WHITE PAPER

# LEAD THE BUSINESS TRANSFORMATION THROUGH AI-POWERED CPM


## Abstract

Business transformation is critical in today's polarized economy, with certain sectors thriving and others facing significant pressure. This scenario calls for a fundamental shift in traditional business models.

To stay competitive in price-sensitive markets, chief finance officers (CFOs) must carefully balance profitability and cost efficiency, a key driver of competitive advantage. In collaboration with cross-functional leadership, CFOs can leverage automation and artificial intelligence (AI) technologies to streamline processes, optimize operations, and reduce costs.

This paper discusses how organizations can achieve business transformation through AI-enabled business models, supported by strong executive leadership. Corporate performance management (CPM), also known as enterprise performance management (EPM) is one such solution. It functions as an intelligent, AI-led cockpit that helps organizations navigate growing economic uncertainty, intensifying competition, and evolving customer expectations.


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## Introduction: The Role of the C-Suite

Robust leadership alignment is vital to developing a cohesive, future-ready business model. Each C-suite leader has a unique yet interconnected role in business model development:

- **Chief executive officer (CEO):** Considered the **chief architect,** the CEO defines long-term vision and strategic direction, establishing enterprise-wide alignment. The CEO also drives innovation, ensuring the entire organization is in sync with the business goals.
- **Chief financial officer (CFO):** The CFO, also known as the **value creator,** safeguards liquidity to navigate economic volatility. CFOs allocate funds strategically for premium, speed-to-market (STM) products and cost-sensitive, cost-to-serve (CTS) operations. They also supervise risk assessment and mitigation, while defining integrated key performance indicators (KPIs) for new business models.
- **Chief supply chain officer (CSCO):** The CSCO balances the business model through a divergent supply chain, lowering costs for value offerings while optimizing them for premium segments. Playing the role of the **operational engine**, the CSCO effectively manages the trade-off between efficiency and flexibility via lean and agile methodologies, respectively.
- **Chief human resources officer (CHRO):** As the **cultural driver,** the CHRO fosters an environment of accountability and adaptability while managing human resource (HR) challenges. The CHRO leads the transformation by securing employee buy-in and synchronizing performance management systems with strategic objectives.

- Figure:1: Illustrate the relationship of Quality and Cost to ensure Sustainable profit.

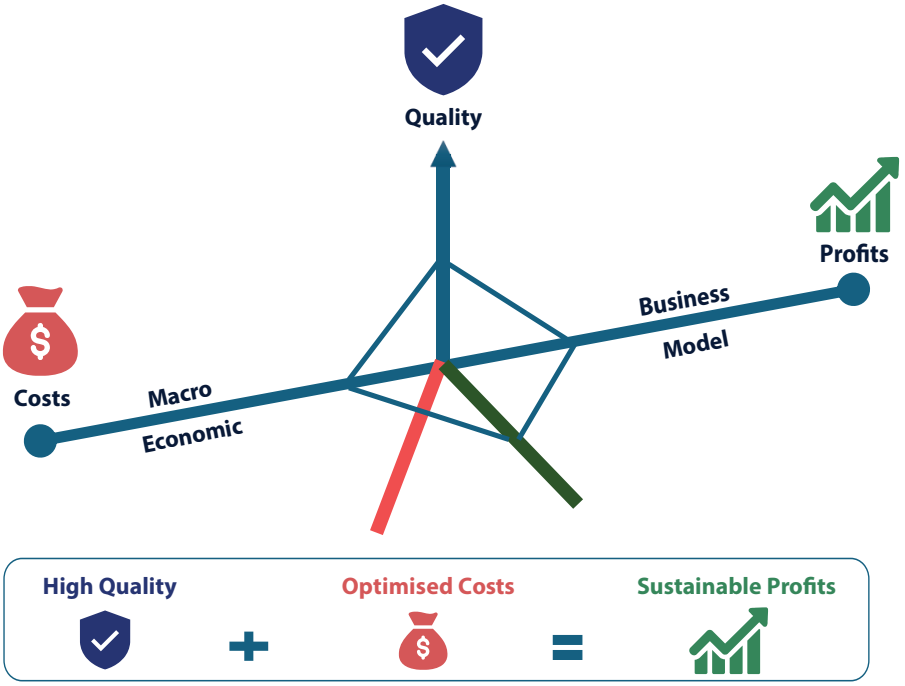


*Figure 1: Quality First. Cost Optimized. Profit Sustained.*

## Achieving Sustainable Business Growth

After decades of globalization focused on efficiency and cost reduction, businesses are now entering an era of resilience challenges and geopolitical dynamics, impacting operations.

