

## **AI in Finance – KPMG/Microsoft Webcast – Thursday, May 1, 2025**

### **Speakers:**

**Rahul Mehta - Principal, Advisory - Line of Business, Technology, KPMG US**

**Dmitry Levin- Managing Director, Advisory, KPMG LLP**

**Cory Hrcirik - Finance Director, Office of the CFO, Microsoft**

Welcome to today's webcast. Before we begin, let's quickly go over how to get the most out of this session. Your main player area consists of three windows, video slides and a multi function window underneath. Each of these windows can be moved, resized, maximized, or even closed if you like. To return to the default layout, simply click the restore button on the bottom of your screen.

The multifunction window is where you'll find some helpful tabs.

Like questions and answers, an area to download any available materials and speaker BIOS. You can also turn on closed captioning by clicking the CC button in the lower righthand corner of the video player. KPMG has been approved by NASBA to deliver CPE worthy training. Today's CPE will be tracking your participation through attendee checkpoints, which will look like this. In addition to attending the entire session, you must confirm your participation by clicking Confirm.

Each time this message pops up, your participation will be tracked and failure to actively participate will result in denial of CPE credits. If you have any technical issues during the webcast, please submit a question through the question and Answer panel and our producers will respond to you directly. Please submit all content questions through the questions and Answer panel as well. Thank you and enjoy the webcast.

Hello everyone. I think we're live here. Welcome to our webcast. We're gonna talk today about AI in finance, and what we're really gonna dive into is how we can explore the transformative power that AI brings into the finance function. This is a joint webinar with KPMG and Microsoft, and I hope you all enjoy it. Let me introduce the speakers to you.

So I'm Raul Mehta. I'm a partner in our technology transformation practice at KPMG.

I will be moderating the conversation today. With me today you have Dimitri, who's my peer and he focuses on finance strategy and transformation. And we have a special guest with us, Corey, who is from Microsoft and works in the office of the CFO. So without further ado, let's get into our agenda for today. So we've got a lot of material to unpack for you all and we're going to cover these in five different segments. So we will start.

By kind of grounding you all on what the AI enabled finance operating model looks like, right? The idea here is to showcase how finance is positioned to drive growth and value creation in enterprises. We're going to then take a little deeper dive into what is the architecture and data needed to support.

This AI transformative power in finance. We will spend a few minutes looking at where we are today and what good looks like in the future.

And also the role of data as a strategic asset. We'll cover a few examples when we talk through that. We're going to then hand it off to Corey, who's going to cover Microsoft's journey. It's a fantastic journey. You will love seeing sort of their evolution and how they're using AI in their everyday, everyday processes and how they're driving outcomes. And then we will wrap up with what is the role of agents and Agentec workflows in an intelligent.

Forward-looking finance function and that should effectively take us to the top of the hour. So let's move on. I'm going to hand it off to my colleague Dimitri, who's going to walk us through the finance operating model fueled by AI.

Awesome. Thank you, Rahul. So I'm gonna jump in here in terms of the new AI enabled finance operating model. Let me start off by talking about the AI race as a whole, right, The AI race is on. If you look at the bottom right, you'll see that it's definitely on that 70% of companies are leveraging AI across finance and accounting operations. In fact, our latest post survey showed that.

99% of companies are planning on deploying agents in the coming year.

So this is, we're in the midst of a generational shift in finance that's driven by two key things, AI and data. And what we're seeing is an incremental, right, this is exponential. This is reshaping how value is created across the enterprise. So if we start with the left, right enterprise investments in AI and data are exceeding ROI expectations. But this isn't just about for every dollar I invest, right, I get \$2.00 back. What we're seeing is it's not only driving.

Quicker ROI and companies are realizing measurable gains. They're also realizing benefits and efficiency and accuracy and strategic insights. Rapid AI and data advancements are shaping the next generation of finance. Finance because of this technology is no longer a backward looking control. Compliance function, right with AI is becoming very predictive, prescriptive, insurance driven, right. We're seeing automation.

Routine processes and this move towards exception based processing and we're seeing an augmentation of human decision making at a scale that we haven't seen before. And what this is doing, right, this is shifting and fueling this growth in the finance function towards a value creation. So as a value creator from a cost center, right? So AI is now becoming this engine that's helping the business identify opportunities, flag risks earlier and become a true partner.

CS GO and it's doing it because you think about your traditional boundaries of finance systems, they're being reimaged. And we're going to talk a lot today and you'll see from Microsoft about agents and data. But if you think about it right, an AI agent can reconcile your accounts, can predict cash flow, guide pricing strategies, all in real time, 24/7, uninterrupted. And that has tremendous value that it's creating. But for finance to be able to realize this, it really does need to.

Set a bold agenda, forward-looking right that's ambitious that focuses on upskilling their teams and truly embedding AI into the core of finance and accounting operations.

So let's look at the next, what we call the next chapter of finance, right? And these are the capabilities that we must build and the characteristics we must embed to stay ahead in a world defined by intelligent automation. Boundaries access and AI sort of enable touchless decision making.

So finance, right, if you think about it, it's being redefined, but it's not just AI, even though that's a big portion of this presentation. It is being driven by this convergence that you're happening between cloud data and workflow automation. So I'll give you, I'll paint a picture, right? Imagine you wake up and you look at your phone, right, And you get a real time alert. There's been a geopolitical disruption in.

