FP&A TRENDS

RESEARCH PAPER

2026

THE FP&A OPERATING MODEL

Designing the Corporate Decision System for the AI Era

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CONTENTS

I. EXECUTIVE OVERVIEW

There is a fundamental question that many CFOs ask, which this paper answers:

How should FP&A be structured for the situations it uniquely faces to make better decisions and generate more value than at present?

That answer relates to FP&A's operating model – the integration of structure, roles, governance, processes, data, technology, and decision rights that determine how FP&A work is initiated, governed, and translated into business decisions.

"Only 2% of teams consider themselves fully optimized, while over half report they are merely coping with basic demands."

For many organizations, it is a function that is failing. The 2025 FP&A Trends Survey[1] shows that only 2% of teams consider themselves fully optimized, while over half report they are merely coping with basic demands. This underperformance is acute in times of rising uncertainty and where faster decision cycles are required. As a result, stakeholders face delays and fragmented insights, committing them to make decisions based on incomplete information.

Most operating models, along with the technology that underpins them, were built for a different era – one defined by human-initiated processes, calendar-driven cycles, and governance frameworks built for stability rather than speed.

A growing number of organizations look to Artificial Intelligence (AI) and automation as the solution. Our recent online survey shows that 74% believe that the role of AI agents will be crucial or essential within FP&A – only 4% said they were of low or no importance. But as our research revealed, what works for some fails in others. The issue is not technology adoption alone but whether the operating model itself is adequate for today's business conditions. For example, if we just invest in AI but keep FP&A teams structured around monthly cycles, fragmented ownership, and manual processes, we simply produce faster outputs that the organization cannot effectively use.

"Decision Alpha – the excess value FP&A generates through the decisions it influences."

A much better way to judge success is what this paper calls Decision Alpha – the excess value FP&A generates through the decisions it influences. We believe this should be the standard for measuring the impact of FP&A on the business.

About the Research

This paper, developed in collaboration with the global EY organization, builds on our prior research work, **"How AI Is Transforming FP&A: A Practical Guide to Maturity, Transformation, and Its Evolving Role"** and addresses the operating model required to govern AI-enabled FP&A.

Its findings draw on over a decade of FP&A Trends research, including global surveys, extensive board discussions, the AI FP&A Committee, webinars, and contributions from the global EY organization's surveys, case studies, and subject matter professionals.

The Governing Proposition

Our research found that there is no single correct FP&A operating model. A global conglomerate operating across many markets requires a fundamentally different solution from a high-growth technology company operating at far greater speed. Success depends on fit, not maturity.

"In the AI era, the success of FP&A will be multiplied by its ability to consistently generate Decision Alpha across the organization."

Derk-Jan van der Wal,

EY Global Business Planning, Reporting and Analytics Leader, Netherlands

The most effective operating model is the one best aligned with the organization's management philosophy, governance culture, structural complexity, and readiness to operate. What organizations need, therefore, is a disciplined way to arrive at the right model for their specific context.

This paper provides that through the FP&A Operating Model Design Framework – a configurational approach that enables deliberate choices to be made on how FP&A is structured and functions.

[1] FP&A Trends Survey 2025: From Ambition to Execution: How Leading FP&A Teams Turn Insights into Impact. FP&A Trends Group. Available at: https://fpa-trends.com/fp-research/fpa-trends-survey-2025-ambition-execution-how-leading-fpa-teams-turn-insights-impact

FP&A Operating Model Design Framework

The framework is built on four interdependent elements.

- **Five Design Levers** that define the structural choices available: Role and Mandate, Placement and Proximity, Scope of Accountability, Process Standardization, and Sourcing Boundaries. Their value lies in how they work together.

- **Five Archetypes** that describe the coherent operating models that emerge from those choices: the Global Efficiency Engine (scale); the Decision Intelligence Design (speed); the Ecosystem Navigation Design (complexity); the System-Governed Design (higher agency); and the Federated Coherence Design (structural diversity). Each is suited to a different context.

- **Six Dimensions of Readiness** that provide the foundational support of the model. Overall readiness can develop only as far as its weakest area. For example, advanced technology without suitable governance creates risk, not progress.

- **Five Agency Levels** that define how far FP&A activity can move from human-led to system-enabled work. The gap between system capability and governance capacity is one of the framework's most important diagnostic signals.

Applying the Framework

The framework provides a disciplined way for finance leaders to assess their current FP&A operating model, the choices available to them, and the governance required to make change both controlled and governable.

Chapter IX translates this into a nine-step process that can be used to plan change. Importantly, implementing the framework does not require a large, multi-year project, but can be delivered through smaller incremental stages.

To support this, the paper outlines a 90-day plan to create the structural foundation for model change, which delivers measurable proof.

"Implementing the framework does not require a large, multi-year project, but can be delivered through smaller incremental stages."

The CFO's Obligation

Organizations that gain the greatest advantage from AI will not necessarily be those using the most advanced tools. Instead, it will be those that govern AI best by designing the right operating model for their needs before deployment, and who put accountability in place before the systems act.

The CFO's responsibilities in this transition are:

1. **To diagnose honestly:** What do those relying on FP&A need, naming the current operating model, assessing readiness to operate, and identifying any governance gaps. This helps to inform what to build and how urgent it is.

2. **To design deliberately:** Choosing the target model configuration based on context, not on what appears most advanced.

3. **To build the governance structure:** Defining the parameters, escalation rules, and accountability before system initiation expands.

4. **To measure consequentially:** Holding FP&A accountable for the value it delivers and whether it improves organizational decision-making.

5. **To lead on people and culture:** To ensure the function carries the capability, behaviors, and trust that the operating model requires.

The question is no longer whether FP&A must transform but whether that transformation is designed to fit the organization's specific situation and needs.

That responsibility – and the execution that follows – belongs to the CFO.

"Decision Alpha should be the strategic metric of FP&A, measuring the incremental value created through better decisions, not just better analysis."

Derk-Jan van der Wal,
EY Global Business Planning, Reporting and Analytics Leader, Netherlands

II. THE CASE FOR CHANGE

In this chapter, we look at the key limitations and underlying structural weaknesses of traditional FP&A operating models.

Limits of Traditional FP&A Models

For most organizations, their current FP&A operating model is under strain. As noted in the Executive Overview, the 2025 FP&A Trends Survey found that only 2% of teams describe themselves as being fully effective, while most (54%) rate themselves as only meeting basic demands. The survey also shows that 46% of all FP&A effort is consumed by data collection and validation, with just 31% of time spent on insight and action. The scale of manual debt – the gap between what FP&A could deliver and what it actually achieves – has a direct impact on organizational performance (Figure 1).

"72% of finance leaders say traditional back-office behaviors and mindsets are slowing modernization of the function — yet only 14% are making bold, holistic changes to address it." [2]

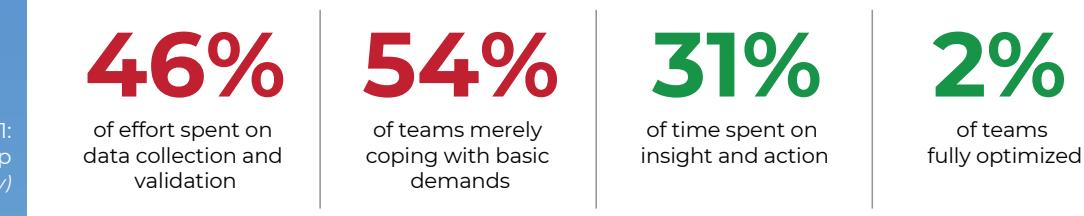

Figure 1:
The FP&A Performance Gap
(Source: 2025 FP&A Trends Survey)

Many believe the solution lies in technology, and in particular, the use of AI. According to the global professional services group at the global EY organization, technology transformation is the single most important priority for CFOs over the next three years, cited by 37% of respondents — ahead of every other agenda item[2]. But as we have discovered, technology by itself is often not the real problem affecting FP&A performance. Systems that automate flawed processes or use incomplete data will not deliver real value.

"FP&A's deficit is consequential, not cognitive. The function knows a great deal yet influences too little, and that distance — between intelligence produced and the choices it should shape — is the Decision Alpha gap."

Derk-Jan van der Wal,
EY Global Business Planning, Reporting and Analytics Leader, Netherlands

Five Structural Weaknesses

Most FP&A operating models were built for less demanding times. This has resulted in five structural weaknesses that explain why the traditional model struggles with today's business environment:

A function is still organized for yesterday. While the FP&A Analyst role is present in 96% of teams, positions that focus on decision architecture and strategic influence remain a minority. Traditional models are typically response-driven structures that assume tomorrow can be predicted by analyzing what happened yesterday. They take no account of what happens if history does not repeat itself or the potential impact of new, unforeseen events and situations.

Data governed by assumption, not design. In most organizations, data ownership has evolved informally rather than by deliberate choice. The top barrier to effective data use is not inadequate tools, only 18% cite this. It is data quality and timeliness, cited by 38%, driven by inconsistent definitions and unclear accountability.

Planning cycles that cannot keep pace. 38% of organizations still set targets using last year's result plus a percentage. Only 5% operate a rolling or continuously adaptive approach. In the traditional model, process defines the pace of work rather than the urgency of work defining the process. Processes built for annual cycles cannot adequately support organizations operating in fast-moving conditions.

Technology ambition without a supporting backbone. 45% of FP&A departments still rely primarily on spreadsheets. Only 21% have implemented a modern cloud-based planning platform, while 30% have not upgraded their systems in over five years. Technology investment is rising, often in specific areas such as AI, but the underlying technology infrastructure remains fragmented and slow to respond.

"Processes built for annual cycles cannot adequately support organizations operating in fast-moving conditions."

[2] "How can bold CFOs reframe their role to optimize performance?" EY Global DNA of the CFO Survey, June 2023. Available at: https://www.ey.com/content/dam/ey-unified-site/ey-com/en-gl/services/consulting/documents/ey-gl-how-can-bold-cfos-reframe-their-role-to-optimize-performance-06-2023.pdf

Influence without authority. 45% of organizations report FP&A is endorsed by senior leadership, but only 9% say it shapes decisions. Being recognized is not the same as being empowered, and without clear decision rights, insight rarely translates into action – the function waits to be asked rather than acting on what it knows.

These weaknesses are not isolated but connected symptoms of an operating model built for an out-of-date business environment.

The Cost of Manual Dependency

As business complexity increases, more effort is required to sustain the same level of FP&A output. Additional resources in the form of people and systems are added, but the underlying structure and operation remain unchanged. This creates Manual Debt: a reliance on people to initiate and carry out work, which is both inefficient and unsustainable as data volumes increase and the need to make decisions grows faster. The result is reduced decision quality – organizations fail to act not because they lack information, but because the system producing it cannot operate at the speed and scale required.

"Manual processes, fragmented ownership, and slow cycles all reduce Decision Alpha by delaying or distorting decision-making."

Derk-Jan van der Wal,

EY Global Business Planning, Reporting and Analytics Leader, Netherlands

Impact of AI

The use of AI within FP&A is gaining ground. Two polls we conducted for this research[3] found that:

- 21% of respondents are actively using AI, and a further 52% are actively experimenting with it,
- 74% consider the use of AI agents either crucial or essential to the future of FP&A.

"Manual Debt: a reliance on people to initiate and carry out work, which is both inefficient and unsustainable as data volumes increase and the need to make decisions grows faster."

Dr. Andreas Seufert, Professor of Business Administration at the Ludwigshafen University of Business and Society, Germany, expects the use of AI will fundamentally change FP&A, and how it collaborates with the business. Agentic AI – AI capabilities that act independently to achieve goals – is not just automating FP&A but becoming an active participant in it. This fundamentally reshapes how FP&A collaborates with the business.

Why Structural Redesign Is Essential

Kumar Gaurav, Business Planning, Reporting and Analytics Leader, India, told us that while investment in FP&A-related digitalization has increased by 28-30% over the last decade, the efficiency and effectiveness of FP&A processes have improved by less than 17-18%. From his experience, there are three issues that explain the gap: cross-functional collaboration failures, data complexity, and unclear accountability for who owns what.

The weaknesses covered in this chapter point to a clear need for a redesigned FP&A operating model. One that is tailored to each organization's needs. One that delivers real value to the organization it serves: Decision Alpha – the additional value that FP&A adds when involved in decision-making.

The 'how' is the subject of the following chapters.

[3] LinkedIn polls from March and April 2026 of the global FP&A community (166 and 320 respondents)

III. DESIGN AS A CHOICE

This chapter examines how the weaknesses found in existing operating models can be overcome by making clear, deliberate design choices.

"The FP&A operating model should define specifically how decisions are produced."

Components of an FP&A Operating Model

While a general finance operating model defines how the finance function organizes its structural components to execute strategic objectives, the FP&A operating model should define specifically how decisions are produced.

