

Controlling Summit - Masterclass

*Generating insights and managing companies
with (generative) AI*

September 2024



Your speakers today



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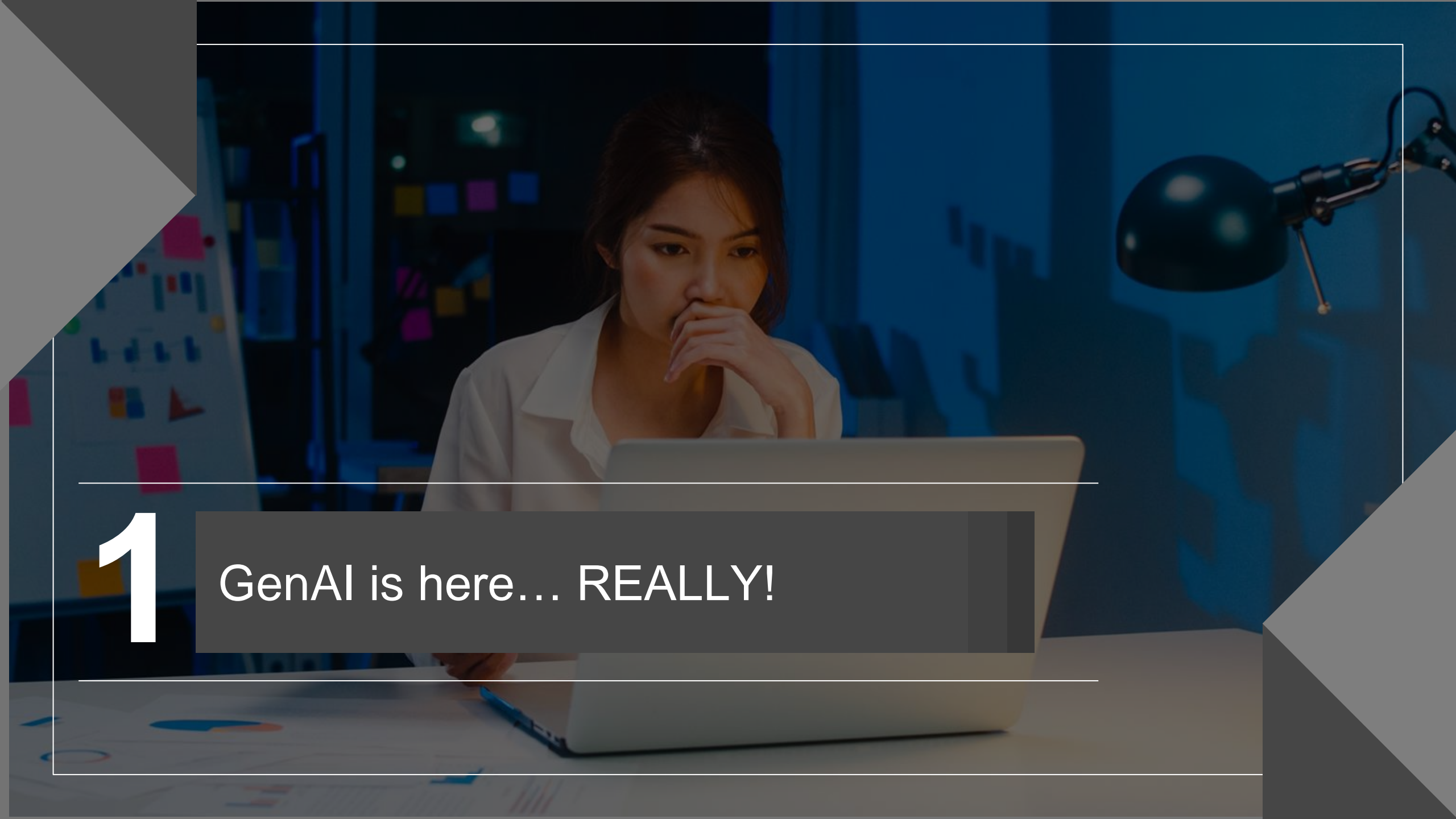


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1

GenAI is here... REALLY!

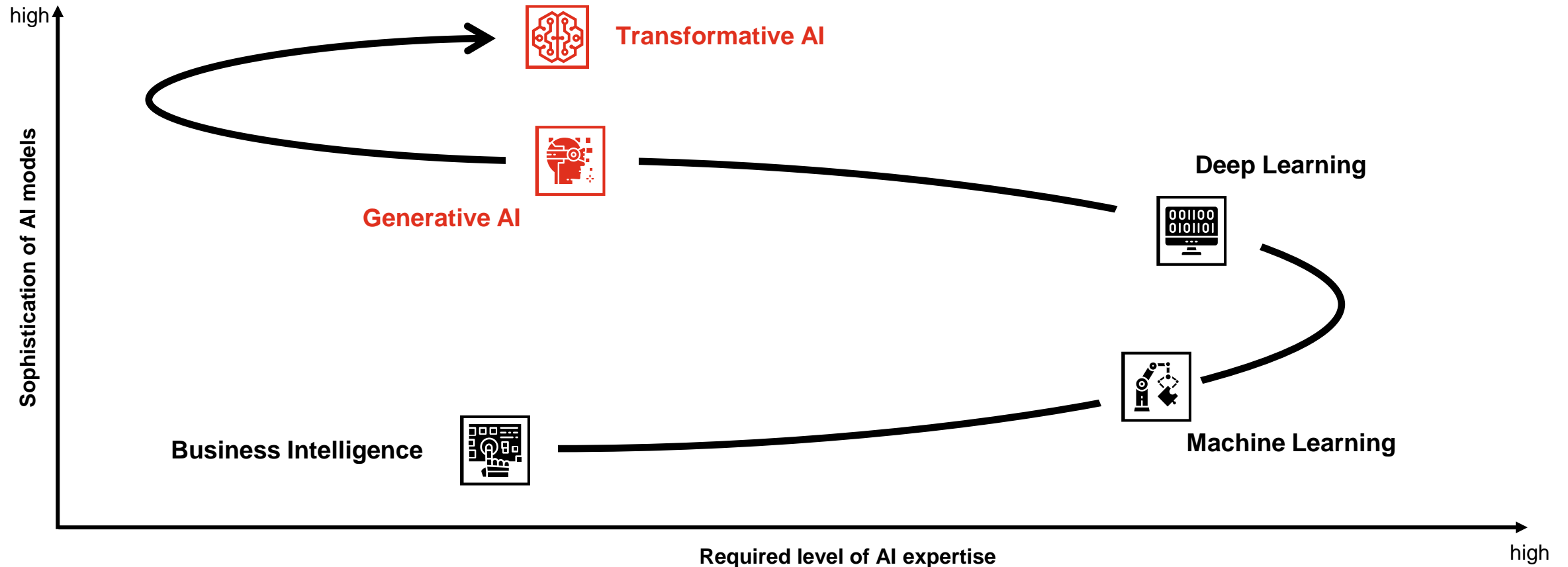
Who is this ?!

