

FP&A Trends Survey



The Readiness Gap:

How AI Is Testing FP&A's
Foundations

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INTRODUCTION

Background to the Survey

The FP&A Trends Survey, now in its 10th year, looks at how FP&A is evolving and what still prevents it from supporting and delivering better business outcomes. The 2026 survey comes at a critical time: **business predictability is shrinking, expectations for Financial Planning and Analysis are rising, and the use of Artificial Intelligence (AI) is moving quickly into finance.** Yet the evidence in this report shows that many teams still lack the foundations needed to provide effective decision support at the speed and quality the business now demands.

The key question is not whether AI changes FP&A, but whether FP&A is ready to use it effectively.

This year's survey focuses on how AI is being used within FP&A and what that reveals about the function's readiness for broader adoption. The key question is not whether AI changes FP&A, but whether FP&A is ready to use AI effectively. While AI can help teams automate routine tasks and speed up analysis, it cannot fix poor data, fragmented planning, weak models, or unclear governance. In many cases, AI makes these weaknesses more obvious.

In this report, we examine the capabilities that enable FP&A to use AI effectively to support better decision-making. These include trusted data, integrated planning, dynamic models, clear governance, and strong business partnering. Teams that have already built these foundations are gaining a clear advantage; those that have not may find that AI simply accelerates the same weaknesses. Our analysis highlights where teams are improving, where they still struggle, and what needs to change if FP&A is to deliver faster, better-informed business decisions.

The survey gathered responses from FP&A professionals across the topic areas shown in Figure 1.

Survey questions were grouped around the core foundations of FP&A readiness

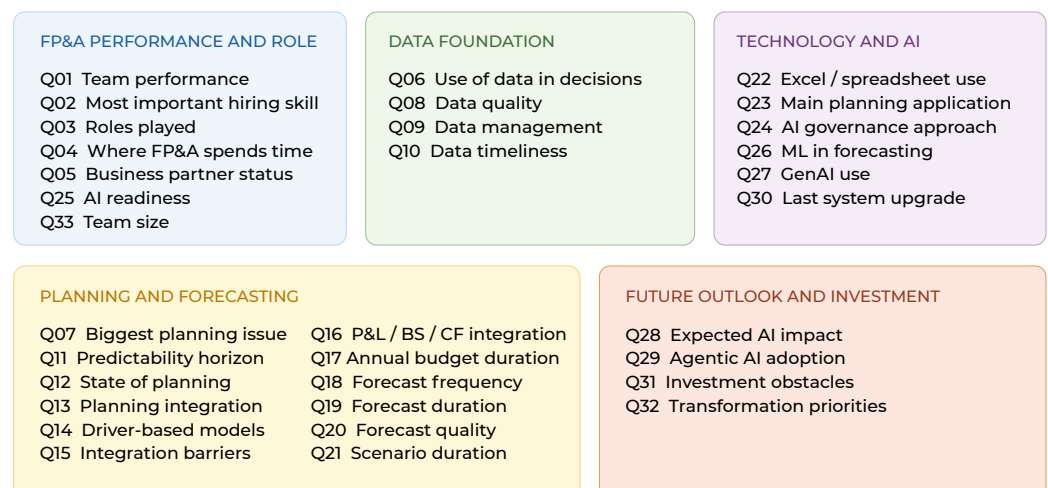


Figure 1:
2026 Survey Structure
by Topic Area

Report Structure

This year's report has the following sections:

How FP&A Is Performing explores how FP&A teams rate their achievements, where they spend their time, and their role as a business partner.

Key FP&A Activities reviews the use of data in decision-making, the speed and accuracy of forecasts, the time required to create annual plans, and the ability to develop scenarios.

What Holds FP&A Back examines the structural barriers of data quality, planning processes, and systems that limit FP&A effectiveness. We also review how high-performing teams differ from others in the strength of these foundations.

The Impact of AI analyzes how AI use is associated with FP&A activities and forecasting capabilities. We also gauge how ready teams are to use AI more widely.

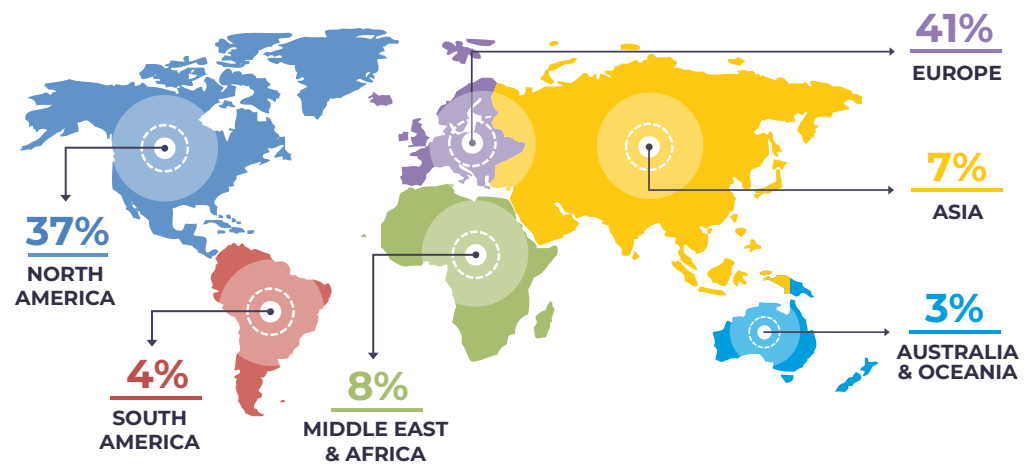
Future Outlook examines the next phase of FP&A transformation, focusing on the role of AI agents and the investment challenges teams face.

Conclusion: What FP&A Leaders Must Do Next. The final section brings together the report's central conclusions and strategic recommendations.

Taken together, these sections provide a benchmark of FP&A maturity and highlight the function's readiness to use AI effectively.

Respondent Profile

Responses were received from 475 finance professionals, bringing the total number of survey participants since 2017 to over 3,350. A full breakdown of respondent demographics is shown in Figure 2.



JOB TITLE:

CEO / CFO / CIO / CTO / CxO	18%
Vice President or Senior Vice President of Finance, or FP&A	15%
Director or Senior Director of Finance, or FP&A	42%
Finance Manager or Senior Finance Manager	18%
Analyst or Accountant	3%
Other	4%

TURNOVER:

Less than \$25M	9%
\$25M - \$100M	13%
\$101M - \$499M	25%
\$500M - \$999M	11%
\$1B - \$5B	22%
Greater than \$5B	20%

Figure 2:
Survey Demographics
in 2026

Key Survey Highlights

The most important conclusion of the 2026 survey is that AI is raising expectations for FP&A faster than the quality of the foundations needed to meet them. The following insights highlight the key themes emerging from our analyses:

1. FP&A has moved beyond survival but is not yet ready for what the business requires.

Only 22% of FP&A teams describe themselves as 'optimized' or 'performing well', with 32% saying they are just 'coping' or 'struggling'. A further 46% 'collaborate well but remain held back by manual work'. This performance gap is not about basic capability, but whether FP&A can operate with the speed, quality, and influence now required by the business.

2. Manual work remains the hidden tax on FP&A value.

FP&A still spends 47% of its time on low-value activities such as data collection and validation. This limits the function's ability to generate insights, challenge established opinions, and lead to better decision-making. This matters because teams cannot become more strategic, predictive, or AI-enabled when nearly half of their capacity is consumed before analysis begins.

AI is not closing the gap between stronger and weaker FP&A teams. It is widening it.

3. Data use is rising faster than data readiness.

81% say data is used 'almost always' or 'most of the time' in decision-making. Yet only 19% report 'best-in-class' or 'advanced' data quality, and only 11% have 'real-time' or 'near-real-time' access to data. FP&A is becoming more data-dependent faster than it can manage and use that data effectively.

4. The foundations of integrated FP&A separate stronger teams from the rest.

Only 9% say planning is 'collaborative' and 'fully aligned with company objectives'. Just 10% fully integrate strategic, financial, and operational planning, and only 19% use fully driver-based models. Stronger FP&A teams are more likely to have these foundations in place, while weaker teams are constrained by fragmented planning, manual processes, and static models. The gap is not only about technology; it is about the data, processes, and models that make technology useful.

5. The business horizon is shrinking, but FP&A is not yet fast enough.

In 2026, 44% can only plan three months ahead with high confidence. Confidence beyond six months has fallen from 39% to 29%. Forecast quality is mostly acceptable or better, but speed remains a barrier: only 18% can produce a forecast within two working days, and only 19% can run scenarios in real time or within one day. The issue is decision latency: FP&A may be producing acceptable numbers, but often not fast enough to support decisions in a volatile environment.

6. AI exposes the readiness gap.

Machine Learning (ML) adoption in forecasting has recovered to 12%, while 21% of FP&A teams use some form of Generative AI. Organizations using AI report stronger team performance, more data-based decision-making, more time spent on insight generation, and better forecast quality than non-AI users. Our analyses indicate that AI is associated with stronger outcomes among teams that already have better data, models, processes, governance, and skills.

7. The human advantage remains business partnering.

Business partnering continues to be the most important hiring skill, at 48%, while only 41% describe FP&A as being an embedded or trusted business partner. AI can automate tasks and increase capacity, but it cannot replace trust, judgment, challenge, and influence.

The implication for FP&A leaders is clear: the priority is not simply to adopt AI faster, but to strengthen the conditions that allow AI to create value. Better data, more integrated planning, stronger modeling discipline, and deeper business partnering are the attributes that determine whether FP&A becomes more predictive, influential, and decision-focused.

SECTION 1: HOW FP&A IS PERFORMING

Team Performance

The role of FP&A is to support organization-wide decision-making. This involves accessing relevant data, analyzing it to identify trends, risks, and opportunities, and turning those insights into action through plans, forecasts, and assessments of future outcomes.

To do this effectively, FP&A capabilities need to be sufficiently developed to perform these tasks and earn the business's trust. But as the survey revealed, only 2% say they are 'optimized to perform', with a further 20% saying they are 'performing well with just a few more areas to improve'. The largest group (46%) says they are 'collaborating well, but manual work holds them back'. Another 32% are still 'struggling' or merely 'coping' (Figure 3).