Today, sustainable business growth depends on delivering price-sensitive products, building regionally anchored supply chains, and driving technology-led productivity. These capabilities are powered by artificial intelligence (AI) and automation amidst **rising** capital investment **Cost**. Global economic fragmentation has made it harder for business leaders to define long-term strategies in times of uncertainty, as shown in Figure 2. For example, CEOs may struggle to establish a sustainable vision, while CFOs grapple with financial constraints and concerns over weak profitability despite growth.

Balancing global supply chain models has become challenging for CSCOs, while CHROs find it difficult to define accountability frameworks for the executive leadership.

**Corporate Performance Management (CPM) for Sustained Growth**

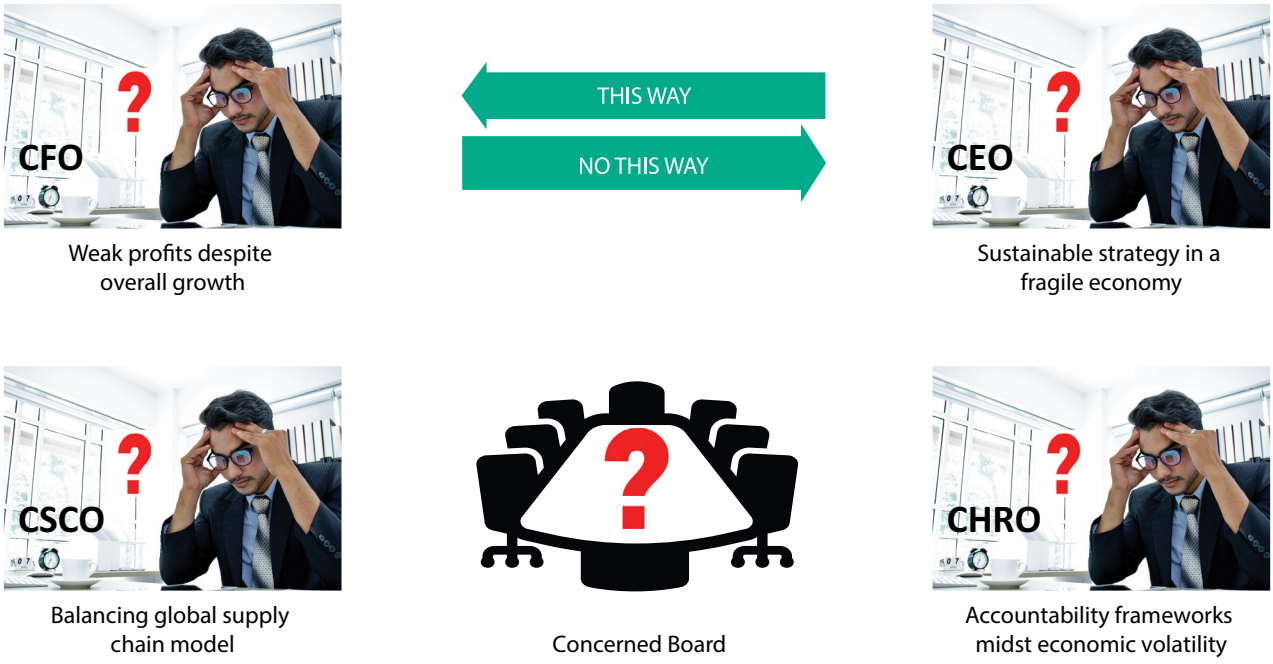


*Figure 2: CPM for sustained business growth: Challenges faced by the C-Suite*

In such a scenario, it is the responsibility of the chief technology officer (CTO) to identify a global platform that can deliver an integrated and effective business performance management (BPM) framework across enterprises. Such a platform must integrate the company's diverse, multidisciplinary operations while focusing on alignment, agility, and value creation.