An AI
generated Person



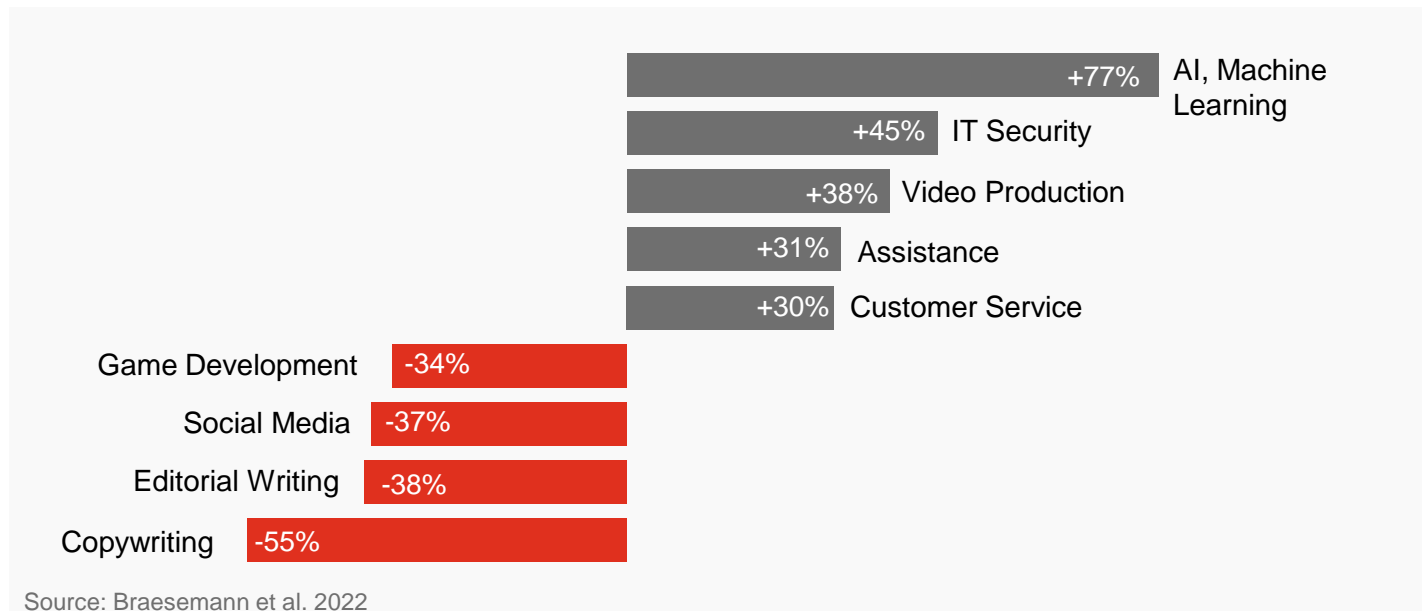
With GenAI, we see the “iPhone effect” for Artificial Intelligence

Development of AI sophistication and required expertise



Gen AI – Why it is faster reality than any other hype

Changes in job postings across different job types



Süddeutsche Zeitung

Israel Europawahl | Politik Wirtschaft Meinung Panorama Sport

Axel Springer will Mitarbeiter der Nachrichten-App Upday durch KI ersetzen

8. Dezember 2023, 15:21 Uhr

It is to be expected that also Web Development, Data Management and parts of Data Science will be automated in the future.

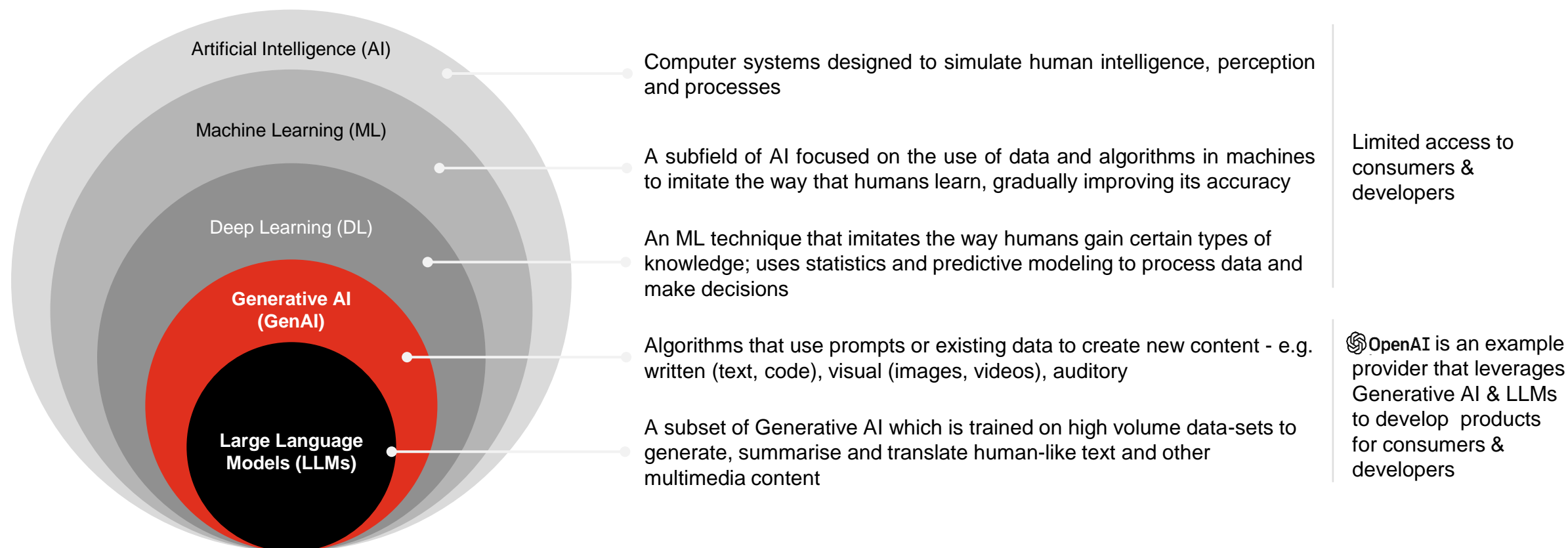
(Prof. Dr. Christian Bauckhage, Professor for Computer Science, University of Bonn)



