

## Future of Finance



The world is changing fast....



# ...and is having a profound impact on modern enterprises

42%

of CEOs believe their company will no longer be viable in ten years if it continues on its current path

PwC's 28th Annual Global CEO Survey

71%

of investors identify technological change as the most important factor compelling companies to change

PwC's Global Investor Survey 2024

62%

of workers said that they have experienced more change in the last year than they did in the previous 12 months

Global Workforce Hopes and Fears Survey 2024

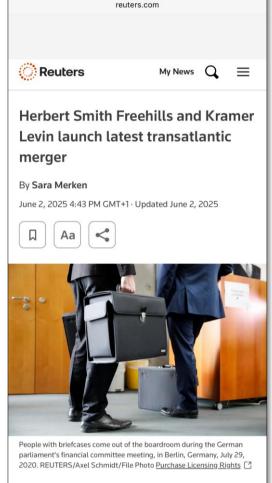
42%

of companies say they have either modified their business model too early or too late in the past

**Business Model Reinvention Pressure Index** 

## The legal industry is no different...and is changing the focus of finance leaders



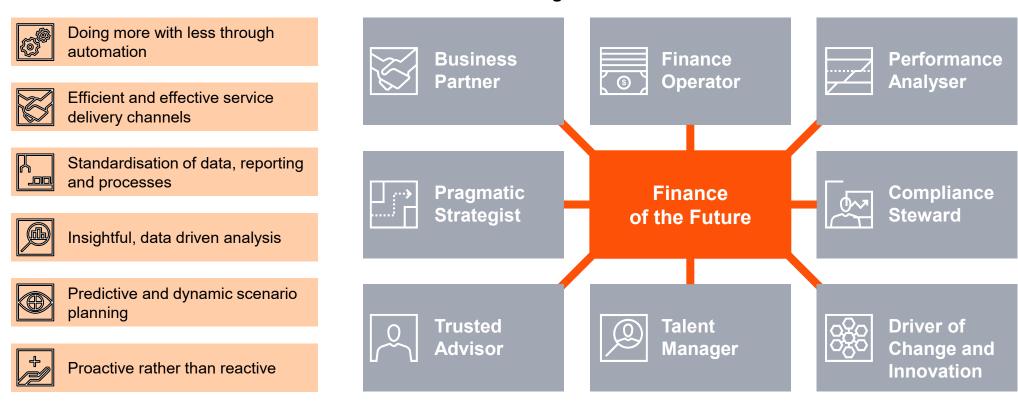




#### The finance function needs to respond...

Modern Finance functions are continuing to drive change across the people, process and performance pillars to increase efficiency and effectiveness. However the pace of disruption requires Finance to pivot to insight and drive the strategic business outcomes with greater agility and pace.