To this end, there are 5 areas over which finance leaders have control within FP&A (Figure 2):

- **Structure and roles:** where the function is placed, and the skills and capabilities of staff
- **Decision rights:** who initiates work and owns the outcomes of that work
- **Governance:** the levels of authority staff have to control and direct activities
- **Data and technology:** the breadth and quality of data that can be accessed, along with the tools for analysis
- **Processes:** how the different planning and reporting processes work – who is involved and at what time.

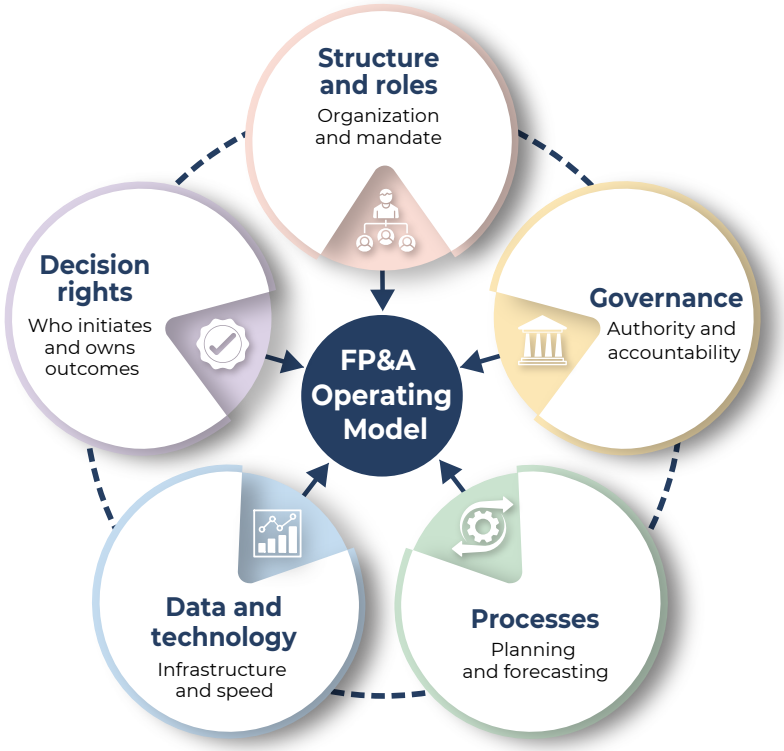

Figure 2:
The Five Components of an FP&A Operating Model

A weakness in any component erodes the decision-integrity of the entire system.

For FP&A to deliver its full potential, the capabilities and operations of each component must be aligned to its purpose within the business environment in which it operates.

But in many organizations, there is often a mismatch of capabilities that neither meets the demands of the business nor supports what FP&A is responsible for. A shortfall in any one area is enough to affect the overall performance of the function.

So how should organizations approach redesign?

"FP&A operating model's effectiveness depends not on the strength of any single part, but on how its different elements work together."

"AI requires the design of a new FP&A operating model, not simply an upgrade to the old one. Treating it as another technology layer risks a significant strategic mistake."

Maria Saggese,
EY Global Business Services (GBS) Solution and Europe West Leader, Netherlands

Operating Model Architecture

An FP&A operating model's effectiveness depends not on the strength of any single part, but on how its different elements work together and fit within the organization. As we found, there is no single correct operating model. Each configuration is a response to a specific set of conditions.

The design framework presented below is built on four elements that can be viewed as the structure of a building (Figure 3).

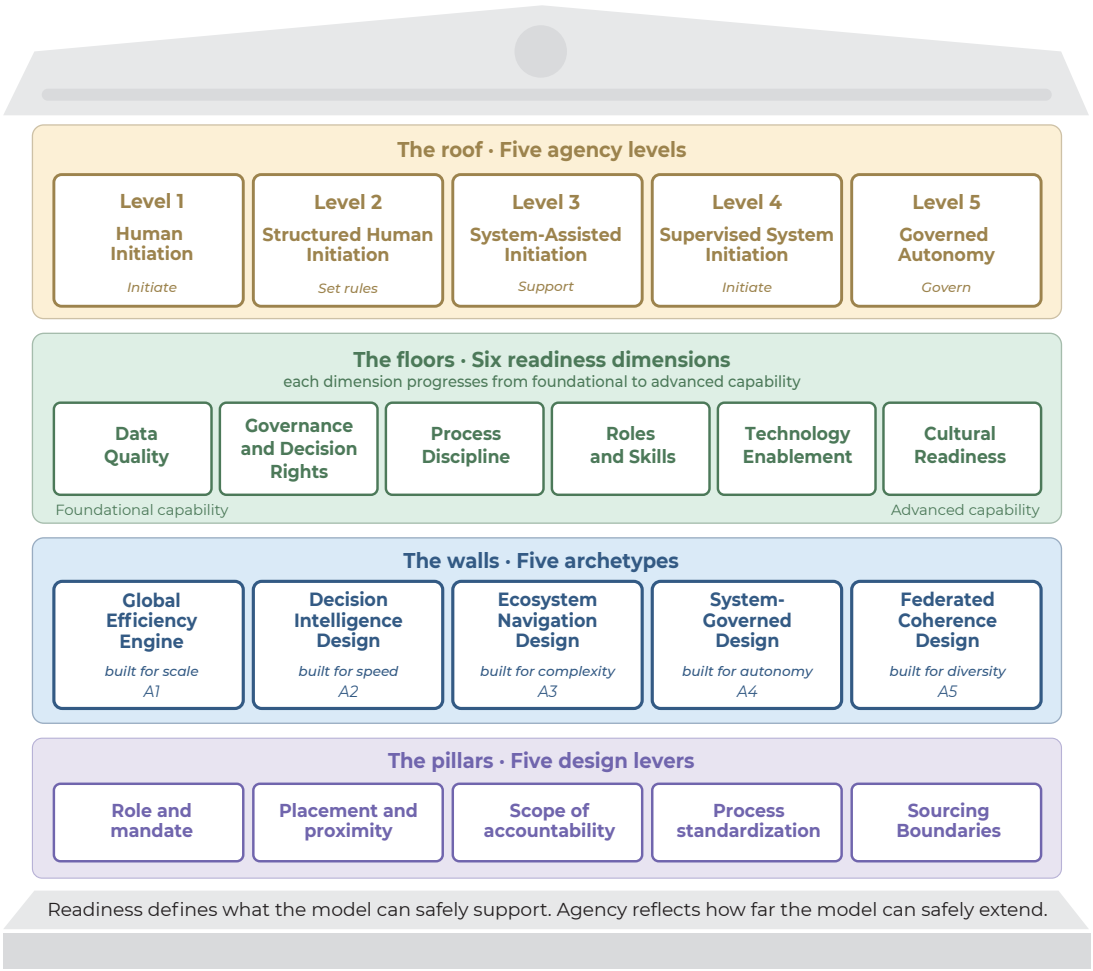

Figure 3:
The FP&A Operating Model Design Framework

Pillars: Five Design Levers

In this analogy, Design Levers form the pillars of the building. They are five structural choices that shape how FP&A operates: **Role and Mandate, Placement and Proximity, Scope of Accountability, Process Standardization, and Sourcing Boundaries.** Everything else depends on how they are set. When applied correctly, they enable scale. When misaligned, no subsequent sophistication can save the building from failure. The five design levers are examined in full in Chapter IV.

Walls: Five Archetypes

Archetypes define the walls of the room in which FP&A operates. These are shaped by how the design levers are configured and how humans and machines interact. Each has distinct strengths and trade-offs.

Within a single business, one archetype should be chosen and applied consistently, as mixing elements from different designs creates confusion rather than flexibility. The only exception is the Federated Coherence Design, which is specifically built to manage multiple archetypes within one organization.

The five archetypes are explored in Chapter VI.

Floors: Six Dimensions of Readiness

Readiness dimensions are the floors of the building that support both archetypes and agency. They consist of: **Data Quality, Governance and Decision Rights, Process Discipline, Roles and Skills, Technology Enablement, and Cultural Readiness.** These determine what the operating model can realistically achieve. Chapter VII examines how each readiness dimension progresses from foundational to advanced capability.

Roof: Five Agency Levels

Agency Levels represent the roof of the building and determine how far FP&A activities can be carried out by machine. They are not chosen directly but emerge as permitted outcomes from what the other settings of the framework allow. Ranging from fully human-led (Level 1) to governed autonomy (Level 5), they determine how work is initiated and executed within set authority parameters. The agency dimension is examined in Chapter V.

Organizational Context

Before setting the levers, FP&A leaders should understand the context in which the operating model must work. This starts with a clear view of the organization's strategy, business situation, and the intended steering model. Both the organizational structure and the FP&A operating model should be aligned to that reality, yet many organizations skip this step and implement models that were never a good fit.

In our analogy, the FP&A operating model is located within a village, part of a wider (organization) ecosystem. You can design the best house, but if it does not fit the village — the business context, the steering model, the governance culture around it — the design will not deliver what was intended.

In practice, that village is shaped by management philosophy, corporate structure, and governance culture. These factors define what the operating model can realistically support. A command-and-control philosophy limits agency regardless of technical capability, while a financial holding model may allow higher levels of agency because of greater local autonomy.

"Transformation is constrained less by technology than by people, processes, and entrenched behaviors."

Oliver Precht, Enterprise Performance Management Leader, Business Consulting, EY Consulting GmbH, confirms the same point from a different angle. In his view, transformation is constrained less by technology than by people, processes, and entrenched behaviors. Without changes to incentives and leadership habits, new tools alone do not produce meaningful change.

The remainder of this paper works through each component in sequence, beginning with the five choices every FP&A leader must make, whether deliberately or by default.

IV. THE FIVE DESIGN LEVERS

With the overall operating model structure defined, the focus now turns to the five design levers that shape how FP&A is configured in practice.

Every FP&A operating model is shaped by five design levers, choices that define its structure, positioning, accountability, processes, and boundaries. As mentioned in Chapter III, these choices are constrained by context: management philosophy, corporate structure, and governance culture determine what is realistic in practice.

The design levers are also interdependent – setting one limits the others. A Value Architect mandate at Level 5 cannot be delivered from a Level 1 Corporate Group placement. There is no optimal position on any single lever, only combinations that fit the organization's context (Figure 4).

Three of these levers — Role and Mandate, Scope of Accountability, and Process Standardization — describe maturity progression, where Levels 1 to 5 represent increasing capability. Two levers — Placement and Proximity, and Sourcing Boundaries — describe configuration choices, where Options A to E represent equally valid alternatives rather than progression.

The "Levers and Levels" section of the Appendices contains a detailed definition of each lever and its possible settings.

	Level 1	Level 2	Level 3	Level 4	Level 5
Role and mandate	Management reporter / scorekeeper	Financial steward	Business partner	Strategic advisor	Value Architect
Placement and proximity	Corporate / group FP&A	Business unit aligned	Hybrid / federated	GBS / CoE	System-led
Scope of accountability	Accuracy and reporting	Financial discipline	Decision influence	Strategic co-ownership	Planning system ownership
Process standardization	Ad hoc	Documented	Governed and repeatable	Integrated and automated	System-led, and continuous
Sourcing Boundaries	Fully in-house	Transactional support	Process-based outsourcing	Capability-based / co-sourced	Platform / managed services

No lever setting is inherently superior — coherent combinations determine fit.

Figure 4:
The Five Design Levers and Levels of an FP&A Operating Model

In the above figure and throughout the paper, we use the word 'level' to show different settings within a category. Although they express a growing level of increased capability, they do not imply that a higher level is 'better'. As already stated, the right level is the one that fits the organizational context.

From our research, these levers and levels are visible today within leading organizations as they design and evolve their finance functions.

Role and Mandate

"Having a clear mandate determines whether FP&A remains focused on process execution or moves toward shaping insights."

Dennis Sparacino, EY Americas Finance Tech Solution Leader, frames the mandate question in practical terms. He observes that 40 to 50 percent of FP&A effort is consistently spent preparing to do the work rather than doing it — a persistent challenge for many years. Having a clear mandate determines whether FP&A remains focused on process execution or moves toward shaping insights.

This lever addresses that confusion by defining FP&A's primary purpose. A function built for stewardship (Mandate Level 2) cannot operate as a Value Architect (Mandate Level 5) — the two levels are fundamentally different. This lever also determines the governance relationship with the business. A Scorekeeper role reports within existing structures, while a Value Architect helps design them.

As can be seen, the setting of this lever carries different implications for talent, governance, and performance – hence its connection to the other levers and levels. At its higher levels, FP&A performance moves from accuracy to the quality of insights: did the organization make a better choice because FP&A was in the room – Decision Alpha? This is something only the highest-mandate configurations can consistently generate.