**Five years on, FP&A performance has barely shifted:
only a fifth perform well, and a third still struggle**

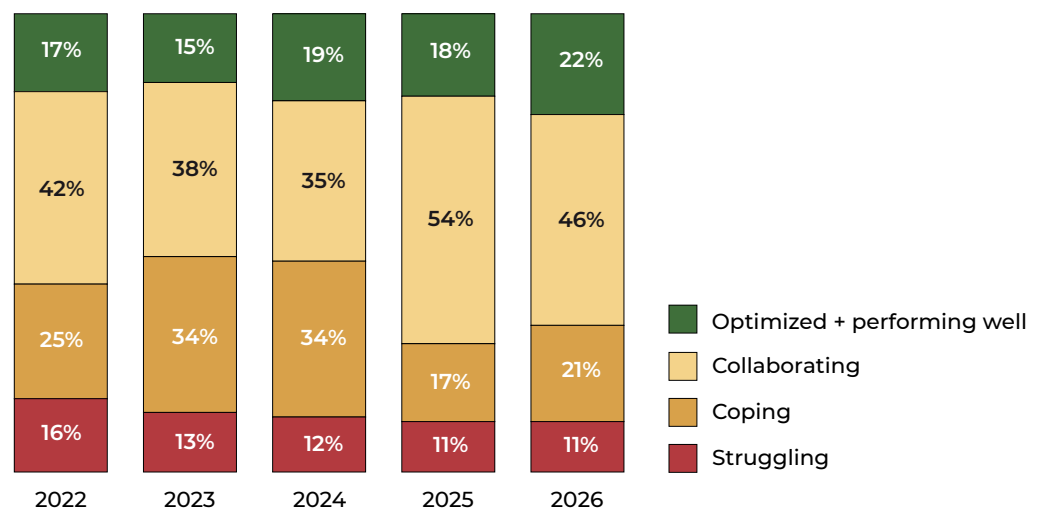


Figure 3:
FP&A Team Performance

The chart shows that while many FP&A teams have moved beyond basic survival and are improving, most have not yet reached the level of maturity needed to keep pace with today's fast-moving business environment.

In the age of AI, this gap matters more than ever. FP&A teams that remain constrained by manual work, limited capacity, and immature processes cannot adapt at the required pace or provide the depth of insight essential for effective decision-making.

Throughout the report, teams that described themselves as 'optimized' or 'performing well' are compared with all other teams. We refer to this group as high-performing teams.

FP&A teams still spend almost half their time preparing data, leaving less capacity to interpret results and influence decisions.

Where FP&A Spends Time

The way FP&A spends its time has shown slight improvement since the survey began. In 2026, 47% of FP&A time was spent on low-value tasks such as data collection and validation, compared with 53% in 2019. Similarly, only 32% of FP&A time was spent on high-value activities such as insight generation and driving actions, compared with 26% in 2019 (Figure 4).

Nearly half of FP&A time is still consumed by data collection and validation

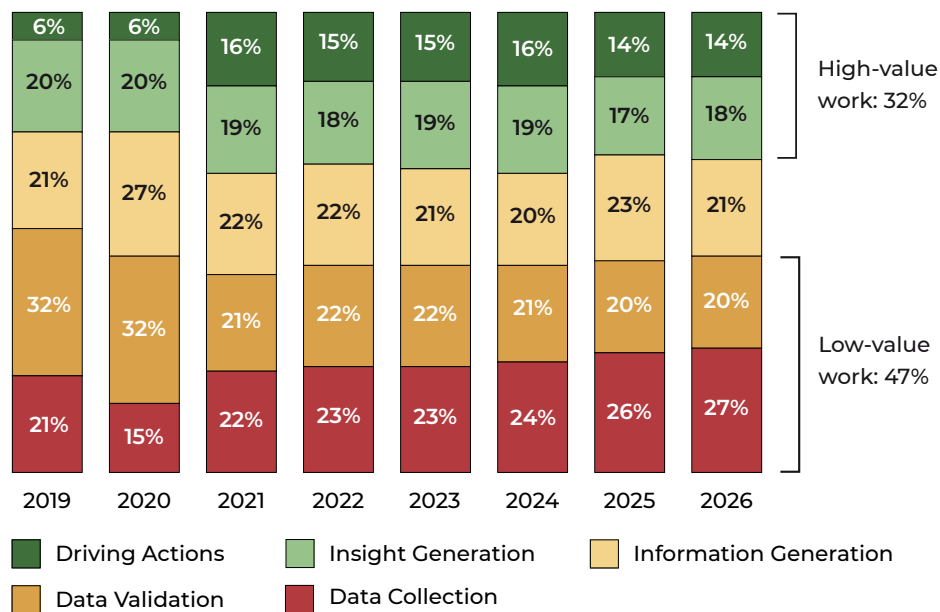


Figure 4:

Where FP&A Spends Time

Persistent time spent on low-value work, despite the availability of sophisticated tools, highlights a structural inefficiency that limits FP&A's ability to act as a strategic partner. This matters even more as AI speeds up the business environment: teams that still spend almost half their time preparing and validating data have less capacity to interpret results, challenge assumptions, and influence decisions.

How FP&A Is Structured

With the increased availability of advanced analytics tools, FP&A requires a range of skills. Of the five complementary roles found in modern FP&A, 92% of team members carry out the work of **FP&A Analyst**, the traditional domain of FP&A. 58% act as **FP&A Storytellers** – being able to communicate insights that underpin action. 52% perform the role of **FP&A Influencer** to guide decision-makers.

However, the roles most closely associated with advanced technology remain underdeveloped and not yet established at the scale required for widespread AI adoption. Only 35% operate as **FP&A Architects**, who can design advanced

systems, while just 19% serve as **FP&A Data Scientists**, who can apply advanced AI techniques. (Figure 5).

FP&A teams are not yet multifunctional enough for AI-enabled planning

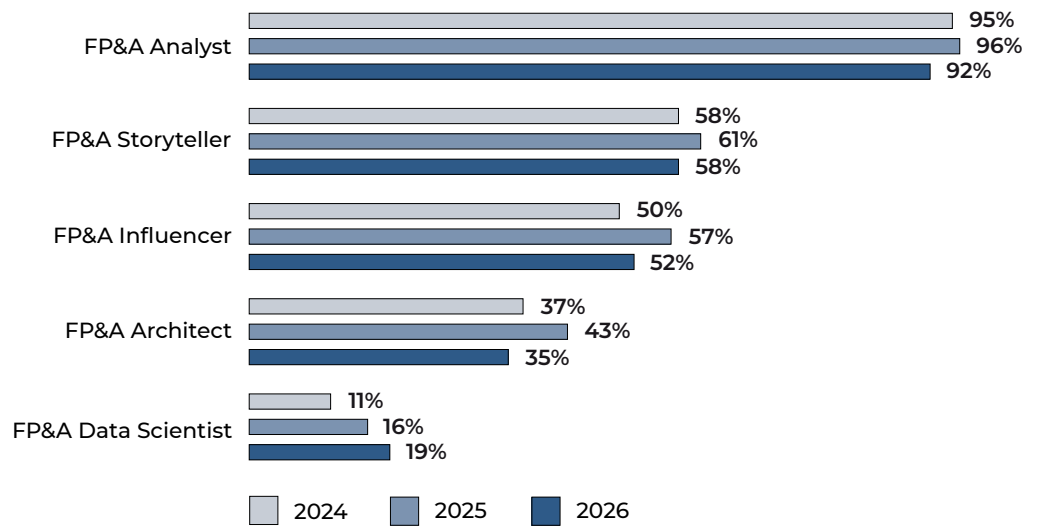


Figure 5:
Roles Played within FP&A

Interestingly, the FP&A Data Scientist role was the only one to grow this year, signaling increased investment in AI-related capabilities. However, it is the least developed of all FP&A roles, suggesting that the talent foundation needed for the next stage of FP&A evolution is still being built.

FP&A as a Business Partner

Given the skills FP&A possess and the importance of analytics in decision-making, it is surprising that only 41% of respondents describe FP&A as being a 'fully endorsed' or 'trusted business partner' (Figure 6).

FP&A business partnering is becoming more structured, but senior trust has not advanced

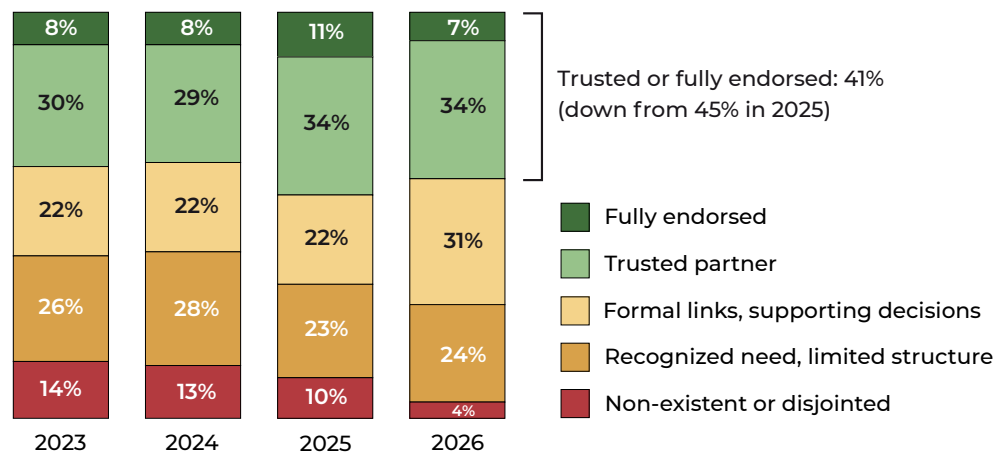


Figure 6:
Status of FP&A
as a Business Partner

The good news is that the share of organizations with ‘non-existent’ or ‘disjointed’ partnering has improved compared with previous years. However, together with those that ‘recognize the need’, this group still accounts for 28% of organizations.

Further analysis shows a clear association between partnering status and FP&A team performance. High-performing FP&A teams are more likely to be ‘fully endorsed’ or ‘trusted business partners’ (63%) than teams that are ‘coping’ or ‘struggling’ (15%) (Figure 7).