- Job postings for **creative writing tasks are decreasing** since the introduction of ChatGPT
- Jobs regarding development of **AI and security** on the other hand strongly increasing as more companies invest in the technology
- Video production still favoured to be done by humans in spite of huge automation potential by generative AI

What is Generative AI? GenAI leverages algorithms to create various forms of content based on user prompts

Artificial Intelligence at a glance



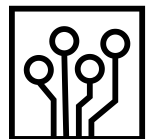
What is Generative AI not? GenAI lacks certain capabilities beyond its technical limitations

Technical limitations of GenAI



Hallucination & Inaccuracy

Build on probabilistic linguistic relationships, and thus **lacks an in-built mechanism to validate inaccurate or inappropriate information**



Systematic Bias

For example, ChatGPT was trained **using publicly available data**, subjecting the platform to **inherent systematic biases**.



Data Protection & Ethical Concern

Unintentional sharing of sensitive data may result in privacy violations. Furthermore, there are **ethical concerns** such as authorship.



Memory & Data Validity

Quality of output heavily depends on the quality of data used to train the applications.



Degree of Personalization

Build on probabilistic linguistic relationships, and thus **lacks an in-built mechanism to validate inaccurate or inappropriate information**

Lacking capabilities



Real-time search

LLMs cannot access **real time and location-based information**



Human-like intelligence

GenAI is unable to **exhibit human-like intelligence** or understand the meaning of the text it generates.



Insightful reasoning

Statistical and mathematical interpretation of data is **not part of GenAI**



Self judgement

GenAI is unable to offer self opinions or **display human-like consciousness**

GenAI does not calculate, but it interprets calculations and is therefore a prime interface to ML for business users in finance

Value generation from GenAI is maximized if fed with algorithmic results and machine learning



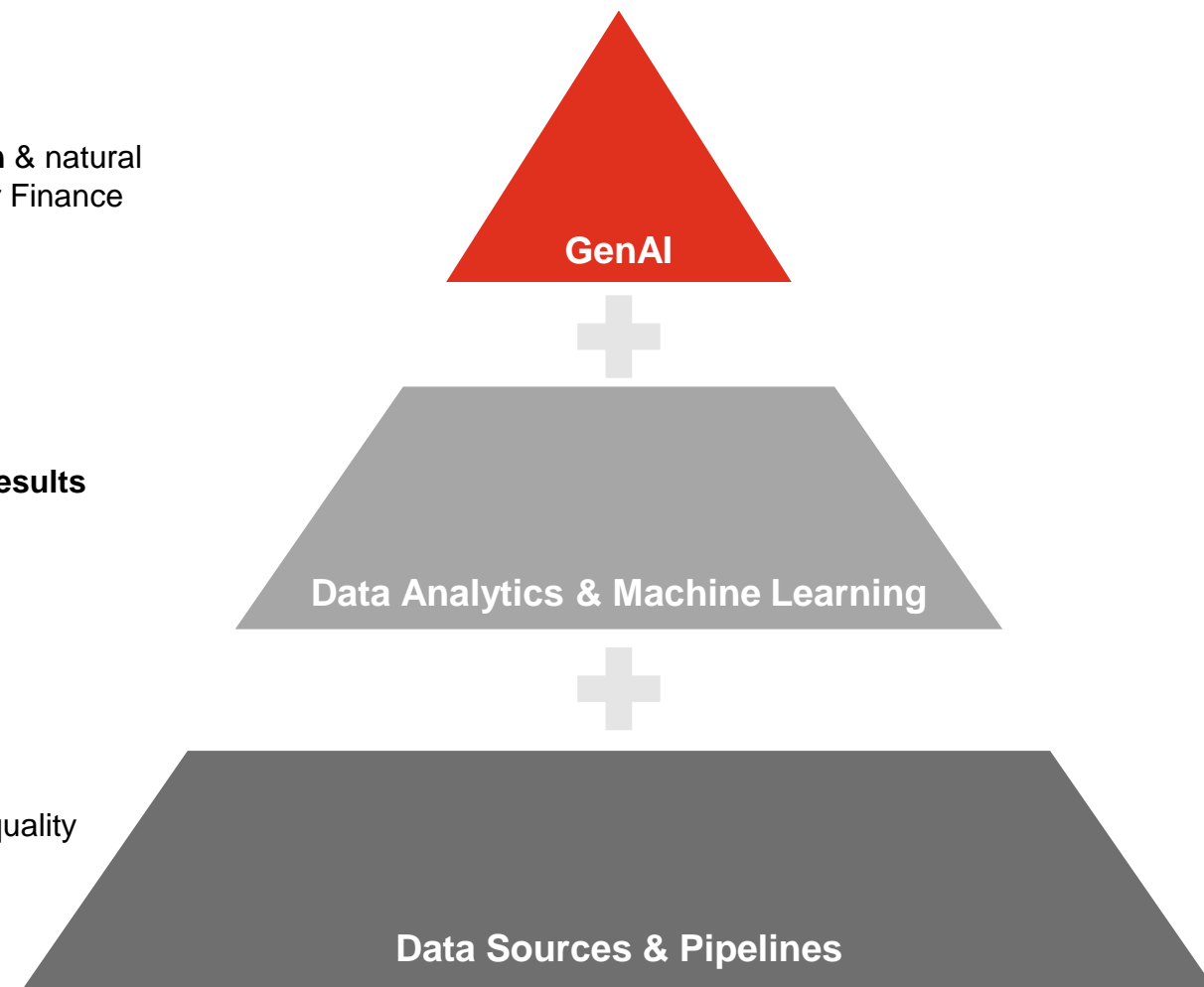
Result interpretation & natural language interface for Finance