IN PRACTICE — Role and Mandate: Caterpillar [4]

Working with the global EY organization, Caterpillar's finance organization redefined its mandate from reporting the past to help enabling better decisions. They deployed advanced analytics and machine learning to shift from decades-old manual processes toward AI-enabled planning scenarios.

Automated root-cause identification replaced weeks of manual variance investigation. Machine learning models surfaced the true drivers of financial performance with measurable confidence levels. AI-enabled planning scenarios allowed leadership to stress-test decisions against macroeconomic variables before committing. The result was a significant reduction of time spent on manual processes, creating capacity for forward-looking analysis and actionable intelligence — moving FP&A from Scorekeeper (Level 1) toward Value Architect (Level 5).

Placement and Proximity

Placement and Proximity determine how close FP&A is to the decisions it supports. Proximity matters because local context cannot be fully transferred through reporting lines. Centralization improves efficiency, consistency, and scalability but creates distance from the business. Embedding FP&A in business units increases responsiveness but reduces standardization and cross-business comparability.

Because neither is universally superior, the design question is not which is better, but what is gained and lost as proximity to decision-makers changes.

Interestingly, the global EY organization analysis based on SSON research found that around 60% of organizations are already operating within Global Business Services models or actively transitioning to them[5]. Separate research on the CFO Imperative indicates that 76% of CFOs expect finance to increasingly partner externally and rethink where finance activities are performed[6].

"One of the biggest barriers to FP&A centralization is that organizations still define FP&A very differently."

Maria Saggese, EY Global Business Services (GBS) Solution and Europe West Leader, Netherlands, observes that one of the biggest barriers to FP&A centralization is that organizations still define FP&A very differently. Without a clear taxonomy of activities, centralization efforts often become fragmented, creating additional handoffs and friction rather than real scale benefits.

Scope of Accountability

The scope of accountability determines the responsibility of FP&A. A narrow scope limits it to producing reports and analyses; a broader one places it at the center of influencing decisions.

"Accountability must sit at the core of the FP&A role."
Adam Hancock,
VP FP&A at EBSCO Industries, USA

Adam Hancock, VP FP&A at EBSCO Industries, USA, observes "Accountability must sit at the core of the FP&A role." As the function becomes more involved in Operations, it not only analyzes performance but holds the business to account by embedding financial discipline and promoting data-driven decisions.

As the scope expands, so too does FP&A's role in decision-making and governance responsibility. The boundary of accountability determines who can initiate analysis, challenge assumptions, and ultimately own outcomes. This is an increasingly central issue as systems begin to initiate work and questions of fiduciary responsibility emerge.

[4] "How Caterpillar is using technology on its journey to improve financial forecasting." Available at: https://www.ey.com/content/dam/ey-unified-site/ey-com/en-gl/insights/consulting/documents/ey-caterpillar-case-study.pdf

[5] "Transforming finance with Global Business Services", based on 2023 SSON Survey. Available at: https://www.ey.com/en_us/services/consulting/finance-consulting-services/transforming-finance-with-global-business-services

[6] EY CFO Imperative — "How to rethink the finance and reporting operating model for the future." Available at: https://www.ey.com/en_uk/insights/assurance/how-to-rethink-the-finance-and-reporting-operating-model-for-the-future

IN PRACTICE — Scope of Accountability: Takeda[7]

Working with the global EY organization for over three years, Takeda redefined how finance performance was measured. Rather than focus on output speed alone, accountability moved to the quality, accuracy, and governance of the process that produced the numbers. As a result, FP&A moved beyond producing analysis to being a business partner by taking responsibility for the integrity of the data and assumptions behind the decisions made.

Process Standardization

Process Standardization determines how consistently FP&A work is performed across the organization, balancing corporate standards with local responsiveness. High standardization enables processes to scale, be comparable, and efficient, while greater contextualization improves local relevance and precision. Neither is inherently superior, as each reflects a different choice of design.

AI capability introduces a third option: variable standardization, where a shared corporate standard allows outputs to be tailored locally. This allows the choice to be about where standardization should operate and where contextualization should begin.

IN PRACTICE — Process Standardization Under Acquisition Pressure

To illustrate the challenge of this lever, take the example of a global transport equipment leasing company operating across more than 140 locations in 17 countries. The company placed emphasis on standardization and enhanced data governance as the foundation for its planning and forecasting. With an active acquisition agenda, however, immediate standardization was not always possible because newly acquired entities could not be fully integrated from day one.

In response, the company moved more data into a single data lake supported by a common reporting layer and a cloud-based planning tool. This formed the basis for a governed approach, enforcing common planning logic and data standards at the enterprise level while allowing temporary local variation during integration without compromising overall control.

Standardization is not a binary choice, but about where common governance must apply immediately and where structured variation can be permitted during transition.

Sourcing Boundaries

Kumar Gaurav, Business Planning, Reporting and Analytics Leader, India, argues that organizations are reassessing traditional FP&A outsourcing because the more forward-looking parts of the function depend on business context, judgment, and accountability, not just process execution. In his view, transactional reporting can still be moved out, but the mechanics of planning, forecasting, and decision support are increasingly being anchored in Global Capability Centers that combine scale with closer ownership of business outcomes.

"The key is distinguishing between judgment-based, business-critical activities that must remain internal and standardized, repeatable work that can be externalized."

The issue becomes more complex as AI-enabled services and system-initiated models blur the boundary between what is internal and what is external work. The key is distinguishing between judgment-based, business-critical activities that must remain internal and standardized, repeatable work that can be externalized.

With this lever, GCCs play a distinct role – delivering offshore efficiency while retaining fiduciary accountability. Unlike traditional outsourcing, which can dilute governance, GCCs keep control within the organization while evolving into decision-support partners, a distinction that is critical for FP&A.

[7] "Case study: Takeda's finance transformation with EY teams." Available at: https://www.ey.com/en_us/insights/consulting/how-takeda-accelerated-the-financial-close-process-by-nearly-two-weeks

IN PRACTICE — Sourcing Boundaries: Accelleron[8]

When Accelleron, formerly ABB Turbocharging, was spun off from ABB as a separate company in 2022, its CFO faced the immediate challenge of establishing finance and tax operations across 47 countries. Rather than building the full capability internally, the company adopted a Managed Services model. The boundary was deliberate: accounting, compliance, and processing were sourced externally, while strategic direction, control, and business partnering remained internal. This allowed finance to scale quickly without giving up authority over the decisions that mattered most.

In other organizations, the opposite lesson has emerged: when FP&A has been moved too far into shared services for scale, its influence has weakened because the structural distance changed how the business perceived its role.

In summary, sourcing boundaries in FP&A is not simply a cost reduction exercise but a choice about where strategic value should be created and who is accountable for delivering it.

As mentioned earlier, no lever works in isolation, and there are definite patterns of what combinations work best together. These coherent combinations we call archetypes, which we cover in Chapter VI. But before we do, we need to address the subject of Agency – the role of machines in initiating work.

[8] How a new approach is turbocharging Accelleron's finance function." Available at: https://www.ey.com/en_us/insights/trust/how-a-new-approach-to-finance-and-tax-is-turbocharging-accelleron

V. THE AGENCY DIMENSION

While the design levers define the structure of an operating model, it is the agency that determines how work begins and flows throughout the organization.

From Human Initiation to System Initiation

"At the core of most FP&A operating models sits an implicit assumption: that work begins when a human decides it should."

At the core of most FP&A operating models sits an implicit assumption: that work begins when a human decides it should. Forecasts are triggered, analyses are requested, and cycles are initiated through deliberate human action.

This assumption, which once reflected operational reality, now acts as a constraint. Increasingly, developments in AI are encouraging the use of systems to initiate and conduct FP&A work. They promise improved accuracy in forecasts and budgets, and can enable faster response to decision signals. It is a compelling vision that cannot be ignored, and so interest in using AI continues to rise.

However, while some organizations do achieve benefits, many do not. As stated earlier, this is because the FP&A operating model and its readiness to use AI is not in a position to take advantage of AI's extensive capabilities.

The Five Levels of Agency

From our research, organizations employ Agency across four key FP&A activities: **triggering processes** based on defined events or signals, **escalating issues** that require deeper investigation, **approving actions** derived from insights, and **overriding outputs** when human judgment requires a change in direction.

To go with these, there are five levels of agency (Figure 5):

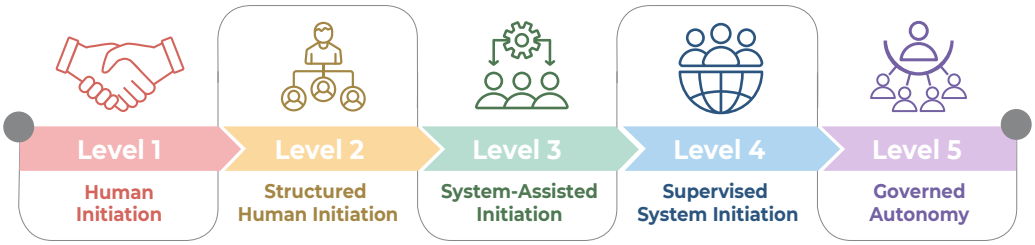

Figure 5:
The Five Levels of Agency

Level 1: Human Initiation. Every FP&A activity is manually triggered. Systems are tools – nothing happens until a person decides it should.

Level 2: Structured Human Initiation. Humans set the rules in advance. Systems execute within them but cannot act outside them. The human remains fully in control of what the system is permitted to do.

Level 3: System-Assisted Initiation. Systems surface insights and flag anomalies, while humans remain the primary actors. Systems reduce the effort and improve the signal, but initiation stays human.

Level 4: Supervised System Initiation. Systems trigger defined FP&A activities based on signals or thresholds without waiting for a human prompt. Humans design the parameters and handle exceptions. Initiation has shifted to the system within defined boundaries.

Level 5: Governed Autonomy. Planning and forecasting are updated continuously within a governed, system-led architecture. Human effort shifts to governance design and strategic interpretation. Initiation is systemic, but accountability stays human.

As mentioned earlier, these levels do not represent maturity stages, as each has its place according to the nature and purpose of FP&A.

"What we are seeing is not just more automation, but a structural shift toward context-aware, system-initiated action."

Where Most Organizations Are Today

In most FP&A functions, the agency sits at Level 2 or 3. By contrast, other areas of finance, such as invoicing and fraud detection, already operate at Level 4, where systems trigger actions based on defined rules and escalate exceptions automatically. These work well because the rules are clear, transaction volumes are high, and governance is well defined.

FP&A is at an earlier stage in its AI journey. The challenge is how to utilize higher levels of agency without compromising control. What we are seeing is not just more automation, but a structural shift toward context-aware, system-initiated action. As **Ankit Chopra, Director FP&A Cloud at Neo4j, USA,** explains: "Machine-executed work is no longer a few isolated tasks — it is expanding, connecting, and pushing the boundary of human control outward as systems become increasingly interconnected and dynamic."

The appropriate level of agency primarily depends on the Role and Mandate defined for the function. In larger organizations, agency levels may vary – for example, a business unit operating as a Value Architect may safely operate at Level 3 or 4, while a corporate center operating as a Financial Steward may remain at Level 2.

Crossing the Agency Threshold

The transition from Agency Level 3 to Level 4 is a turning point. Below it, humans initiate, and systems provide support. Above it, systems act within defined parameters and effectively commit the organization to its insights. At this point, humans become designers, governors, and exception handlers.

The core risk at this threshold is the gradual loss of meaningful human control. Oversight may still exist in form, yet lacks the information, time, or authority to influence outcomes. When the human in the loop cannot genuinely intervene, the control is no longer real.

The level of agency an organization can safely sustain is what ultimately determines the operating model it can support, which is the focus of Chapter VI.

How CFOs Should Approach Agency

Although other areas of the organization may be using AI, for CFOs – seen as the guardians of financial integrity – the priority should be to take a more considered approach. Those we spoke to recommend adopting AI in stages, where each level of agency is proven before committing to the next. Boards seldom reward speed of adoption; they reward well-governed progress. The right approach is to expand agency in deliberate increments, validating each step against readiness and the value it could bring, before any further extension.

VI. THE FIVE FP&A OPERATING MODEL ARCHETYPES

When design levers and agency choices combine, they form distinct FP&A operating model archetypes aligned to different organizational needs.

Each archetype in this chapter is a coherent configuration of the five design levers to answer a simple question: What is this FP&A function built for? The five archetypes uncovered in our research are:

A1: Global Efficiency Engine — Optimized for scale and cost efficiency through centralization and standardization.

A2: Decision Intelligence Design — Focused on speed and decision support, with strong business proximity and analytical capability.

A3: Ecosystem Navigation Design — Designed for complexity, coordinating across multiple entities, partners, and environments.

A4: System-Governed Design — Built for high levels of system-initiated activity, with strong governance architecture.