East Asia, potentially there's a new tariff that came out, and this isn't an alert that you're getting from the Wall Street Journal, from the news, but it's from a finance agent that you have embedded in your organization that's already assessed what is the impact of this tariff on your supply chain? It's recalculated your cash flow and its proposed mitigating steps. All of this was done right before you even had your first cup of coffee.

Now this sounds sort of a part of the possible futuristic, but it's not. And in fact KPMG has developed a tariff agent and that's something we can talk about separately.

So if you look at all of these different capabilities, right, like transaction processing as we know it today, right, is disappearing. It's 80-90% are going to be AI automated. And now the humans, right, the people in the organization are just focused on understanding what are the exceptions? What are those things I need to think about, right? AI agents are continuously scanning your financial, your operational, your external data to detect anomalies, to surface exceptions, trigger resolution work.

And what is that doing? It's allowing your team right, the finance and accounting team to shift all of their energy to be more forward-looking to be to help shape the future with real time precision.

But to realize this vision, it's not just a matter of deploying a Microsoft Copilot or technology, right? You truly have to transform your culture and the organization. So some of the characteristics below, right? Number one is you've got to have the digital DNA, right? This is thinking AI first, thinking automation, understanding what is the impact that this is going to have on my organization?

You got to be data obsessed, and I'm going to talk about data and how it's fundamental.

To realizing some of the benefits that we just talked about and you have to be able to experiment, right? You want to be fast, you want to be innovative. Also think about it from an ethical perspective. At the end of the day, you every technology that you deploy needs to be human centered design, right? You got to be responsible.

And as you shift this function right from being a back office to working with the business, you have to truly appreciate what the business is doing and what the impact is on your customers. So you have to be customer centric.

OK, let me see.

Awesome. So what I want to do is I want to give you a brief overview of what is the road to value capture when we talk about AI being delivered in the organization. And we actually have a huge white paper on this, but I want to just give you a flavor of it, right? We spoke to about 1400 different decision makers across 500 different AI engagements and effectively, right, the evolution is in three stages.

You have enable, embed and evolve your enable stage, right? And that's focuses on laying the digital groundwork on where companies are specifically looking at.

Maybe pilots or experimenting with a type of Pocs where they have manual tasks, let's just say invoice matching and they're saying, OK, what are the tools? What are the AI agents out there and technologies that can help automate these tasks? They're really focused on productivity uplift and foundational sort of data quality, right? That that's your stage one. That is where a lot of the companies are. And then what we're seeing lately is there's a shift towards stage 2, which is now.

You're embedding, you're integrating the AI into your workflow and operating model, right? You're shifting from stand alone tasks into being more interwoven in your daily business operations. So now you maybe you're getting AI agents and AI automation deployed more broadly across your workflow. And that's where currently this is between stage 1 and 2 is where a lot of companies are. And then finally you have evolved. Now evolve is.

Redefining finance.

Completely right now finance becomes an AI powered strategic partner. You're leveraging frontier solutions to help to help your people to help uplift the function and enterprise wide. And one of the key things to keep in mind is how you capture value is going to be different at each of these stages. And the four key things to keep in mind are you know, when you look at enable embedded evolve, they're each going to have their own unique path to value at each stage.

You want to focus on how do I align people across the organization, How do I enable that trust and then select the right technology and data architecture to realize those benefits?

It's hard to talk about AI without understanding what it means on your people. And this is a big topic, what a lot of companies because at the end of the day, it's a, it's a people organization. So AI is having a significant impact in terms of reshaping, reskilling and augmenting the workforce that you need to thrive in this new environment. So just looking at this right, what we're seeing.

In terms of the shift in the skill sets in the roles is.

Number one is strategic advising. So the finance professional is not just somebody who understands accounting, right? It's not just a number cruncher. But what you're looking at is you're looking at skill sets like storyteller, right? Somebody that's able to talk to the business, to be able to link financial outcomes and help drive decisions that are aligned to your business, to growth to the customer.

And you want people who are managing that end to end finance value chain?

Who really understand how the business operates, how does the business make money? What are the risks? What are the key considerations, right? They need to be able to look across planning, procurement, operations, close and reporting and link this together and say, OK, how can finance help make better decisions? Because the end of the day, right, Jedi agents can assist you, they can make recommendations, but it's truly the talent that knows how to frame, validate, and interpret what the AI.

CS the other key thing ketone that you need is leading enterprise performance, right? I think when I look at finance and I look at AI, right, finance is a con, a connective tissue across the organization that can help the business drive better decisions, that can help make smarter, faster, provide insights and what's happening and what will happen. So you're gonna need folks who have that growth mindset, who have that user centric design, who understand.

Right. How do I use data? How do I use these insights? How do I model it to provide guidance on where to invest and how? So what you're looking at is you're looking at folks who are forward-looking and not just an accounting experience, but also.

Our can speak digital fluency, data sciences engineers and truly Dr. Transformation.