Business trust rises sharply with FP&A performance

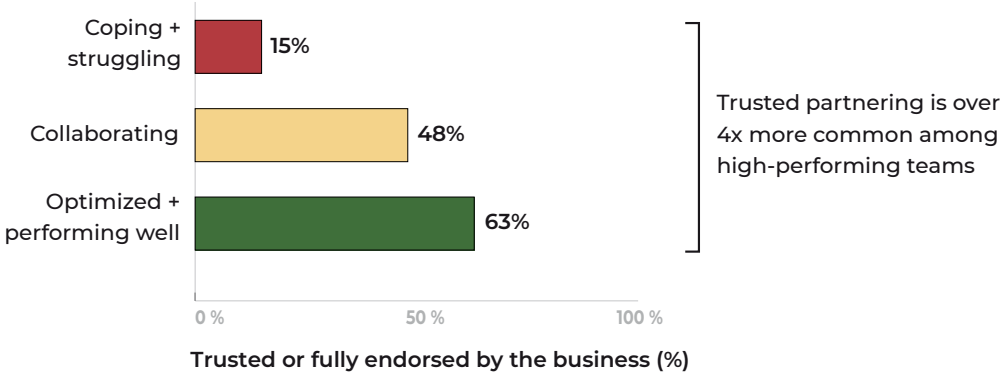


Figure 7:
FP&A Performance and
Business Partnering Status

In the age of AI, the most sought-after FP&A skill is a human one: business partnering.

The survey also shows that 48% rank business partnering as the most important hiring skill, ahead of every technical capability. This remains broadly stable compared with 50% in 2024 and 46% in 2025. Even as AI advances, the most sought-after FP&A skill is a human one: the ability to build trust, challenge assumptions, and influence decisions, which is precisely what AI cannot supply.

As the use of AI increases, human capability becomes more important, not less. FP&A expertise is still required to interpret results, challenge assumptions, add context, and influence the decisions that the data and analytics support.

FP&A Performance Summary

FP&A team performance is improving at the top end, but the function remains constrained by manual work, low-value activities, and limited advanced analytical capability. Business partnering remains the most important hiring skill, yet only a minority of FP&A teams are embedded or trusted partners. Very few FP&A functions are fully optimized for the demands of an AI-enabled future.

SECTION 2: KEY FP&A ACTIVITIES

Predictability

FP&A delivers a range of outputs that support business decision-making. The speed and depth of these deliverables depend on organizational context and the level of confidence in predicting the future.

The survey shows that predictability has weakened in 2026. Nearly half of organizations (44%) can plan with high confidence for no more than 3 months ahead, up 5 percentage points from 2025. Just 29% can confidently plan beyond six months, down 10 percentage points from 2025 (Figure 8).

The business is asking FP&A to see further ahead just as confidence horizons are shrinking.

Predictability horizons remain short and are weakening

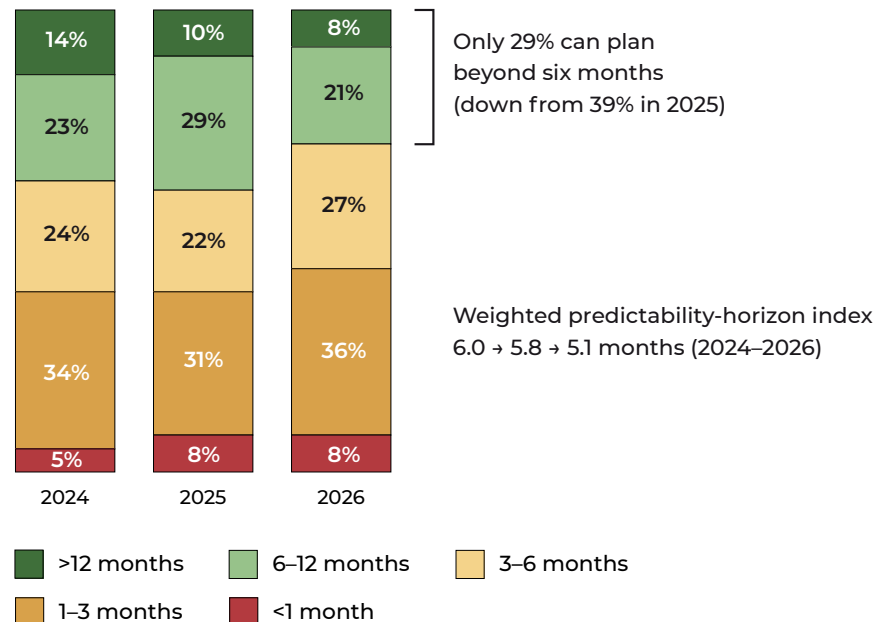


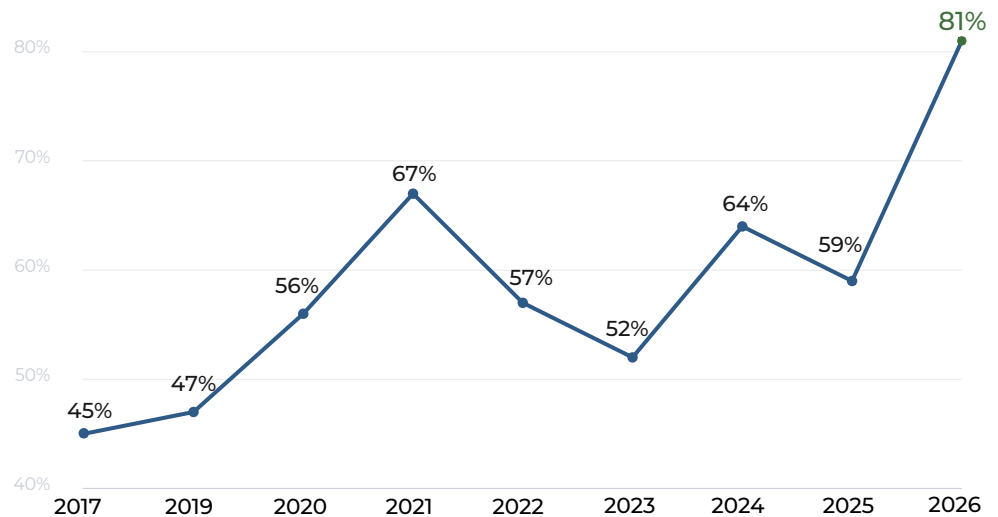
Figure 8:
Level of Predictability

The problem is not only the speed at which FP&A needs to operate, but also the quality of foresight it can provide. This is one of the clearest pressure signals in the survey: the horizon over which FP&A can plan with confidence is shrinking, even as the business asks it to see further ahead.

Use of Data in Decision-Making

Data underpins FP&A, and its use in decision-making continues to increase. In 2026, 33% say data is used 'almost always' in decision-making, the highest level recorded, while a further 48% say it is used 'most of the time'. This means 81% of respondents say decisions are predominantly data-driven (Figure 9).

Data use in decision-making has reached its highest level, but readiness has not kept pace



Record high in 2026, up from 59% in 2025

Figure 9:
The Use of Data
in Decision-Making

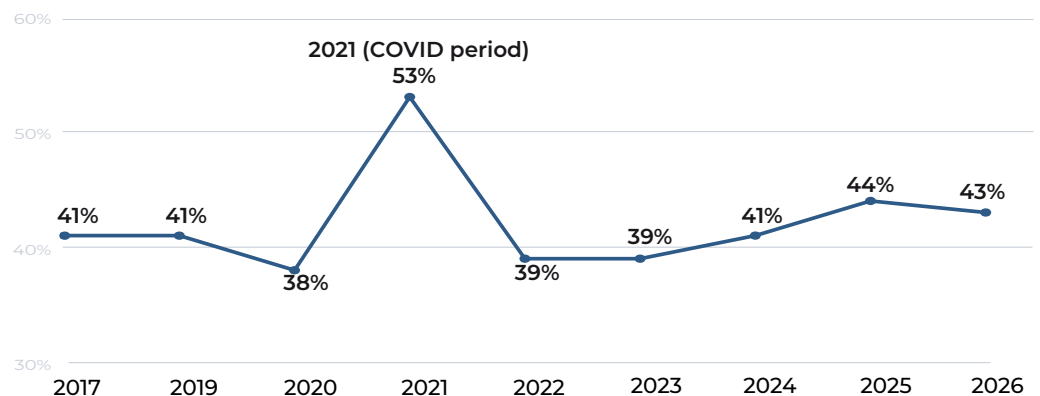
Without data, organizations are just guessing as to what the future may bring. With accurate, timely data, they can highlight trends, identify correlations, and develop well-informed plans to support better decision-making. However, the increasing reliance on data also raises the bar for data quality and timeliness, because AI-enabled FP&A can only be trusted when the underlying data is accurate, current, and consistent.

Forecast Speed and Accuracy

Accurate forecasts are key to creating trusted plans and the decisions they support.

Overall, 43% say their forecasts are 'great' or 'good', with a further 45% rating them 'acceptable'. This is about the same as in previous years, except in 2021, when COVID was still affecting planning assumptions and forecasts were considered of higher quality (Figure 10).

Forecast quality remains mostly acceptable but has shown little sustained improvement



Held within a 38–44% band across most years, excluding the 2021 spike

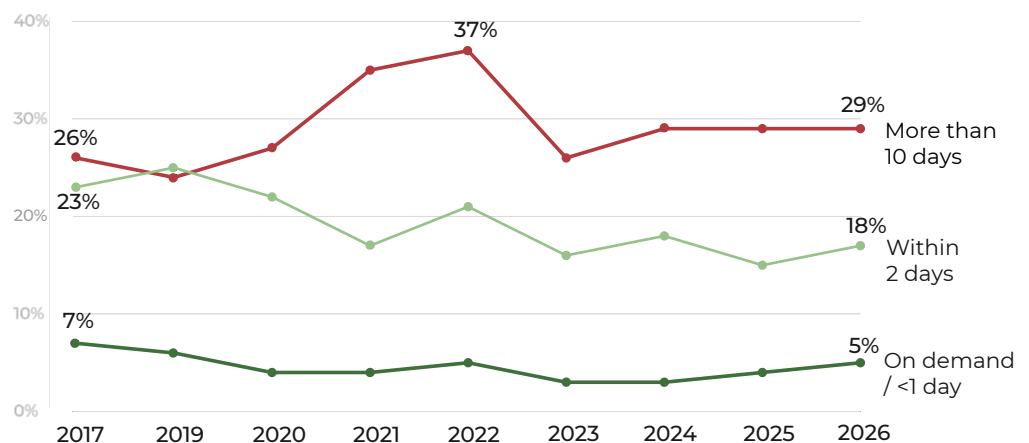
Figure 10:

Quality of Forecasts

Despite better technology and rising expectations, real-time forecasting remains rare.

While this seems good, only 7% can produce forecasts 'on demand' or 'daily'. Most (46%) produce forecasts monthly, while 39% rely on quarterly forecasts. In terms of how long it takes to produce a forecast, only 18% can do so within two working days; the largest group (51%) takes 5 or more business days (Figure 11).

