they are prioritizing the opportunity to reshape how they and their teams work.
>
> **Ekamreshwar Ramesh**
> Advisory Managing Director, Finance Transformation, KPMG

More than half of executives (57%) want to go beyond disclosing mandatory ESG requirements, according to KPMG's "CAO Pivot" report, which further adds to the reporting demands of the accounting team. In fact, almost all chief accounting officers (92%) say one of their key business partnership responsibilities over the next 2 to 5 years will be incorporating ESG into investment decisions and business strategy.

But ESG isn't the only area of expansion for the office of the CFO. In fact, today's accounting and finance leaders must act as strategic advisors across the enterprise. "One client I work with shared that accounting is perceived as the long pole in the tent when it comes to launching products or M&A or whatever the case may be," says Ramesh. "That internal appetite for information and insights creates its own pressure, which we see other finance teams facing: How agile and nimble can you be to support the business?"

The answer, often, is far less agile and nimble than finance leaders aspire to be. One reason? Even as finance is being asked to do more faster, the profession is experiencing an acute and enduring talent shortage. Four out of five CAOs surveyed by KPMG say they face a staffing shortage, and 55% believe that a lack of qualified applicants is taxing existing workers.

Trying to do more with less, especially while using siloed legacy ERP systems that disjoint processes, is a doomed endeavor. However, as Ramesh notes, finance teams are seeing significant gains in their R2R process by embracing automation, enterprisewide data platforms, and tools that supercharge collaboration across the office of the CFO. "You take labor out of the record-to-report process, and you take the need to verify and certify out of it, because those things are systematically enabled, giving you high data confidence," Ramesh says. "Reporting becomes this nirvana state: being able to publish reports faster and focus more on insights and explaining what's going on to help drive performance."

What's holding you back?

The R2R process should be a precision engine that propels faster, richer insights—not the clunky, complex, woefully inefficient undertaking it is for many finance teams. What explains the chasm between the future-ready R2R process accounting needs and the system constraints accounting is currently working with?

Disparate data derived from multiple systems.

The more manual your R2R process, the greater the potential for inefficiency and inaccuracy. Accountants often toggle between multiple revenue and expense systems to aggregate the necessary data for reporting. This system sprawl increases alongside the growing demands to report nonfinancial data, such as workforce and sustainability metrics. And the complexity in scope continues to expand when it becomes necessary to blend operational data in order to provide additional context around financial performance. Separate systems heighten the risk of data latency, errors, and redundancy, while differing data structures compound reconciliation challenges.

Rigid accounting code block.

The fixed accounting key that underpins legacy systems is designed to summarize—rather than preserve—information, meaning transactional details are stripped away. When accounting has questions or seeks more context, team members can't simply drill into the data; they must swim back upstream to uncover answers. And because this system falls flat in the insights arena, accountants are required to use business intelligence (BI) tools, data warehouses, and reporting tools. But moving data back and forth takes precious time and requires wrangling multiple versions of "the truth" when data doesn't align.

Delayed collaboration.

R2R should be a collaborative process across accounting, FP&A, and the lines of business working together not only to report the numbers but also to use them to look forward, drive insight, and take action. But all too often, FP&A teams are stuck waiting for the lengthy, linear reporting process to unfold in legacy systems, which significantly slows their ability to course correct or make plans. Line of business managers, too, often lack sufficient access to the real-time data that could drive better decision-making, or they may struggle to interpret the delivered reports. That erodes buy-in and puts business performance at risk.

720
companies cited insufficient staff in accounting and other departments as a reason for potential financial reporting errors last year—a 30% increase from 2019 [2]

52%
of financial leaders expect that the increased use of AI will help them attract more talent to the financial reporting function [3]

70%
of finance executives plan to adopt AI for financial reporting in the next 2 years [4]

51%
of C-level executives feel too much manual activity is the greatest challenge in the accounting and finance function [5]

How can you move ahead?