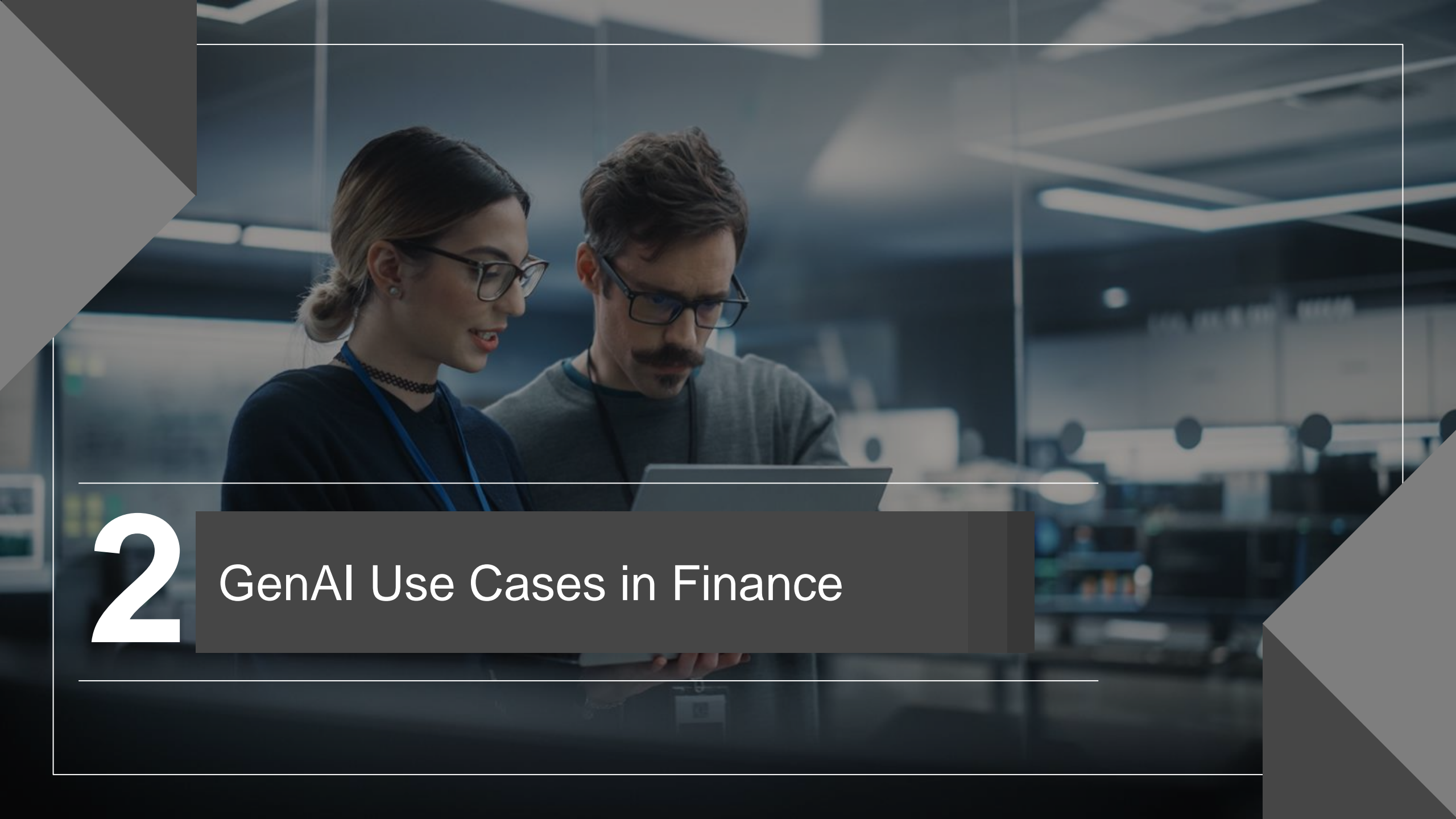


Complex analysis & results generation



Data provisioning & quality management



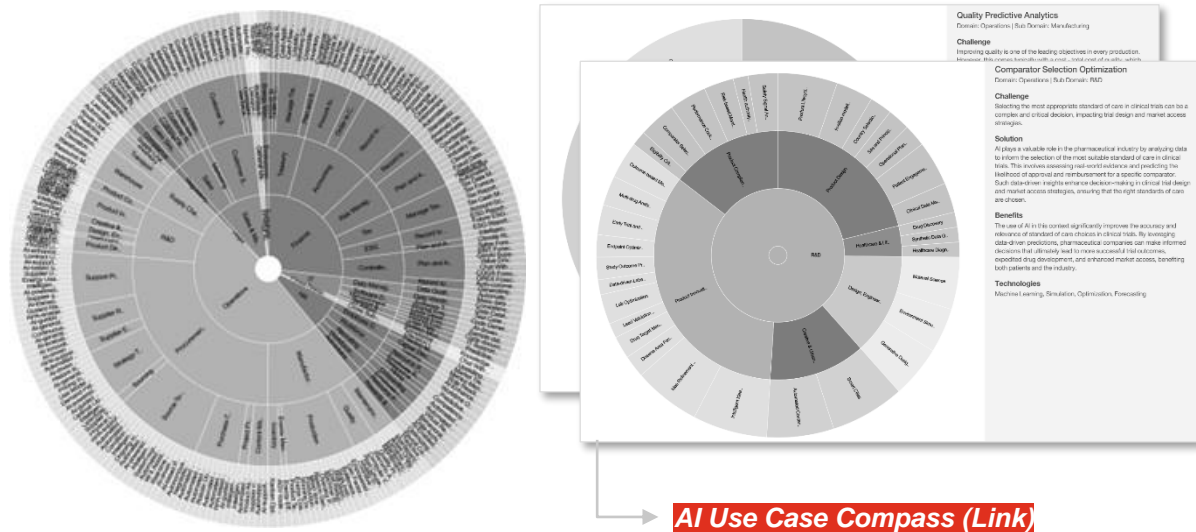


2

GenAI Use Cases in Finance

Based on our PwC “Applied AI Use Case Compass” we identified relevant applications within Finance and beyond

The Applied AI Use Case Compass ...

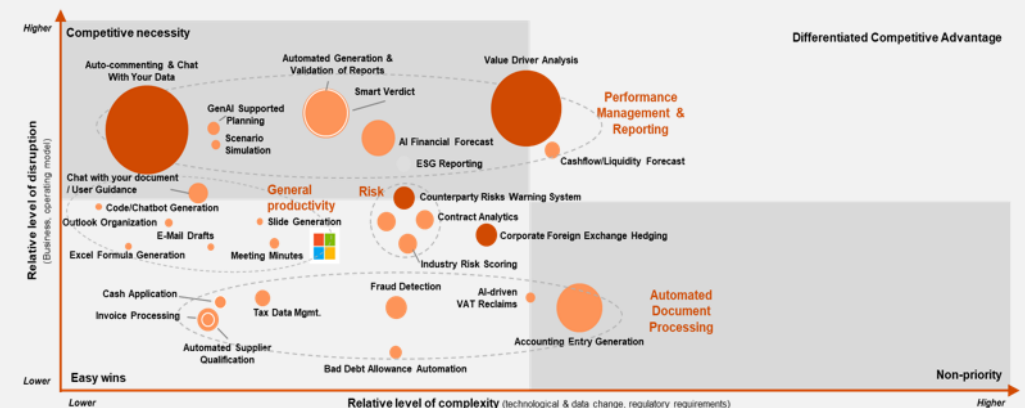