A5: Federated Coherence Design — Balances local flexibility with enterprise alignment in structurally diverse organizations.

No archetype is inherently better than another — each works well in the context it was designed for. They are not rigid categories, but structured combinations of design choices built for different purposes such as scale, speed, complexity, autonomy, or diversity.

An organization typically operates with one primary archetype, but the boundaries are not fixed. What matters is not the label, but that the design is internally consistent and fits the organization's needs.

> "What matters is not the label, but that the design is internally consistent and fits the organization's needs."

Each archetype imposes constraints on how the design levers must be set. Selecting an archetype without aligning the levers produces inconsistency. Similarly, setting levers without a target archetype leads to configurations that are internally logical but contextually misplaced.

Figure 6 shows how the same lever is set differently across the five designs – each is covered in more detail below.

DESIGN LEVER	A1: Global Efficiency Engine *Designed for scale*	A2: Decision Intelligence Design *Designed for speed*	A3: Ecosystem Navigation Design *Designed for interdependence*	A4: System-Governed Design *Designed for autonomy*	A5: Federated Coherence Design *Designed for diversity*
PRIMARY OBJECTIVE	**Efficiency at scale**	**Decision speed and quality**	**Coordination across complexity**	**Autonomous decision systems**	**Coherence across diversity**
L1: ROLE AND MANDATE	**Scorekeeper to Steward.** Efficiency-anchored. Value Architect structurally suppressed.	**Value Architect.** Strategic initiation authorized. Scorekeeper minimized or outsourced.	**Steward + Value Architect** (delegated). Dual mandate: global governance, local strategy.	**Decision-System Designer.** Human architects the system. System produces the analysis.	**Multi-modal.** Simultaneous mandates across federation units. Coherence at corporate mandate.
L2: PLACEMENT AND PROXIMITY	**Shared-services/CoE dominant.** Corporate oversight. Minimal business-unit embedding.	**Embedded in business units.** Proximity to the decision. Lean corporate.	**Regional/Matrix.** Distributed with regional reporting. Corporate as integrator.	**Centralized. System-mediated.** Digital interface replaces physical proximity.	**Polycentric.** Corporate, embedded, and regional models coexist. Placement follows federation.
L3: SCOPE OF ACCOUNTABILITY	**Execution-dominant.** Output accuracy, timeliness, cost efficiency. Advisory limited to escalation.	**Advisory to Decision-System Design.** Accountable for decision quality and outcomes.	**Layered:** regional advisory, corporate consolidation. Different levels, different scopes.	**Decision-System Design.** Accountable for architecture, governance, and system performance.	**Full spectrum.** Execution, Advisory, and System-Design coexist. Corporate governs the meta-layer.
L4: PROCESS STANDARDIZATION	**High standardization.** Contextualization only where regulation requires. Compliance-driven evolution.	**Low standardization.** High contextualization. Strong analytics. Compliance requirements only.	**Variable:** global standards with regional contextualization. Natural home for variable standardization.	**Variable** standardization via AI. High structured output. Most complete realization of the concept.	**Connective standard:** minimum non-negotiables for coherence. Everything else varies by federation unit.
L5: OUTSOURCING BOUNDARIES	**Significant outsourcing** of transactional FP&A. Strategic capability hollowing over time.	**Minimal outsourcing.** Strategic capability retained. Compliance may be outsourced.	**Selective, region-variable.** Transactional activities frequently retained. Boundary varies by region.	**Technology-partner dependent.** Boundary shifts as tech builds and governs the system.	**Heterogeneous.** Different units, different boundaries. Corporate sets principles. Units control execution.

Each archetype represents a distinct and internally coherent combination of the five design levers.
Mixing lever configurations from two archetypes within the same organizational context produces structural incoherence.

Figure 6: FP&A Operating Model Archetypes – Lever Configurations

A1: Global Efficiency Engine

FP&A Designed for Scale

Most people recognize this archetype immediately. It is what people mean when they say FP&A is centralized. But centralized only describes where the team sits – this archetype describes how it works and why.

The aim of this archetype is to produce reliable, consistent financial information across a large, complex organization. A global company operating in 40 countries needs numbers that add up, that mean the same thing, and that arrive on time. This is what this model delivers.

The mandate is bounded and the function centralized — often in a shared-services center or GCC — with accountability ending at output. Processes are highly standardized, and routine work moves naturally to external provision.

Its strength is consistency and control. Every business unit sees the same version of the truth.

Its vulnerability is distance. A team built for scale rarely understands what is really happening in the business at a local level and is rarely positioned to say anything useful about where it is heading.

Implementation considerations: Success depends on strong process governance and visible sponsorship during the move to centralized delivery. The most common failure is assuming standardization alone will create acceptance in business units that lose local FP&A presence.

Agency range: Level 1 to Level 3. Standardized processes automate naturally. As that happens, the team's role shifts from doing the work to governing the systems that do it.

Suitability: This archetype appears where consistent reporting across many markets is the primary challenge, such as in manufacturing, consumer goods, and pharmaceuticals.

"The Global Efficiency Engine configuration optimizes consistency, scale, and cost efficiency but sacrifices proximity to the business and strategic responsiveness."

IN PRACTICE — Global Efficiency Engine: Consumer Goods

Aaron Shifrin, Business Planning, Reporting and Analytics Leader, USA, describes how a global consumer goods company restructured its FP&A operating model. They made a deliberate choice to separate the teams that run FP&A processes from those that use them to advise the business.

The company began with integrated business planning (IBP). Rather than leaving IBP spread across local markets and functions, it assigned a central hub to own the process across all categories and geographies. That hub was not simply asked to execute steps. It was made accountable for the end-to-end outcome and for the digitization of the process itself.

This shift clarified roles across the function. Business-facing advisory teams, no longer carrying the full burden of gathering data, running models, and producing forecasts, could focus more on interpretation, scenario analysis, and value creation. As **Shifrin** explains: "The problem is you haven't made them accountable to the process. You've only made them accountable for the steps of the process."

The lesson is not that centralization is always right. It is that without a deliberate separation of operational and advisory work, with clear accountability on both sides, FP&A teams risk being overloaded by process work and under-delivering on the advisory value the business needs.

A2: Decision Intelligence Design

FP&A Designed for Speed

This is the counterpart to the Global Efficiency Engine. It is what people mean when they say FP&A should be a true business partner by being embedded in the business. But as before, this only describes the team location, whereas the archetype describes what it actually does and why it is fundamentally different. The logic is simple: be in the room when decisions are being made in order to shape them.

In this archetype, the team sits with the business, not above it. The mandate extends to decision outcomes and not just analytical outputs. Processes are flexible by design, as rigid templates impede fast judgment. Judgment stays internal. The core of this archetype cannot be outsourced.

Its strength is intimacy and speed. The team understands the business deeply and influences major decisions.

Its vulnerability is fragility. This archetype depends on a small number of exceptional people. If they leave, much of the value leaves with them.

Implementation considerations: This archetype depends on a small number of high-caliber FP&A professionals with real authority to challenge decisions. The most common failure is creating proximity without giving FP&A a genuine mandate.

Agency range: Level 2 to Level 4. Fast-growth environments often have weak data infrastructure and immature governance – the ambition is real, but readiness is often missing.

Suitability: This model appears where the FP&A lead sits next to the CEO, such as in fast-growing companies and PE-backed businesses where the pace of change is high.

"The Decision Intelligence Design configuration optimizes decision speed and analytical quality but sacrifices scalability and increases dependence on high-caliber talent."

IN PRACTICE — Decision Intelligence Design in a Global Pharmaceutical Company

A global pharmaceutical company set out to transform its financial planning process, condensing a nine-month cycle into six weeks through a single integrated plan built on AI and machine learning. Predictive planning was used to forecast patient numbers, optimize marketing mix, and generate country-level operational plans from a centralized model.

Three design choices ensured the transformation was successful:

- The company is committed to fundamental process change, not incremental improvement.
- It achieved a significant mindset shift by decoupling remuneration from target setting, removing the internal conflict that had previously distorted forecasts.
- It invested heavily in building trust in AI, allowing different parts of the organization to contribute to and challenge the models, rather than imposing them from the top.

The result was an FP&A function that moved from producing financial reports to enabling decisions at a speed that was previously not possible.

A3: Ecosystem Navigation Design

FP&A Designed for Interdependence

This archetype is built for organizations operating across many interconnected environments — different markets, regulatory regimes, partners, and stakeholders — where one approach does not fit all.

For example, a global energy company working in many countries, each with its own distinct rules, counterparties, and reporting demands. A fully centralized model misses local realities; an embedded local model cannot speak with one voice to the enterprise. The **Ecosystem Navigation archetype** is the operating model that connects complex organizations where common standards matter, but that allows local judgment to exist within a disciplined way.

Its strength is in its ability to maintain high-quality decision support across changing and diverse operating conditions without forcing everything to be the same.

Its vulnerability is the effort required to keep regional and central functions aligned. When governance weakens, so does decision quality.

Implementation considerations: This model only works where there are shared definitions, reporting standards, and active coordination. The most common failure is when differences build up, reducing comparability at the enterprise level.

"The Ecosystem Navigation configuration optimizes consistency across complex and diverse environments but sacrifices simplicity and introduces significant coordination overhead."

Agency range: From Level 2 to Level 4. Data acquisition and reporting can be automated, but it requires relationships and regulatory judgment to remain human.

Suitability: This model is best suited to structurally complex organizations, such as those found in energy, infrastructure, financial services, and global professional services industries.

IN PRACTICE — Ecosystem Navigation Design: Complex Infrastructure Business

We spoke with a company with a complex infrastructure that adopted the approach of this archetype. The FP&A function implemented predictive analytics capabilities across a wide range of areas like revenue and market size forecasting, along with cash management, fraud prevention, and process quality. What was significant was not just the analytical sophistication but the joined-up view that it created.

The team also found that it was important to build trust early on. As the capabilities proved their worth, it helped demonstrate value and build confidence in their broader use across the organization.

A4: System-Governed Design

FP&A Designed for Autonomy

A common feature of the archetypes covered so far is that work is initiated by a human. In this archetype, initiation moves from human to system, continuously and at scale, without waiting to be asked. The role of FP&A is primarily concerned with the design of systems and overseeing what it produces.

The Role and Mandate design lever sits at Level 5 - Value Architect. The Process standardization lever is set high, as system initiation requires common data, model logic, and trigger conditions. Without this standardization, governed autonomy is impossible. The governance design lever must remain internal, although the technology infrastructure may be externally provided where decision integrity is not compromised.

Its strength is 24/7 intelligence. The system monitors and acts continuously, without the need for human input.

Its vulnerability is that one overlooked system weakness can propagate at scale before anyone notices. The natural circuit-breaker of human initiation is gone, and so governance must replace it completely.

Implementation considerations: This archetype requires governance, data quality, and control frameworks to be established before system initiation expands. The safest path is phased deployment, starting with lower-risk, high-volume processes.

Agency range: Level 3 to Level 5. This is the only archetype that reaches the full ceiling. Getting there requires the highest data maturity, governance design, and organizational readiness for a comprehensive range of potential events and situations.

Suitability: This model appears where decision latency is a competitive risk. Examples include digital platforms, fintech companies, e-commerce operations, and large-scale logistics networks where the volume and speed of decisions exceed what any human-led team could handle.

"The System-Governed Design configuration optimizes continuous, scalable intelligence but reduces direct human control, making governance design more critical than in any other archetype."

IN PRACTICE — System-Governed Design: Cloud Spend Optimization at Neo4j

Ankit Chopra, Director, FP&A, Cloud at Neo4j, USA, describes how Agentic AI reduces decision latency in cloud SaaS environments. Systems monitor resource utilization in real time, identify inefficiencies, and initiate corrective actions without waiting for a human prompt. The time between inefficient spending arising and action being taken compresses significantly, producing measurable cost savings. Similar applications are emerging in the classification of general ledger spend patterns.

As **Chopra** puts it: "The whole point of agentic automation is that it can take non-standardized inputs, handle outlier scenarios, and take an action on a human's behalf within a bounded scope."

A5: Federated Coherence Design

FP&A Designed for Diversity

The Federated Coherence Design is the one archetype built explicitly for organizational diversity. It applies where a single enterprise contains genuinely distinct businesses — a mature manufacturing arm, a high-growth digital unit, a regulated financial services subsidiary — each requiring a different operating model. Forcing them onto one design destroys value in each; allowing complete divergence destroys comparability across all.

Federated Coherence manages this tension by sitting above the others. It is not an alternative to the other archetypes; it is the way to govern multiple archetypes when the organization legitimately needs more than one.