*Companies face constant challenges, including economic volatility, dynamic technological advances, and changing customer expectations. Corporate performance management (CPM) has emerged as a strategic priority for organizations seeking sustainable growth.*

*CPM comprises a comprehensive framework of methodologies, metrics, processes, and systems. These are designed to monitor, analyze, and manage enterprise performance effectively.*

## CPM: An Intelligent, Integrated Enterprise Platform

An intelligent platform must integrate business strategy with core operational functions, such as finance, supply chain management (SCM), HR, and quality control (QC). These functions are combined into a unified ecosystem such as the CPM. .

CPM transforms fragmented strategies into cohesive, measurable, and continuously optimized plans. It replaces siloed decision making with enterprise-wide, AI-powered intelligence. Leaders can respond faster, enhance efficiency, and drive synchronized, sustainable enterprise performance.

CPM is particularly valuable for CFOs, offering end-to-end operational visibility across the organization. CPM also helps CFOs guide company performance with discipline, precision, and strategic confidence, while consistently delivering value to investors.

## Corporate Performance Management – Driving Sustainable Performance

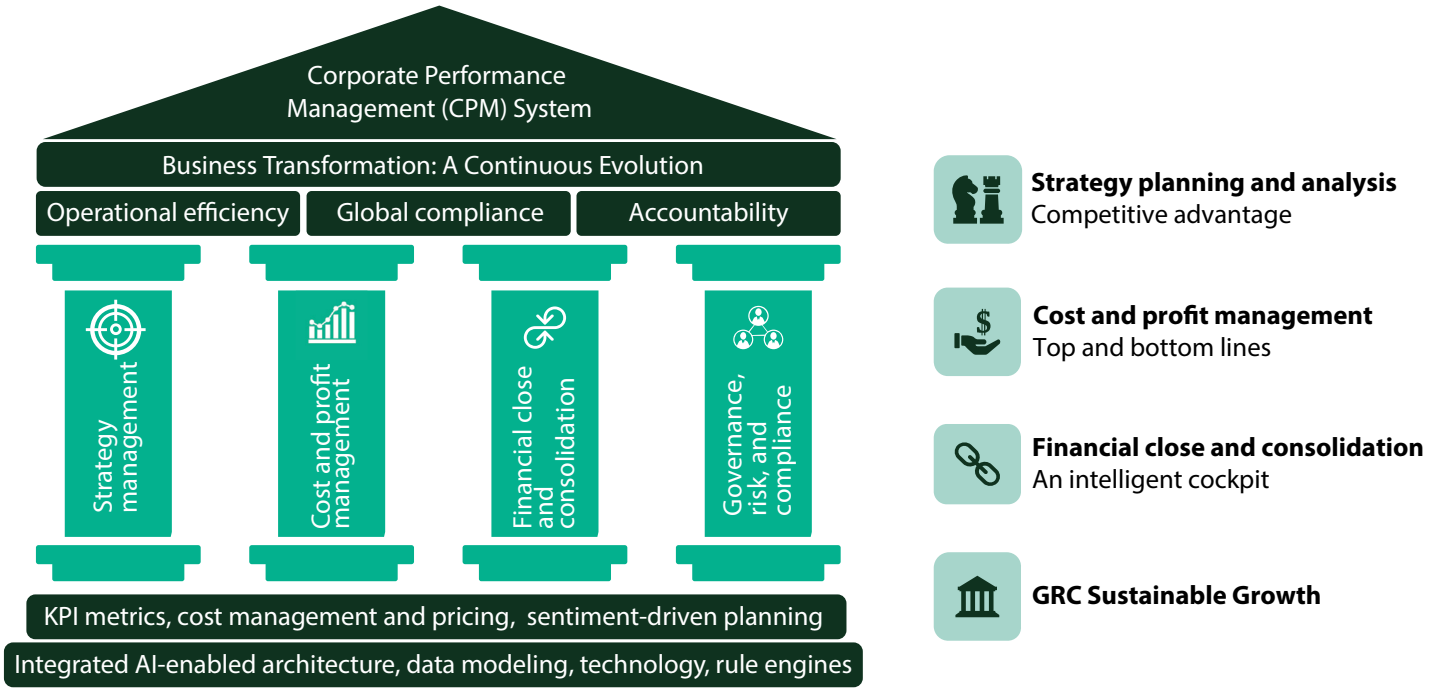


*Figure 3: The Four key solution pillars for business transformation.*

*Building a culture of accountability within an organization is a long-term effort, Individuals must adopt, trust, and consistently practice the company's core values. This involves maintaining strict financial discipline and promoting cost awareness. Chief experience officers (CXOs) must foster a collaborative environment for employees to contribute to corporate strategy.*