Before overhauling the R2R process, companies need to lay some important groundwork; namely establishing an intelligent data foundation that provides a single source of truth. Organizations need to be able to integrate external revenue and expense data as transactions occur and automate the data transformation process. With financial, operational, and historic data unified with transaction detail preserved, there are no hurdles in accessing or analyzing the data that holds the answers to key questions. This serves as the basis for accurate analysis to drive confident decision-making, and teams across accounting, FP&A, and procurement have peace of mind that they're always working with the latest, most accurate information. Along with that foundational step, these best practices can ensure that any efforts to modernize R2R maximize ROI.

> "We see a big transformation underway in the finance office. Finance teams are under incredible pressure to spend less time on transactional activity and to move faster to become Value Creators.
>
> **Andy Kershaw**
> General Manager, Financial Management, Workday

Rethink the usual accounting code block.

Because a fixed accounting key eliminates transactional detail in favor of summarization, it's fundamentally at odds with what finance needs now: fresh, detailed insights that drill down into detailed data for accelerated and differentiated analysis. An ideal system should maintain transactional attributes rather than strip them away, enriching journals with data, such as worker, location, team, supplier, campaign, and more, independent of the accounting key.

Democratize data and insights.

No longer should accountants have to spend time manually entering journals, completing data reconciliation, or verifying and certifying the data. The month-end process should be just like any other business day. A single system to transact, consolidate, close, and report can help accountants publish financial statements more quickly and confidently, shifting their focus to analysis and explaining the results. Systems with AI-enabled processes as standard functionality continuously learn as you transact, close, and report, surfacing anomalies as they occur throughout the period and enabling prioritization of critical work. And with fewer accountants entering the workforce, AI will provide technology to assist and guide newer users through the close and to alert teams to areas that require investigation.

If your core financial processes need to change, an ideal system will provide the configurability to adapt with changing business or regulatory requirements. Empowered to automate more and adapt when needed, accounting professionals can focus on what matters, becoming strategic business partners.

Democratize data and insights.

Empowering stakeholders to surface their own data and easily leverage ad hoc reports lessens the requests fielded by finance and stokes cross-functional collaboration. With self-service dashboards, reports, and analysis tools connected by the same data model and within the finance system of record, everyone has access to actionable information without having to worry about data assembly or the increased complexity that comes with standalone reporting tools. Configurable, role-based controls help ensure users only have access to the relevant information they need.

Illuminate actions every step of the way.

Generating financial reports isn't always enough. For example, when an auditor, regulator, or board member has questions, finance must also be able to trace back and explain any numbers in the reports. This requires a system with an always-on audit trail that empowers users to easily drill down into the data to its exact origin, as well as every modification made throughout the reporting process, so teams can fully and confidently explain any R2R outputs.

2 Procure-to-Pay.

Connecting the many dots needed to seamlessly evolve procurement processes.

The procure-to-pay (P2P) process can be dizzyingly complex, with vast volumes of transactional data traditionally housed in multiple systems, huge cash flows, and labyrinthine authorization requirements. Managing that disjointed, messy process—prone to errors, inefficiencies, money leakage, and fraud—too often puts procurement professionals in a reactive stance, rushing to respond to business requests or firefight problems rather than surfacing insights or addressing root issues. The net effect? Only 25% of procurement leaders believe that stakeholders would rate their performance as exceptional, according to KPMG's "2023 Global Procurement Survey."

As procurement department remits grow more complex and the business environment more dynamic, it's clear that reactivity—at any speed—can no longer be the norm. Indeed, widespread efforts are underway to shift procurement to a more strategic, proactive stance. KPMG found that 84% of companies have developed a 1- to 3-year roadmap to evolve the procurement function.

of procurement leaders cite a lack of integration with upstream and downstream systems and processes as a top challenge in managing contracts [6]

"Procurement now is much more focused on integration, collaboration, and data-driven performance," says Chris McCarney, principal, procurement and outsourcing advisory leader, KPMG. That includes directing spend to the right channels, bringing ESG to the forefront of supply strategies and reporting, and linking procurement processes upstream and downstream.

"I'll sometimes enter a client conversation with heads of finance and accounting and hear that they have an accounts payable [AP] problem—with human glue and data janitors everywhere," says McCarney. "But when we look at the AP challenge, guess what? The problem actually stems from procurement. When we're talking about P2P, one *P* doesn't exist without the other."