Derk-Jan van der Wal, EY Global Business Planning, Reporting and Analytics Leader, Netherlands, believes three elements of the Federated Coherence Design should always remain consistent. First, a common **performance language** — shared definitions of KPIs so that terms like 'revenue' mean the same everywhere. Second, a common **planning logic** — while business-specific drivers may differ, the way models are structured and built should follow the same principles. Third, a shared **timing and cadence framework** — an overarching structure for planning cycles and scenario processes, even if the content differs.

The elements that he believes could vary include the **depth of analysis**, which should reflect the specific needs of each business unit, particularly between stable and high-growth areas. The balance between **automation and human judgment** should adapt to the nature of the business, while **forecasting frequency** should be aligned to the volatility and pace of each unit's environment rather than standardized across all.

Its strength is that each part of the business can operate in a way that is genuinely fit for purpose, without losing enterprise-level soundness. No other archetype accommodates this level of organizational diversity.

Its vulnerability is governance complexity. This is the most demanding archetype to operate. The meta-governance layer — defining what must be consistent, explicitly permitting what may diverge, enabling translation between different operating contexts — requires constant attention. In practice, this means the corporate FP&A function must maintain a live view of each unit's archetype, its agency level, and the governance obligations that follow. If that visibility weakens, the enterprise fragments into several disconnected operating models where performance cannot be easily governed.

Implementation considerations: This model depends on a permanent meta-governance capability at the corporate level, not a one-time design exercise. The most common failure is allowing enterprise coherence to erode as local priorities begin to dominate.

Agency range: Level 1 to Level 4. This archetype accommodates the widest range because it must contain every configuration across its constituent units. Governance coherence across that diversity — not the agency level of any single unit — is what defines this archetype's performance.

Suitability: Holding companies, conglomerates, those with a portfolio business where different units have fundamentally different needs and cannot be forced into the same configuration without destroying value.

"The Federated Coherence Design configuration optimizes local fit and enterprise coherence but sacrifices uniformity and introduces the highest governance complexity of all five designs."

IN PRACTICE — Federated Coherence Design: Global Industrial Group

A real-life example of this archetype is a global industrial group that had grown through acquisition. Its core manufacturing division runs a highly standardized, centralized FP&A function serving 30 markets. It recently acquired a technology unit that runs a small, embedded FP&A team directly alongside the CEO. Its regulated financial services subsidiary operates under a different reporting framework driven by local regulatory requirements. Three configurations - one group CFO and one board. In this environment, all three operating models are correct, and so this archetype solves the question of how to govern them without destroying what makes each one work.

The Range of Agency

While the configuration of an archetype defines what the model is built for, Agency defines how far it can go. Figure 7 shows the permitted agency range for each archetype.

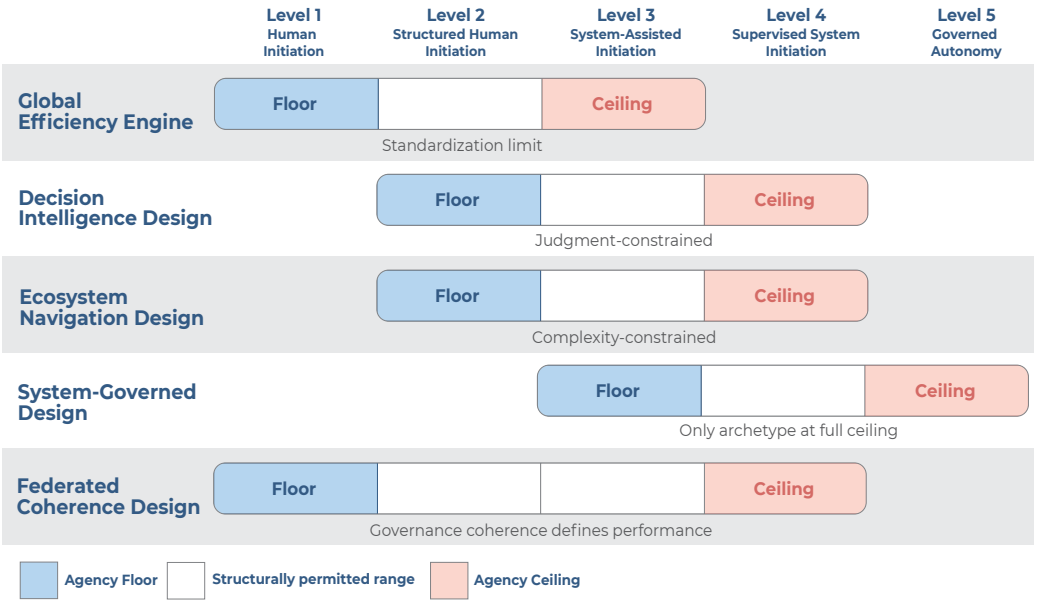

Figure 7:
Agency Ranges within the Five Archetypes

Agency evolves within each archetype, not across archetypes. Organizations advance their agency level within the structural parameters of their chosen configuration, up to the ceiling that structure permits. Moving beyond that ceiling requires revisiting the lever configuration entirely — not just investing in more technology.

Within each archetype, the floor and ceiling are structurally determined; however, readiness is what governs safe ascent within that range, which is the focus of the next chapter.

> "Readiness is what governs safe ascent within that range."

VII. READINESS MATRIX

While archetypes define what FP&A is designed to achieve, it is the dimensions of readiness that determine whether the organization is equipped to operate them.

An operating model only works to the level its weakest dimension can support. The most ambitious archetype, deployed on weak governance or fragmented data, will fail in execution. The discipline is to design what an organization is ready to operate, not what looks best on paper.

In our building analogy, the readiness floor carries everything above it. What the structure can safely support is determined by the structural capacity it has already developed.

The Readiness Matrix

The Readiness Matrix assesses organizational capability across six dimensions — **Data Quality, Governance and Decision Rights, Process Discipline, Roles and Skills, Technology Enablement, and Cultural Readiness** — each having five levels (Figure 8).

The rule that governs all six is simple: an FP&A operating model is only as strong as its least developed area. That area cannot be ignored - you can only choose to strengthen it or accept operating below the intended level until you do.

The most common failure pattern is using powerful technology on a weak governance foundation. Organizations that invest in automation before establishing clear decision rights find that the system produces outputs that nobody trusts or is accountable for.

	Level 1 Fragmented	**Level 2** Structured	**Level 3** Integrated	**Level 4** Scaled	**Level 5** Governed
Data quality	Fragmented, siloed	Standardized metrics	Integrated data model	Real-time updates	Governable and auditable
Governance and decision rights	Implicit, informal	Documented RACI	Enforced ownership	Rule-based controls	Governable autonomy
Process discipline	Ad hoc, email-driven	Cyclical, calendar-based	Exception-driven	System-orchestrated	Continuously optimized
Roles and skills	Report producer	Analyst	Business partner	Decision engineer	Accountable architect
Technology enablement	Spreadsheet-driven	Automated reporting	Analytical platforms	System-initiated workflows	Governed automation
Cultural readiness	Control-seeking	Tool-skeptical	Augmentation-friendly	Supervision-ready	Governance-first

Figure 8:
Design Framework –
Organizational Readiness Matrix

Organizational Readiness Matrix. Each level builds on the one before. Overall readiness cannot exceed its lowest dimension.

Each higher level of the matrix builds on the previous one. To operate as a Level 5 Accountable Architect – a named individual who defines system parameters, escalation rules, and human override conditions – in Roles and Skills, the function must already operate as a Level 3 Business Partner. To have governable and auditable data at Level 5, it must first have standardized metrics at Level 2.

The following describes the different levels of readiness for each area.

Data Quality

Data quality determines whether the operating model's analytical foundation adequately supports the intended level of role, accountability, and agency.

Aaron Shifrin, Business Planning, Reporting and Analytics Leader, USA, argues that the constraint on AI in FP&A is not so much imperfect data, but the failure to embed contextual knowledge within it. He reasons that until FP&A embeds that knowledge into the process, AI can surface patterns, but it cannot turn them into meaningful business intelligence. This has huge implications for complete AI-governed autonomy.

"Business leaders rely on accurate, timely data to make decisions. This is why data quality is the first dimension of readiness."

The 2025 FP&A Trends research shows that only 16% of organizations have good-quality data that is easy to analyze, while 25% report poor or low quality. Today's business leaders rely on accurate, timely data to make decisions. This is why data quality is the first dimension of readiness, and the reason why no agency level can be safely achieved without it.

- Level 1: Data is fragmented and siloed — scattered across multiple systems with inconsistent definitions, requiring significant manual reconciliation.
- Level 2: Data has common definitions and taxonomies that everyone agrees on and understands.
- Level 3: Internal and external data feeds are integrated into a structured common repository that allows systems and algorithms to process and analyze information with minimal human intervention.
- Level 4: Data is updated and available in real time.
- Level 5: Data is controlled through clear ownership, traceability, and compliance frameworks — ensuring that system-initiated actions remain transparent, accountable, and trusted.

Without Level 3 data quality, system-led initiation cannot scale reliably. Without Level 5, governed autonomy is not safe.

Governance and Decision Rights

Governance and decision rights determine who can act, under what conditions, and with what oversight, irrespective of whether FP&A activities are initiated by humans or systems.

- Level 1: Decision authority is shaped by hierarchy and habit rather than by defined rules.
- Level 2: Authority is documented - clarifying who is responsible, accountable, consulted, and informed.
- Level 3: Accountability is actively applied with named decision owners and clear escalation paths.
- Level 4: Governance is embedded in the system itself with thresholds, approval logic, and policy guardrails codified.
- Level 5: Systems can initiate or execute actions autonomously, but where every decision remains fully traceable, transparent, and reviewable.

In practice, this dimension is the most critical and most frequently overestimated. A governance framework that exists on paper but is not enforced is a Level 2 framework, regardless of how it is described.

EXPERT VIEW — Governance and Decision Rights

"The transition to agency shifts the control paradigm from process efficiency to decision accountability. Systems exercising delegated authority must provide forensic-grade traceability, documenting data inputs, triggering rules, actions taken, and overrides, so accountability can be reconstructed. Without this, control is lost, and outcomes become indefensible." **Glen Wedel, EY Canada EPM Solution Leader**

Process Discipline

Process discipline reflects the degree to which FP&A processes are standardized, documented, and consistently executed. This forms the foundation for automation and reliable escalation.

- Level 1: Processes are informal and most likely driven by email.
- Level 2: Activities follow a set timetable and cycle.
- Level 3: Emphasis moves from routine cycles to exceptions and thresholds.
- Level 4: Workflows are embedded in planning systems that automatically initiate tasks and route approvals.
- Level 5: Feedback loops and automation refine workflows in response to changing business conditions.

"High process discipline is what enables AI-driven analysis to operate."

Low process discipline requires continuous manual intervention and prevents the implementation of automation. High process discipline is what enables AI-driven analysis to operate.

Roles and Skills

Roles and skills define the capability mix within FP&A. They include the ability to design, supervise, and interpret system-driven outputs as well as the governance and oversight capabilities needed to manage system-initiated work responsibly.

- Level 1: Staff act as report producers.
- Level 2: Analysts interpret variances and generate insights.
- Level 3: The role of business partner engages stakeholders and can influence decisions.
- Level 4: The Decision Engineer designs the driver-based models used in planning as well as the system logic.
- Level 5: The Accountable Architect designs both model and governance frameworks, setting thresholds and escalation rules. They also ensure that as systems grow in the agency, human accountability and fiduciary control remain intact.

"For organizations already operating at higher agency levels, the role of Accountable Architect is an essential requirement."

For organizations already operating at higher agency levels, the role of Accountable Architect is an essential requirement.

IN PRACTICE — Building the Business Partner: Lindström [9]

The textile rental multinational Lindström recognized that redefining roles within the company would not be enough. The capability to perform them had to be intentionally built.

In 2023, the company launched its Business Partner Academy — a two-year program designed to transition business controllers from data providers to management co-pilots. The first intake took 26 participants from 13 countries through monthly sessions on strategy, analytics, communication, and influence, supported by mentoring, coaching, and 360-degree feedback.

As **Evgenia Elezova, Head of Finance at Lindström, Finland,** explains: "Business controllers need to respond to changes rapidly and translate analysis into actionable insights." Technical skill alone was not enough; the ability to influence decisions was considered equally essential.

The lesson for operating model design is direct: restructuring roles without investing in the capability to fill them does not result in the right kind of transformation.

Technology Enablement

Technology enablement determines whether the infrastructure can support an integrated decision-support system. One that is sufficiently agile to support the operating model at the intended level of performance and agency.

- Level 1: Planning, reporting, and forecasting rely on spreadsheets and disconnected tools.
- Level 2: Automated reporting reduces manual effort through scheduled updates.
- Level 3: Advanced analytical platforms integrate data and support scenario analysis.
- Level 4: Systems can initiate workflows, produce alerts, and forecasts based on predefined thresholds.
- Level 5: Governed automation operates within embedded rules, approval logic, and audit trails — allowing systems to execute at speed while maintaining transparency and human accountability.