*Transparent communication mechanisms must be adopted for sharing strategic plans and decisions. This strengthens trust and alignment across the organization.*

Even though its scope is broad, a well-defined and integrated CPM framework involves multiple layers and components that are cohesive. CPM bridges the gap between strategy (the 'what') and operations (the 'how') through cause-and-effect relationships. This structured approach enables organizations to identify discrepancies between their aspirations and actual capabilities, ensuring timely and informed corrective actions.

The end goal of CPM is to drive sustainable shareholder value by improving cost efficiency, expanding revenue opportunities, and optimizing asset utilization. By aligning strategic goals with operational execution, a CPM framework ensures that decision making is data-driven, performance-focused, and offers sustained growth.

*Table 1: Key components of CPM solution across core business functions.*

| Functional Area | Scope | Key Elements | Focus/Benefits |
|---|---|---|---|
| Planning and Analysis | Dynamic scenarios to self-driven strategy<br>• Real-time strategy recalibration<br>• Sentiment-adjusted forecasting | • Strategy planning<br>• Business planning<br>• Financial planning<br>• Operational planning<br>• What-if analysis | • Future-ready targets for agility and alignment |
| Financial Closing and Consolidation | • Narrative generative AI (GenAI) to lights-out close<br>• Auto-generated board reports | • Inter-company eliminations<br>• Currency translations<br>• Account reconciliation and adjustments<br>• Compliance and management reporting | • Enhanced accuracy and reliability<br>• Faster close cycles |
| Profitability and Cost Management | • Target cost to target profitability<br>• Value creation to sustain competitive advantage | • Cost allocation<br>• Profitability analysis of products, customers, and segments<br>• Regulatory reporting<br>• Transfer pricing between legal entities | • Optimized costs and cost monitoring<br>• Improved margins |
| Governance, Risk and Compliance **(GRC)** and Environmental, Social, and Governance **(ESG)** Compliance | • Continuous to predictive compliance<br>• Next-generation sustainable model | • Risk identification and mitigation<br>• Governance frameworks for- compliance<br>• Internal control structures<br>• Corporate Sustainability Reporting Directive (CSRD) and carbon emission compliance EU taxonomy, Science Based Targets initiative (SBTi), Carbon Border Adjustment Mechanism (CBAM) compliance | • Better regulatory compliance<br>• Automated reporting and audit trails |
| Reporting and Analysis | Cockpit views to narrative insights<br>• Predictive models<br>• Real-time performance monitoring | • Management reporting and tracking of key performance indicators (KPI) as well as scorecards<br>• Statutory reporting of compliance<br>• Ad hoc root cause analysis (RCA)<br>• Predictive analytics | • Enhanced data visualization<br>• Improved decision making |

An effective CPM or enterprise performance management (EPM) framework requires a meticulously orchestrated architecture that seamlessly integrates several layers. These layers include data ingestion, data modeling, analytics, workflow, and governance.

The framework is not a technical requirement. It is a strategic priority for solution architects. They must design a system capable of synchronizing diverse data sources and aligning cross-functional processes. It should also enable advanced capabilities such as predictive analytics and AI-driven insights.

The architecture, as represented in Figure 3, should be scalable, secure, and interoperable while providing real-time visibility and actionable insights across the planning, budgeting, consolidation, and compliance functions.

## CPM Architecture

A robust CPM solution requires a well-orchestrated architecture as shown in Figure 4. It should support end-to-end functionality, including data acquisition, data modeling, analytics, reporting, and what-if workflows. Through this integration, organizations can accelerate timely, data-driven decision making.

