eBook

Getting Started with AI for FP&A:

Practical Steps Toward Greater Business Impact

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AI is the doorway to more strategic FP&A and finance.

The days of relying solely on traditional planning methods are numbered. Finance and FP&A teams are constantly under pressure to deliver more accurate forecasts, analyze data faster, report more quickly, and respond to changing market conditions with agility.

Enter AI—a game changer that has transformed the way FP&A and finance teams work. From automating repetitive tasks to enhancing forecasting accuracy, AI empowers finance professionals to focus on what really matters: strategic decision-making.

But adopting AI isn't as simple as flipping a switch. To harness its potential, FP&A teams need a clear roadmap. Whether you're just starting your journey or looking to optimize your existing AI initiatives, this eBook guides you through the key steps to successfully prepare for and integrate AI into your planning processes.

The pages ahead explore the tangible impact of AI on FP&A and offer practical tips for preparing your team and technology to embrace this transformation.

The impact of AI on FP&A.

AI is redefining the strategic potential of the FP&A team. At its core, AI enhances efficiency, accuracy, and strategic value, allowing FP&A teams to operate at their best by:

1. Automating repetitive tasks.

AI takes over the tedious, manual tasks that often consume FP&A professionals' time, such as variance analysis, identifying data trends and anomalies in vast datasets, and report generation.

For example, instead of manually sifting through large datasheets to find errors, AI flags anomalies in real time, enabling teams to focus on resolving issues rather than tediously searching for them. Gen AI also enables real-time insights with conversational planning capabilities simply by prompting a question.

2. Augmenting forecasting accuracy.

Traditional forecasting typically relies heavily on manually assessing historical data and applying, at times, subjective assumptions. AI, however, uses algorithms to automate and expedite the analysis of vast datasets to uncover patterns humans might miss and then generates a forecast baseline from this analysis.

That means forecasting revenue by factoring in external indicators such as market trends, labor statistics, customer behavior, and even weather patterns enables AI to quickly deliver insights that augment human decision-making.

3. Shifting roles and skills.

With AI handling routine tasks, FP&A professionals can step into more strategic roles. The focus shifts from crunching numbers to storytelling—using data to craft compelling narratives that influence decision-making as well as scenario analysis and enhanced forecasting.

4. Driving a new planning paradigm.

AI increases agility. Instead of relying on static annual budgets or infrequent forecasts, organizations can adopt more dynamic, exception-based planning models and predictive forecasts.

The impact of AI on FP&A isn't just technological—it's transformational. By embracing these changes, teams can deliver deeper insights and drive better business outcomes.

Practical tips for using AI in FP&A.

As AI capabilities continue to be developed and refined, organizations are reaping significant benefits from its implementation.

AI is transforming the workplace with 71% of CFOs reporting increased productivity among finance employees, 54% citing improved data utilization in business decisions, and 48% highlighting the generation of insights that enable employees to focus on higher-level tasks.[1]

Furthermore, technology trends indicate that 80% of CFOs expect their organization to embrace more automation and digital technologies in the coming years.[2]

But adopting AI depends on thoughtful preparation. Consider the following when getting your FP&A team and your organization ready for planning with AI.

1. **Perform an AI requirements assessment.**

2. **Take a human-centric approach.**

3. **Secure organizational buy-in.**

4. **Realign FP&A skills.**

5. **Assess data and security readiness.**

6. **Perform a vendor assessment with a checklist for AI adoption.**

[1]McKinsey, "Toward the Long Term: CFO Perspectives on the Future of Finance"; 2024.

[2]Deloitte, "CFO Signals: Quarterly CFO Survey"; 2024.

1. Perform an AI requirements assessment.

You need to understand your ultimate goals with AI and your progress so far, and what you need to accelerate your journey. Then use this assessment to help evaluate your FP&A team's AI readiness for planning processes.

Task 1: Define business goals and assess where AI can be most impactful.

Objective:

Ensure alignment with your business goals, and identify and prioritize the AI functionalities that will be most impactful in meeting these goals. This will assist with your deployment approach and properly set expectations.

Assessment questions:

- What are your short- and long-term AI objectives?

  Example: Is the goal to automate repetitive data anomaly detection in the short term while building predictive forecasting capabilities in the long term?

- What are leadership and planning stakeholders' AI expectations and do they align with FP&A goals?

  Example: Does the CFO expect AI to enhance the speed, accuracy, or cost-efficiency of decision-making? Do business stakeholders require faster scenario modeling or maybe easier access to data insights?

- Which AI capabilities are most important for your planning processes?

  Example: Do you need automated variance analysis, real-time forecasting adjustments, or anomaly detection in financial data?