[AI Use Case Compass \(Link\)](#)

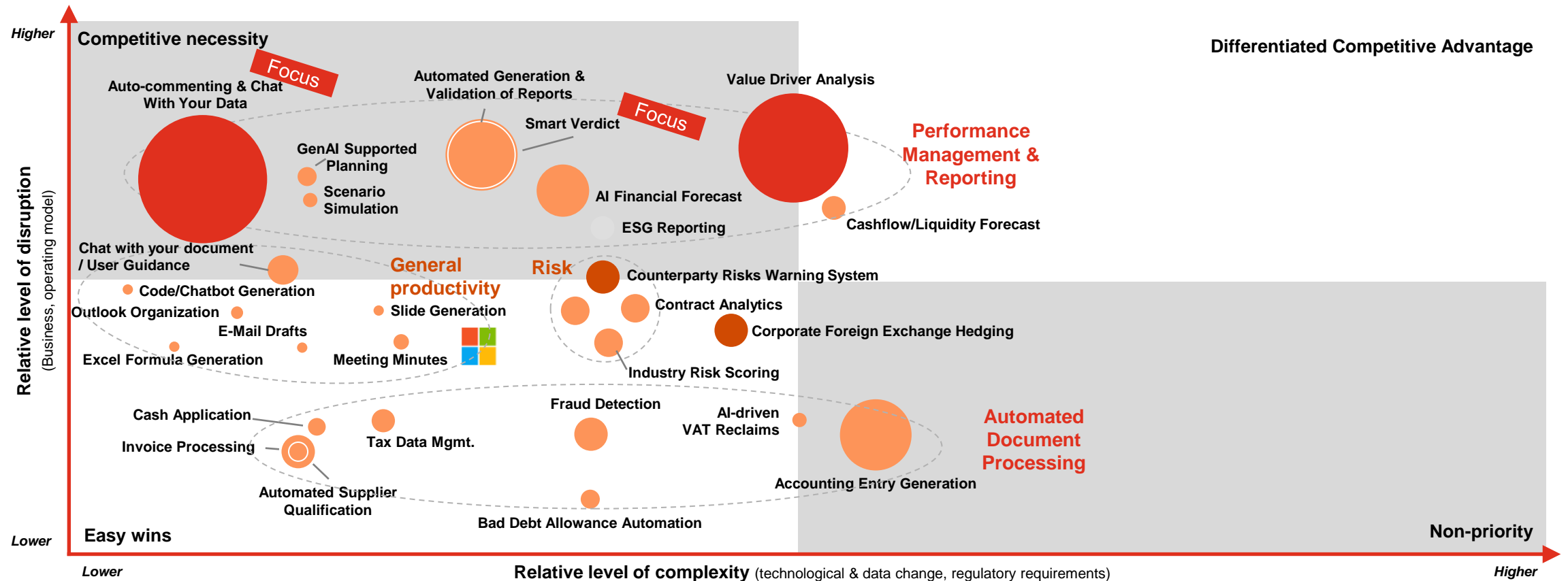
- PwC's Applied Use Case Compass identifies **over 300 specific use cases**.
- Each use case is clearly defined and can be **used to assess its suitability for your organization**.
- The use cases can be segmented by function, process and technology, allowing **detailed analysis for each area of your organization**.

