

5 AI Trends Shaping the Future of Finance

Macro-economic, geopolitical, and regulatory uncertainty has businesses looking for the Finance function to do more. To Take Finance Further.

How? Financial Planning and Analysis (FP&A) teams must deliver accurate results and valuable insights within shorter forecasting cycles while managing increasingly more data.

Enter AI — enabling enhanced data processing, scenario modeling, and streamlined processes for more agility and deeper insights to stay ahead of competition.

Explore **five pivotal AI trends** reshaping enterprise Finance: automated data cleansing and anomaly detection, risk management, agile planning, scenario forecasting, and AI-generated insights.

TREND 1

Automated Data Cleansing and Anomaly Detection

Amid skyrocketing data volumes, automated data cleansing and anomaly detection are top AI trends. AI's capacity to swiftly process vast data sets automatically identifies anomalies, ensuring accurate forecasts and decision-making. While AI streamlines processes, human oversight remains crucial to address biases and ensure compliance with security and privacy regulations.

EXAMPLE

Insurance companies can minimize fraudulent claims using an ML-based system to compare legitimate historical claim patterns against new claims and flag any anomalies. Suspicious claims are identified much faster, mitigating potential financial losses and eroded customer trust.

TREND 2

Intelligent Risk Management

AI and Generative AI (GenAI) enhance risk management by providing advanced analytics, early warning systems, fraud detection, compliance monitoring, and supplier/vendor and portfolio risk management. By leveraging AI and ML, Finance teams can better identify, assess, and mitigate financial and reputational risks.

EXAMPLE

Financial services firms can use GenAI to automate risk management processes (e.g., credit assessment, loan verification) to improve productivity, quality, compliance and risk management. However, firms must balance the risks and benefits, ensuring the use of GenAI aligns with firms' risk appetite and strategy.

TREND 3

AI-Enabled Agile Planning and Rolling Forecasts

Legacy planning processes, tied to rigid fiscal calendars, are encumbered by rapid changes and uncertainty. But AI advancements have spurred a shift toward continuous planning cycles, enabling agility and proactive responses. Agile Finance teams optimize resource allocation, adapt to changing customer expectations and leverage AI for accurate, timely forecasts that drive actionable insights and strategic decision-making in dynamic environments.

EXAMPLE

A manufacturing firm employing AI could create forecasts much more frequently than with previous manual forecasts. This capability allows for quickly adjusting to production schedules and resource allocation, resulting in reduced operational costs and increased profitability.

TREND 4

AI-Powered Scenario Planning

Integrating AI/ML into scenario planning helps organizations analyze complex scenarios and relationships previously challenging to assess. By leveraging AI to generate realistic scenarios and predict the financial impacts, businesses can prepare for supply chain disruptions, strategic investments, market fluctuations, and more. This data-driven approach empowers FP&A teams to make informed decisions based on comprehensive analyses.

EXAMPLE

Using AI-powered scenario forecasting, a retail company could accurately predict shifts in sales due to supply chain constraints during the COVID-19 pandemic — to optimize inventory management, adjust pricing strategies and mitigate revenue losses.

Top performing companies — when we look at the net effect of growth and margin outperform their next closest peers by about 13x — reallocate resources more frequently and to a larger degree than their peers, but the key is they also do this effectively, rigorously prioritizing areas of highest value and investing in ways that build mutually reinforcing capabilities.”

— Leonardo De Biasi | Partner at PwC

TREND 5

AI-Generated Hidden Insights

By efficiently processing vast data sets, AI uncovers hidden patterns and correlations tied to financial performance, empowering Finance to identify issues quickly, make informed decisions and focus on strategic tasks based on personalized recommendations. Transparent AI-generated forecasts with explainable drivers enhance credibility and reveal valuable insights, enabling organizations to optimize strategies and operations.

EXAMPLE

Using AI-powered insights, a manufacturing company could identify a correlation between a large retail customer's stock price and the number of purchases from the manufacturing company. With full insight into the stock price, the manufacturer can anticipate sales and therefore inventory, freight and labor costs.

To learn more about how AI transforms Enterprise Finance for Finance and Operations teams, visit our [AI Hub](#).