Task 2: Identify higher-risk activities.

Objective:

Recognize areas where implementing AI may require caution; your team might consider delaying implementation in these areas until you feel more comfortable with the accuracy of AI's results. Accept where the team is willing to adopt AI and plan accordingly.

Assessment questions:

- What high-risk activities are part of your planning processes?

    Example: Preparing audited financial reports that require precision and compliance with regulations.

- Are there processes unique to your organization that might not be AI-ready?

    Example: Custom revenue recognition models specific to your industry.

> **Tip:** Survey your team to identify areas where they're open to experimenting with AI and where they'd prefer to maintain manual control. Use this input to create a realistic adoption plan that aligns with their comfort level. Not all planning areas are immediately ready—or suitable—for AI adoption.

Task 3: Evaluate technical and team capabilities.

Objective:

Assess whether your team and existing planning solution are equipped to support AI initiatives.

Assessment questions:

- Are your current tools capable of supporting AI?

    Example: If not using a market-leading AI solution already, does your planning software have the ability to integrate with other purpose-built AI applications or offer built-in predictive analytics features?

- Does your team have the necessary skills to work with AI-driven capabilities?

    Example: Are team members comfortable with interpreting AI-driven insights or will they need additional training?

- Are AI expectations realistic given your technical infrastructure?

    Example: If your data is siloed and inconsistent, AI might require significant groundwork to produce accurate results.

2. Take a human-centric approach.

AI is intended to augment human skills. It's about enhancing your team's preexisting strengths and allowing them to work more efficiently because of it.

When introducing AI, make it clear to your team that their expertise remains indispensable. FP&A professionals excel in areas such as strategic decision-making, analytics, and storytelling—tasks that require intuition, judgment, and context that AI simply can't replicate.

Here are a few steps you can take as your team starts to integrate AI:

1. Focus on quick wins.

- To build trust in AI, start with quick wins that demonstrate immediate value. Capabilities such as predictive forecasting, anomaly detection, conversational planning, and automated variance analysis can provide powerful insights while reducing manual effort, making them ideal starting points.

2. Start small.

- An AI rollout doesn't need to happen all at once. In fact, gradual implementation can lead to faster and more successful adoption. Start small, with a pilot project tailored to the FP&A team's specific needs—such as improving forecasting accuracy. Use these early results to refine your approach, and to build momentum and excitement for broader adoption, before scaling across the organization.

3. Create a "learn and grow" mindset.

- Strive for continuous improvement and adaptation as you roll out AI. Continue to gather feedback from key stakeholders, and adapt your AI models and requirements as needed.

Tip: Hold team workshops or Q&A sessions to address concerns, explain how AI will complement rather than compete with their skills, and illustrate how their roles will evolve to focus on higher-value work.

3. Secure organizational buy-in.

AI adoption requires cross-functional support, so securing buy-in across the organization is crucial for FP&A teams.

Here's a game plan for CFOs and FP&A teams to follow:

1. Position FP&A as a change agent.

- Frame FP&A as a driver of innovation, actively challenging the status quo to align AI initiatives with organizational goals. Highlight the missed opportunities and value potentially lost by not adopting AI.

2. Create a culture of innovation.

- Encourage openness to change by showcasing AI's potential to transform planning processes, reduce manual tasks, and deliver faster insights. This includes the impact on other areas, such as accounting or human resources, where there is an intrinsic reliance on FP&A teams regarding data that is utilized cross-functionally.

3. Engage cross-functional AI champions.

- Collaborate with key stakeholders outside FP&A—such as the CFO, IT, operations leaders, and cross-functional teams including accounting and human resources—to create momentum and embed AI as a broader organizational initiative, not just an FP&A effort.

4. Communicate tangible benefits.

- Share how AI enhances planning through scenario analysis; streamlined workflows; and quicker, more accurate insights.

Showcase specific examples, such as AI-driven revenue or cost planning, to demonstrate immediate and measurable impact.

4. Realign FP&A skills.

To thrive in an AI-driven future, FP&A teams need to evolve beyond traditional number crunching but don't need to become data scientists.

Here's how to make this transition practical:

1. Think differently.

- The most important thing you can do to ensure success is to help your team "think differently" about interacting with and utilizing AI capabilities. The FP&A teams that will excel faster and more effectively will be those that not only embrace AI with a healthy level of curiosity but that also learn how to interact with these new capabilities in the right way. This could mean asking the right type of questions for conversational planning or understanding the basics of predictive forecasting.

2. Identify your AI champions.

- Select 1 to 2 team members who have a blend of analytical expertise and storytelling ability and a natural curiosity about AI.