Based on PwC's Impact Scoring Framework we have identified a long-list of relevant use cases for Finance

1. **Business Model and Operating Model Disruption:** Will a use case disrupt products, services, customer experiences, core processes or org models?
2. **Complexity:** How high is the complexity of a use case?
3. **Operating Profit Uplift:** What P&L line item is impacted?



GenAI use cases vary a lot in terms of potential and effort – we suggest to select a high potential use case



● Cost Efficiency ● Revenue Uplift | 1) Not exhaustive, 2) Proportional percentage point uplift in operating profit against pro-forma PLS P&L, 3) Tax savings and interest expenses are not considered as they are not part of the operating profit.

● Bubble size reflects estimated impact on employees' productivity in effectiveness and efficiency

Front-runners are already transforming their Finance function by digitalization programs and start utilizing (Gen)AI capabilities

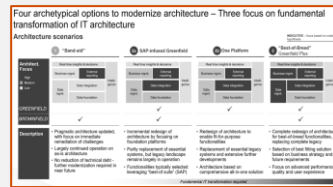
Examples of (Gen)AI projects and use cases

Leading companies in transformation at the forefront...

Data Program & Finance IT Architecture

Client situation: Historically grown systems hinder standardization and automation

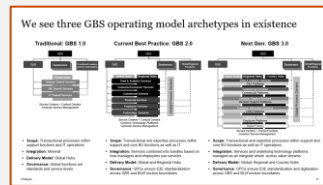
Value delivered: Delivered transformation plan to improve and sustain financial operations



Comprehensive SSC Transformation

Client Situation: Lacking efficiency in legacy SSC

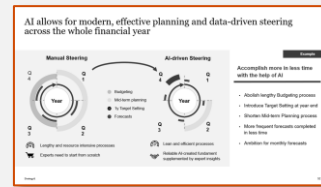
Value delivered: Transition from 11 non-harmonized sites to 4 sites specialized by process



Predictive Business Steering

Client situation: Lengthy and resource intensive planning and steering process

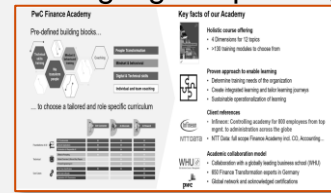
Value delivered: AI-enabled lean and efficient budgeting and planning process



Controlling 2.0 & Finance Academy

Client situation: Need to reinvent controlling to fulfill the role of true business custodian

Value delivered: Transformed entire finance organization including digital upskilling