Forecasting has not become more responsive as predictability horizons shrink



Fast-response forecasting has not grown, while near real-time capability remains rare

Figure 11:

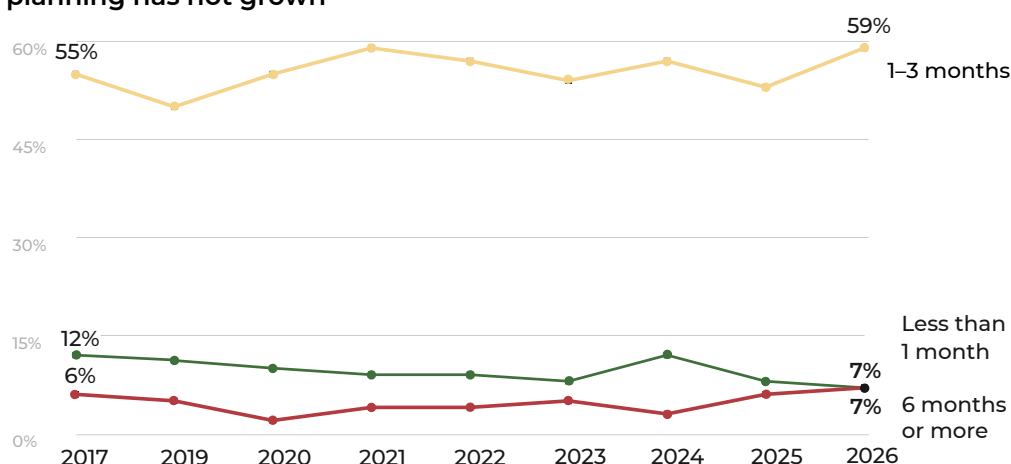
How Fast Forecasts Can Be Produced

The more immediate limitation here is speed rather than quality: forecasts are mostly 'acceptable', but few are produced quickly enough to support timely decisions. Faster tools will only help if they shorten the cycle, rather than produce the same forecast sooner.

Annual Planning

Given that most organizations cannot predict more than six months ahead, it is striking that only 4% approach annual planning through continuous adjustment as conditions change. Most organizations (59%) take 1–3 months to produce the annual budget, while 30% take three months or more (Figure 12).

Annual planning remains dominated by the 1–3 month cycle, and fast planning has not grown



The 1–3 month cycle remains dominant at 59%, while fewer teams complete annual planning in under a month than in 2017.

Figure 12:
Time Taken to Produce
an Annual Budget

Fixed planning cycles that take months make it harder for organizations to respond to changing conditions. By the time budgets are finalized, assumptions may already be out of date, reducing agility and decision quality. As AI reshapes business, this is a planning-cycle and operating-model problem, not just a calculation-speed problem: **faster tools will not be enough if organizations continue to run fixed cycles that are overtaken by events.**

Scenario capability remains uneven, just when uncertainty makes it essential.

Scenario Planning

The ability to assess multiple courses of action is an indispensable capability in uncertain times. Through it, organizations can be better prepared to address likely scenarios before they arise. It is surprising, then, that 14% are still unable to run scenarios. The largest group, 38%, can run them in less than 1 week, while 24% take more than 1 week. Only 4% can run scenarios in real time, with an additional 15% taking less than 1 day (Figure 13).

Scenario capability remains uneven, with real-time planning still rare

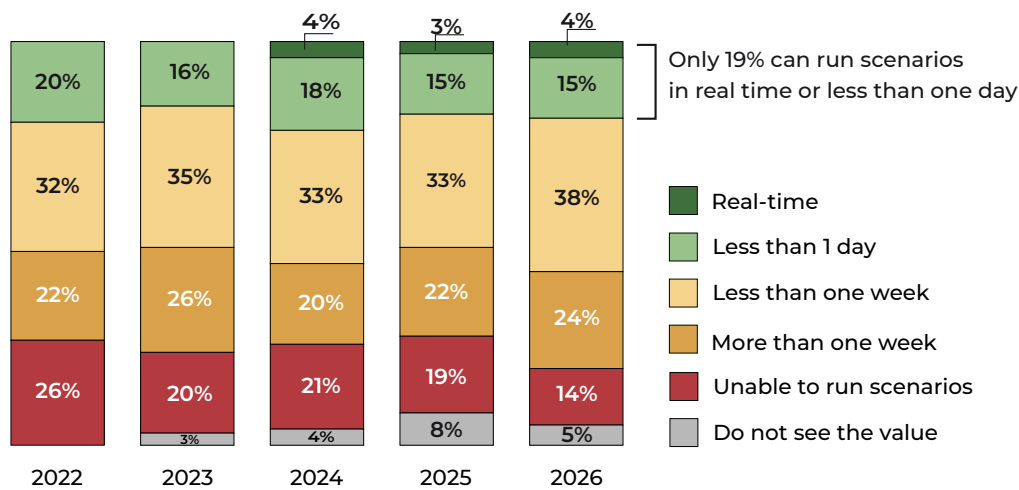


Figure 13:
Time Required to Run
a Scenario

Scenario planning is the bridge from traditional FP&A to AI-enabled decision support, where speed, data, and judgment must come together. However, the survey indicates that **rapid, scalable scenario modeling is beyond the reach of many organizations**, highlighting a significant gap in decision-making readiness.

Key FP&A Activities Summary

FP&A continues to support decisions through forecasts, plans, and scenarios in an environment that is increasingly hard to predict.

While data is now central to decision-making, forecasting cycles remain slow, and real-time scenario planning capability is limited. This suggests FP&A is still constrained by traditional planning processes that do not yet meet the demands of an AI-enabled business environment.

The issue is not simply that FP&A is slow. It is that the foundations beneath it – data, planning processes, models, and systems – are not yet strong enough to support the speed the business now requires. That is the focus of the next section.

SECTION 3: WHAT HOLDS FP&A BACK?

So far, we have seen that many FP&A teams are not performing at the level organizations require. The survey shows that the biggest challenges affecting planning and forecasting fall into three areas that account for 96% of the problems identified:

- **Data** that is complex or inconsistent (21%), with no single trusted source (13%), and is outdated or untimely (3%);
- **Processes** that are manual and time-consuming (29%), and where plans are poorly aligned or communicated (14%);
- **Systems** that are outdated and have disconnected workflows (16%).

Notably, system-related challenges account for the smallest share of these three grouped categories. This suggests that the issue lies not only in technology but also in the manual processes and inconsistent data that run through FP&A systems and workflows. When combined, they form the readiness foundations that determine whether FP&A can move faster, generate better insight, and use AI effectively.

This section examines how addressing them is associated with improved FP&A outcomes.

What holds FP&A back is rarely technology alone. It is the data and processes running through it.

Data Quality

The share of organizations with 'best-in-class' or 'advanced' data quality has edged down, from 21% in 2021 to 19% in 2026. This remains close to the lowest level shown in the 2021–2026 series. During the same period, those identifying as having 'low' or 'poor' data quality improved from 40% to 22%. Most of this movement has shifted into the middle, with 59% now describing their data quality as 'medium', up from 39% in 2021 (Figure 14).

Data quality has improved at the bottom, but strong foundations remain rare

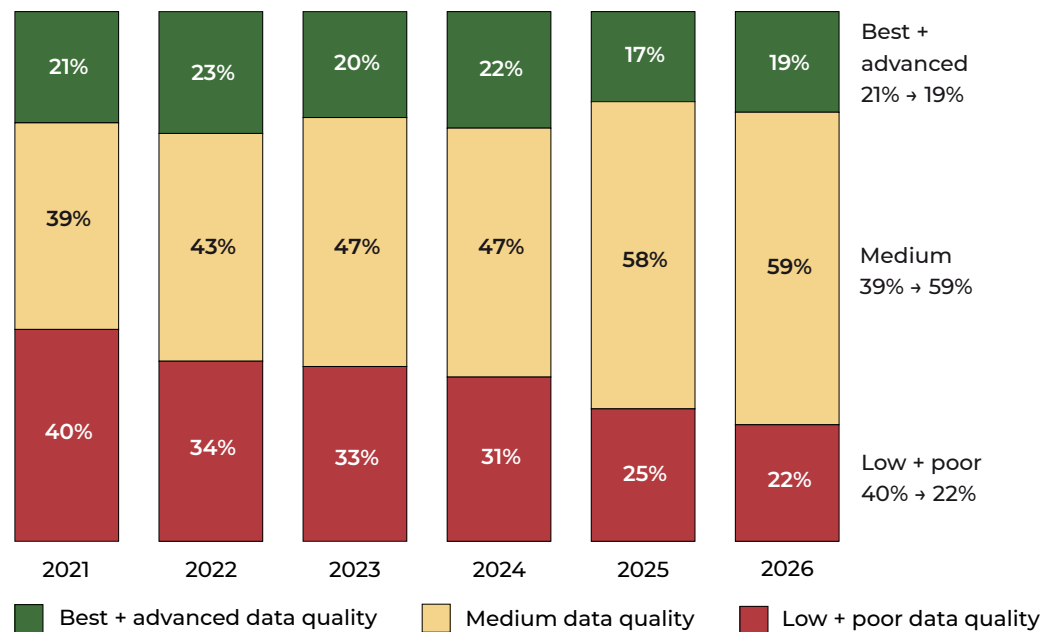


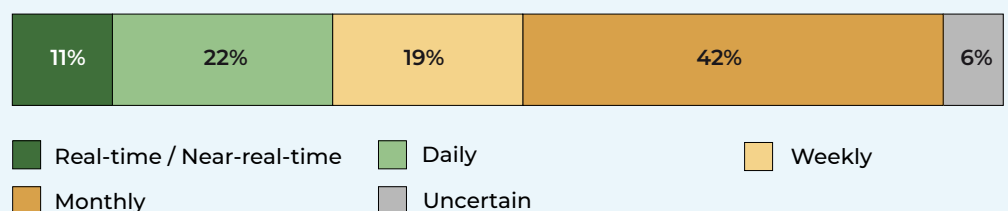
Figure 14:
Data Quality

Data shapes most decisions, yet only 11% of FP&A teams can access it in real time.

A separate question on data timeliness shows that only 11% have 'real-time' or 'near-real-time' access to data, while a further 22% receive daily updates. **42% of organizations still work with monthly data**, while 19% receive weekly updates (Figure 15).

