

AI-Driven EPM: From Automation to Intelligent Performance



Tim Kelly, April 2026

Executive Summary

Most EPM programmes improve efficiency. Few improve performance.

Over the past decade, organisations have invested heavily in cloud platforms, automation and standardisation. Planning cycles are faster. Consolidation is more controlled. Reporting is more accessible.

But the core problem remains unchanged.

Forecasts are still reactive. Planning is still time-consuming. Finance teams still spend too much time producing information and not enough time influencing decisions.

AI is often positioned as the next step — layered onto existing processes to automate tasks and enhance reporting. In most cases, this delivers incremental value at best.

The issue is not the technology. It is how EPM is designed.

AI does not simply accelerate existing processes. It changes how planning, forecasting and performance management should operate.

Leading organisations are using AI to:

- Move from periodic to continuous planning
- Shift from descriptive to predictive and prescriptive insight
- Embed decision support directly into finance processes
- Reallocate effort from production to interpretation and challenge

But the organisations seeing meaningful impact are not those with the most advanced tools. They are those that have redesigned their **EPM operating model** to incorporate AI effectively.

This requires a shift:

- from process efficiency to decision effectiveness
- from system implementation to operating model design
- from reporting performance to actively shaping it

AI-driven EPM is not a technology upgrade. It is a change in how finance operates and how decisions are made.

2. The Limits of Traditional EPM

Most EPM environments are more efficient than they were five years ago. Planning is faster. Consolidation is more automated. Reporting is more accessible and, in many cases, closer to real time.

Yet performance has not materially improved.

Forecasts remain reactive and are frequently revised. Planning cycles are still resource-intensive and disconnected from operational reality. Finance teams continue to spend disproportionate time gathering, reconciling and validating data rather than interpreting it.

The issue is not execution. It is structural.

Traditional EPM is inherently backward-looking. It is designed to explain what happened and, in some cases, why. It is not designed to anticipate what will happen next or to guide decisions in a dynamic environment.

This creates a ceiling on value.

Even well-implemented systems cannot overcome:

- Static planning models that require manual updates
- Assumptions that are rarely revisited once set
- Periodic cycles that lag behind the business

As a result, organisations operate with:

- delayed insight
- limited forward visibility
- constrained decision-making

AI has the potential to remove these constraints — but only if it is used to redesign how EPM works, not simply enhance existing processes.

3. Where AI Creates Value

Many organisations approach AI in EPM through isolated use cases — anomaly detection, automated commentary, or enhancements to reporting. While these can deliver efficiency gains, they rarely change how decisions are made.

The real value of AI lies in reshaping core finance processes — particularly forecasting, planning, and performance management — so that they become more responsive, forward-looking, and decision-oriented.

3.1 Predictive Forecasting

In most organisations, forecasting remains a periodic exercise. Assumptions are set, models are updated, and outputs are produced on a monthly or quarterly cadence. By the time a forecast is finalised, elements of it are already out of date.

AI enables a fundamentally different approach.

Rather than relying on static assumptions, forecasts can be continuously recalibrated using a combination of internal performance data and external signals. Patterns in revenue, cost behaviour, customer activity, and market conditions can be identified and incorporated automatically.

This changes forecasting from a point-in-time output into a continuously evolving view of the business.

The impact is not limited to accuracy. In many cases, the improvement in accuracy is incremental. The real benefit is timing — the ability to identify changes earlier and respond before they fully materialise.

This allows finance to move from explaining variance after the fact to influencing outcomes as they develop.

3.2 Scalable Driver-Based Planning

Driver-based planning has long been seen as a more effective approach than traditional line-item planning. However, in practice, it is often difficult to implement at scale.

Models become complex, dependencies are hard to maintain, and over time the link between drivers and outcomes weakens. As a result, many organisations revert to manual adjustments, undermining the value of the model.

AI provides a way to stabilise and scale driver-based planning.

By analysing historical relationships and ongoing data patterns, AI can identify which drivers genuinely influence outcomes and how those relationships evolve over time. It can also adjust these relationships dynamically as conditions change.

This reduces the need for manual maintenance and allows models to remain relevant without constant intervention.

The result is not just more sophisticated planning, but more sustainable planning — models that continue to reflect how the business actually operates rather than how it was assumed to operate when they were first designed.

3.3 Scenario and Decision Support

Scenario planning is often constrained by time and complexity. Finance teams typically develop a small number of scenarios based on predefined assumptions, which limits both the range of outcomes considered and the usefulness of the analysis.

AI expands what is possible.

