A&M

CFO SERVICES

Stop Optimizing, Start Building Finance for Continuous Change

A&M's Strategic Perspective on Finance in the Age of AI

01 EXECUTIVE SUMMARY

Every previous finance transformation had a finish line. This one doesn't.

For 20 years, finance has been trying to move beyond the back office. ERP, shared services, cloud, and RPA all promised material change, yet delivered only incremental gains. Plus, each was a discrete program with a finish line. AI is not a program that finishes. It learns, compounds, and continuously rewrites what the function looks like. This means organizations building AI-enabled finance capabilities today are not simply becoming more efficient; they are building evolving capability that their peers cannot replicate by running the same old transformation programs. Finance occupies a unique position at the epicenter of the shift. This position is structural, not accidental. Finance allocates capital, defines how performance is measured, and translates operating outcomes into how the market values the company. No other function operates across all three at once. Finance's ability to adapt will determine whether the company enters a new phase of growth or spends years trying to catch up.

Importantly, finance leaders are being asked to lead this shift while the organizations they support are caught in a structural paradox: a persistent imbalance between growth expectations and economic reality. Demand for products, services, and experiences is increasingly influenced by macro and social volatility. So, even as companies increase spending on technology, infrastructure, and AI, expectations continue to outpace the returns being delivered. At the same time, boards and investors are pushing organizations to fund multiple enterprise agendas at once: modernizing core operations, scaling AI, strengthening supply chain resilience, addressing cybersecurity risk, and pursuing growth, all within finite capital and talent constraints. AI compounds the challenge, moving past one-time value creation to the harder task of ongoing value industrialization.

These pressures are structural, not cyclical, and they will not resolve on their own. As revenue models keep shifting, AI attribution will grow more complex, and capital demands will intensify. In short, finance is not moving toward a destination; it's operating in a state of continuous change where each decision reshapes the next.

The question is no longer whether the finance operating model must change. It's what must change to keep pace.

Against this backdrop, three anchors define finance's next chapter and the most urgent moves now. These anchors redefine how finance creates value. The shift is from optimizing processes to owning decisions, with work, talent, and digital moving together across finance for finance, the business, and the street.

Three interconnected Finance Operating Model dimensions will set the pace of growth acceleration.

Work, talent, and digital are no longer separate workstreams. In a state of continuous change, they evolve as a single system.

Finance service delivery is tightly aligned within three distinct value layers.

Finance runs its own engine **(finance for finance)**, drives enterprise decisions (**finance for the business)**, and shapes how the street values the company **(finance for the street)**.

Value is driven by focus and scale.

The organizations pulling ahead **pick focused outcomes**, evolve work, talent, and digital together, **prove value early, and use the momentum** to shape what comes next.

The key is to stop optimizing what finance does today. Instead, decide what it needs to become tomorrow.

02

FIVE TRUTHS ABOUT FINANCE

01

Finance's job is to own the right decisions, not run the right processes.

As the arbitrator of capital, steward of enterprise data, and driver of decision-making, finance is pulled into the most critical and interdependent choices an enterprise makes. No other function simultaneously governs how resources are allocated, how performance is measured, and how value is communicated to the market. The question is whether finance is leading these decisions effectively or simply processing them.

02

With AI, finance is in a state of continuous, compounding change.

Every previous transformation had a finish line. AI doesn't. AI-enabled finance capabilities learn from outcomes and continuously rewrite what the function can do. This is a permanent shift where learning and compounding advantage replace the idea of a steady state.

03

The talent model isn't thinning from one end; it's being compressed from both.

AI is automating the work that historically built finance leaders. At the same time, finance is being asked to do more with less as the talent pipeline thins. The result is a compressed model: far fewer entry roles, an evolved middle tier, and a leaner senior layer. The CFO who designs around this shift builds a stronger function. The one who defaults to an inherited structure will spend years managing the misalignment.

04

You can't meet new expectations without first deciding what to stop.