**Corporate Performance Management (CPM): An Intelligent Architecture**

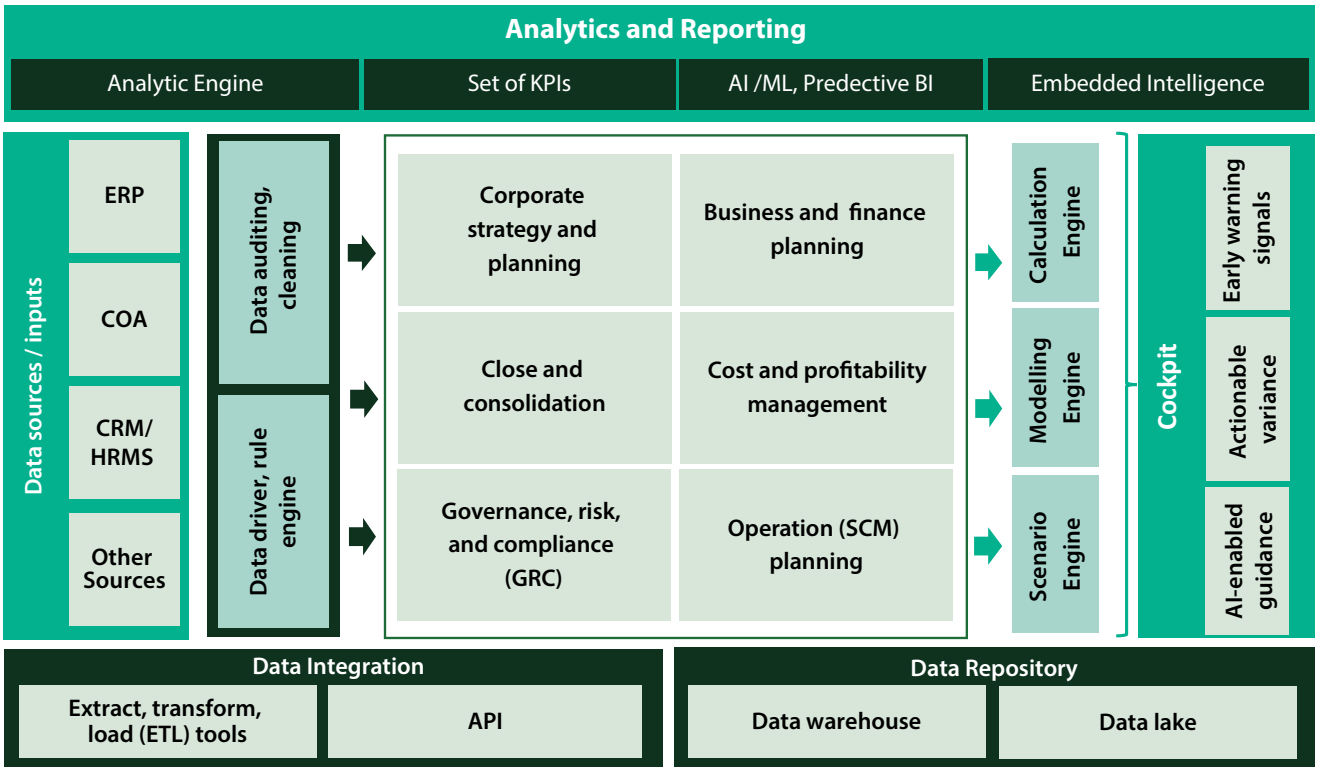


*Figure 4: The intelligent CPM architecture*

The success of this framework largely depends on how effectively a solution architect integrates multiple layers. Each layer should include a distinct purpose, consist of clear requirements, and comprise diverse functional components that address various organizational aspects. By connecting these components into a unified platform, organizations can streamline planning cycles and strengthen forecasting capabilities.

This integrated approach will enable businesses to respond to emerging challenges, threats, and opportunities faster than their competitors. In addition, they can build agility and resilience in a dynamic environment.

*Table 2 Key CPM architectural stages and components involved*

| Stage | Key Components | Purpose |
|---|---|---|
| Data Sources | Enterprise resource planning **(ERP)**, Customer relationship management **(CRM)**, Human resource management system **(HRMS)**, Chart of Accounts **(COA)** | Provide raw operational data |
| Acquisition and Integration | Extract, transform, load **(ETL)** tools, Application programming interfaces **(APIs)**, Rule engines | Extract, clean, and integrate data |
| Data Storage | Data warehouse, data lake | Establish centralized and scalable data storage |
| Processing and Analytics | Analytics engines, modeling engines | Apply computations and scenario modeling |
| Functional Layer | Strategy and financial planning, consolidation and reporting, cost management, GRC workflows | Track top-line and bottom-line performance, enforce financial discipline, enable faster decision making |
| Security and Governance | Role-based access, segregation of duties, audit trails | Ensure data security through a reliable governance model |