On that note, I'm going to pass it off to my colleague Rahul to talk about how is the architecture behind behind AI to fast track this transformation. Thank you, Dimitri. So Dimitri just walked us through what AI can bring to a finance function. And I'm sure lots of you out there are wondering, well, how do we really make it real? Well, it all starts with the architecture behind the AI.

Transformation that we're talking about here.

So if you move to the next slide, let's maybe start with where we are today, right? What are conventional sort of data architectures and issues we face? Modern AI transformation requires a very robust architectural foundation, right? And it's, you know, what we see in organizations today is that data architectures are creating barriers to implement AI implementations at scale.

Traditional architectures for the last 20 years or more have been designed for a very different business purpose.

It was primarily around process optimization, not for AI, right? So what that has resulted in and many of you are probably kind of remediating or modernizing your technical and your data architectures is how do you get out of your siloed data systems and how do you get access to data and integrations? So integrations.

Is a really sort of a sore topic when we talk about the cost that AI brings to the table. Because integrations increases complexity, it slows down AI implementations, and frankly, current systems cannot handle the scale needed for modern AI applications.

Modern AI applications need real time processing capabilities and those are limited in conventional architectures of today, right? So how do we address these challenges and how do we frame ourselves for AAI first transformation? So let's look at what a modern AI architecture looks like, right? And what you will see here that the slide comes up in a second.

Is a modern, unified approach that enables AI integration and scale, right? We call it the Intelligent Modern Data Platform.

When an intelligent and a modern data platform is built correctly, we unlock a whole bunch of capabilities. Let me give you some examples of what those are.

A modern and an intelligent data platform. It provides a 360 and a holistic view of analytics. All data sets are unified, many of them are in the cloud or sassified, and most importantly, they are secure and they are governed for the right access.

We will start to see.

Open no proprietary lock in architecture.

We call them data lakes, one lakes, right? But the idea here is that you've got data sitting across your entire enterprise, and we want to make sure that you're not spending time moving data or in technical terms, Etling data back and forth into the data lake. So what is that open architecture look like where your data sits at rest, but it's got connectivity to all these different sources.

In modern data platform has to be AI powered.

We've got to have platforms like Copilot where you can interact and talk to the data and get the results that you're looking for, right? These are tools that you all probably know about, like Power BI, like really sophisticated for driving deep insights, and you know, more so often becoming very commonplace to have large language models coexisting with your data to provide those generative capabilities that never existed before.

And finally, the real goal here is to provide self-service to your business professionals, correct? So how do you take the current AI platforms and tools that you currently have fabric and how do you help them you to connect all these data sources to drive insights and actions. So these are some of the capabilities that you will see unlocked when you get a modern and an intelligent intelligent data platform.

To summarize this slide, the key tenants of a modern architecture are you have a centralized approach to data.

While you're maintaining source integrity, which means data can sit where it exists today, but you've got connectivity and pointers to data in real time. It's a zero ETL approach, correct? So data stays at rest, There's no complexity in moving or transforming or moderating data, and that results in a single source of truth, correct? And most importantly, just to under score, security and governance are maintained through the entire data life cycle.

So let's move on to an example architecture.

Of what this could look like. So when modern data architectures are enabled, we can see some very practical applications of AI usage. We've given some examples here on the right, as you can see.

You what typical use cases we've seen specifically in the finance function and examples would be fraud detection becomes way more accurate because you've got integrated data sources. Customer insights are vastly improved because you've got a comprehensive data set from where you're analyzing customer information. Financial forecasting becomes.

Precise because you've got AI powered analytics that are looking at data from multiple dimensions.

And there are tons of use cases here which we have highlighted across any finance value chain. We're going to talk a little bit more about that when Corey gets on. But the but the real point here is that when a modern architecture is orchestrated correctly, you have insights into real time analysis and gives you insights into, you know, decision making from multiple data sources.

And this allows the scalability of AI applications that we were talking about that do not exist today because of our silo architectures.

So that's the architecture aspect of it. I want to spend a couple more minutes maybe talking about the role of data, right? And so how should we start thinking of data as a strategic asset, right? And the idea here is that it's not just a technology platform that needs to be enabled to get data management reader and really unleash the power of data as a strategic asset, but we need to consider multiple.

Elements. So we like to think of those foundational elements in these 5 dimensions, as you see.

First and foremost, everything starts with business objectives. So a data strategy has to be linked very closely and has to enable business outcomes and business objectives. And the idea here is how do you strike that balance between business, organizational and technical requirements as we've laid out here on this slide, right? Strong data governance is a key tenant of a, you know, modern data architecture, right? And one of the things we see.

Many of our clients sort of embarking on are how do you improve data literacy and data culture? You know, we've come, we're coming from a world where data was sitting in multiple systems and in silos, right, without, without access to a holistic sort of set of data, data sets. And so how do you build that data literacy and culture and governance so data can be trusted?

Data can be exposed and can be enhanced, right? That's really how we think of data as a strategic asset to drive business value. So let me move forward here, give you a couple more examples. So when we think of data as a

strategic asset, what business outcomes can we start to see it drive in an enterprise, right. So whether you are running the business which is really more about operational efficiency.

Or you are in a growth mode where you are thinking through how do we increase revenue, how do we increase our customers and partners either upsells and cross sells of products. And finally, how should we start thinking about doing things very differently from a transformation perspective. So a few examples here to point out, right, we call these business ready data sets. Business data products is another term that know we've we've seen in the.