Technology is often the first choice when organizations invest – but this comes with a word of caution. Technology without governance, process discipline, and data quality does not improve decision-making.

[9] Based on a presentation delivered at the FP&A Trends Webinar "Navigating xP&A with the FP&A Trends Maturity Model", October 2024. Available at: https://fpa-trends.com/article/how-navigate-extended-planning-and-analysis-fpa-trends-maturity-model

IN PRACTICE — Technology Enablement: Microsoft [10]

Microsoft's finance organization, working with the global EY organization, developed Finance Launch AI, a chat-based application powered by a large language model and grounded in a knowledge library of historical financial documents. The tool reduces the time required to gather finance requirements for new product introductions from six to eight weeks to three to four weeks and is now used by more than 100 employees.

Sebastian Ayala, VP, Finance Data & Experiences at Microsoft, USA, describes the impact: "more than just tools — they are trusted partners in driving financial excellence."

The case illustrates how technology delivers value when applied to a clearly defined use case, supported by trusted data and integrated into core finance processes.

Cultural Readiness

Cultural readiness is the organization's willingness to trust automated outputs and its ability to work effectively alongside system-initiated processes.

- Level 1: The prevailing culture is control-seeking with a strong preference for manual oversight and reluctance to delegate decision authority.
- Level 2: Technology is available, but outputs are second-guessed rather than trusted.
- Level 3: Systems and AI are seen as assistants that enhance human judgment.
- Level 4: Teams are comfortable overseeing system-initiated outputs and taking accountable ownership of results.
- Level 5: The organization embraces automation and intelligent systems but anchors them in clear accountability, fiduciary responsibility, and disciplined oversight.

"Cultural readiness starts at the top with explicit investment in the behaviors that sustain trust in system-initiated work."

For organizations operating FP&A across multiple locations, including Global Capability Centers, cultural readiness is the most uneven dimension. Governance culture does not transfer automatically, so it must be explicitly designed, communicated, and reinforced.

It is also the most underestimated and hardest to build. A command-and-control governance model is typically skeptical of system outputs and reluctant to delegate.

Cultural readiness starts at the top – working down from the CFO with explicit investment in the behaviors that sustain trust in system-initiated work.

IN PRACTICE — Cultural Readiness: Engineering AI Adoption Through Incentives

A company we interviewed provided a clear example of cultural readiness being designed, not assumed. The organization introduced a quarterly awards program where employees submit AI-driven improvements — from time savings to process enhancements — with successful use cases receiving financial rewards. This created both a growing internal library of proven applications and a direct incentive for individuals to build AI capability.

The program was supported by structured tool access, usage tracking, and targeted training, and is now evolving toward leadership-led redesign of key processes.

What Readiness Means in Practice

"Agency is not increased by technology – it is permitted by readiness."

Agency is not increased by technology – it is permitted by readiness.

An organization that invests in Level 4 technology while its governance remains anchored at Level 2 creates a structural misalignment. The system produces outputs at scale that the governance framework cannot validate, audit, or be accountable for. That is where transformation fails.

Readiness is the floor. Archetypes are the walls. Design levers are the pillars. Agency is the roof. The structure stands only when the floor can carry the load above it. Missing levels undermine the structure at precisely the moment it is under most pressure.

Knowing the ceiling is the foundation of honest governance. Knowing who is accountable, for what, and under what conditions, is the subject of Chapter VIII.

[10] "How AI innovation powers Microsoft's finance journey." Available at: https://www.ey.com/content/dam/ey-unified-site/ey-com/en-us/insights/consulting/documents/ey-how-ai-innovation-powers-microsoft-finance-journey.pdf

VIII. ROLES, GOVERNANCE, AND FIDUCIARY CONTROL IN AN AGENTIC FUTURE

As agency rises, accountability does not move to the system. It moves to the person who designed the system's parameters. That shift defines the governance and fiduciary obligations covered in this chapter.

Defining Accountability

System initiation — the defining feature of higher agency levels — concentrates accountability. Once systems can act without explicit human approval, responsibility changes to the person who designed the parameters and set the boundaries within which they operate.

"Accountability moves from the review of outputs to system design."

Ross Lacey, EY Global Finance Transformation Strategy and Vision Leader, UK, observes that the issue is not simply automation, but the conditions it creates. Systems that draw conclusions without clear causality, or that optimize for financial outcomes over broader, values-based considerations, place demands on governance that traditional oversight cannot meet. Consequently, accountability moves from the review of outputs to system design.

Every agentic capability must have a named individual whose authority it operates within. This matters because accountability rarely stays clear on its own, even at senior levels. According to the EY Global DNA of the CFO Survey[11], only 32% of CFOs say they always speak up when they disagree with the consensus, and only 30% always challenge executive team members on a key issue. If accountability is not an active part of the governance structure, it defaults to silence.

Nick Arzenton, Divisional Finance Director GDO – IOPS at Orange Business, offers a different perspective. "We enable the business, but we do not own it. The forecast, even if produced by an AI model or facilitated by FP&A, must still be owned by operations and the business. Our role is to explain how it was generated, build trust in the process, and ensure transparency and governance. But accountability and ownership remain where they belong — with the people running the business."

This view reflects a narrower interpretation of FP&A accountability, one in which ownership remains with the business even when FP&A and AI shape the forecast logic.

Whatever the perspective, it is vital to know what accountability means in practice across three areas: **roles, governance, and fiduciary control.**

Roles

"The FP&A Architect does not just improve finance — they design how the organization makes decisions at scale."

Fernanda Noronha,

Director of Finance, Process Optimization, Data & Analytics at Grainger, USA

A key role is emerging within organizations using AI, something we call the Accountable Architect. This is the person who carries the responsibility of what systems can do, which corresponds directly to Level 5 in the Roles and Skills readiness dimension described in Chapter VII.

Accountable Architects do not emerge from technical training alone. Their formation requires deliberate development — a leadership investment in the people who will carry the new mandate.

They have a deep understanding of the business — strategy, value drivers, economic levers, and a clear perspective on what decisions matter most. They also possess an understanding of systems thinking, can align their thoughts with stakeholders, and have the capacity to navigate trade-offs between speed, complexity, and value.

In organizations already operating at higher agency levels, this role is essential, not a future aspiration.

[11] EY Global DNA of the CFO Survey — "How can bold CFOs reframe their role to optimize performance?" 2023. https://www.ey.com/content/dam/ey-unified-site/ey-com/en-gl/services/consulting/documents/ey-gl-how-can-bold-cfos-reframe-their-role-to-optimize-performance-06-2023.pdf

IN PRACTICE — Finance-Led Prototyping: OBOS

Jon Christensen, Finance Director at OBOS, Norway, needed an enterprise risk management tool quickly.

Using AI-enabled prototyping, Christensen designed and built a working application tailored exactly to what his team and company needed. He had no deep technical background. It took him under 1 month to learn the approach. "I'm not a very technical person, but I learned this basically during the Christmas Holiday," he says. "The barrier to entry is actually much lower than people think."

The prototype did its job. IT has since taken it and is rebuilding it inside the organization's secure environment. Finance showed what it needed. IT makes it permanent.

"This will be a real boost for the FP&A function," **Christensen** argues. "It allows us to deliver concrete solutions for the business much faster — not just ideas or analysis."

Governance

Governance is the structural mechanism that determines how far system initiation can safely extend.

FP&A activities must be mapped by trust level — distinguishing where human judgment is required, where systems assist, and where systems can act within defined boundaries. These distinctions must be explicit. Ambiguity between system-driven and human-driven processes is where accountability breaks down.

"At every step, ownership must be precise."

At every step, ownership must be precise. Inputs must be visible, outputs explainable, decisions traceable, and model changes controlled. Without this, governance is incomplete.

Governance frameworks must also define decision rights. Finance teams generate recommendations and analysis, but the authority to approve or implement actions may reside with operational or executive leaders. Governance must define what agentic systems can recommend, what they can approve, and what requires human authorization. They must also define what systems are not permitted to do.

"The gap most frequently observed is that the technology is moving faster than the accountability framework around it."

Ankit Chopra,
Director, FP&A, Cloud at Neo4j, USA

At higher levels of agency, four guardrails are critical:

1. **Reversibility** — every system-initiated action can be undone within a defined period before they take effect.
2. **Anomaly alerts** — unusual results are flagged and sent to a human for immediate review.
3. **Independent checks** — planning model logic is periodically reviewed by someone not involved in its creation.
4. **Named override** — a named person has the authority to halt system-initiated activity at any time.

Without these guardrails, moving beyond Level 3 agency increases risk.

IN PRACTICE — Governing AI-Led Process Reimagination at Scale

One of our AI FP&A Committee members told us about a multinational that was undertaking an enterprise-wide AI transformation across its large finance function. The program operates on two parallel tracks: broad adoption of generative AI tools across finance, and a more complex effort to redesign core finance processes with AI at the center. It is in this second track that governance became critical as a structural mechanism embedded in how change is executed.

To support the initiative, they built an internal capability comprising data engineers, data scientists, and digital specialists within the finance function itself. A small number of process transformations were run in parallel with human oversight, using a "Three in the Box" model that brings together an AI specialist, a process owner, and a business representative to evaluate each redesign before committing resources. They preserved accountability by treating AI agents as though they were delegated officers or employees, not like tools or vendors.

This approach ensured that transformation was governed at the point of transition, balancing the opportunities of AI-driven process reimagination with the organizational impact of shifting roles and responsibilities.

Fiduciary Control

Fiduciary control refers to the safeguards that protect financial integrity by ensuring that financial information remains reliable, decisions are properly authorized, and financial actions can be audited and traced. The fiduciary control design also depends on the organizational context. A command-and-control model will typically require centralized and rigid controls — every model change reviewed centrally; every output audited before action. A financial holding model may permit more distributed control, but this requires stronger local guardrails to compensate.

There are three obligations of fiduciary control (Figure 9):

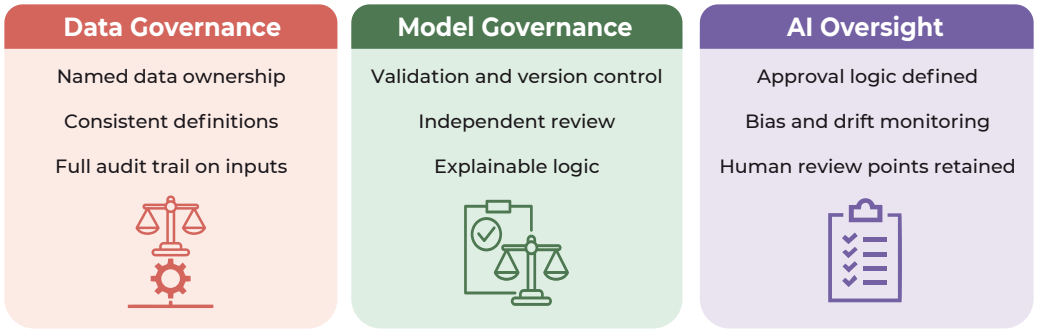

Figure 9:
Three Obligations of Fiduciary Control

Together, these obligations keep accountability visible as system initiation expands.

"Someone must own the data to ensure definitions are consistent, and changes are traceable."

Data governance. Someone must own the data to ensure definitions are consistent, and changes are traceable. Single sources of truth must be established, and audit trails need to capture changes to assumptions, forecasts, and planning inputs. Without it, system-initiated outputs cannot be trusted, regardless of how sophisticated the model is.

Model governance. Financial models now drive many planning and forecasting processes. They must be subject to validation, documentation standards, version control, and independent review. Where machine learning or predictive models are used, the logic must remain explainable and transparent. If a CFO cannot explain to the board why a system generated a particular forecast, the model is not governed — it is merely running.

"Financial models must be subject to validation, documentation standards, version control, and independent review."

"Governance frameworks must define how system-generated outputs are reviewed and approved."

AI and automation oversight. Governance frameworks must define how system-generated outputs are reviewed and approved. Human oversight remains essential, particularly where forecasts, narratives, or recommendations are produced automatically. Organizations should monitor for bias, model drift, and the ethical implications of automated decision support.

Together, these three obligations allow organizations to scale analytical capability while maintaining the transparency, auditability, and financial discipline that sound stewardship requires.

IN PRACTICE — India's Finance GCCs: Where the Accountable Architect Is Already Emerging

According to EY India GCC Pulse Survey 2025[12], more than half of GCCs in India are already applying AI across their operations, and many now support global decision-making and performance management.

AI is automating routine analysis, reporting, and data processing, while employees who previously performed this work are being repositioned as AI supervisors, governance leads, and data-to-decision specialists — aligning closely with the Accountable Architect profile described earlier.