When procurement isn't able to partner seamlessly with its finance peers, winning moves can lose momentum before they reach the bottom line. For instance, a KPMG analysis found that as little as 25% of the savings won from price negotiations is actually realized. The rest is often lost to unplanned spend or contract noncompliance. It's easy to understand how that happens at an organization where contracts are stored in disconnected repositories, purchase orders in a P2P system, and invoices in the financial system—and none of those systems or teams are set up to share real-time information or analysis.

"Getting downstream results starts very much upstream, with elements like strong supplier data, seamlessly connected processes, and an end-to-end platform that can bring procurement and finance together," says McCarney.

What's holding you back?

Only 44% of operations leaders say their P2P process is fully connected across finance and operations, according to KPMG. Rather than collaborating around a shared set of data and seamless workflows, finance and procurement more often work in parallel, using lengthy email chains and shared spreadsheets to periodically bridge the gap between their teams.

This disjointed, heavily manual P2P process, born of siloed systems and inconsistent access to data, does more to frustrate stakeholders than better business performance. From unnecessary costs and inefficiencies to suboptimal inventory management and cash-preservation strategies that are out of sync with dynamic business needs, the impact on the enterprise can be dramatic.

finance and operations leaders are "very satisfied" with their ability to compare and combine data across multiple business functions and draw deeper insights as a result [7]

35%

of senior managers within finance and operations are "very satisfied" with the alignment of objectives and KPIs across the two teams [8]

Consider, for instance, the issue of maverick spend—when employees bypass the purchasing process entirely. That behavior, which often stems from wanting to avoid a process perceived as daunting and lengthy, creates negative impacts that ripple across various teams. AP has to manage invoices from new suppliers or vendors that haven't been properly vetted and onboarded. Procurement loses its ability to negotiate favorable contract terms, analyze spend to inform future policies, or confidently reallocate resources as business priorities shift. And finance is far worse positioned to capture and analyze savings, forecast spend, and understand ongoing contract commitments. In other words, subverting the daunting P2P system increases costs and risk all around.

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Procurement has historically been overlooked and underestimated, even though the function plays a critical role in managing institutional dollars. Today, procurement leaders have an opportunity to align with the finance function and move beyond their historical value-protection role to create value through process improvement and automation.

Chris McCarney

Principal, Procurement and Outsourcing Advisory Leader, KPMG

How can you move ahead?

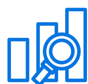
When procurement, accounting, and FP&A are empowered by technology, they can stay tightly aligned to drive value creation, even as the business evolves or disruption strikes.

Automate and streamline workflows.

Intelligent automation can all but eliminate manual data entry and automate workflows, such as order processing, invoice matching, and contract management, helping to increase the speed and accuracy of capturing, processing, and acting upon data. With less time spent manually moving P2P along, procurement and finance can devote more energy to strategic and higher-level tasks. And when P2P flows seamlessly from procurement to accountants or FP&A analysts, it creates a virtuous cycle of analysis-ready, right-this-moment data that helps unlock stronger insights to drive better decisions.

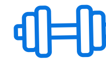
Unify data across procurement and finance.

Break down functional silos that impede data access and visibility. For instance, with easy access to headcount plans and strategic growth plans—such as capital projects, market expansion, and so on—procurement teams can better project planned spending and negotiate appropriate terms and discounts from suppliers. Accounting has a preview into upcoming spend without having to wait for requisitions to come through. And FP&A leaders can leverage real-time supplier pricing and contracts to create dynamic forecasts or use real-time savings information to reallocate resources to other projects or begin new projects.



Expand your data visibility.

Breaking down internal data silos is great—but don't stop there. Seamlessly and securely blend internal data with external sources, such as suppliers, service providers, currencies, and commodities, as well as historical data, market data, and industry benchmarks. This creates an expansive, comprehensive view of the many factors that drive procurement decisions and financial impact, allowing teams to better establish spend targets and goals and methodically drive cost reductions and progress on strategic initiatives.



Strengthen employee adherence.