Quite a bit, but the idea here is how can you curate data if you, for example, if you run in the business for getting insights into your inventory management, your supply chain optimization or preventing leakage or fraud or anomaly detection in your operations. If you're thinking of from a revenue and a growth perspective, you know how should you be thinking about sales forecasting, right? I mean today's sales forecasting is done in almost all enterprises, but.

When you have a modern data architecture and intelligent data platform, it takes sales forecasting to the next level. Customer lifetime value can be analyzed from multiple dimensions, right? Because you've got access to not only data from the customer systems, but all of it down to your financial systems for how customers are.

Are they healthy in the system or are they at risk of dropping or not? Correct marketing is another key area where we see massive revenue drivers for like campaigns that we launch our products and efficiencies there.

And finally, we know what we are starting to see when companies start thinking about sort of the transformative aspects of AI. How can you leverage in AI to look at price optimization, dynamic pricing strategies to really maximize how you interact with your customers and partners? How do you look at sales, marketing, customer trends to come up with the right product mix you we keep talking about upsell and product bundling etcetera.

This is real time. How do you look through your product mix to say what is going to resonate and what aligns best with our customer needs? And probably the most important in today's times is how do you manage your capital, right? So what do we have from cash flow perspective that we should be thinking about and how can we predict more accurately what our life cycle looks like? So these are just some examples of, you know, when we look at data.

As business ready data sets or data products, these are the kinds of outcomes you can start driving to move towards that AI powered finance function.

Let me wrap this section up by giving you a, maybe a real example of like what we, we've done internally at KPMG. So this is the data architecture dashboard view that we've that we've built internally. And the idea really here is, you know, how can you look at operational efficiency, you know, through AI insights, right? This is a demand forecasting dashboard that we built. But as you can see, it's pulling data in from multiple sources, right? It's looking at revenue growth.

Looking at how we can think through decision making by toggling some buttons on and off and then on the right, you can see how do you interact with the data. This is all real time. You can ask copilot to show you trending information. You can do what if analysis. You can slice and dice data in, you know, different different formats. So wanted to give you just, you know, leave you with this around. You know, as you all are thinking through.

The new finance operating model, which is powered by AI, the core foundations of data.

The intelligent modern data platform we talked about, right? And then treating data as a strategic asset when it all comes together, your end users, your business users should have access to examples like this where you've got data pulled in from many sources, it's all real time, it's trusted data, and you've got the ability to interact with the data, query the data.

Export the data for further analysis and things like that. So I'm going to now pass this on to Corey, who's going to walk us through what was Microsoft's journey in this space and you know, some of the outcomes that they're seeing and what they're and what they're moving towards. So Corey, off to you.

Wonderful, Rahul, thank you so much. And Dmitry, what a great tee up and I'm really happy to be here. Really grateful to KPMG for inviting me to participate in this webcast today and excited to learn together with all of you a little bit more about AI. It's a great journey. I've been leading what we call modern finance for our CFO, Amy Hood here for the past seven years or so and before that had about a decade at Microsoft and traditional finance roles.

And so I'll just be sharing some practical examples of things that we've been doing with AI during that journey.

So just to jump into it, and I'll start with the punchline, really we're under a lot of the same pressure that you are under yourselves. We have limited resources, our people, our most important resource of course. But as you see here, we're really focused on empowering our people to support a business that's growing and becoming more complex every day.

The interesting thing if you look at this little chart is on the left side, you'll see that we grew head count in lock step with revenue. It's just what you do when you know you have a lot of smart people. But basically you depend on Excel and basic tools like that to handle a lot of the heavy lifting. And you can see the shift in the second part of the chart where we started to decouple our headcount growth from our revenue growth as a company and that is really because we centralized we.

We started thinking a lot more about data and processes, as Rahul and Dmitry have mentioned, and we started using technology heavily to streamline and automate tasks. And AI has been an important part of that journey for about a decade now in our finance department and obviously has been accelerating recently with the advent of generative AI. So today I'll talk a little bit with you about, you know, how we're embracing culture, how we're embracing continuous improvement around processes, how we're embracing data, as Rahul just so well articulated.

And then, of course, how we think about security and compliance, because at the end of the day, those are also very important.

And so I'll take you through a bit of our journey. If you think about just the right side of this chart, I'll take you through the key milestones in our modern finance transformation from the time Amy Hood became our CFO back in 2013.

With this next slide here, so basically I want to drive the point home. The first part of our journey and the first first part of everyone's journey honestly should be culture at the top where you see that modern finance arrow there. This is really about embracing a growth mindset. As finance professionals, I know we tend to be fairly risk averse. We are as well here at Microsoft and it takes a leader like Amy has been for us and like many of you on the call to really put a stake in the ground.

What your vision is and Amy challenged us to transform and gave us space and also the kind of the resources that we needed to go after and reimagine processes and come with new tools and figure out different ways of approaching challenges that we've been using, you know, old tools and systems to solve for many, many years. So that's that culture piece is number one. The second part is data and that's demarcated here by the.