#### Finance needs to accelerate its transformation to drive strategic value



### ...and in law firms, the opportunity is significant

#### What good looks like....

·	Rate setting	Pricing & Profitability	WIP & Billing	Collections	Analytics & Reporting				
	Methodology and framework to establish rates, discounts, and fee arrangements reflecting market value, competitive positioning, and profitability	Strategy and processes managing pricing to maximise profitability, aligning fees with client value and firm objectives	Processes and systems converting recorded time and services into timely, accurate client bills to optimise cash flow and revenue realisation	Strategies and processes ensuring timely recovery of billed amounts to reduce receivables and enhance liquidity	Capabilities enabling insightful, timely, and actionable reporting and analytics to inform strategic and operational decision-making	Processes ensuring accurate financial reporting, compliance, effective management of cash flow, capital reserves, and financial risk			
1. Strategy & Alignment	Rate strategy aligned with firm's market positioning, competitive differentiation, and strategic business objectives	Pricing strategy closely integrated with overall firm objectives, markets, and client segments	Billing and WIP guidelines and processes aligned with client expectations, firm policy, and financial goals	Collection strategies integrated into practice, client relationship management, and cash flow needs	Reporting date aligned closely to firm strategy and delivers for both leadership, partner performance, practice objectives	Financial strategies and accounting practices aligned to support business objectives, capital allocation, and compliance			
2. Data & Analytics	Comprehensive market data analysis, benchmarking, and analytics driving competitive and profitable rate setting	Detailed profitability analytics by practice, client, partner, and matter informing pricing decisions	Analytics monitoring billing timeliness, accuracy, leakage, and compliance	Real-time dashboards tracking outstanding collections, debtor days, and recovery rates	Advanced analytics including profitability modelling, predictive forecasting, and scenario analysis	Real-time visibility into liquidity, profitability, cash flow forecasting, and compliance risks			
3. Process Excellence & Automation	Automated processes for regular rate reviews, updates, and management across practices and partners	Automated pricing tools, workflow, and profitability analyses supporting rapid and informed pricing decisions	Integrated billing workflows automating WIP management, time entry validation, and invoicing generation	Automated processes for reminders, escalation, tracking collections status, and payment reconciliation	Automated dashboards, predictive reporting, self-service analytics, and integrated data visualization tools	Streamlined financial close processes, automated reconciliations, reporting workflows, and audit readiness			
4. Governance & Controls	Robust governance structure overseeing rate policies, discounts, and compliance at partner, client, and practice levels		Governance framework managing approvals, write-offs, discounts, and billing compliance	Defined collections governance, accountability structures, escalation points, and policy adherence	Established governance framework ensuring data integrity, accuracy, timeliness, and reliability of reports and analytics	Internal controls, clear governance structures around financial reporting, risk management, regulatory compliance, and audits			
5. People & Capability	Capability-building in rate negotiation, benchmarking analysis, market intelligence, and pricing confidence	Training programs enhancing negotiation skills, strategic pricing, partner communication, and profitability understanding	Developing strong skills in accurate time recording, billing best practices, and compliance adherence	Training in collections strategy, client relationship management, negotiation skills, and payment recovery methods	Capability enhancement in data literacy, analytics interpretation, storytelling, strategic insight generation, and reporting skills	Development of deep financial expertise in accounting standards, capital management, compliance, strategic financial planning, and risk management			
	Technology considerations								
	Cybersecurity & compliance	Scalable tech archi	tecture Cloud-based	integration Al- driven automation Mobile-enabled access					

#### ...and take a holistic view across people, process and performance

Lead with People

#### **Finance Organisation and Structure**

The Finance organisation includes human and machine based roles in a structure that combines digital workforce, shared services, centres of excellence and Business Partnering. Teams operate virtually using agile flow to work models to optimise service delivery and drive organisational agility z

#### **Finance Workforce and Capabilities**

The Finance workforce is 'digitally fit' and has a culture of curiosity and continuous improvement. Emerging skills and capabilities include influencing stakeholders, story-telling, change and leadership skills underpinned by new digital capabilities

Vision and Strategy

#### Process Excellence and Automation

Processes are standardised, automated and simple to operate. Automated workflows enable improved efficiencies and effective escalation

## Cloud ERP and Digital Platforms

New digital Finance capabilities are enabled using cloud ERP and digital solutions underpinned by connected, relevant and trusted data

## Automated and **Predictive Controls**

Automated controls are embedded into the end to end business processes, Al enables a shift from detective to predictive controls

Lead with

#### **Advanced Analytics, Insights and Action**

Al and machine-learning models deliver real-time, predictive financial planning forecasting and business insights that define the actions that should be taken to drive business performance. Dynamic scenario modelling provides rapid insights into risks and opportunities