By removing the friction involved in navigating the P2P process and buying from approved suppliers, organizations can reduce maverick spend—and reap the savings that come from increased use of approved suppliers and agreed-upon rates. Unified data and analytics also make it easier for procurement to identify areas of maverick spend in order to enforce spend parameters and consider targeted initiatives to best guide spending behaviors.

Extend the revamp to supplier relations.

If procurement is the glue connecting the enterprise to its suppliers, modernizing your P2P process should extend to those external stakeholders as well. Empower suppliers to share and access relevant information with an intuitive interface that they can use from anywhere. Improved efficiencies for suppliers encourage them to engage in sharing more frequent feedback and accurate forecasts, which procurement leaders can use to make smarter decisions around risk mitigation, resource allocation, and project prioritization.

> Rather than waiting for the next crisis to reveal gaps, leaders must embrace a more symbiotic relationship between finance and procurement—which enables better decision-making, stronger financial planning, deeper supplier relationships, and more support for innovation and sustainability goals.

Chris Wada
General Manager, Spend Management, Workday

3 Expense-to-Reimburse.

Driving value through optimized expense management.

"Finance leaders—and business leaders across the board—are being asked to do more with less, and expense management and reimbursement is a prime example of something that, with technology and process improvements, can drive far more value and optimization," says Shehtaaz Zaman, managing director, advisory, Finance Transformation, KPMG.

The past five years have seen dramatic improvements in the various digital capabilities available to finance teams," Zaman says, "but we're advising our clients to view the technology component as a lever more holistically." Rather than layering an AI tool atop an overly complex tech stack and largely manual expense-to-reimburse (E2R) process, for instance, Zaman encourages finance leaders to first assess their digital foundation and to scrutinize their existing processes around expense management and reimbursement.

"It's easy to think about improvement opportunities through a technology lens but process-related improvements are just as fundamental, and a lot of companies still struggle with this," Zaman says. "Do you have a standard process in place? Is it streamlined and seamless? Is it clearly understood? It sounds very basic, but you're not going to be able to get the best out of technology, whether it's traditional digital capabilities or something relatively new and disruptive like Gen AI, unless you've figured out your underlying processes."

> "
> Equipping people with the right tools and capabilities so they can unlock intelligence from their data is really the key to moving the needle for finance. And that applies to all aspects of finance, including expense management.
>
> **Shehtaaz Zaman**
> Managing Director, Advisory, Finance Transformation, KPMG

At many organizations, the process of collecting expense reports, tracking down supporting receipts, identifying and coding expenses, cross-referencing for compliance, and inputting reimbursement data into the financial system is still somewhat or largely manual, which contributes to lengthy month-end close efforts, poor employee experience, and greater risk for errors and noncompliance.

A manual, disjointed E2R process also makes it harder for finance to keep pace as ways of working evolve. Business travel, for instance, flatlined during the early pandemic but saw a dramatic resurgence in 2023 that continues this year—bringing with it not only a dramatic increase in volume but also shifting expense behaviors, such as remote workers traveling to the office periodically. Remote and hybrid work arrangements present compliance challenges as well, a 2023 KPMG report notes, because "rules for when reimbursed expenses related to business travel can be excluded from an employee's compensation are complex." Some major U.S.-based companies have even faced lawsuits over work-from-home expenses, with remote workers arguing that employers have an obligation under state law to reimburse employees for expenses such as internet and phone costs.

"Integrating AI and machine learning (ML) into the E2R process can be a 'major enabler' of stronger compliance," says Zaman, as well as "driving more efficiency, more productivity, and capacity gains. That said, you don't want to remove the 'human from the loop.' You want the individuals performing expense reviews and approvals to be enabled by technology so they can work with the business when and where it makes sense and behave more like business partners."

What's holding you back?

Even something as routine as expense management impacts so many other elements of the organization—from the accuracy of your general ledger to the sentiment of your workforce. With both expense behaviors and regulations shifting and employee expectations rising, organizations must take aim at the roadblocks impeding their path to a future-ready E2R process.

Systems that don't talk to each other.