The constraint facing finance today isn't ambition. It's capacity. Organizations cannot layer new expectations on top of an already stretched operating model and expect different outcomes. The organizations pulling ahead are making deliberate choices about what to stop, removing non-value-add work that consumes scarce leadership attention and talent. Capacity must be created before it can be deployed.

05

The data priority has shifted—from clean-up to active governance.

AI has changed the data prerequisite. Clean, fully standardized data is no longer a hard requirement before you can start. This doesn't mean data quality is irrelevant. The bar has shifted from standardization to governance as a continuous discipline. Governance becomes the control plane because AI increases the speed and impact of errors in a connected enterprise system.

These five truths point to the same conclusion: the **work** finance does, the **talent** that does it, and the **digital** tools that enable it **must change as one** system working in tandem, not as separate programs. The next section explains what that system looks like and why the sequence of change matters.

03

HOW TO BUILD FOR CONTINUOUS CHANGE

If the five truths hold, finance cannot be redesigned one dimension at a time. The rearchitected operating model must reflect how work, talent, and digital intersect across all three value layers. Unlike previous transformation models designed around a target state, this one is built to evolve continuously because AI iteratively expands what each dimension can do with every cycle.

That means every design choice in finance must be made at the intersection of:

- **Work:** What work is performed and whether it should exist at all
- **Talent:** What talent is required for human judgment, AI capability, or both
- **Digital:** What digital enablers deliver through data, platforms, and systems that learn

And across all three value layers:

- **Finance for finance:** Close, controls, reporting, core processes
- **Finance for the business:** Planning, forecasting, scenario modeling, resource allocation
- **Finance for the street:** Guidance, capital structure, investor narrative

The intersection of the operating model dimensions and value layers form the core of a leaner, more focused and more value driven future finance organization. It also provides the blueprint for where to act.

	Work	Talent	Digital
Finance for finance	Standardize and automate what is repeatable. Shift effort from production to exception management and controls design.	Establish a core team that designs controls, manages exceptions, and governs automated processes. Trade volume for judgment.	Use AI to enable close and reconciliation. Monitor controls continuously. Integrate data platforms that eliminate manual consolidation and reduce cycle times.
Finance for the business	Shift from backward-looking reporting to forward-looking decision support. Embed finance into operating decisions.	Find business partners who combine financial acumen with operational fluency, as well as scenario architects who translate uncertainty into structured trade-offs.	Employ real-time planning platforms, AI-driven forecasting, and scenario modeling. Integrate operational and financial data that enables speed without sacrificing rigor.
Finance for the street	Move from reactive disclosure preparation to proactive narrative design. Connect internal performance to external value creation with a consistent, auditable thread.	Prioritize talent that bridges financial reporting, investor relations, and strategic communication—in other words, people who can translate operating complexity into market-ready insight.	Automate reporting pipelines. Draw on AI-assisted investor analytics. Implement platforms that connect operating performance to external narrative in near real time.

When work, talent, and digital change together in one value layer, the gains are non-linear.
To enable the redesign, finance needs to stop doing work that consumes capacity without creating value. To create this capacity, Finance should:

- Stop recurring reporting that doesn't inform decisions
- Stop disconnected pilots that aren't tied to a defined outcome
- Stop layering new expectations onto the current operating model without first removing non-value-add work

The sections that follow translate this model into actionable design choices for work, talent, and digital, as well as setting out which steps to take first.

Work: From running processes to owning the right decisions

Restructuring work is about decisions. Finance has to decide what it delivers and to whom, vs. what it stops doing.

The core mission of finance is non-negotiable. Finance will always be accountable for confidence in the financials and compliance with regulatory requirements. What changes is everything around that. More than ever before, finance is expected to deliver decisions that shape enterprise outcomes: capital allocation, market-facing narrative, working capital posture, scenario calls under volatility, risk and tax structure in shifting global regimes. Simultaneously, how finance delivers these decisions is being reshaped by AI, raising the bar on AI governance, data lineage, and responsible use.