33% have daily or faster access to data

Yet 42% still work with monthly data



Data is now central to decision-making, but most organizations still lack genuinely real-time access.

Figure 15:
Data Timeliness

This is one of the survey's strongest contradictions. Data is central to decision-making, yet its quality and timeliness remain weak. That is not the standard AI-enabled FP&A requires.

Impact of Data Quality

Data quality is one of the clearest performance dividers in the survey. Among teams with 'best-in-class' or 'advanced' data quality, 53% are 'optimized' or 'performing well', compared with just 2% with 'low' or 'poor' data quality. The same pattern is visible in forecast quality: 82% of teams with strong data quality rate their forecasts as 'great' or 'good', compared with 21% of teams with poor data quality. Across all four measures, the gap between high and low data quality is substantial (Figure 16).

Better data quality goes hand in hand with better FP&A outcomes

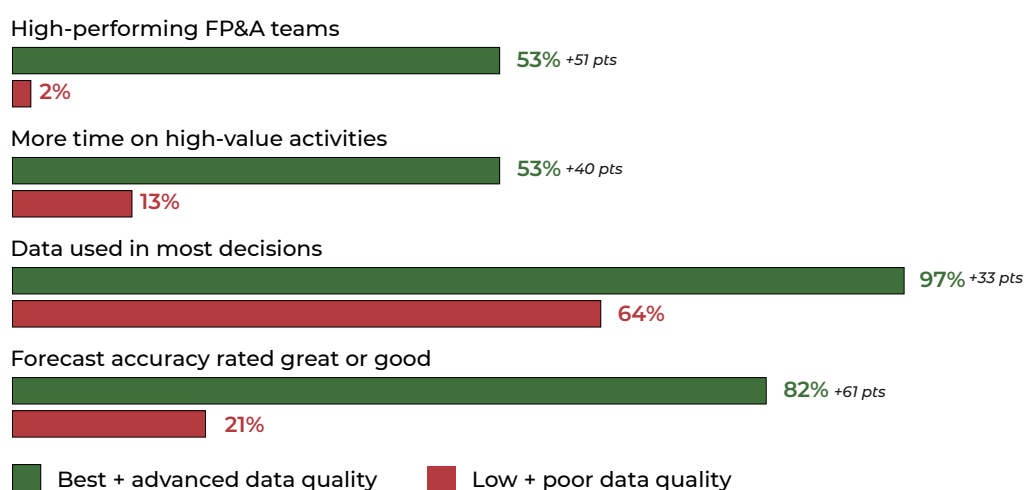


Figure 16:
Data Quality and
FP&A Outcomes

Given the impact data quality can have, **only 14% of organizations surveyed have a dedicated Data Management function.** The largest group (45%) relies on FP&A for data management. This may help explain why FP&A continues to spend so much time on data collection and validation.

Planning Processes

State of Planning

Only 9% of respondents said their planning processes were 'collaborative' and 'fully aligned with company objectives'. The clearer 2026 finding is that fully aligned planning remains rare, while most organizations sit in the middle: 41% are 'generally aligned but often disrupted by conflicting priorities', and 29% have 'formal planning processes that are not fully effective'. A further 9% said planning was 'strongly influenced by company politics', while 12% said corporate and business-unit objectives were 'misaligned'.

When the planning process is fully aligned, FP&A team performance is at its strongest. In this environment, 38% of teams are 'optimized' or 'performing well', while only 17% are 'coping' or 'struggling'. Where planning is misaligned,

the pattern reverses: only 6% are 'optimized' or 'performing well', while 59% are 'coping' or 'struggling' (Figure 17). Aligned planning is not a nicety; it is one of the clearest correlates of FP&A performance in the survey.

FP&A performance is strongest where planning is fully aligned

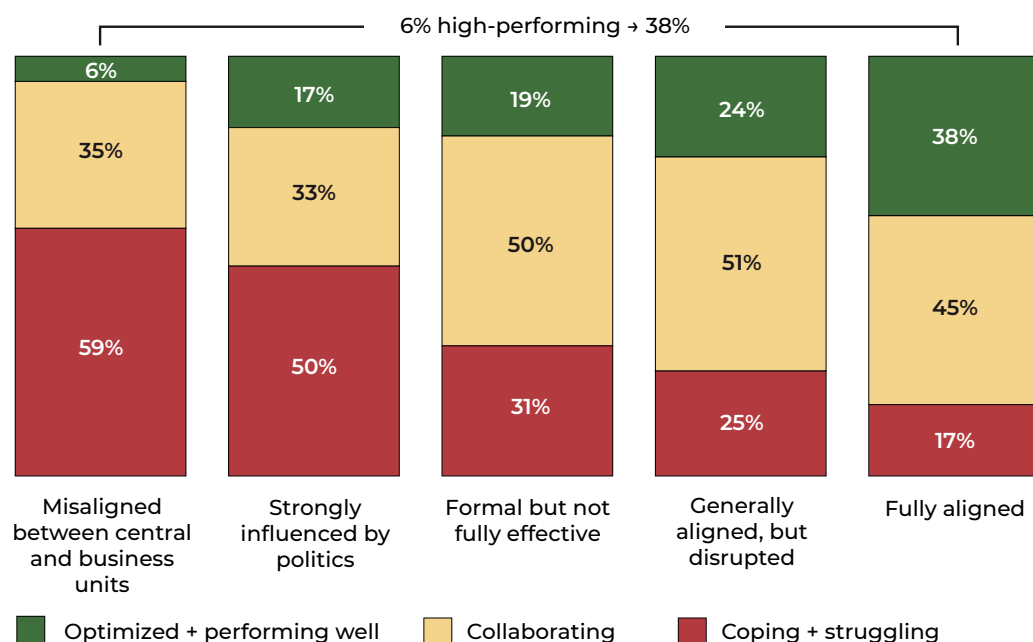


Figure 17:
Planning Alignment and
FP&A Team Performance

Integrated Planning

In assessing planning completeness, we measure two areas: the integration of strategic, financial, and operational planning, and the connection between the P&L, Balance Sheet, and Cash Flow, also known as 3-way planning (Figure 18).

Full planning integration remains rare, and financial-statement integration is weakening

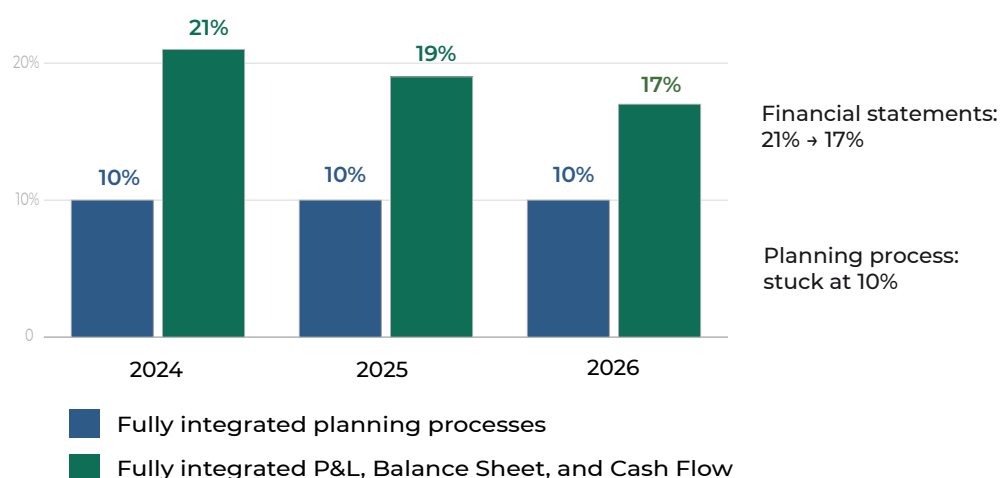


Figure 18:
State of Integrated
Planning

Figure 18 shows that **only 10% of organizations fully integrate strategic, financial, and operational planning**, a situation that has not changed over the past three years.

Less than half of respondents (43%) fully or partially integrate the P&L, Balance Sheet, and Cash Flow. Only 17% fully integrate all three statements, while a further 26% partially integrate them. This means less than half of respondents fully or partially integrate the P&L, Balance Sheet, and Cash Flow, indicating that 3-way planning is not yet standard practice.

This lack of coherence fragments decision-making, can weaken forecast quality, and can obscure visibility of financial risks.

The importance of this link becomes clear when planning integration is compared with FP&A team performance. **Among organizations with fully integrated plans, 41% are ‘optimized’ or ‘performing well’, compared with 11% among those with no integration — a 3.7x difference** (Figure 19).

Integrated planning goes hand in hand with stronger FP&A performance

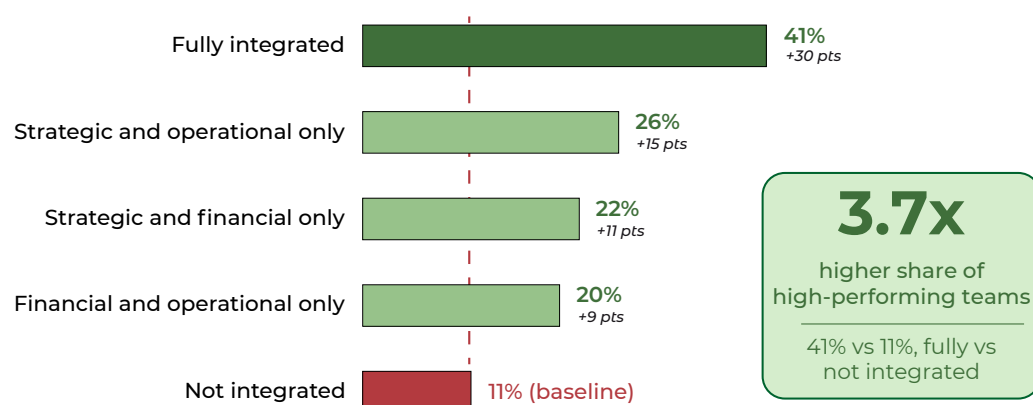


Figure 19:
Integrated Planning and
FP&A Performance

Use of Driver-Based Models

Driver-based modeling is an effective way to link key metrics and activities directly to the achievement of corporate goals. Drivers are typically uncovered through a combination of analysis and management experience. The aim is to accurately reflect how the organization performs, which can be verified and challenged.

In our survey, the level of models ranges from those with no drivers – all data is entered manually or by uplifting previous results with a fixed percentage – to basic models where drivers are hand-picked, through to dynamic models where drivers are automatically selected and incorporated.