Two and three, where you see unified data platform and the business intelligence. A couple of the questions that I've seen come through as well as Rahul just covered so articulately why data is so important. It is absolutely essential before we get to the AI layer that we do some form of data cleanup. We were very fortunate that before we started our AI journey, we were challenged by Amy and Satya, our CEO to clean up and build a unified data platform for the company here within our finance division. And so we learned.

Over the past decade about building data lake, how do you build that 360° view that's holistic, that's complete, that has full hierarchy and taxonomies and governance and security. And we have a team within finance now who owns that data platform for about 50, 000 monthly active users here at the company that include everyone in finance obviously, but also everyone in sales and marketing and operations, etcetera. And there's a lot of lessons to be learned. The tools continue to improve.

Clean up data and the tools also continue to improve to drive reporting and so on the business intelligence line here, we really made a lot of effort to create standard reporting. We use Power BI and Excel still a ton and we provide opportunity for our people to connect those tools to data, to our data databases to cubes to be able to drive their own self-serve analytics as well. So those two things really prepped us well.

The culture and then the data and reporting I would lump together to embrace this AI era. We started, as I mentioned, about a decade ago, It started with us focused on forecasting, machine learning, forecasting. And we found that AI is actually really good at forecasting numbers, especially traditional time series machine learning models. And in fact, forecasting with machine learning cut our variance in half almost.

And we never look back. We've been using AI to forecast now for a long time.

We also started to build virtual agents where you see recommendations here on this line? We built virtual agents because a lot of our people at Microsoft in the company, 200, 000 employees now would ask the same kinds of questions. What's the policy for this or that? Where do I go to set up a new IO? How do I change the owner on this purchase order and many, many other questions. And so we built virtual agents many years ago that answered a million questions and could speak 60 languages.

Fast forward, obviously Copilot can do a lot of that today and love these other agents that everyone's building, but we've learned a lot about that over the years. We built many agents in many different places of our financial work, whether it be in that finance digital assistant that I mentioned or treasury. Our treasurer had an agent way back when. We built agents in compliance for compliance purposes and many others. We also started using AI for automation many years ago, using AI to.

Things like balance sheet reconciliations to help us with journal entry preparation to automate the payment of invoices, for example, to approve expense reports. There's many opportunities to use AI in all of those areas. We've been using traditional AI to do that for a long time, and that's traditional machine learning using usually time series models for forecasting, classification models.

For most of the rest, a little bit of anomaly detection perhaps, but those are well tested AI models. They've been around for a long time now. We're obviously in this new era and everyone's, I think embracing the idea, as Demetrius so well shared, that this is going to change the way that we all work.

Fundamentally, AI is going to be something that we all use on a daily basis and we've embraced that ourselves and are pushing in this era of generative AI. Now the way that we got started, I think there was a question a little bit about how do you how do you get started? We went to our teams two years ago and asked them where they anticipated using generative AI and came up with 130 ideas pretty quickly, basically overnight. So your teams probably have great ideas about where they want to use the tech.

Then and boiled those down to a list of the top 12 business cases for the top 12 and took them to our CFO and she helped us shortlist the top 6. And so over the ensuing year, our goal was to deliver 6 generative AI projects that delivered high ROI. And we did. We did just that. And then we've been working to scale those out ever since. And I will show those with you in just a second. We also in the process, we got access to Copilot from 365 a year ago.

So my team's been leading copiloted option for Amy's team. And it's amazing to see the efficiencies and the productivity gains that our people experience as they learn to use an AI assistant, an agent for every task, every day and all throughout their days. And it really does require building daily intentional habits to think about doing every task a little differently with an AI assistant at your beck and call. So that's a little bit of an overview of our journey.

This AI approach and is really obviously it's here to stay.

We've learned a lot, we're continuing to learn every day new things and the technology continues to evolve. And so I think if you are just getting started, you know, buckle your seat belt, it's going to be a fun ride. It's going to really change the way that we work fundamentally. And I'll show you some examples of how that's working so far. I would also say on this slide, I forgot to mention that up front, you don't have to wait. We were always gated by the evolution of technology throughout our journey. And so you'll see this, you know, step function change from 2015 to 16 to, you know.

23 you can do all of it today. You can start cleaning up your data today, you can build great reports, you can start using AI today. And so you don't have to wait for a decade like we did. For example, I want to jump into our basic strategy leveraging a marketing slide from Microsoft. But I'll talk, I'll make it real. This is all you



know, I'm just a customer of Microsoft myself. You could say customer 0. And so our goal is to align with Microsoft vision, which is to use Copilot, Microsoft Copilot.

The UI for AI and frankly the UI for everything. And so we're giving all of our people this personal virtual assistant, this AI assistant called Copilot to help them with every task and every job behind the scenes. Then there are what we would call AI agents. Agents are what how we think about the world of automating and streamlining and creating efficiencies for specific tasks. So you can imagine agents in for our finance teams in the.

That can help us do approvals or reconciliations or variance analysis or commentary or the list goes on and on and on about the possible agents that your copilot could leverage to help you get your work done faster. And it's essentially these agents that we've now been building using generative AI for the past two years. And you could also say we've already been building agents even long before that.

The goal now is connecting all of it using this Copilot control system or the orchestration layer.