Which expense categories are trending upward at the highest rates? How often are employees leveraging preferred and partnered brands for business travel? Are expenses rising at the rate of inflation across all employees, or are there some departments or geographies that are outpacing the rest? You shouldn't need to click through multiple systems and datasets to surface answers to such questions—yet that's exactly what's required when expense management programs are siloed from the financial system of record and reporting tools.

Static, disconnected expense policies.

Even if company expense policies are detailed and exhaustive, rare is the employee who seeks out such guidelines before making a purchase—which creates approval issues after the fact and means missed opportunities to leverage discounts the organization may have negotiated with specific brands. When expense policies aren't integrated into the E2R process, it also puts an incredible onus on finance teams to track each update or manually update any anomaly-detection algorithms working in a vacuum.

Long lags between expense and reimbursement.

When submitting an expense report feels like a slog, employees are more likely to avoid the task, and submission delays present a direct threat to an accurate, speedy month-end close. But submission speed is hardly the only hurdle to worry about: missing information or ambiguity may require finance to spend considerable time chasing down data so approvals can be properly routed, and costs properly allocated. And the lengthier the E2R process, the more likely it is to erode employee satisfaction.

Time-consuming manual tasks.

No question, the more time finance spends mired in data entry and manually pushing expenses through the E2R process, the less time these workers have to spend on analysis and insights. But it's also worth noting that repetitive, rote activities carry significant risk for human error, and research shows that finance professionals—and employees overall—are hungry for work that is meaningful and impactful, not mundane.

How can you move ahead?

Modernizing E2R simply can't happen by deploying a standalone solution in a vacuum. To truly drive value creation in the expense-management arena, you need a holistic approach and technology that can reshape every part of the process.

Automate, with humans in the loop.

When intelligent automation is applied to unified data that spans all parts of the E2R process, the results are remarkable: increased speed for reimbursements, greater accuracy for expense categorization and T&E expense allocation, and a simplified approvals process with far less manual review. Machine learning can make quick work of detecting duplicate expenses, categorizing expenses, processing receipts, and detecting fraud and anomalies—meaning finance teams can focus only on those instances where intervention or assistance is actually necessary.

Streamline the submission process.

Today's employees expect a consumer-like, convenient experience anytime they interact with technology—and your E2R process should be no different. A mobile-first, intuitive interface is table stakes. But also consider how easy it is for employees to upload receipts (can they email attachments? take a receipt photo from their phone?) and complete the report. An engaging, guided experience that coaches users through to completion saves employees time and frustration—and receiving prompt, accurate expense reports is a win for finance as well.

Fast-track analysis and insights.

Accelerating business change and economic uncertainty can result in swift, significant impacts on employee expenses—and if finance relies on an annual or even quarterly analysis of those trends, the organization can easily find itself flat-footed. To spot impactful trends as they emerge—and be able to react and adjust with speed—finance needs T&E data and employee data unified in a single system. Even better, prioritize a solution with intuitive data visualization tools and the capability to translate data analysis into natural-language stories that anyone can understand—no data specialty required.

Make policy adherence more proactive.

To avoid stepping out of bounds in the first place, employees need seamless access to expense policies and contextually relevant reminders to review them. Consider empowering employees with an AI assistant that can seamlessly and securely integrate with their digital workspaces to make that policy compliance—and expense management improvement—a reality.

Experience, compliance, and rich insights are key to driving down travel and expense costs and reducing risk for the organization. With a younger and global workforce, it is essential to simplify the process while still maintaining fiscal discipline for a healthy bottom line.

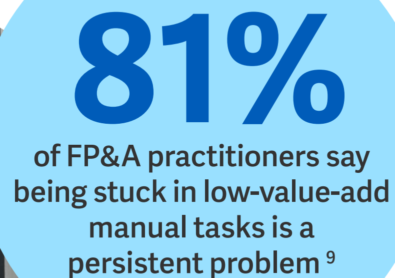
Chris Wada
General Manager, Spend Management, Workday

4 Plan-to-Perform.

Propelling organizations forward with continuous planning processes.