- Provide them with advanced training to become the go-to experts on integrating AI into FP&A planning processes.

3. Promote AI fluency across the team.

- Create a culture of learning by investing in team-wide training programs to build AI literacy. These could include workshops, certifications, or vendor-led demos of AI tools. This will encourage curiosity about evolving AI capabilities and their impact.

- Focus on practical applications, such as using predictive analytics or interpreting AI-driven insights, and presenting them effectively to stakeholders.

- Inspire your team by sharing case studies or examples of how AI has delivered value at similar organizations.

4. Have your AI champions educate others.

- Encourage your AI champions to lead internal training sessions and mentor colleagues to help spread AI knowledge throughout the organization.

If done right, AI can then equip FP&A and other cross-functional areas with more data analytics, scenario planning, and soft skills, such as storytelling and presenting, with less number crunching.

5. Assess data and security readiness.

AI is only as good as the data it analyzes. Here are some practical steps to ensure data and security readiness for AI:

1. Prioritize data quality.

- Use clean, consistent data—the foundation for successful AI implementation.
- Ensure all data is accurate, complete, and standardized across source systems.
- Collaborate closely with cross-functional finance, human resources, and other operational teams to ensure data quality needed for planning processes.

Tip: Use data validation tools or run audits to identify and fix inconsistencies before using the data for predictive forecasting, analytics, or anomaly detection.

2. Prepare historical data for AI forecasts.

- Include historical actual data from your ERP system to help AI identify trends and patterns.
- Determine the ideal time span (for example, 2 to 3 years) for your forecasting use cases, and prepare a ratio of 3:2 (3 years of historical data for 2 years of forecast).

Tip: Start with readily available data and gradually expand as needed to avoid delays in getting started.

3. Incorporate external data sources.

- Identify external datasets that can enhance accuracy such as marketing trends, labor statistics, inflation metrics, and so on.

4. Establish strong data governance.

- Implement policies to maintain data integrity, security, and consistency.

Tip: Appoint a data governance lead to ensure processes are followed and updated as needed.

6. Perform a vendor assessment with a checklist for AI adoption.

Your goals, your readiness, your strategy—these are all essentials to pin down. But if you don't have the right solution vendor to help you execute, you're likely to move one step forward and two steps back.

Refer to this checklist when considering the qualifications of a market-leading, enterprise-wide software vendor.

Proven innovation track record.

✔ Has a proven track record of market-leading AI innovation across all functional areas (FP&A, finance, human resources, and others)

✔ Provides positive customer references or case studies

✔ Delivers clear ROI on AI value realized by organizations

Data privacy and security.

✔ Strongly enforces privacy and protection standards

✔ Prioritizes a responsible AI governance framework

Support and training.

✔ Offers AI training and upskilling for your functional teams

✔ Provides leading-practice resources for cross-functional collaboration

AI capabilities.

✔ Leverages a unified data model to provide the highest-quality data insights

✔ Develops embedded AI capabilities to ensure ease of use

✔ Delivers AI capabilities that can be managed not just by data scientists but also by any business user, including the FP&A team

✔ Supports a partner marketplace to provide extended AI solutions for all cross-functional areas

✔ Includes core AI capabilities such as predictive forecasting, data anomaly detection, intelligent variance analytics, and conversational planning

Ease of use.

✔ Offers a user-friendly and personalized interface

Scalability and configurability.

✔ Provides a scalable solution to grow with your organization

✔ Ensures ability to configure AI models for unique needs

Customer AI story:
Team Car Care.

Team Car Care is the largest franchisee of Jiffy Lube with more than 500 outlets in 26 states across the U.S.

Learn how the Workday unified platform allows Team Car Care's FP&A team to quickly take action on real-time, actual results and consolidated financials to build better, more accurate forecasts.

Read the full story here.

The future of FP&A with AI.

The future of FP&A and all of finance is here, and it's powered by AI. For teams ready to embrace this evolution, the benefits are clear: enhanced accuracy, greater agility, faster decision-making, and a more strategic role within the organization.

But success doesn't happen overnight. It requires careful planning, a commitment to learning, curiosity, and a willingness to adapt. By automating repetitive tasks, enhancing insights, and empowering professionals to focus on strategy, AI has the potential to transform finance into a critical driver of business success.

The journey starts now. With the right preparation, enterprise software solution, and mindset, finance teams can more confidently navigate this transformation and lead their organization into the future of finance.

Ready to learn what AI can do for your FP&A team?

Book a 1:1 demo with us to get a customized walk-through of Workday Adaptive Planning. We'll show you how it can help you achieve faster, more accurate forecasts, streamline your planning processes, and unlock greater business impact.