Instead of modelling a limited set of discrete scenarios, organisations can simulate a wide range of variables simultaneously and assess the probability of different outcomes. This enables a more realistic view of uncertainty and a more informed approach to decision-making.

More importantly, AI allows organisations to move beyond scenario comparison towards decision optimisation.

Rather than asking which scenario is most likely, finance can assess which actions are most effective under different conditions. This shifts the role of planning from describing potential futures to actively guiding decisions.

In this context, planning becomes less about producing outputs and more about supporting judgement.

3.4 Automation of Insight

Automation in finance is often framed in terms of efficiency — reducing manual effort in reporting, reconciliation, or analysis. AI extends this into more complex analytical tasks, including variance analysis, root cause identification, and narrative generation.

However, the value of this capability is frequently misunderstood.

Automating insight does not create value in itself. The value comes from how the time saved is used.

In organisations where finance continues to operate in the same way, automation simply reduces workload. In organisations that adapt, it allows finance to focus on higher-value activities — interpreting results, challenging assumptions, and influencing decisions.

This shift is critical. Without it, AI risks becoming another layer of efficiency rather than a driver of performance.

4. Why AI Initiatives Fail

Despite significant investment, many AI-driven EPM initiatives fail to deliver meaningful impact. In most cases, the underlying causes are not technical. They are structural and organisational.

One of the most common issues is a technology-led approach.

Organisations often begin by exploring what AI tools can do, rather than where improved insight would change decisions. This leads to solutions that are technically sophisticated but disconnected from business priorities. As a result, even well-built capabilities struggle to gain traction.

Data is another consistent challenge.

AI relies on data that is not only available, but also consistent, integrated and trusted. In many organisations, data remains fragmented across systems, with differing definitions and limited governance. This undermines confidence in outputs and creates resistance to adoption.

Even where data and technology are sufficient, integration into processes is often weak.

AI capabilities are frequently developed as standalone solutions rather than embedded into core finance workflows. Insights are generated, but they are not incorporated into planning cycles, forecast updates, or performance discussions. Decision-making therefore remains unchanged.

The most significant barrier, however, is operating model misalignment.

AI changes how finance should operate — the nature of the work, the roles involved, and the way decisions are made. If the operating model is not redesigned to reflect this, AI remains peripheral. It may produce insights, but it does not influence outcomes.

In this context, failure is not the result of poor implementation. It is the result of misalignment between capability and design.

5. The Role of the EPM Operating Model

AI-driven EPM is often positioned as a technology transformation. In practice, it is primarily an operating model challenge.

Technology enables new capabilities, but it does not determine how those capabilities are used. That is defined by process design, roles, governance, and how decisions are made.

The first area that must evolve is process design.

Traditional planning and forecasting processes are built around periodic cycles. These cycles create natural delays between data, insight and decision-making. AI enables a shift towards continuous processes, where forecasts are updated dynamically and insights are incorporated in near real time.

However, this requires more than simply introducing new tools. Processes must be redesigned so that AI-generated insight is embedded into workflows and directly informs decisions. Without this, the potential of AI remains unrealised.

Roles within finance must also change.

As AI reduces the need for manual data production and analysis, the role of finance shifts towards interpretation, challenge and decision support. This requires different skills, including the ability to understand and question model outputs, and to translate insight into action.

It also has implications for structure. Teams may need to be reorganised to reflect new responsibilities, and traditional boundaries between finance and the business may need to be redefined.

Governance becomes more important, not less.

AI introduces new considerations around transparency, explainability and control. Organisations need to be clear about how models operate, who is accountable for their outputs, and how decisions are governed. Without this, trust in AI will be limited, and adoption will suffer.

Finally, AI must be integrated into how decisions are actually made.

This is often overlooked. Even where high-quality insight is available, it will not be used unless it is aligned with existing decision processes. This means embedding AI outputs into planning discussions, performance reviews, and strategic decision-making forums.

If AI is not part of these processes, it will remain peripheral.

6. A Practical Approach

Transitioning to AI-driven EPM does not require a complete redesign from the outset. It requires a structured approach that balances ambition with practicality.

The starting point is clarity on where value sits.

Not all use cases are equally important. Organisations should focus on areas where improved insight will materially influence decisions — for example, revenue forecasting,

cost management, or capital allocation. This ensures that effort is directed towards outcomes rather than capability for its own sake.

Once priorities are clear, attention must turn to the foundations.

Data does not need to be perfect, but it must be sufficient. This means establishing consistency in key definitions, integrating data across systems where necessary, and ensuring that outputs can be trusted. Without this, adoption will be limited regardless of the sophistication of the models.