Old ways of financial planning don't work in an era when companies face kaleidoscopic change on a daily basis. Business and finance leaders alike recognize this, yet many organizations are still stuck in the decades-old rut of a plan-to-perform (P2P) process that's linear and lengthy, tied more to the cadence of calendars than to emerging risks and opportunities.

"We see traditional FP&A teams working on, say, annual planning, and it's very much: How much money have people spent? What did they spend it on? What's the projected spend? Get those into a system, get those approved, and then monitor the plan," says Jim Murphy, principal, advisory, Finance Transformation, KPMG. "But at other companies, we've seen financial planning be much, much more dynamic, with FP&A collaborating closely with accounting to move forward into this next age."



81%

of FP&A practitioners say being stuck in low-value-add manual tasks is a persistent problem [9]

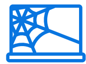
Consider, for instance, the matter of revenue recognition, which experienced several standards updates in recent years and has come under heightened regulatory scrutiny amid today's tough economic times. In the traditional, bifurcated P2P process, Murphy says, accounting analysis would drive how any new standard is implemented, then accounting would hand off the calculated impact to revenue for the FP&A team to continue the planning process. "But now, we see these two groups working arm-in-arm much more closely," Murphy explains, to dissect new guidelines and model impacts and risks of various implementations to the broader business.

"Rules and regulations are changing and evolving so fast, that close collaboration is more important than ever," Murphy says. And it's not only ways of working within the finance function that are being transformed. As more organizations embrace companywide planning, financial planners are expected to engage and involve a wider array of stakeholders in the process and the plan. "You have to be able to talk the technical talk of your science or discipline but the ability to also tell the story—and tell it to many different audiences—is paramount," Murphy says.

Forward-thinking organizations have already transformed the usual relay race of linear, retrospective planning into a process of continuous collaboration and recalibration, fueled by enhanced and connected data, automation, and AI. For others still using traditional planning processes, the time to evolve has already arrived.

What's holding you back?

FP&A teams are eager to evolve their role and deliver more value and strategic guidance to the business. So why has progress to date been so slow? We can think of several reasons:



Disconnected systems.

For many organizations, end-to-end finance processes happen in silos with disconnected data and processes. As a result, finance teams are forced to manually reconcile between consolidated actuals and planned data—extracting data, dumping it into pivot tables, and then loading it into reporting or planning solutions. It's a clunky, error-prone process that fundamentally impedes planning speed and agility.

Manually intensive budgeting and forecasting process.

FP&A teams are stuck with budgeting processes that require excessive manual work, leaving FP&A in an endless cycle of collecting, aggregating, aligning, troubleshooting, and reporting—with no time to support the strategic analysis necessary for data-driven decisions.

Limited insights due to data gaps.

Most planning tools are limited to financial data. That means they don't incorporate critical nonfinancial data that helps them better assess risks and opportunities. Functional data silos require manual workarounds to access operational or workforce data, which can feel a lot like trying to drive a race car while wearing a blindfold.

Inability to assess options to make better decisions.

Gone are the days when the P2P process ended with a spreadsheet-based financial plan. Today, FP&A analysts are expected to quickly understand the impact of current and potential disruptors, evaluate contingency plans, and help the organization make timely strategic decisions.

The challenge is that many finance teams are stuck with a frustratingly rigid planning process designed to accommodate a set budget timeline instead of agile planning driven by ad hoc scenarios and what-if analyses. FP&A teams that spend all their time buried under manual tasks and disjointed processes aren't able to become a strategic business partner who can help the organization navigate complex business decisions and market environments.

71% of organizations still use disparate and disconnected legacy systems that are cumbersome to maintain, and 68% say scenario modeling is still manual and not mature [10]

8% of organizations can produce an annual budget in less than 1 month, yet 54% require between 1–3 months [11]

How can you move ahead?

Trying to navigate toward a P2P process that drives faster, more sure-footed decisions? These best practices can help:

Close the gap between planning and accounting.

Your P2P process shouldn't rely on a manual mapping and reconciliation of data from accounting to FP&A. Remove that error-prone step with a unified, tightly connected planning and transactional system that enables FP&A and accounting to function not as separate parts but as a cohesive, collaborative whole. Accounting can spend less time aggregating and reconciling data while FP&A can focus on more continuous forecasting and scenario modeling with confidence using real-time actuals. Analysts can also easily drill through to source data, as well as identify the drivers needed for driver-based planning.