The survey shows that fully driver-based models accounted for 19% of all models in 2026, up from 9% in 2024. A further 41% use partially driver-based models in which drivers are manually selected, while 40% either do not use driver-based modeling or have only basic models (Figure 20).

Only 19% of FP&A teams use fully driver-based models, limiting the link between plans and business levers.

Driver-based planning is advancing, but most models remain basic or manual

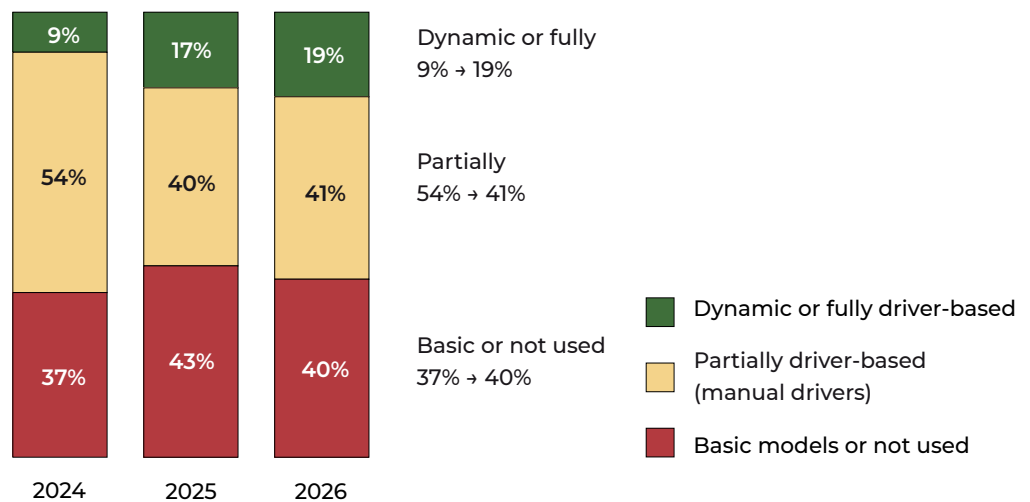


Figure 20:
Level of Driver-Based
Modeling

Our analysis shows that many organizations still rely on manual or simplistic planning approaches. This limits the speed of forecasting, the ability to assess realistic scenarios, and the ability to respond quickly to changing business conditions. In an AI-enabled environment, weak driver logic makes it harder to explain why forecasts change and which business levers matter most.

Impact on FP&A

Driver-based modeling is one of the clearest survey differences between teams that perform well and those that do not. Among teams using dynamic or fully driver-based models, 45% are 'optimized' or 'performing well', compared with just 4% among teams using static or no driver-based models. The same pattern is visible in forecast quality: 77% rate their forecasts as 'great' or 'good', compared with 35% among teams using static or no driver-based models (Figure 21).

Dynamic driver-based models go hand in hand with stronger FP&A outcomes

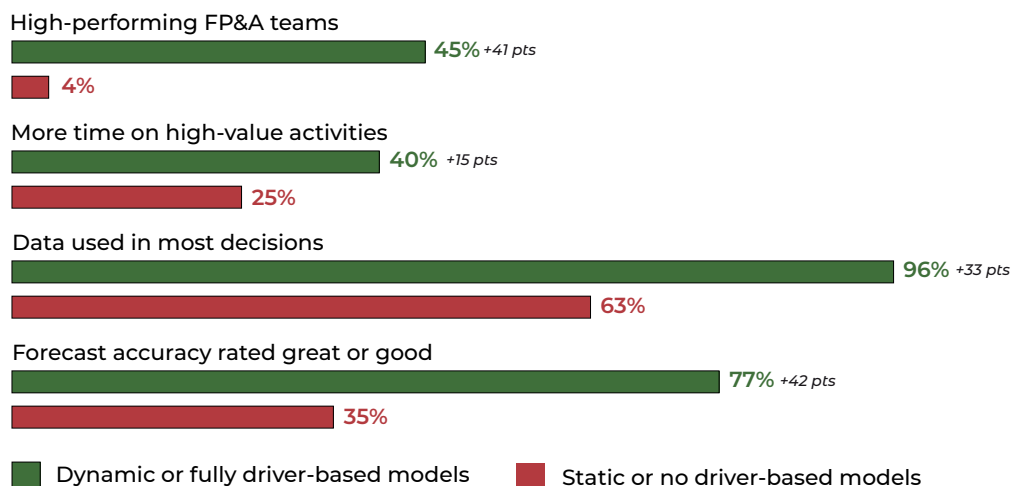


Figure 21:
Level of Driver-Based
Modeling and FP&A
Outcomes

These results suggest that stronger FP&A outcomes depend less on software alone and more on the underlying models. In the same way, **AI and automation** are likely to deliver greater value where fully **driver-based models are already in place**.

Outdated Systems

Main Type of Application

Spreadsheets remain the most common application for planning, used by 46% of respondents in 2026. This is followed by modern cloud-based planning platforms at 19%, and older-generation planning, consolidation, or BI systems at 18% of users (Figure 22).

Spreadsheets still dominate planning technology, while modern platforms remain limited

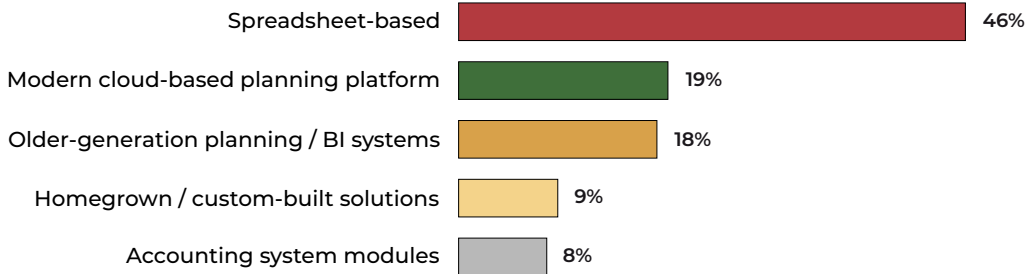


Figure 22:
Planning and Forecasting
Applications

The relationship between a software application and what can be achieved is real, but not simple. Among organizations using modern planning platforms, 32% are 'optimized' or 'performing well', compared with 14% among those mainly using spreadsheets.

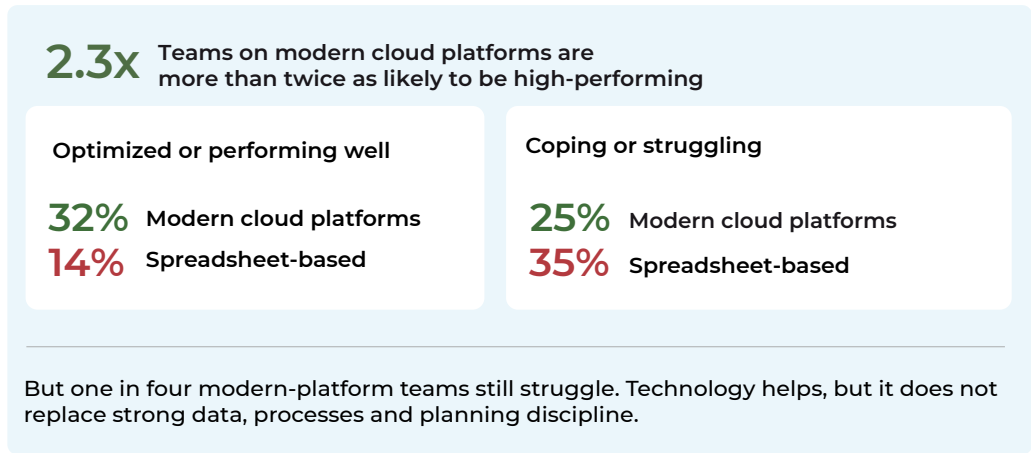


Figure 23:
Planning Technology and
FP&A Performance

However, the type of planning application is not the full answer. While modern platforms are associated with high-performing teams, spreadsheet-based planning remains the most common approach across all performance tiers.

Our analysis shows that it is integrated planning, trusted data, and fully driver-based models that separate high-performing teams more than platform choice alone. Software only creates value when the underlying processes and data that run through them are sound.

Last Time Systems Were Upgraded

System age also matters. Almost half of respondents, 49%, say their systems were last upgraded three or more years ago, including 26% who last saw upgrades more than five years ago. Only 26% received an upgrade within the past year, the lowest level shown since the survey began in 2017.

This would suggest that while many FP&A teams are trying to improve their performance, the systems they depend on may not be up to date enough to support newer AI solutions.

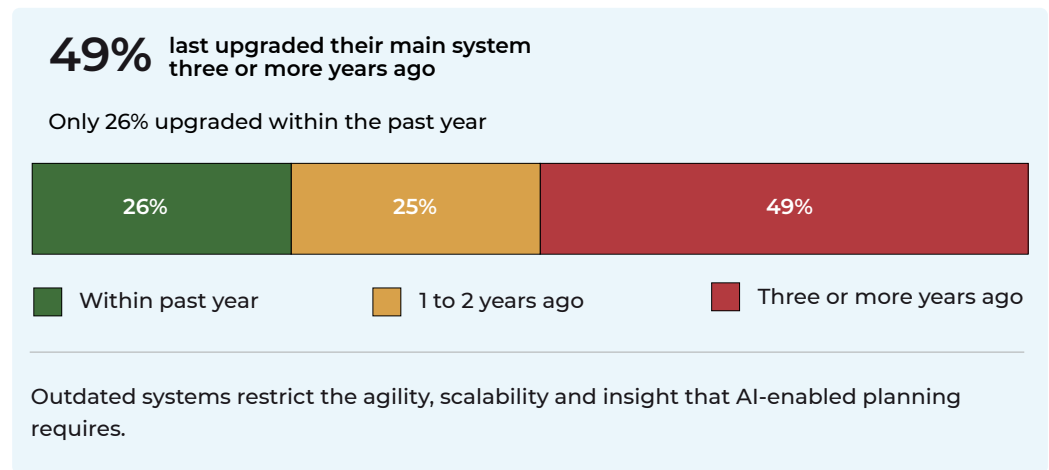


Figure 24:
Last Upgrade of Main
Planning and Forecasting
System

Many FP&A teams are trying to adopt AI on systems that cannot support it.

A modern platform alone does not improve FP&A; rather, outdated systems limit the agility, scalability, and insights needed to realize the benefits of AI.