From there, organisations should focus on a small number of high-impact use cases.

These should be chosen not only for their potential value, but also for their feasibility. Early success is important in building momentum and demonstrating that AI can deliver tangible benefits.

Crucially, these use cases should not be implemented in isolation.

Processes must be redesigned so that AI is embedded into how work is done. This includes planning workflows, forecasting processes, and performance management routines. The objective is not to generate insight, but to ensure that it is used.

As this evolves, the operating model must adapt.

Roles, responsibilities and governance structures should be aligned to the new way of working. This may involve redefining responsibilities within finance, introducing new capabilities, and establishing clearer accountability for decisions.

Only once this foundation is in place should organisations focus on scaling.

Scaling is not simply about deploying more models. It is about extending a way of working across functions, geographies and use cases. Without the underlying operating model, scaling will amplify complexity rather than value.

7. From Automation to Performance

The shift to AI-driven EPM is often described in terms of capability — better forecasting, faster analysis, more automation.

In practice, the more important shift is in the role of finance itself.

Traditionally, finance has operated as a function that reports on performance. Even in more advanced organisations, the primary focus has been on explaining results, validating

numbers, and providing retrospective insight. Improvements in systems and processes have made this more efficient, but they have not fundamentally changed the role.

AI creates the conditions for that role to evolve.

By automating large parts of data processing and analysis, and by enabling more forward-looking insight, AI reduces the emphasis on production and increases the importance of interpretation. This creates an opportunity for finance to move closer to the decisions that shape performance.

However, this shift is not automatic.

In many organisations, AI is used to make existing processes faster. Reports are produced more quickly. Forecasts are updated more frequently. Analysis is more detailed. But the underlying model remains the same — finance produces information, and the business decides what to do with it.

In this scenario, the impact of AI is limited.

The real opportunity lies in redefining how finance contributes to decision-making.

This means moving from a model where finance:

- reports on performance after it has happened

to one where finance:

- provides forward-looking insight as performance is developing
- challenges assumptions in real time
- influences decisions before outcomes are fixed

This requires a different way of operating.

Finance must become more embedded in the business, with closer alignment to commercial and operational decision-making. Insight must be delivered in a form and at a point in time where it can influence action. Outputs must be designed not just to inform, but to prompt decisions.

This also changes the expectations placed on finance.

It is no longer sufficient to provide accurate information. Finance must provide relevant insight, framed in a way that supports judgement. This includes highlighting trade-offs, quantifying uncertainty, and making clear the implications of different choices.

In this context, performance management becomes more dynamic.

Rather than reviewing results at the end of a period, organisations can continuously assess how performance is evolving and adjust accordingly. Planning, forecasting and performance management begin to converge into a single, integrated process.

This has implications beyond finance.

As insight becomes more immediate and more actionable, decision-making across the organisation becomes more responsive. The gap between identifying an issue and acting on it is reduced. Opportunities can be pursued earlier, and risks can be mitigated before they fully materialise.

The role of finance, therefore, shifts from:

- controlling and reporting performance

to:

- shaping and influencing it

This is a fundamental change.

It requires not only new capabilities, but a different mindset. Finance must be comfortable operating with uncertainty, engaging more directly with the business, and taking a more active role in decision-making.

AI enables this shift, but it does not guarantee it.

Without changes to processes, roles and operating model, finance will continue to operate as it always has — just with more advanced tools.

The organisations that realise the full value of AI are those that recognise this distinction.

They do not use AI to optimise the existing model. They use it to redefine it.

8. Conclusion

AI has the potential to reshape Enterprise Performance Management, but its impact is often overstated and misunderstood.

On its own, AI does not transform performance. It enhances capability.

Transformation comes from how that capability is used.

Organisations that approach AI as a technology initiative will achieve incremental improvements — faster processes, more automation, and more sophisticated analysis. These are valuable, but they do not fundamentally change outcomes.

The organisations that achieve a step change in performance take a different approach.

They focus on decisions rather than tools. They redesign how planning, forecasting and performance management operate. They embed AI into core processes so that insight is not only generated, but acted upon.

Most importantly, they align their operating model to support this.

This includes redefining roles within finance, establishing governance that builds trust, and integrating AI into the way decisions are made across the business.

The result is not simply more efficient finance.

It is finance that is more relevant, more influential, and more closely aligned to how the business performs.

This is the distinction that matters.

AI-driven EPM is not about doing the same things better. It is about enabling finance to play a different role — one that is actively shaping performance rather than reporting on it.

That is what defines intelligent EPM.

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