The accountability shift brings a change in skills. At one global energy company's India-based FP&A center of excellence, establishing the capability required a fundamental rethink of the skills profile: candidates were selected for business-relevant domain knowledge — the ability to understand operational models, unit economics, and the business logic driving the numbers — rather than for reporting capability alone.

As one respondent told us, "In FP&A, it was primarily reporting that was getting offshored. The core aspects of planning and budgeting still used to be with the retained organization. Now the accountability is also shifting to the GCC centers, which means they are not only responsible for generating numbers, but also responsible for understanding the business context."

The obligations outlined in this chapter are what make higher-agency operating models safe. At these levels, accountability shifts to the person who defines the parameters and remains responsible for system outcomes. That accountability cannot be delegated to the system – it must be designed into the operating model.

[12] EY India GCC Pulse Survey 2025: India's GCCs Driving Intelligent, AI-Native Enterprise Shift. Ernst & Young LLP India, November 2025. Available at: https://www.ey.com/en_in/newsroom/2025/11/58-percent-gccs-in-india-investing-in-agentic-ai-two-third-creating-dedicated-innovation-teams-to-globalize-ideas-ey-gcc-pulse-survey-2025

IX. USING THE FP&A OPERATING MODEL DESIGN FRAMEWORK

This chapter translates the framework into a step-by-step diagnostic and design tool that helps organizations build a modern FP&A Operating model.

The FP&A Operating Model Design Framework is applied through a nine-step process that runs across three phases:

Assess: Steps 1 – 2 establish the current state of FP&A and identify prevailing failure patterns.

Design: Steps 3 – 5 define the target archetype, set the five design levers, and test readiness against that design.

Execute: Steps 6 – 9 convert the design into action through capability building, piloting, measurement, and board communication.

Figure 10 groups the nine steps under the three phases used throughout this chapter: Assess, Design, and Execute. Each phase produces a named output that is used by the next phase.

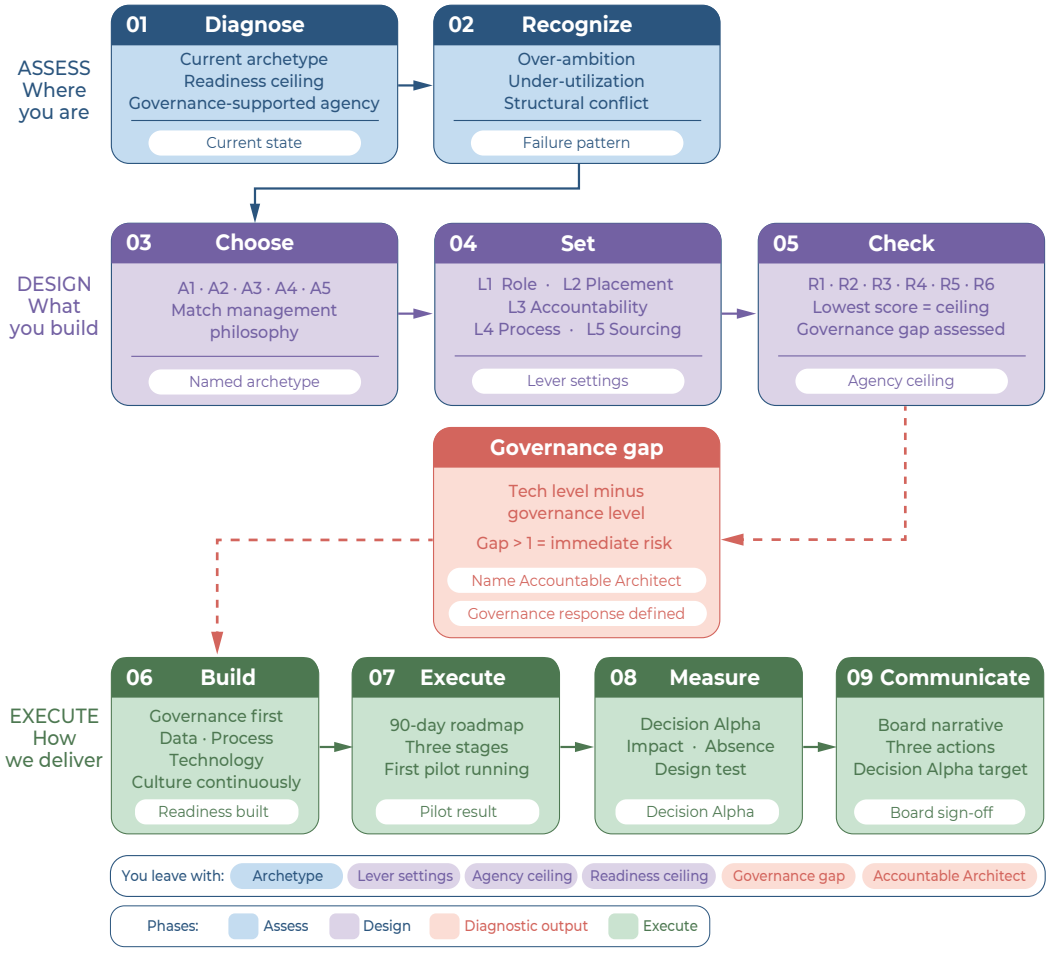

Figure 10:
FP&A Operating Model Design Process

> "The pressure to deliver quick ROI leads organizations to automate what they have instead of redesigning what they need. Later rarely comes in a structured way."
>
> Fernanda Noronha,
> *Director of Finance, Process Optimization, Data & Analytics at Grainger, USA*

Phase One — Assess

Step 1 — Diagnose: Where Are You Now?

Tanja Schlesinger, former VP OneSource and Data & AI Officer at German Transport Group DB Regio AG, suggests the emphasis should be on enabling organizations to assess their context - the management philosophy, governance culture, and business need as they define what is feasible before any design choices are made. They should then identify gaps in their current model and use the results for more informed leadership discussions.

Use the following questions to determine the model currently being operated:

- **Which archetype is in operation today?** This describes how FP&A work is initiated, governed, and delivered (see Chapter VI). Look at your lever settings in practice - the archetype you inhabit is revealed by behavior under pressure.
- **What is your readiness level?** Score each of the six dimensions using the Readiness Matrix in Chapter VII. Your lowest score is your current ceiling.
- **What agency level does your governance framework currently support?** Compare governance capability with system capability.

Output: Current archetype, readiness ceiling, governance-supported agency level, and governance vs capability identified.

Step 2 — Recognize: The Three Failure Patterns

What failure pattern does the current FP&A operating model reflect:

Over-ambition. Occurs when the agency is ahead of readiness e.g., technology operates at Level 4 while governance was designed for Level 2. The system acts, but nobody is accountable. Outputs are produced at a scale that nobody fully trusts or can audit. See step 5 below for resolution.

Under-utilization. Occurs when readiness is ahead of agency e.g., the organization has strong data quality, governance, and disciplined processes, yet the current operating model fails to use them. See step 4 for resolution.

Structural Conflict. The archetype and the lever settings are misaligned. As Chapter VI outlined, combining elements of two archetypes in the same context creates structural inconsistency, not flexibility. Follow steps 3 – 5 to identify where the misalignment sits and what to change first.

Output: One of three failure patterns is named. Root cause located in the archetype, levers, or governance gap. Corrective priority identified.

Phase Two — Design

Step 3 — Choose: Your Target Archetype

Based on organizational context and current-state diagnosis, select the target archetype most appropriate to your situation (Chapter VI). Use the following questions to validate the choice:

- Is FP&A's primary obligation reporting accuracy across many markets, or influencing decisions close to the business?
- Does your organization need one coherent version of the truth across all units, or differentiated insight per context?
- Is your operating environment stable and scalable, or fast-moving and judgment-intensive?
- Do you operate multiple fundamentally different business models simultaneously?
- Is decision latency a competitive risk — where the volume and speed of decisions exceed what any human-led team can handle?

Match to archetype: Scale - A1. Speed - A2. Complexity - A3. Autonomy - A4. Diversity - A5.

"Confirm that the chosen archetype matches your management philosophy."

Coupling check. Confirm that the chosen archetype matches your management philosophy. Note that the agency cannot exceed what governance and culture will sustain (Chapter V).

Output: One named archetype, compatible with context and management philosophy.

Step 4 — Set: The Five Design Levers

Identify the setting of all five design levers explicitly (Chapter IV):

Role and Mandate. Where on the spectrum from Management Reporter to Value Architect should FP&A operate? Is this the mandate the business actually gives to FP&A, and can FP&A realistically deliver it?

Placement and Proximity. Where does FP&A sit in relation to the decisions it supports? The lever settings on Role and Mandate and Placement and Proximity must tally with each other before any other lever is set.

Scope of Accountability. Accountability without proximity is undeliverable, while accountability without governance is ungovernable. Where systems initiate work, questions of fiduciary responsibility become structurally acute. (Chapters V and VIII)

Process Standardization. The right setting depends on the archetype chosen. Variable Standardization is available at higher levels of technology enablement, but it requires Level 3 data quality and Level 3 governance readiness.

Sourcing Boundaries. What work is to be kept in-house and what moves to external provision? The distinction that matters is not cost but accountability: work requiring judgment, business intimacy, and fiduciary responsibility must remain internal (Chapter IV).

Coherence across levers is essential, as combining incompatible elements creates structural inconsistency.

Output: Five named lever settings. Trade-offs are explicitly stated. Lever configuration aligned to the target archetype.

"Readiness is a structural constraint that places a hard ceiling on what the chosen operating model can achieve."

Step 5 — Check: Readiness and the Governance Gap

Readiness is a structural constraint that places a hard ceiling on what the chosen operating model can achieve.

Score each of the six readiness dimensions from 1 to 5, using the Readiness Matrix in Chapter VII as a reference. Your overall readiness is represented by your lowest score. If your intended agency level exceeds it, either reduce the agency level to match the floor, or close the gap first — but do not skip levels.

Define the Governance Gap:

- At what agency level is your technology operating, or capable of operating?
- At what level is your governance framework designed to manage?

If the gap exceeds one level, it must be closed before any further expansion of the agency.

For each agentic capability, document:

- Parameters within which the system acts;
- Escalation rules that govern exceptions;
- Override conditions that require human judgment;
- Identify the **Accountable Architect**, who sets the authority in which the system operates (Chapters V and VIII).

Output: Readiness scores and ceiling, Agency level, Governance gap, Governance structure defined, Accountable Architect named.

Phase Three — Execute

Step 6 — Build: Develop Readiness in Sequence

For the chosen archetype, define or make plans to achieve the necessary level of readiness. The sequence below reflects the structural dependencies of the readiness model.

Governance first. Define clear decision rights, ownership structures, and accountability assignments. Without these, nothing else can be safely deployed.

Data second. Ensure data used for decision-making is of sufficient quality to support the levels of agency required.

Process third. Automating undisciplined processes produces disciplined chaos. The process standardization lever in Chapter IV must be set deliberately, and the readiness dimension must be built to match it.

Technology fourth. Technology multiplies what is already in place. Where governance is strong, it amplifies accountability. Where data is clean, it amplifies intelligence. Where culture is ready, it amplifies adoption.

Culture continuously. Cultural readiness must be developed continuously through leadership and deliberate action. Its progression is cumulative and non-linear: each effective governance decision, each transparent output, and each named accountability strengthen the cultural capacity required for higher agency levels.

Output: Gap-closing actions defined, owners and timelines assigned.

Step 7 — Execute: The 90-Day Roadmap

Based on the steps completed so far, put together a disciplined 90-day action plan. We suggest that this is structured in three stages of about four weeks each. This will create the structural foundation for operating model change and deliver the first measurable proof point.

Weeks 1 to 4 — Structural Audit. Complete steps 1 – 5. Most organizations discover in this phase that they are governed by accident rather than by design.

Weeks 5 to 8 — Readiness Stress Test. Identify the ceiling dimension of readiness and identify three to five specific actions required to advance it by one level. Assign a named owner to each action and set a deadline.

Weeks 9 to 12 — First Pilot. Identify one high-value FP&A process that has the readiness to move one agency level. Design the governance framework explicitly before deployment. Run the pilot and measure the Decision Alpha (See Step 8). Use the result to build the institutional case for the next phase.

The goal is not to complete the transformation in 90 days but to reveal what is possible, governable, and credible.

Output: First pilot running with governance framework defined and Decision Alpha baseline set.

Step 8 — Measure: Decision Alpha

Decision Alpha – the additional value created by FP&A involvement – is a defining characteristic for FP&A. It defines the purpose through which success is measured and justifies its investment. FP&A impact can be both quantitative and qualitative which can be assessed through the following questions:

The Impact Test. What was the financial impact of three decisions taken last quarter where FP&A involvement changed the outcome?