		Decisions the finance team leads	What now runs quietly
Finance for finance	Controllership & close	Where to invest in control depth vs rely on signal monitoring; Which exceptions require intervention vs can be absorbed	Close execution, reconciliations, intercompany matching
	Procurement, AP, AR	How much working capital to hold vs deploy; Which customers and vendors to prioritize, renegotiate, or exit	Invoice processing, payments, collections, & cash application
Finance for the business	FP&A	Where to invest, hold, or pull back under changing assumptions; How to respond when the plans break mid-cycle	Forecast assembly, variance commentary, routine reviews
Finance for the street	Treasury	Determine liquidity needed in volatile markets; What risks to hedge against given rate and policy shifts	Cash positioning, FX execution, short-term forecasting
	Tax	How far to optimize structure vs preserve simplicity and auditability; Which positions to take that will survive under scrutiny	Compliance filings, indirect tax processing, reporting
	IR & external reporting	How to frame performance vs expectations. Where to guide, signal, or reset investor expectations	Disclosure preparation, regulatory filings, earnings materials

Talent: Evolving team structure from a pyramid to spearpoint

Talent is the primary constraint that determines whether AI makes finance more strategic or turns it into a sign-off function.

Talent now means the combined capability of your people and the digital workforce operating alongside them. AI is automating the work that historically built finance leaders: reconciliations, models, variance reporting, and the assembly work that formed judgment. If this automation continues without redesign of early-career development pathways, the future controller and CFO pipeline will disappear.

At the same time, finance leaders are being asked to lean more on AI as the talent pipeline thins. They're working with a compressed talent model, with fewer entry-level roles, a thicker middle tier that orchestrates AI and advises the business, and a leaner senior layer focused on judgment and governance. The question isn't whether AI is reshaping the workforce. It's whether the CFO is actively designing around that shift.

This shift is already visible.

What the data shows:

- Junior hiring down 9–10% at AI-adopting firms within six quarters[1]
- Entry-level employment down 16% in the most AI-exposed occupations[2]
- 41% of employers plan AI-driven reductions within five years[3]

In A&M's experience, CFOs and BPO providers are saying:

- New roles justified only if AI cannot do them
- Outsourced work must justify itself against AI
- Middle managers doing junior work, delivering senior insight

The shape of the team is changing		Two complementary competency tracks are needed	
From a pyramid…	…to spearpoint	Finance expertise	+ Digital skills
Many junior processors at the base, fewer managers in the middle, a small senior layer at the top	Fewer transactional roles. A smaller, upskilled mid-tier orchestrates AI and manages exceptions, supported by a lean senior layer focused on judgment, governance, and business guidance.	Accounting, controls, modeling, regulatory knowledge, commercial judgment	AI orchestration, data literacy, process automation, the ability to interrogate and validate what AI produces
CFOs who design their teams deliberately will build **stronger, leaner (~50% fewer FTEs), and more cost-efficient (~25% lower cost) functions**[4]. Those who default to inherited structures spend years managing the misalignment.		Neither is optional. A sophisticated AI tool without domain depth is a new category of risk, not an upgrade. At the same time, deep domain expertise without digital fluency becomes a bottleneck, not an asset.	

Digital: Connecting What Compounds

Digital sets the ceiling on what finance can scale and trust. The goal is not to add more AI tools. It's to connect the digital core you already have into a foundation AI can learn from.

AI has changed the data prerequisite. Clean, fully standardized data is no longer the gate. AI can increasingly clean and contextualize imperfect data as part of execution. It just needs data that is available, owned, and governed so outputs are auditable and decision-grade.

That foundational work is unglamorous but decisive. It's crucial to map data lineage and ownership across siloed systems, remove rubber-stamp approvals that add friction, place human judgment at decisive junctures, and build quality checks at every hand-off so insight doesn't degrade.

Governance becomes the control plane because AI accelerates how fast errors propagate through a connected system.

The table below shows what separates digital capability that compounds from digital that does not.

Common pattern

- Buying more tools
- Fragmented data sets, defended as ownership
- Human approval steps that rubber-stamp the workflow
- Compliance bolted on after the fact
- AI agents trained on stale or undefined data

What compounds

- Connecting the digital core that already exists
- A unified data foundation, governed as one
- Human judgment placed where it changes outcomes
- Governance designed as the control plane
- Quality checks at every hand-off

This rearchitected operating model only works if finance creates capacity before adding new expectations. The next section translates that into a methodology for getting started and the kinds of outcomes leading organizations are already achieving.