Integrate more—and more timely and accurate—data.

To tell the full story of where the business is and where it's heading, FP&A needs more than accounting data. It needs data from procurement, sales, and other areas of operations; detailed, real-time workforce data; and seamless, secure access to legacy financial data and even external datasets. Connecting comprehensive, expansive datasets with a unified data core doesn't only solve the access issue—it also makes putting that data to work in the planning process a breeze by eliminating concerns about data latency or reconciliation.

Engage and empower functional leaders.

In most organizations, finance owns the master corporate financial plan and functional leaders own their operational plans. Nobody has visibility over the whole, because the functional planning process unfolds through spreadsheets and department-specific solutions. But a robust P2P process can banish functional silos, empowering dispersed planners to make plans faster and with more sophistication while also automatically reconciling changes across related plans, including the master financial plan. Total collaboration, unlocked.

Accelerate productivity.

Nothing slows a finance team's path to value creation more than getting bogged down in manual tasks. FP&A leaders can improve efficiency and catch potential errors by using ML to detect plan anomalies and surface potential risks in budget vs. actual when data outside the norm is discovered. Intelligent automation can also identify outliers by comparing deltas between values across forecasts, budgets, and what-if scenarios, bolstering confidence and speed across the P2P process.

92%

of CEOs regard their financial forecasts as critical but only 41% assess the data used as comprehensive [12]

78%

of FP&A practitioners see technology and data management as ripe areas for improvement [13]

Deliver fast answers to complex questions.

Perform continuous what-if scenarios to minimize risk, maximize performance, and create a competitive advantage. Include best-case and worst-case scenarios to better understand the risk and reward. Leverage ML to add intelligence to the process and insights.

Supercharge your storytelling.

Financial plans aren't worth much if they don't spur action—and even the most compelling P2P insights won't move stakeholders to act if they don't understand the data presented. Technology can help FP&A practitioners share the story—the why and the how—surrounding their financial planning outputs in intuitive formats that are easy to understand and act upon. Think: machine learning that wraps financial trends in natural-language narratives, intuitive data visualization tools that don't require advanced training, and tailored dashboards that cut through the din and focus users on the exact planning information to make the next and best move.

Armed with the right technology and a modern planning process, FP&A teams can help their organization anticipate change and quickly operationalize a coordinated response at scale—even amid radical instability and complexity.

Dennis Yen

General Manager, Workday Adaptive Planning, Workday

Optimizing finance effectiveness: the future starts now.

As the central nervous system of the enterprise, the office of the CFO is uniquely positioned to become the command center of a resilient, integrated organization. By embracing new modern technologies and ways of working, finance can create an enterprisewide foundation of agility, speed, and clarity that ultimately drives business value.

This transformation is contingent on the ability to ingest and merge operational and financial data. Finance needs to lead this charge by seeking a solution that unites, transforms, and reports data in the system of record to form a single source of truth. The result? A core of simplicity and transparency—one in which financial consolidation is more efficient, statements can be run whenever accounting needs a real-time update, the close process is virtually instant, and procurement can partner seamlessly to drive value creation.

As you've read, accounting that retains transaction detail and combines it with operational data forms a springboard for more detailed analysis and planning. It aligns accounting and finance teams, pulling them out of the weeds, automating mundane tasks, removing rigidity, and empowering them to continuously transact, analyze, and plan all in one place. It draws in procurement partners, extending data visibility and streamlining the procure-to-pay process, while also improving spend management through an improved expense reimbursement process. Above all, it elevates the entire function to guide the organization to a future where constant disruption becomes constant opportunity.

With a strong technology foundation and a streamlined approach to day-to-day accounting and finance processes, the finance function can generate better insights, improved decision-making, and a faster organizational ascent despite whatever challenges arise.

Find your level of finance effectiveness.

See where your organization sits within the Finance Assessment Model for Effectiveness by better understanding the competencies, capabilities, and technologies needed for finance effectiveness.

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