The Absence Test. What was the cost of three decisions where FP&A was not involved in time?

The Design Test. What needs to change in FP&A's current operating model (lever settings, archetype, or readiness), for FP&A to influence more decisions, earlier, and more reliably?

"FP&A transformation from a Board's perspective centers on three main concerns: is accountability clear, is there any audit risk, and has technology reduced control and oversight."

It is important how FP&A value arising from a redesigned operating model is communicated. It should show clearly what has changed, who is accountable, and how success will be measured. Which brings us to the last step.

Output: Decision Alpha calculated and operating model improvements identified.

Step 9 — Communicate: Taking it to the Board

FP&A transformation from a Board's perspective centers on three main concerns: is accountability clear, is there any audit risk, and has technology reduced control and oversight.

To address these concerns, communication must be direct and evidence-based, supported by outputs from the previous steps covered. It should clearly answer the following questions:

What we are building, and why it fits our context. This should be a statement of the chosen archetype and how it has been designed to fit the organization's current situation.

What is constraining us, and the three actions to close the gap. This should articulate the governance gap and the risks these pose, and identify the limiting readiness dimensions. From this, there should be three actions to address them, along with specified owners and timelines.

How success will be measured. Provide a Decision Alpha target, the name of the Accountable Architect, and a 90-day pilot that will demonstrate measurable impact.

Output: Board narrative prepared. Target archetype, governance gap, and Decision Alpha target stated with precision. Accountable Architect named. 90-day pilot result cited as a proof point.

X. CONCLUSIONS

This paper set out to explain that FP&A transformation is not a matter of incremental improvement, but one of deliberate design.

AI is driving this change. As **Derk-Jan van der Wal, EY Global Business Planning, Reporting and Analytics Leader, Netherlands,** observes, "AI is removing the traditional constraints around data and analysis. The bottleneck has shifted from producing insight to acting on it. Without redesigning decision forums, escalation paths, and accountability mechanisms, AI-enabled FP&A risks creating insight inflation rather than value: faster analysis, more scenarios, but no better decisions."

"The framework provides a disciplined approach that makes FP&A relevant to the organization's unique business environment."

By applying the FP&A Operating Model Design Framework, organizations are in a position to answer the question posed at the start: how should organizations design their FP&A operating model for the situation they uniquely face? The framework provides a disciplined approach to archetype choice, lever setting, readiness assessment, and governance that makes FP&A relevant to the organization's unique business environment. As a result of this approach, CFOs can ensure decisions are supported by machines, not controlled by them.

Diana Groschupp, Vice President FP&A Europe at TD SYNNEX, global technology distributor, France, reinforces this view. "The speed and scope of FP&A modernization is becoming a competitive differentiator. The organizations that move first will not necessarily be those that automate fastest, but those that align purpose, structure, and accountability deliberately."

Finally, it should be noted that none of this is delivered without people. Transition succeeds when finance leaders treat capability building, behavioral change, and cultural trust as primary obligations of the operating model — not consequences of it. This is how FP&A moves from reporting outcomes to shaping them. That is how the function reclaims its purpose: through the consistent generation of Decision Alpha.

XI. APPENDICES

Glossary of Terms

The following terms carry specific meanings in this paper that may differ from general usage in finance. All terms should be read in conjunction with the chapters in which they are substantively developed.

Accountable Architect

The named individual, responsible for defining the parameters within which an agentic system operates, the escalation rules governing exceptions, and the override conditions requiring human judgment.

Agency

The structured permission for systems to initiate FP&A work within clearly defined authority boundaries, while humans remain accountable for the design of those boundaries and the resulting outcomes.

Agency Shift

The systematic transfer of initiation from human to system. The Agency Shift does not reduce accountability but moves it from the operator of the process to the architect of the parameters.

Agency Threshold

The structural inflection points between Agency Level 3 and Level 4, at which systems move from supporting human decisions to initiating actions within defined parameters.

Decision Alpha

The measurable excess value created by FP&A involvement, representing the difference between the decision the organization would have reached without FP&A and the decision it actually made by using it.

Fiduciary Control

The safeguards that protect financial integrity as agency levels rise, comprising three obligations:

- **Data Governance** (ownership, consistency, and auditability of inputs);
- **Model Governance** (validation, documentation, and explainability of system logic); and
- **AI and Automation Oversight** (defined review of system outputs for bias, drift, and accountability). Fiduciary Control is not an afterthought of transformation, but its precondition.

FP&A Operating Model Design Framework

The configurational framework presented in this paper is built on four interdependent elements: Five Design Levers, Five Archetypes, Six Readiness Dimensions, and Five Agency Levels. The framework is diagnostic, not prescriptive — it does not recommend a universal model but provides a structured method for identifying the configuration that fits a specific context.

Governance Gap

The difference between the agency level at which technology is operating — or capable of operating — and the level at which the governance framework is designed to manage.

Manual Debt

The accumulated structural cost — financial, strategic, and operational — of retaining human-initiated FP&A processes over the use of machine-initiated processes.

Readiness Matrix

The six-dimension framework — Data Quality, Governance and Decision Rights, Process Discipline, Roles and Skills, Technology Enablement, and Cultural Readiness — that determines what an organization can safely operate, as distinct from what it aspires to operate. Overall readiness cannot exceed its weakest dimension. Readiness must be built, in sequence.

Value Architect

The highest setting on the Role and Mandate lever. At this level, FP&A designs and governs the end-to-end planning system and is accountable for whether the organization makes better decisions because FP&A was involved. Performance is measured exclusively by Decision Alpha.

Levers and Levels

The five design levers define how an FP&A function is structured. Each lever must be set deliberately. Some levers represent configuration options, where no setting is inherently superior to another. Others represent levels of maturity, where higher settings require greater organizational capability to sustain. In both cases, the right setting is the one that fits the organization's context and readiness.

Role and Mandate

Levels of maturity. Higher settings require greater capability, trust, and organizational readiness.

LEVEL	Name	What it means in practice
1	Management Reporter / Scorekeeper	FP&A explains what happened and why. Performance is measured by accuracy, timeliness, and a single version of the truth.
2	Financial Steward	FP&A enforces financial discipline and protects budgets. Performance is measured by predictability and adherence to risk boundaries.
3	Business Partner	FP&A is embedded with operations to challenge assumptions and influence decisions. Performance is measured by the quality and commercial relevance of insight.
4	Strategic Advisor	FP&A shapes long-term investment choices and scenarios alongside executive leadership. Performance is measured by the financial consistency of strategic plans.
5	Value Architect	FP&A designs and governs the end-to-end planning system. Performance is measured by Decision Alpha: whether the organization makes better decisions because FP&A was involved.

Placement and Proximity

Configuration options. No option is inherently superior. The right choice depends on the organization's structure, strategy, and governance model.

OPTION	Name	What it means in practice
A	Corporate / Group FP&A	Centralized under the CFO. Delivers scale, consistency, and a single version of the truth. Can be distant from operational realities and local decision-making.
B	Business Unit Aligned	Embedded within divisions or regions. Strong business context and responsiveness. Risk of fragmented assumptions without strong governance.
C	Hybrid / Federated	Strong corporate core with embedded business partners under shared standards. Balances coherence and local insight. Requires strong governance and role clarity.
D	Global Business Services (GBS) / CoE	Concentrates expertise in a center of excellence or GCC — retaining internal ownership and fiduciary accountability while delivering at scale. Requires deliberate governance design to operate effectively at distance.
E	System-Led	FP&A logic embedded in digital systems. Automated forecasting and continuous planning. Human effort shifts to governance, interpretation, and oversight.

Scope of Accountability

Levels of maturity. Broader accountability requires deeper structural integration and greater organizational trust.

LEVEL	Name	What it means in practice
1	Accuracy and reporting	FP&A is accountable for the accuracy of data and a single version of the truth. Explains performance but does not own corrective actions or decisions.
2	Financial discipline	FP&A is accountable for enforcing budgets, cost control, and financial predictability. Held responsible if targets are missed or risk boundaries are breached.
3	Decision influence	FP&A is accountable for the quality and timeliness of commercial insight. Influences and challenges decisions but does not formally own them.
4	Strategic co-ownership	FP&A shares accountability with executive leadership for the financial soundness of long-term plans, investment choices, and scenario framing.
5	Planning system ownership	FP&A is accountable for the design, performance, and governance of the planning system — owning models, drivers, integration, scenario logic, and early-warning indicators.

Process Standardization

Levels of maturity. Higher settings require stronger data quality, governance, and technology capability to sustain.

LEVEL	Name	What it means in practice
1	Ad hoc	Processes vary by unit or individual. Spreadsheet-heavy. High manual effort. Limited comparability across the organization.
2	Documented	Common templates and timelines exist but adherence is inconsistent. Processes remain manually driven. Transparency improves but execution is unreliable.
3	Governed and repeatable	Shared calendars, assumptions, and driver-based elements create predictability. Processes are standardized enough to aggregate and compare. Constrained by calendar cycles.
4	Integrated and automated	Driver-based models embedded in workflows. Cycle times reduce significantly. Manual intervention decreases. Requires strong data quality and governance to sustain.
5	System-led and continuous	Planning becomes continuous and event-triggered within enterprise systems. Automated forecasts and real-time scenario analysis. Includes Variable Standardization, where globally consistent analytical logic generates locally contextualized outputs. Human focus shifts to judgment, governance, and interpretation.

Sourcing Boundaries

Configuration options. The right choice depends on the organization's strategic context, cost structure, and governance requirements. Higher options are not inherently more advanced.

OPTION	Name	What it means in practice
A	Fully in-house	All FP&A activities retained internally. High control and institutional depth. Costly and difficult to scale. Right for organizations where fiduciary accountability and business intimacy must stay close.
B	Transactional support	Repeatable, low-judgment tasks delegated externally — data extraction, validation, report production. Internal teams freed for insight and challenge.
C	Process-based outsourcing	Entire standardized processes outsourced end-to-end — budget consolidation, routine forecast cycles. Improves scalability and cost stability. Reduces flexibility in fast-changing situations.
D	Capability-based / co-sourced	External partners provide specialized expertise — analytics, scenario design, system architecture — while internal teams retain accountability and business context.
E	Platform / managed services	Forecasting engines, data pipelines, and planning services embedded in managed external platforms. Strategic direction and business partnering remain internal.

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XII. ACKNOWLEDGMENTS

The authors would like to thank the many members of FP&A Trends around the world whose comments and insights over the years have helped shape this paper. We would also like to thank the following colleagues for their invaluable time and active involvement that significantly contributed to the development of this research:

1. Nick Arzenton, Divisional Finance Director GDO – IOPS at Orange Business, **UK**
2. Sven de Been, Manager EPM and FP&A Lead at EY, **Netherlands**
3. Scott Campbell, Head of Digital COE Finance FP&A at Philips, **Netherlands**
4. *Ankit Chopra, Director, FP&A, Cloud at Neo4j, **USA**
5. Jon Christensen, Finance Director at OBOS, **Norway**
6. Evgenia Elezova, Head of Finance at Lindström, **Finland**
7. Kumar Gaurav, Business Planning, Reporting and Analytics Leader, **India**
8. *Diana Groschupp, VP FP&A Europe at TD SYNNEX, **France**
9. *Adam Hancock, VP FP&A at EBSCO Industries, **USA**
10. Tanbir Jasimuddin, FP&A thought leader, FP&A Trends author and Ambassador, **UK**
11. Ross Lacey, EY Global Finance Transformation Strategy and Vision Leader, **UK**
12. Christian Martinez, Senior Manager Finance Transformation at Kraft Heinz, **Netherlands**
13. *Fernanda Noronha, Director of Finance, Process Optimization, Data & Analytics at Grainger, **USA**
14. Oliver Precht, Enterprise Performance Management Leader, Business Consulting, EY Consulting GmbH, **Germany**
15. Anthony Rossano, Senior Director, Financial Planning & Analysis at Indeed, **USA**
16. Maria Saggese, EY Global Business Services (GBS) Solution and Europe West Leader, **Netherlands**
17. *Tanja Schlesinger, former VP OneSource, Data & AI Officer at DB Regio AG, **Germany**
18. *Matthijs Schot, CFO Europe Region at Svitzer, **Denmark**
19. *Andreas Seufert, Professor of Business Administration at the Ludwigshafen University of Business and Society, **Germany**
20. Aaron Shifrin, Business Planning, Reporting and Analytics Leader, **USA**
21. Dennis Sparacino, Partner/Principal, Finance & Technology EY, **USA**
22. Derk-Jan van der Wal, EY Global Business Planning, Reporting and Analytics Leader, **Netherlands**
23. Abhishek Vyas, Director of Product Management at Auditoria.AI, **USA**
24. Glen Wedel, Enterprise Performance Management (EPM) Solution Leader, **Canada**

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