What Holds FP&A Back Summary

The findings covered in this section show that FP&A is held back by a set of interconnected constraints: inconsistent data, fragmented planning processes, limited integration, static models, and outdated systems. In a fast-changing business environment, these weaknesses reduce agility, weaken forecast confidence, and limit FP&A's ability to support effective decision-making.

Technology alone is not the answer. High-performing teams are more likely to use integrated planning, driver-based models, and modern platforms, but the key is in making these elements work together. Software matters, but it only creates value when supported by trusted data, fully driver-based models, and aligned processes. These are the foundations for AI to be effective. Where they are weak, AI is likely to expose the gap rather than close it; where they are strong, it can multiply the advantage that high-performing teams already hold.

SECTION 4: IMPACT OF AI

This section explores how AI is being used and its connection with FP&A team performance, including where time is spent, how data is used in decision-making, and the quality of forecasts.

The survey shows that AI use is growing within FP&A, but unevenly. Our analyses reinforce the central theme of this report: while AI can accelerate and enhance FP&A, it appears most valuable where the underlying data, models, processes, and governance are already mature.

How AI Is Being Used

For many years, we have monitored the use of Machine Learning in forecasting. This reached 11% in 2021, fell in subsequent years, and has now recovered to 12% in 2026. 17% say they plan to utilize ML within the next six months, with a further 30% expecting to do so over the next few years (Figure 25).

ML use in forecasting has reached its highest level yet, but most teams still do not use it

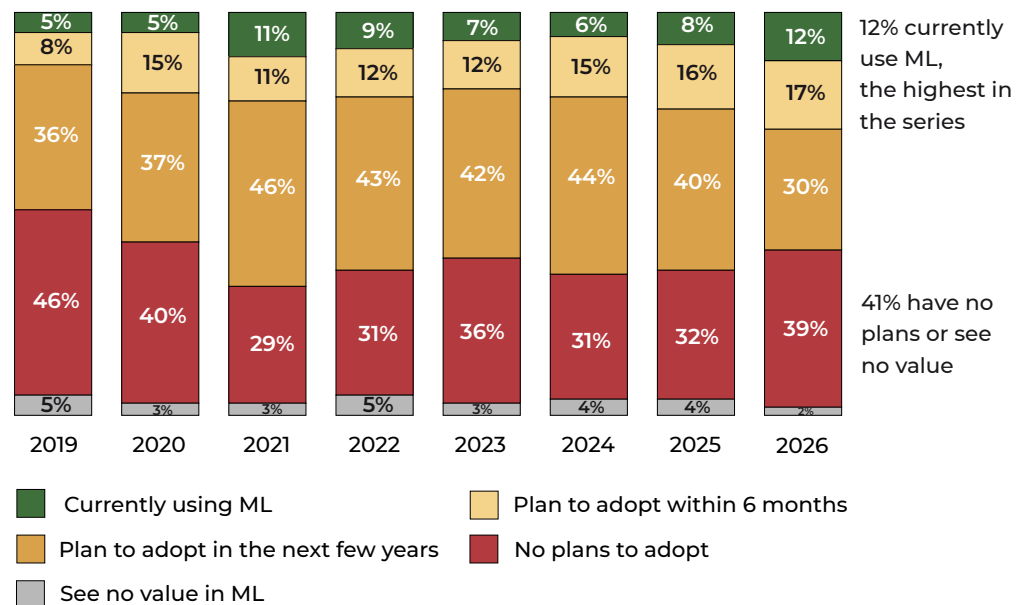


Figure 25:
Use of Machine Learning
in Forecasting

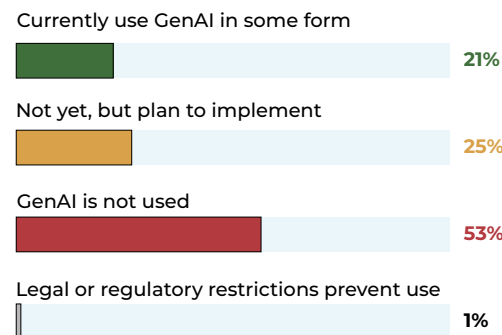
Of the remaining 41% of respondents, 39% say they have no plans for ML, while 2% see it as of no value within FP&A. This shows that ML is still far from being a mainstream planning activity.

New for this year's survey is the role of Generative AI (GenAI). This shows that 21% of teams currently use GenAI in some form, with a further 25% planning to do so. **The most common application is communication and decision support, followed by process automation, while advanced insight generation remains limited** (Figure 26).

GenAI adoption remains limited, and current use is mainly practical

21% of FP&A teams currently use GenAI in some form

A — ADOPTION STATUS



B — HOW USERS APPLY GENAI

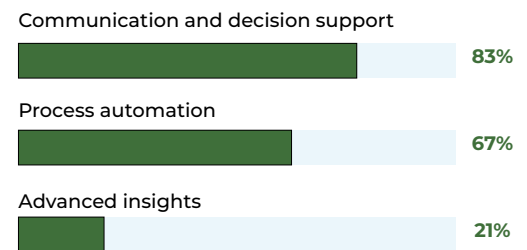


Figure 26:
Use of Generative AI
in FP&A

Impact of AI on FP&A Activities

Our analysis shows a clear association between AI and stronger FP&A outcomes. This does not prove that AI alone creates better outcomes, but it does show that these teams are more likely to report improved FP&A performance, have more time to spend on insight generation, use data more often in decision-making, and produce higher-quality forecasts (Figure 27).

AI use goes hand in hand with stronger FP&A outcomes

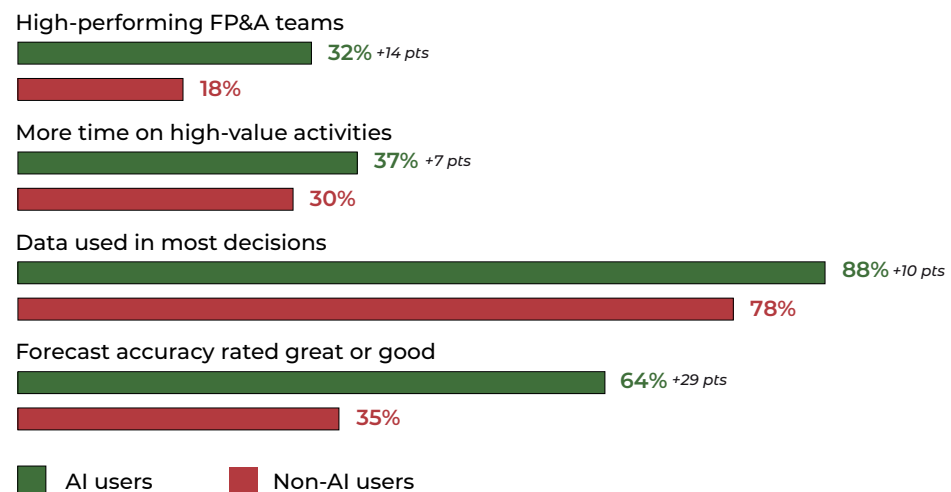


Figure 27:
AI Use and FP&A Outcomes

Teams using AI report stronger outcomes, but the advantage depends on the foundations they already have.

When compared to non-users, those using AI outperform in the following areas:

Team performance: 32% of AI users describe their teams as high-performing, compared to 18% of non-AI users. They are also less likely to be 'coping' or 'struggling' (25% versus 35%).

Where time is spent: AI users spend more time on insight generation and driving action (37% versus 30% among non-AI users). In comparison, low-value activities such as data collection and validation take less time (42% versus 49%).

Use of data in decisions: AI users are more likely to 'almost always' base decisions on data (43% versus 29%). When combined with users who base decisions on data 'most of the time', this rises from 78% among non-AI users to 88% for AI users.

Forecast quality: The same pattern applies to forecast quality. 64% rate their forecasts as 'great' or 'good', compared with 35% of non-AI users.

Approach and Readiness for AI

As the use of AI increases, FP&A teams will need increased governance, skills, and data quality to use it responsibly and effectively. The survey shows that this readiness is not present in most organizations. In terms of governance, 19% have 'formal policies in place and followed', while the largest group, 34%, 'shares best practices but leaves AI optional'. A further 17% have 'basic guidance', 5% 'restrict use', and 25% have 'no guidance at all'.

AI governance remains informal

19% have formal AI policies that are actively supported

34% share best practices, but leave AI optional

25% have no AI guidance at all

AI adoption is moving faster than governance. Most FP&A teams still rely on informal guidance, optional practice-sharing or no guidance at all.

Figure 28:

Approach to AI Governance

AI cannot fix poor data or fragmented planning. In many cases, it makes those weaknesses more obvious.

This matters because AI adoption without clear governance creates risks around data security, accuracy, accountability, and the appropriate use of AI-generated insights in decision-making. High-performing teams are more advanced in this area: 41% have formal AI policies in place, compared with 12% of teams that are 'coping' or 'struggling'.

When it comes to AI readiness, the gap is stark: 32% of high-performing teams are already using AI and ready to scale, compared with just 2% of teams that are 'coping' or 'struggling'. Conversely, teams that are 'coping' or 'struggling' are almost three times as likely to be unsure or unready for AI, at 32% compared with 11% of high-performing teams (Figure 29).

AI readiness is concentrated in high-performing FP&A teams

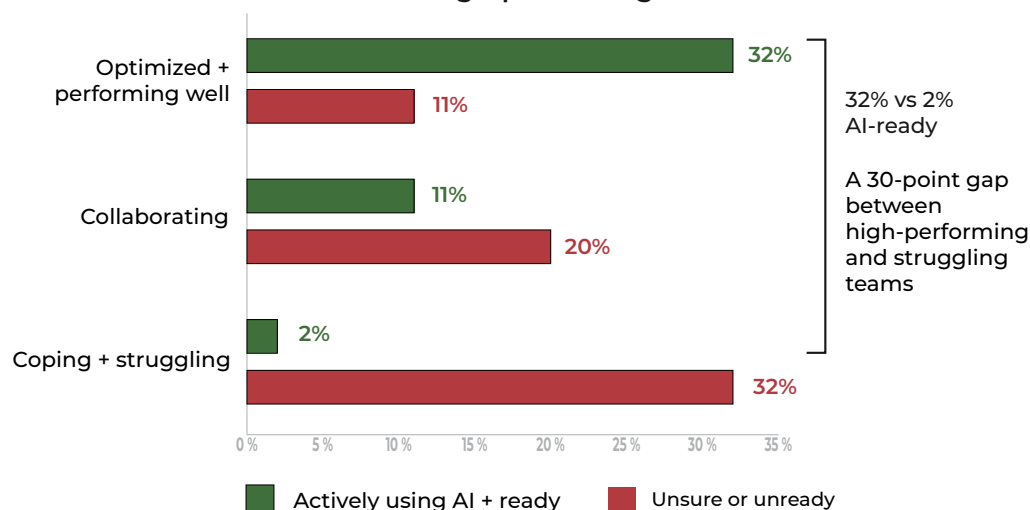


Figure 29:
AI Readiness and
FP&A Team Performance

AI readiness is becoming a marker of FP&A maturity, but governance has not caught up.