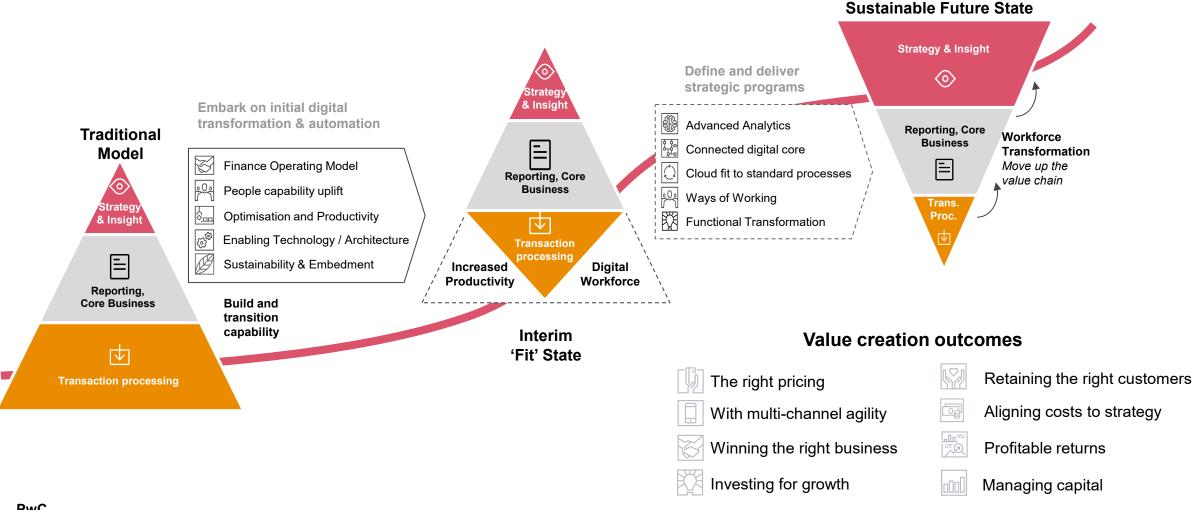
#### **Strategic Finance Business Partnering**

Business partners leverage real-time and connected data to provide actionable strategic insights to drive commercial decision making and business performance, supporting the pivot to an insight-led advisory function



#### ....and how do they get there

The Finance function of the future provides efficient transactional processing and compliance and drives strategic business outcomes



## So what's important in digitally transforming the finance function?

Learning from your peers....5 characteristics of successful, digitally enabled transformations



Adopt a business-led approach

Start with the business outcomes and change.

Take the opportunity to reimagine the future, with the business. Avoid the trap of incrementalism, and digitising the patterns of today.



Build leadership alignment

Engage senior leaders early, recognising different team cultures and perspectives.

Build alignment around the leaved decisions that will drive.

key decisions that will drive value across the program. Securing alignment should be a precondition to the programme



Keep the technology simple

Adopt standard solution components and best practice processes as much as possible to reduce the risk and cost profile.

Focus on the business value rather than tailoring the system



Use an immersive approach

Actively engage your people and immerse them in the change, iteratively.

Build an image of the future (a 'Show Home') to help your people see, touch and feel the future ways of working



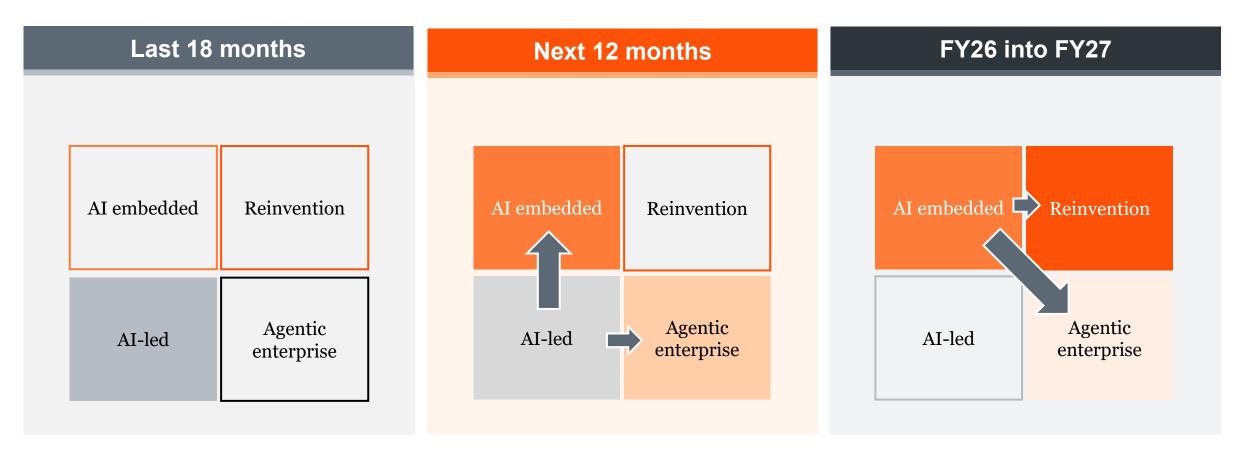
Create momentum for change

Create 'pull' from the business, so that people want to know more.