...leveraging tangible (Gen)AI cases



Automated AP/ AR Request Handling



GenAI-enabled Market Intelligence

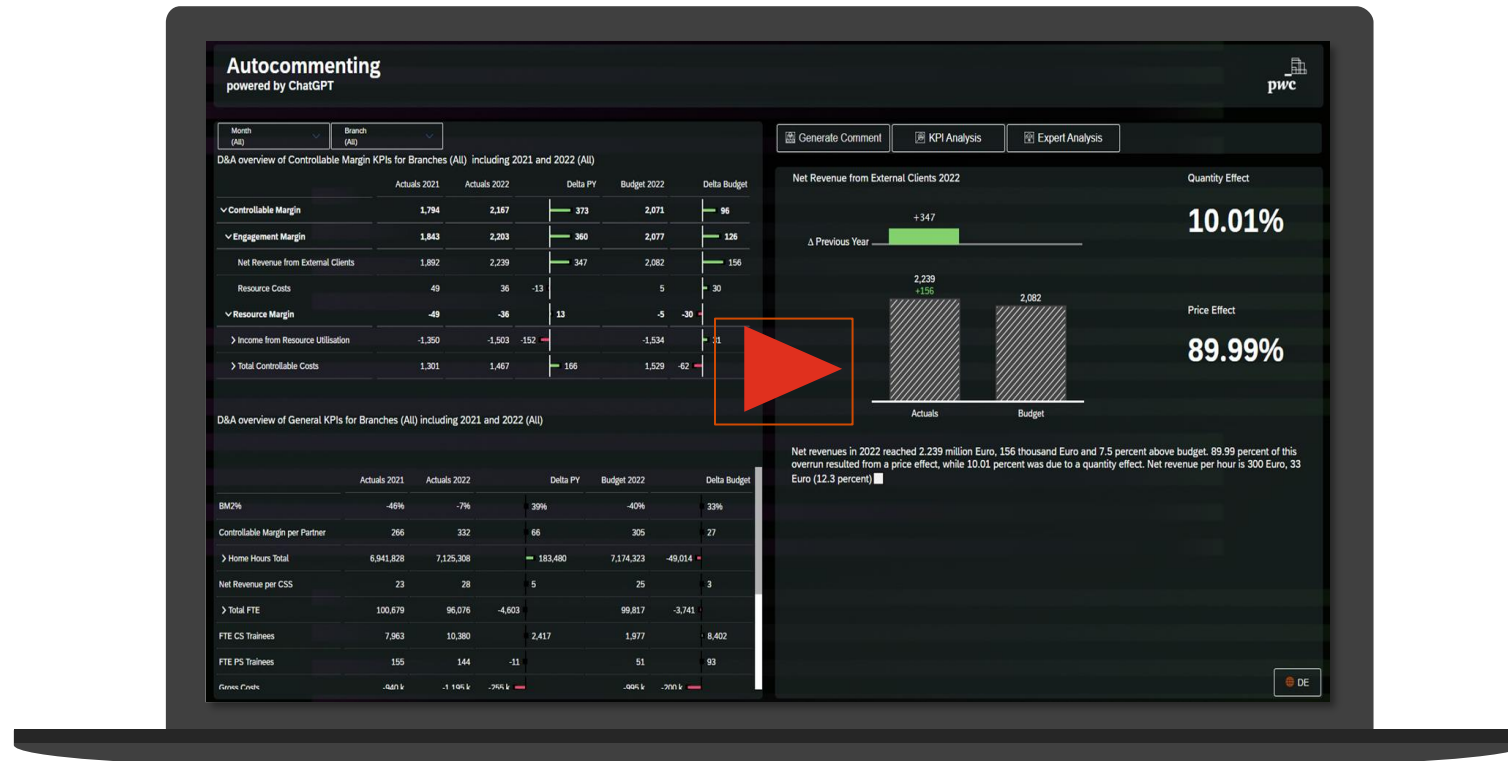


Auto-commenting & Chat with your Data



Operational Procurement Assistant

1 Automated report commentary & chat with your data is an implemented use case showing the value potential of GenAI



Autocommenting

powered by ChatGPT



Month (All) ▼ Branch (All) ▼

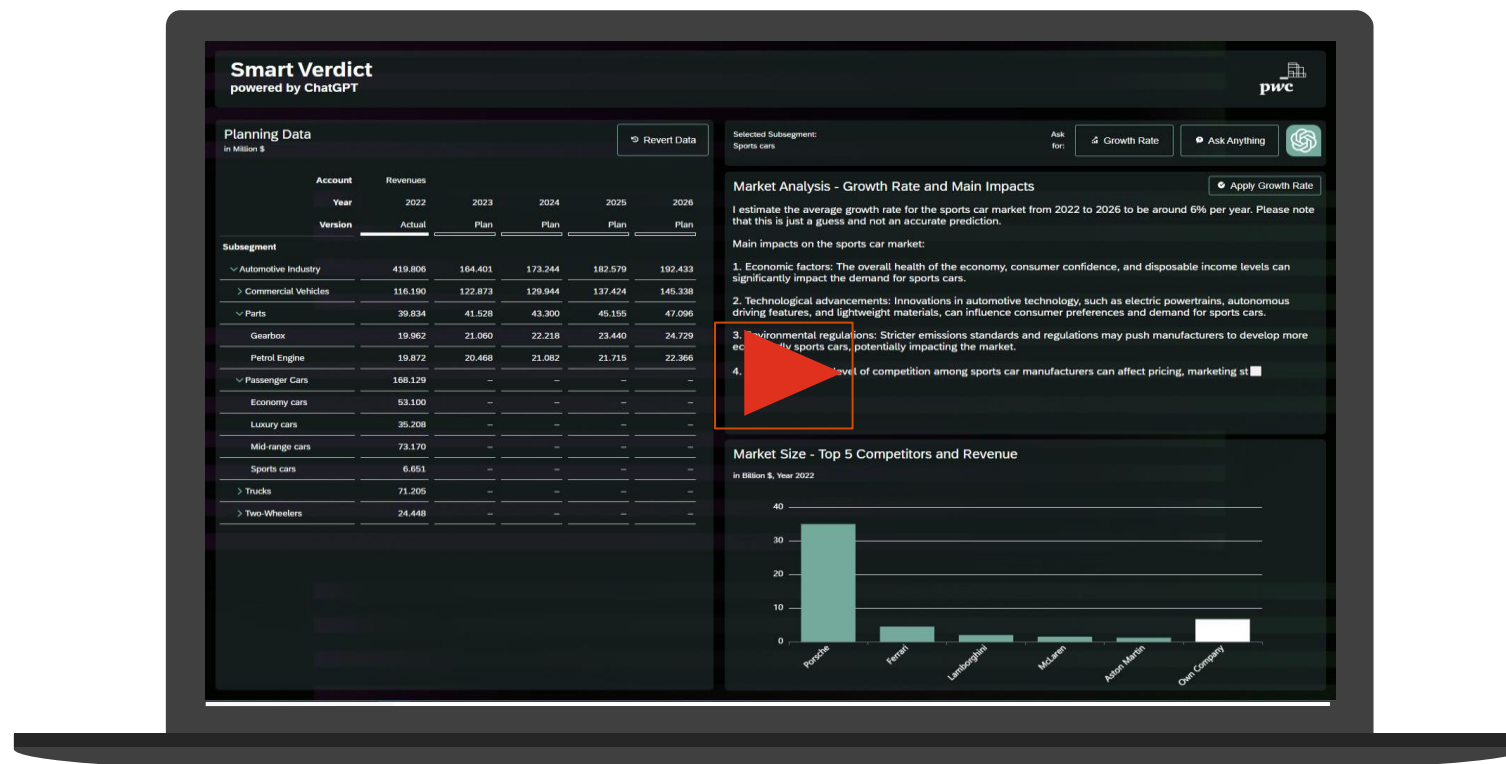
D&A overview of Controllable Margin KPIs for Branches (All) including 2021 and 2022 (All)

	Actuals 2021	Actuals 2022	Delta PY	Budget 2022	Delta Budget
▼ Controllable Margin	625	853	228	671	182
▼ Engagement Margin	675	889	214	676	213
Net Revenue from External Clients	1,892	2,239	347	2,082	156
Resource Costs	1,218	1,350	132	1,406	-56
▼ Resource Margin	-49	-36	13	-5	-30
> Income from Resource Utilisation	1,350	1,503	152	1,534	-31
> Total Controllable Costs	-1,301	-1,467	-166	-1,529	62

D&A overview of General KPIs for Branches (All) including 2021 and 2022 (All)

	Actuals 2021	Actuals 2022	Delta PY	Budget 2022	Delta Budget
BM2%	266%	299%	33%	231%	68%
Controllable Margin per Partner	93	131	38	99	32
> Home Hours Total	6,941,828	7,125,308	183,480	7,174,323	-49,014
Net Revenue per CSS	23	28	5	25	3
> Total FTE	100,679	96,076	-4,603	99,817	-3,741
FTE CS Trainees	7,963	10,380	2,417	1,977	8,402
FTE PS Trainees	155	144	-11	51	93

2 The AI-generated breakdown of market trends into growth rates by segments pinpoints to the areas that require management focus