These findings suggest that AI readiness is becoming an important marker of FP&A maturity. As with the other AI analyses, these are associations, not proof of cause. The survey does not prove that AI policy alone improves performance, but the data shows that prepared teams are pulling further ahead.

Impact of AI Summary

The survey shows that AI use is associated with improved FP&A outcomes, even though adoption remains relatively low. Organizations using AI report higher team performance, greater use of data in decision-making, more time spent on insight generation, and stronger forecast quality than non-AI users.

However, the survey also shows that many organizations are not yet prepared to use AI widely. Weak data quality, a lack of governance, and insufficient skills remain prevalent, particularly among lower-performing teams. This creates risks around control, compliance, and how AI insights are interpreted and acted upon. This is the readiness gap that differentiates FP&A teams: AI is compounding the advantage of those who are prepared and exposing the cost of weak foundations for those who are not.

SECTION 5: FUTURE OUTLOOK

In this section, we examine what respondents see as the next stage in FP&A's development.

How AI Will Impact FP&A

The future outlook is not only about whether FP&A will adopt more AI. It is about whether FP&A is ready for tools that can initiate analysis, update assumptions, and support decisions faster than traditional planning allows. **Almost all respondents (98%) believe AI will impact their role, with 20% expecting a major transformation and significant new responsibilities.**

The largest group, 41%, expects AI to give them more capacity for value-added work, helping them be better business partners. A further 24% expect the need to acquire new technical and analytical skills.

AI will reshape FP&A roles, but mainly by expanding capacity and skills

98% expect AI to affect their FP&A role

41% expect more capacity for value-added work and business partnering

24% expect new technical and analytical skills to be required

20% expect major transformation and significant new responsibilities

The dominant expectation is not replacement, but a shift toward higher-value work, stronger partnering and new analytical capability.

Figure 30:
Expected Impact of AI
on FP&A Roles

Respondents expect AI to change how FP&A operates, with only 2% believing otherwise. As shown earlier in the report, it will require organizations to overcome the challenges posed by poor data and disconnected processes that hold them back.

AI agents are widely expected, but only 15% of teams expect adoption within six months.

The Role of Agentic AI

One important development emerging within AI is the use of agents. These are tools that can plan, act, and complete tasks to meet a set objective, but within user-defined boundaries. They offer a higher level of autonomy than traditional automation. In the survey, 96% expect to use AI agents at some point, but most adoption is deferred: 45% expect to do so within the next two years, including just 15% within the next six months (Figure 31).

AI agents are widely expected, but most adoption remains deferred

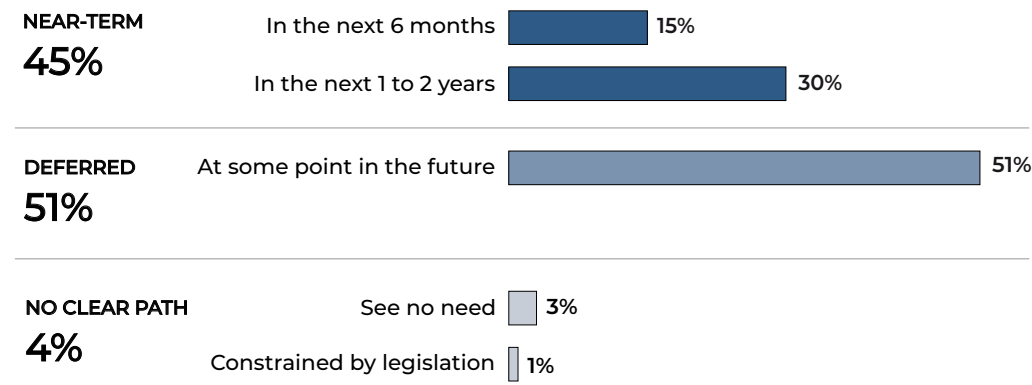


Figure 31:
Expected Adoption
of AI Agents in FP&A

96% expect adoption eventually, but only 15% expect it within six months.

Respondents expect agent use to start with routine, manual activities. In an online poll of 89 people conducted earlier in the year, 45% said data validation and reconciliation would most likely be the first FP&A activity delegated to AI agents. This was followed by 24% who selected management reporting and commentary, while forecasting and scenario modeling were at 20%.

In another online poll of 102 participants, the largest barrier to using agents in FP&A was data quality (35%). This reflects the data quality and timeliness gaps set out in Section 3. The foundation on which AI agents most depend is the one that most organizations have yet to build.

FP&A leaders are investing first in foundations: technology, data, systems, and partnering.

Priority for Transformation

Given the issues that hold FP&A back, it is no surprise that the top transformation priorities focus on technology, data, systems, and business partnering. For 2026, the leading priorities are adopting new technologies and creating an aligned, unified data source, both at 20%. Upgrading planning and forecasting systems is the next priority at 18%, with strengthening FP&A business partnering close behind at 17% (Figure 32).

FP&A is prioritizing the foundations, not technology alone

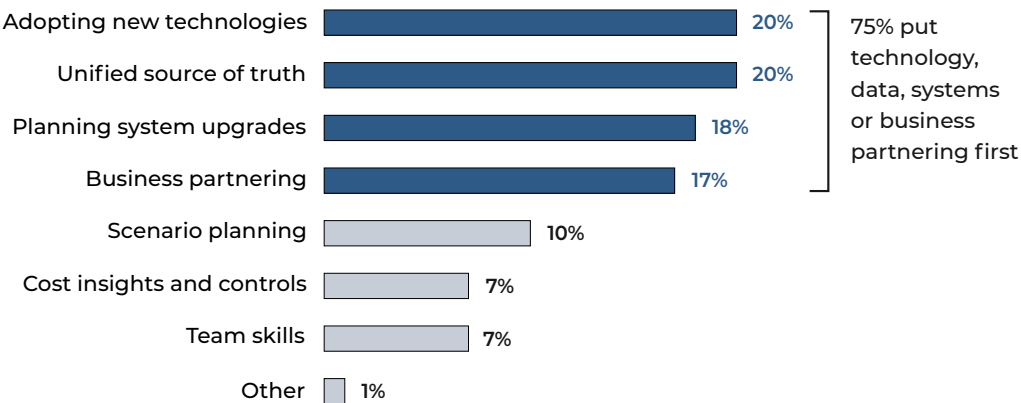


Figure 32:
FP&A Transformation
Priorities

This underpins the survey's wider findings: FP&A leaders are not prioritizing technology in isolation. They are also prioritizing the foundations of data and business partnering that are essential to using technology to support better decision-making.

However, investment remains limited. **In 2026, the biggest obstacle cited by 23% of respondents is budget constraints or spending cuts.** The next obstacles are delays due to system upgrades or competing priorities at 18%, ROI justification at 17%, and a lack of IT or internal resources to support FP&A initiatives, also at 17%.

This suggests that the transformation challenge lies in both knowing what needs to change and building a credible investment case for the resources needed to strengthen FP&A's foundations.

CONCLUSION: WHAT FP&A LEADERS MUST DO NEXT

This year's survey shows that FP&A is evolving, but not yet at the pace business now requires. Data is used more widely in decision-making, but too many teams are constrained by poor data quality, slow data access, fragmented planning, manual models, and systems that are not always up to date.

The result is a familiar pattern: forecasting and scenario planning remain slow, while FP&A effort is spent on low-value data work rather than on insight generation, challenging assumptions, and decision support.

The gap between stronger FP&A teams and the rest of the market is becoming more distinct. **High-performing teams are more likely to have embedded business partnering, integrated planning, better data quality, fully driver-based models, more current systems, and clearer AI governance.** These are not separate advantages. Together, they form the foundations of an FP&A function that can move faster, look further ahead, and influence decisions with greater confidence.

AI makes this gap more important. The survey shows that AI use is associated with stronger FP&A outcomes, including better team performance, more data-based decision-making, more time spent on insight generation, and improved forecast quality. But the evidence does not suggest that AI alone creates a better FP&A function. Rather, it suggests that AI builds on existing readiness.

Generative AI and AI agents may increase capacity and automate repetitive work. Still, they will create value only when data, models, processes, governance, and skills are in place to support them.

For CFOs and FP&A leaders, the message is clear. The priority is not to adopt AI more quickly for its own sake, but to build the conditions in which AI, analytics, and planning can improve decision-making.

That means focusing on six practical imperatives:

- ➔ **Improve data quality, timeliness, and ownership** so that FP&A can work from trusted information rather than reconciled fragments.
- ➔ **Build integrated planning processes** that connect strategy, operations, financial plans, scenarios, and the three core financial statements.
- ➔ **Strengthen driver-based models**, so forecasts and scenarios are linked to the business levers that management can understand and act on.

- ➔ **Reduce manual work** by redesigning processes before automating them, so technology does not simply accelerate the same inefficiencies.
- ➔ **Invest in AI readiness**, including governance, skills, responsible use, and clear accountability for how AI outputs are used in decision-making.
- ➔ **Strengthen business partnering** as the human advantage, because while AI can automate tasks and expand capacity, it cannot supply the trust, judgment, challenge, and influence that turn analysis into better decisions.

AI amplifies the advantage of teams that have already built trusted data, integrated planning, fully driver-based models, and effective partnering, and exposes the cost of weak foundations for those that have not done so.

AI is not the transformation of FP&A; it is the test of whether FP&A is ready to create value at the speed the business now requires.

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She leads global research on FP&A and has led or contributed to more than 30 research projects. Larysa founded and facilitated the **International FP&A Board**, which has delivered more than 300 meetings across 34 chapters in 20 countries, and has built a global FP&A community of senior finance professionals. She also chairs the **AI FP&A Committee** and leads initiatives in modern financial analytics. She holds academic and professional credentials in finance and quantitative analysis.

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