04 GETTING STARTED

The organizations pulling ahead aren't trying to redesign everything at once. They pick a focused outcome, evolve work, talent, and digital together, prove value fast, and let the first win shape what comes next. The following examples illustrate the concurrent redesign of operating model dimensions and the resulting early impact on finance performance.

Each example followed a similar sequence:

01

Diagnose

Where are you today?

Assess maturity across work, talent, and digital. Identify value leakage and constraints, including legacy systems that must stay in place.

02

Redesign

What should it look like?

Re-architect workflows, don't just automate them. Define future roles and capability. Rationalize the digital stack around what the business actually needs.

03

Run

How do you get there?

Aim for rapid sprints, not multi-year programs. Pilot in high-value areas. Scale what works; use each win to shape the next.

Finance for finance

AP/AR redesign at enterprise scale

A publicly traded media company rebuilt its AP/AR platform and workflows using an integrated AI-enabled approach. Matching, dispute handling, and cash application were automated end to end, with human judgment concentrated on exceptions and supplier negotiation. Work was redesigned, not just accelerated. The team shifted from processing volume to governing quality. Working capital improvements and cost reductions materialized within the first two quarters of go-live.

Finance for the business

Scenario modeling for the board

An industrial company needed a driver-based scenario model to present to the board on a compressed timeline. The team built a working model in roughly four weeks using AI-assisted scenario modeling. It produced the scenarios the board required and laid the foundation for repeatable, AI-enabled scenario work going forward. Weeks of analyst cycle time were replaced. The board's decision was unblocked. The company now owns the capability.

Finance for the street

Investor relations prep compression

A multinational company CFO was spending roughly a week and a half each quarter preparing for the earnings call: reviewing reports, modeling analyst questions, drafting script by hand. By feeding prior transcripts, analyst notes, and the internal reporting pack through an AI-assisted prep workflow, that cycle compressed to a weekend. The hours saved matter—and the senior bandwidth redirected to commercial and strategic work matters even more. The company's market narrative got sharper and more consistent.

What all three dimensions look like together

A global industrial services company mapped every finance process from the bottom up: where AI handles execution, where automation suffices, and where human judgment stays. This drove operating model redesign across geographies, BPO renegotiation tied to redesigned processes, and a technology build informed by comparable evolving platforms.

The finance function targeted up to a 50% cost reduction, with teams redeployed toward decisions that run the business. When work, talent, and digital move together, value will follow.

How to get started: Focus on one or two high-impact finance processes that will matter over the next two quarters. Define a single, outcome-driven program: tight in scope, time-bound, and tied to a measurable business result. Prove out the value, then rapidly scale.

05

FIVE MYTHS THAT STALL PROGRESS

Finance leaders pursuing AI-driven transformation need to separate myth from reality, especially given the pace at which AI capabilities are changing.

Myth: AI is primarily a technology initiative.

Reality: AI changes work design, talent requirements, and decision-making, not just systems. Treating it as a technology project guarantees under-delivery; success hinges on redesigning how decisions get made, not deploying the tools that support them.

Myth: Efficiency is the primary value of AI in finance.

Reality: Efficiency is the floor, not the ceiling. AI's real value is in decision speed, scenario depth, and the ability to continuously learn from outcomes.

Myth: Finance can transform one dimension at a time.

Reality: Work, talent, and digital must move together. Sequential transformation creates misalignment that compounds over time.

Myth: The current talent model can absorb this shift.

Reality: The shift from execution to judgment requires fundamentally different capabilities, not incremental upskilling of the existing workforce.

Myth: You can pilot your way to advantage.

Reality: Disconnected pilots produce technology debt. Advantage comes from a portfolio of initiatives tied to a defined outcome, along with willingness to stop the ones that aren't moving the number.

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4. Alvarez & Marsal estimates; actual results may differ.

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