Underneath it all to make it all work, those are still things that are evolving. But let me give you an idea of some of the agents that we've built ourselves over the past two years. These have all been built using standard tools from Microsoft. They're out-of-the-box. I don't mean this as a sales pitch. I saw some questions about what are tools. I didn't want to come in and really give a heavy-handed approach of, you know, these are our tools and this is what you should use. They are options and I know there are a lot of other tools out there in the marketplace.

We don't use them ourselves. As you can imagine. We use all Microsoft tech to run all of our processes here at Microsoft and we tend to build.

Versus by third party tools and that probably comes as no surprise. But let me take you now through a few examples of some practical agents that are like I said in production driving value for us. And you could think about these agents really spanning a broad spectrum from simple to advanced, right? On the simple side, you have what we would call basic prompt response type agents, right? These are agents that can help you reason over enormous amounts of information. Like you see this policy agent, I'll go into more detail.

And on the advanced spectrum, you see that's where we would expect to see more autonomous agents, agents that can actually take actions on our behalf. And perhaps coming soon, we'll have a team of agents all doing different work that are supervised by a human, by somebody in finance. And so that's what we're working towards. Let me take you through each of these rather than going through them on this slide so that you can get a sense of the breadth of these agents now.

So First off, we built one of our early agents now was a policy agent. Microsoft has a lot of policies. We actually had some vendors that help us, that helped us run this finance digital assistant and helped us triage and streamline all these policies.

We built a simple agent now that using generative AI that can reason over hundreds of policies that can help our people get answers quickly and immediate targeted answers specifically for their needs. We also built a secondary side of this that helps the policy owners make sure that as they're creating policies, they don't create conflicts within different policies. So this policy agent, for example, saved us hundred 8500 hours.

And \$1, 000, 000 in vendor cost primarily, just one example, some of the impact that we've been able to drive so far, the document intelligence agent next is super interesting.

This is, I think probably one of the fundamental asks that we had during the 130 ideas that people came. They were all different flavors of document intelligence. Some of our team said, hey, I have to review all these contracts. It'd be great to be able to have an agent that could review them for me and help me flag maybe revenue recognition, you know, risk or, you know, things that I may need to look at or other people say, hey, I have to create earnings, earnings documents. Could could you could copilot help me with that? Or others said, hey, you know what we do a lot of?

Keys at Microsoft, it'd be awesome if we could have an agent that could summarize all of the bids back from suppliers. And so we built the document intelligence platform first. We built it in three months just for contracts. And then we scaled it out and built a platform that can enable anyone to do self-serve document intelligence.

Basically building these small microservices or agents that can extract, that can translate any documents that can compare them and find similarities and they can also write back to databases, for example.

This agent or you could think of it as a platform of agents now we have it saved us about 15,000 hours in the past year since it's launched. It has 16 downstream solutions today and we see this as one of our certainly our big kind of landmark Gen. AI project so far. It will continue to drive huge value for Microsoft for our finance division as well as other teams across Microsoft that.

Been sharing with CELA Legal, our sales teams, et cetera, are all interested in duplicating and replicating this or leveraging the platform that we've already built. 1/3 project is an agent that helps us reason over data, actually numerical data, financial data. Of course, that's a huge need for finance. You can see here this quick agent that we built that basically writes code. LL Mississippi aren't great at math yet. They're not great at reasoning over numerical information, but they're really good at writing code.

We use LLMS to write SQL, write Python And help us analyze data from that data lake, that unified data platform that I mentioned before.

We build agents and actually we're leveraging agents straight from Microsoft. This is a finance agent formerly known as Copilot for finance that can actually do reconciliation and, sorry, excuse me, variance analysis. So this agent can help us go in and understand different variances or year on year growth and looks for drivers and writes commentary for us. Super awesome and great opportunity in the future.

This is an outgrowth of that data platform of the document intelligence platform that I mentioned, but I share it separately because it's super unique by itself. This sourcing agent actually takes that initial platform, analyzes all those RFP bids, but then it goes one step further. It actually assesses each of the vendors or suppliers by a set of criteria that we've given it. And then it comes back with a recommendation to our to our people in the procurement team here in my, in our finance group saying.

Recommend that this vendor be selected first. They seem like they're the best fit for this RFP 13356. Alternatively, here's another some other vendors that could fit the bill. And the final agent that I'll share with you here is reconciliation. This is again part of that finance agents that's available to everyone. If you have an M365 license for Copilot, for example, and it can do reconciliation replacing a lot of the work that you would probably do today with Vlookups or other things that you basically run this reconcil.

On two different disparate data sets, and it can find the similarities and differences, identify matches, right, a quick reconciliation summary report, and now you can actually schedule this to run completely autonomously. So that just kind of gives you a glimpse into what's happening or what will happen next.

My time is quickly drawing to a close, so I will just flash up two slides that outline at a high level some of the AI projects that we've launched over the past decade. So these are all AI projects in our division separated out by different process areas. So you can see what cache a bunch of projects there, record a report, tax, treasury if I Scroll down the next slide.

You got FP and a procure to pay risk management and compliance and in every case.