Planning Data

↶ Revert Data

In Million \$

Account	Revenues					
	Year	2022	2023	2024	2025	2026
	Version	Actual	Plan	Plan	Plan	Plan
Subsegment						
∨ Automotive Industry		419.806	164.401	173.244	182.579	192.433
> Commercial Vehicles		116.190	122.873	129.944	137.424	145.338
∨ Parts		39.834	41.528	43.300	45.155	47.096
Gearbox		19.962	21.060	22.218	23.440	24.729
Petrol Engine		19.872	20.468	21.082	21.715	22.366
∨ Passenger Cars		168.129	-	-	-	-
Economy cars		53.100	-	-	-	-
Luxury cars		35.208	-	-	-	-
Mid-range cars		73.170	-	-	-	-
Sports cars		6.651	-	-	-	-
> Trucks		71.205	-	-	-	-
> Two-Wheelers		24.448	-	-	-	-

Selected Subsegment:
(No value set)

Ask for:

📈 Growth Rate

🗨️ Ask Anything



Market Analysis - Growth Rate and Main Impacts



Market Size - Top 5 Competitors and Revenue



3

What is needed...

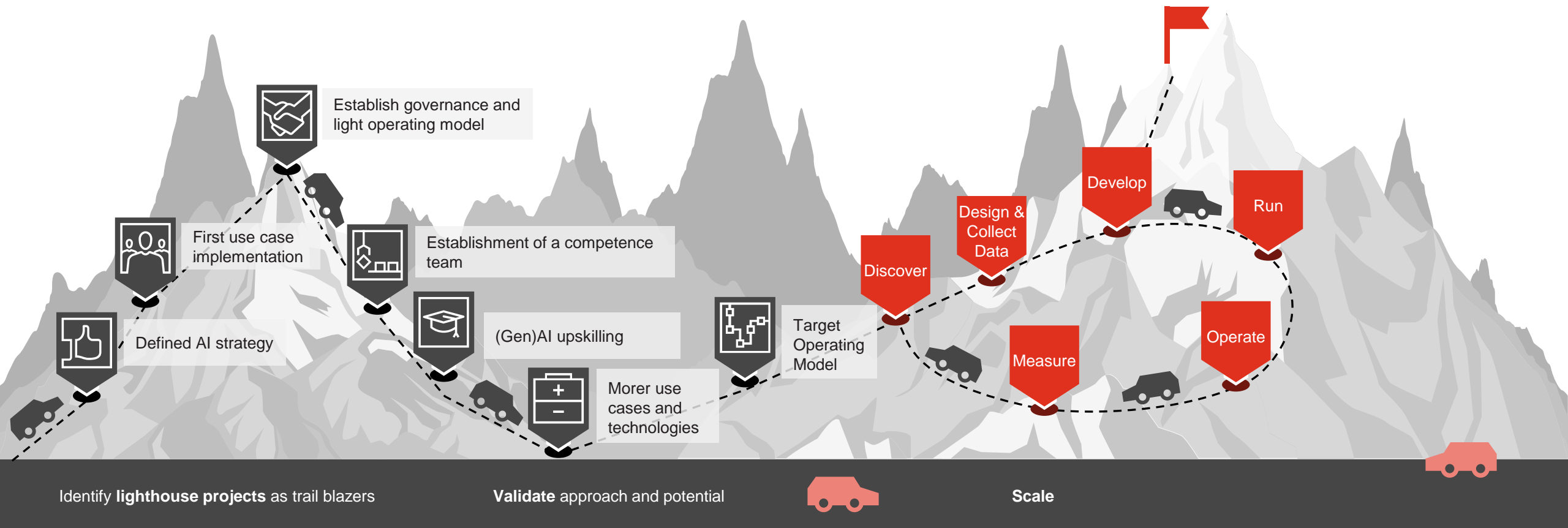
You AI roadmap should be defined along clear evolutionary blocks – Typical AI roadmap & evolution stages

Holistic AI & Finance strategy
strategic integration

Sustainable operating model
Cross-technology

Communication
IT and business

Change Management
Take fears away



To fulfill the updated requirements towards Controlling, new skills and capabilities are needed

*** illustrative ***

Controlling skills required today



(Gen)AI enabled Controlling skills



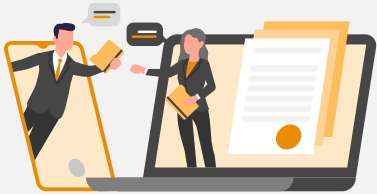
Compliance
 Forecasting Leadership
 Communication skills
 Cost analysis
 Financial analysis
 Accounting
 SAP Reporting
 Risk management
 Budgeting
 ERP system
 Analytical thinking
 Cost management

Automation
 Compliance
 Data-driven insights
 Adaptive Leadership
 Real-time Financial Intelligence
 Cross-disciplinary Collaboration
 Data analytics
 Performance Management
 Technology
 AI Predictive
 Cloud Computing
 Blockchain
 Big Data



The importance of AI enablement: We successfully tested and refined the approach at our own PwC Germany workforce

Where we started



We began by **building a top-down business case** to quantify the potential opportunity and help with stakeholder and leadership buy-in



Our Journey @PwC Germany



1

AI Champions

Select a broad of around 80 employees with different skillsets and backgrounds to be part of our journey.

2

Training Material

Gather material, connect to experts and build a roadmap for the complete journey.

3

Curriculum

Best of training:
AI Fundamentals
AI Tools
Microsoft Copilot
Real Showcases
Prompting
AI Governance

4

Use Case Ideation

Based on the new knowledge concrete use cases were collected

Requirements:

1. Set of AI Experts that act as trainer
2. Availability of demo GenAI-tools such as ChatPwC



What we accomplished

- + **70+ PwC employees upskilled** from Senior Associates to Partners
- + **Long-list of 100+** GenAI use cases
- + **10 shortlisted** GenAI use cases
- + **Significant productivity gains and value generation** expected from use cases
- + **AI Champions** placed in various BUs acting as **stewards** and **drivers** for our own AI-enabled transformation



Thank You!

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