Don't rely on a mandate that imposes this reluctantly on the business. Excite them about the changes ahead and equip them to convince others, creating energy and momentum.

These factors on delivering a successful programme should influence business engagement from the outset

#### How should AI be embraced within a finance transformation....





In the next 5 years, over 30% of today's tasks will be performed by AI agents.

The AI revolution, it's a people thing.

## ...and what's the impact

L1 Capability	L2 Capability	Core Activity	Current State Process		Future State Process (with Agentic)
Business Partnering	Functional Leadership	Coordinate monthly performance reviews and consolidate leadership reporting inputs	<ul> <li>Manually compile performance inputs from cost centres and functions</li> <li>Use Excel/PPT to build reporting packs for leadership meetings</li> </ul>	>	<ul> <li>Agent continuously updates performance dashboard and notifies when KPIs deviate</li> <li>Pre-meeting insight summaries auto-generated and distributed to leadership</li> </ul>
	Strategic Initiatives	Develop and model financial scenarios to support strategic business decisions	<ul> <li>Build models in Excel and iterate based on offline assumptions</li> <li>Scenario testing is manual and time-intensive</li> </ul>	>	<ul> <li>Agent simulates financial scenarios in real-time using live drivers</li> <li>Pushes updates when risks or assumptions materially shift</li> </ul>
	Business Cases	Build and review business case models including returns and payback assessments	<ul> <li>Teams develop cost-benefit models in Excel and circulate via email</li> <li>Finance reviews manually and returns comments iteratively</li> </ul>	>	<ul> <li>Agent validates inputs against investment criteria and flags gaps in assumptions</li> <li>Suggests NPV/ROI outputs and prepares case summaries for review</li> </ul>
	Cost Base Management	Monitor cost variances and drive corrective actions to optimise the cost base	<ul> <li>Variances flagged during monthly review and analysed retrospectively</li> <li>Adjustments triggered manually after root cause investigation</li> </ul>	<b>&gt;</b>	<ul> <li>Agent detects and prioritises anomalies (e.g. FTE spikes, accruals)</li> <li>Triggers cost review workflow and suggests corrective actions (e.g. journal entry)</li> </ul>
	Pricing Strategy & Decisions	Prepare pricing analysis and scenario modelling to support decision-making	<ul> <li>Perform point-in-time profitability analysis in Excel by product/region</li> <li>Decisions based on static models and delayed performance data</li> </ul>	<b>&gt;</b>	<ul> <li>Agent monitors margin trends continuously and alerts when thresholds breached</li> <li>Simulates pricing options and shows projected impact on profitability</li> </ul>
	Change Strategy & Support	Track change initiative outcomes and provide financial governance input	<ul> <li>Finance updates change PMO packs manually and attends governance forums</li> <li>Benefits tracking is inconsistent and effort- intensive</li> </ul>	>	<ul> <li>Agent monitors benefit delivery vs. plan and escalates underperformance</li> <li>Drafts updates for inclusion in change governance materials</li> </ul>

#### Learning from our own journey

1,000+

15,000+

158,000+

Al use cases identified so far

**UK Al-enabled staff** 

Al-enabled staff across our network

#### **Examples of how we have embedded AI adoption at PWC**



Culture of continuous exploration



Social learning through our GenAl Hub



Responsible Al Toolkit



**Engaging events** and initiatives



Deep partnership with providers

## Thank you

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2025 PricewaterhouseCoopers LLP. All rights reserved. 'PwC' refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see <a href="https://www.pwc.com/structure">www.pwc.com/structure</a> for further details.