All of these are driving obviously enormous impact, not only time savings which I've captured mainly here, but also you know 10s of millions of dollars of savings for us here in our finance group, which we're able to either reduce budgets or redeploy some of those resources on future innovations, which is great. I will share here just at the very end some key lessons learned and we've already kind of touched on these as we go along, but I won't join the slide. I'll just keep a high level culture.

Everything as we start on this journey, make sure you've got the right tone at the top, you've got alignment from all your leaders, that you give people space, that you challenge them to have a growth mindset, that you step back and figure out how you can learn these new tools and create daily intentional habits to use AI every day. Process is also super important. I mentioned it before, but before we start any of these process, these projects, we step back, we map the processes, we understand bottlenecks, and we map out an ideal.

And then we go and use technology to build that process data. Super crucial. I won't belabor the point. All of those projects that I just talked about, they start with understanding where the data sits and making sure that it's all in one place and that we can reason over it. We also pre index data so that Copilot can retrieve information

from it. And then finally, there were even a couple questions I saw pop up around this. Security and compliance are extremely important. We build audit kind of audit checks directly into.

Solutions, we're even using LLMS that can help us audit the code written by other LLMS. And we have responsible AI principles that are extremely important to put in place early in your journey of using AI. And of course, the standard principles of security and compliance always apply across any solutions that we build. So I appreciate people who ask those questions. So with that, hopefully that gave you a little sense of what's possible, what we're doing ourselves.

And give you some idea of some tangible things that you could perhaps work on in your companies. With that, I will hand it back over to Dimitri and Rahul.

Thanks Corey. Thank that was that was fantastic. Dimitri, I think we can maybe kind of build on what we just heard from Corey and talk a little bit about sort of agents, agentic workflows, how they fit into finance. Maybe we spend the next you 1012 minutes there and then we can call it a wrap after that. Awesome. Let me do that. Thank you. Thanks Rahul. Thanks Corey. You know on that note, let me do a double click on agents and just in terms of how we think about.

Agents and how you unlock value with agents. And certainly Corey talked a lot about agents that Microsoft has built successfully and embedded in their workflow. And if we take a look, right, in terms of how do you unlock value with agents, and we'll start off on the left and on the left, this is where a lot of the companies often start. This is where what we consider to be more or less foundational, right? And these are informational.

AI chat bots and these are basically general AI tools that can provide.

Knowledge management, research assistance and tailored responses to user prompts. You know, an example that we see Common and Corey mentioned this, is that, hey, we have a lot of policies at Microsoft, right? We have hundreds of policies that could confuse people when they need to look something up. Maybe when they write a new policy, it conflicts with something else. So can we create an agent that's able to quickly access and give us that information?

If you were to take that a step further, another example that we often see and that we help implement is companies use these types of technologies.

To retrieve information, So for instance, you may be able to access your AP sub Ledger and ask questions like what invoices do I have coming up or what invoices do I have that are coming up that maybe have early payment discounts attached to it. Maybe you want to take advantage of that. So being able to use an informational AI chatbot, one that's especially connected to your data, to your, you know, policies, to your sub Ledger, to your ERP and being able to query that information and get real time.

Sites is often the key starting point and you get a lot of value right there. As we move a little bit more to the right in the middle, what we see here is now we're seeing this single AI task specific agents. Now we're going beyond insight and we're actually performing specific tasks, right. So we're seeing a lot of this rise, especially in the last few months.

With platform solutions like Copilot, right and other platforms that have come out.

And introduced their own ability to create these types of agents. And what these are doing is they're simplifying tasks, right? They're not just giving information, but they're actually executing A repetitive or a routine workflow such as we saw right accrual agent or a variance analysis or reconciliation agent. So now these are things that take a lot of time we are now seeing an agent that can go ahead and.

Automate that virtually in real time as we move to the right now this is where you're getting more complexity, but this is where a lot of the value we see coming from in the future in the future state finance organization in this is where you have multiple AI agentic systems and independent agents working together across platforms, tools, and that end to end workflow to orchestrate an outcome and.

You an example, right and I think Corey provided a different example earlier, but if you think of the PO accrual process, you have an appeal, right? You have an invoice that comes in, you have a contract, Maybe you have to pay that contract, maybe you have to then calculate what is the right accrual method. Maybe you have to

validate it, you know would the vendor or with the stakeholder to orchestrate that process end to end is going to require.

Multiple different agent systems, right? You might have one that is able to read the contract, extract the data and say, OK, based on this contract, here's the kind of the payment schedule that we have.

Then a different agent would read the peel, align it with the contract, use the right accrual method to come up with, OK, here's how much we should pay, here's how much we need to accrue. Maybe another agent then sends an e-mail to the vendor or to the stakeholder and says, hey, look, are we gonna accrue this much? We're gonna pay you this much? Is this correct or not? This works seamlessly, right? All of these technologies work seamlessly together to get you in, to get you an outcome, right? And what is that outcome? Well, that outcome.

At the end of the day, right, you want to pay the invoice, you want to post the right journal entry and you want to have that automated as much as possible. So now the human just focuses on the exceptions. So this is really, really an exciting kind of to the right ability to unlock a lot of value for the organization.

Let me move on just a little bit about where you start and how you think about.

How you think about the foundations, right? Like where do what are the building blocks that you need to deploy agents? And we've we've laid this out into these four key sections and we can talk through it right on how to do this. You know, number one is you want to start with your strategy. And that is, it's not just about, hey, look, I got a shiny new tool. How do I integrate this into my workflow? It's more starting with OK.

What is the business problem that I'm trying to solve?

Right. What is the outcome or metric that I'm trying to measure? What is the process right that I want to try to automate or the steps of the routines and what is that going to give me? Why am I doing that? So starting with an AI strategy, identifying that right process, understanding what are the key steps involved end to end in that process is fundamental before you start introducing.

An agenda type workflow. Second key question you want to try to answer is from a data architecture inequality perspective.

Right. Data is absolutely fundamental to ensuring you have an agentic workflow that's successful, that's consistent, right, that doesn't make mistakes, that doesn't hallucinate, that's accurate. So do I have the right data sources accessible? Are they reliable? Are they clearly defined, right? We talked Rahul mentioned earlier about business products and that's how we kind of want to approach that, right? What is the structured and unstructured data? Are they cleanse? Do we have a good understanding of how?

This is going to be connected.

To drive that outcome. Third is we recommend companies always start with what are the capabilities that you need, right? We saw earlier you have informational agents, tasks agents, agents that work together. So what do they have to be in real time, right? Is there going to be a human in the loop or do you want this agent to be completely autonomous? So what are those capabilities, right, that you're looking for to enable that strategy in that process that you want? And then finally, what?

Technologies available depending on your ERP, depending on your architecture, what is available out-of-the-box, what can you buy versus build and what does that mean for your organization. Having a good understanding of these foundational elements will then help you drive those outcomes that you see on the right in terms of time to value enhance decision making in just a smarter way to deploy this technology.

Spend one second on this and then I'll pass it off to Rahul. Just in terms of what that road map.

Could look like when you deploy agents know phase zero what we call that's all about understanding those foundational elements that we just talked through, right. It's understanding and mapping out all of the different processes and boundary systems that this agent is going to is going to touch and having that real playbook in mind phase one, right, let's pilot it. Let's not maybe connect it to our systems yet, right. Let's use discrete data. Let's understand how this is going to work within the.

Workflow, let's understand what are the metrics that we're going to be driving, right? Accuracy or response time, task completion, satisfaction, and let's validate that it's working phase two now let's maybe connect it to the workflow, right? Let's build the API so it's getting this data right from real time systems, right from your ERP, right from your different sub ledgers. And then let's see how it's working side by side with the human. And once we feel comfortable, then let's operationalize it, put it into production.

And then maybe scale it, look at adjacent processes and agents that could follow, and then let's govern and evolve it. On that note, we have about 3 minutes left here or I'm going to pass it back to you to close this out on what this journey looks like.

Absolutely. Thank you, Dimitri.

Folks like we've been looking at some of the questions that have been coming in and Corey, I think you were also answering someone going out. But just on the topic of agents, before we wrap up here, there was a question that was around how do you balance automation versus risk, correct? Because if you run these agents go run, run, run around and do what they're doing. But like, how do you actually do this? So we don't, one of the core tenants, at least what we are seeing right now is there's always a human in the loop when it's, you know, when we talk about.

Agent So agents are primarily focused on automating and accelerating manual activities and tasks today, but there's always oversight, correct? And at least for the foreseeable future, we don't see that going away. Even if we are as we enter a sort of a multi agent more complex workflows right there will always be, you know, oversight and final human.

Kind of checks and balances in place. I just want to address that we we've rarely seen anything that does not have that.

But just if I take a step back, this last one hour you spent with us, you went by really, really fast, correct? I mean, we started by saying, if you remember there were 500 clients, if you had sort of surveys, service results from 14 + 100 decision makers. This is real, right? I just want you all to know this. You heard very specific, real examples from Microsoft's own journey. You know where they've come and where they're going.

Know we've rapidly moved from sort of enabling AI into embedding AI, correct? And so I hope that came out loud and clear. So this is no longer theory or we're, we're in pilots or MVPS, this is actually getting embedded into operations.

The other thing I wanted to leave you all with is there is there is there is no simple or complex starting point. You can pick any end of the spectrum and you can get going. But there are some very simple examples which can drive some tremendous value today while you're thinking through some of the more complex examples like reconciliation and anomaly detection and forecasting type agents and things like that. So.

I mean, the time is now, right? That's one the intelligent and a modern data platform is absolutely critical. And if you all have not sort of fully thought through what that would look like, I think you heard that loud and clear from my Co presenters as well. It will unlock a ton of capabilities all the way from 360° view of analytics, a single source of truth or data in a one leg type architecture and ultimately will help you get to.

Strategic asset, right? And then I think finally culture is key, right? You've got to get the literacy in from an AI and a data perspective. And I think if you do all of that, what you see on the screen here is right, your modern finance sort of operating model is a combination of those three things. And you can do that to gain strategic advantage, you know, completely revamp your financial operations and mitigate risk at the same time, right. So with that, thank you for spending the last hour with us. I want to.

My Co presenters Dimitri and Corey, thank you all for sharing your insights and hopefully we'll talk soon.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be

no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Microsoft and Microsoft 365 Copilot are trademarks of the Microsoft Corporation.