***Why efficiency matters***

*AI-enabled CPM goes beyond automation; it facilitates accountable, data-driven decision making, powered by algorithmic logic. It links external data, such as inflation, market indices, and energy prices to deliver dynamic, real-time financial forecasts, ensuring agility and resilience in a rapidly changing environment.*

## Redefining Market Competition with AI-enabled New Business Models

AI, with its transformative potential, has disrupted industrial ecosystems and impacted corporate strategy, enterprise risk management, stakeholder expectations, and regulatory compliance. These challenges require leadership intervention, including involvement at the Board of Directors level, for enterprises to remain relevant and competitive.

Business and AI experts find it challenging to design solutions that can seamlessly work with integrated data. Inputs from strategic planning, financial consolidation, cost management, budgeting, and forecasting must be incorporated along with competitor insights and economic trends.

The AI-enabled solution must be able to process and effectively link all such data points. This scope and the corresponding CPM pillars have been listed in Figure 5. By leveraging advanced AI analytics, the solution must generate actionable insights resulting in new business models with accelerated risk mitigation, and enhanced compliance.

**Corporate Performance Management (CPM): AI-driven Transformation**

| CPM Pillars | Scope | AI-enabled Transformation (Use Cases) | | |
|---|---|---|---|---|
| | | Predictive Intelligence | Process Automation | Generative Insight |
| Corporate strategy | The compass | **External signal ingestion** (Strategy assumption validity) | **Strategy opportunity discovery** (Mergers and acquisitions) | **Macroeconomic paths** (Long-range scenario modeling) |
| Business planning | The engine | **Predictive baseline** (ML-powered forecasts) | **Correlation definition** (Hidden drivers vs. business scenarios) | **Bias detection** (Sandbagging vs. puffing, unrealistic forecasting) |
| Finance consolidation | The digital accountant | **Agentic AI** (Close orchestration, automatic consolidation) | **Anomaly detection** (Automatic error detection during closing) | **Management reporting** (First draft reporting through Gen.AI) |
| GRC | The guard | **Real-time monitoring** (Sample audits vs. verification, 100% transaction audits) | **Early warning signals monitoring** (Global regulation and external macro factors) | **Risk-adjusted planning** (Risk scoring based on historical and current economic volatility) |

*Figure 5: AI-driven business transformation with CPM*

Ultimately, the outcome should empower the executive leadership to build a strong competitive advantage, maximize investor returns, as well as support sustainable and responsible economic growth.

*Today, a company's success is not determined by the volume of data, but by its fastest 'insight-to-action' approach. AI-powered CPM ensures transformation is grounded in financial reality while remaining sufficiently agile to capitalize on market shifts.*

*AI-enabled CPM empowers business transformation by turning financial data into a predictive advantage.*

## CPM- A strategic initiative impacts the entire organization.

Implementing a CPM framework is a strategic initiative that impacts the entire organization. Its success depends on careful planning and disciplined execution as CPM solution is not just a technology deployment, it is a business transformation program.

In addition to integrated architecture, a successful CPM program implementation requires the following key elements, as depicted in Figure 6 & 7:

- **Integrated set of organizational KPIs:** KPIs translate strategy into measurable outcomes, and act as a connective tissue between vision and execution, enabling organizations to monitor progress, identify gaps, and make informed decisions.

| EPM-Pillars | Scope | Integrated Set of KPIs | | |
|---|---|---|---|---|
| Corporate Strategy | Strategic Objective | Strategic alignment **Strategy-to-Execution Index — %** | Value creation-**Strategic Initiative ROI** | Competitive positioning-**Revenue Growth vs. Market Growth** |
| Business Planning | Planning Objective | Forecast Accuracy **(Bud. vs. Actuals) - Cause of deviations index-%** | Cost optimization **Cost-to-Serve — AI supportive simulation** | Resource allocation-**AI driven scenario modelling & accuracy index-%** |
| Finance Consolidation | Consolidation Objective | Faster /Ist pass closing-**Autonomous & predictive index-%** | Accuracy & compliance **AI driven Audit readiness score index-%** | Transparency Audit **Trail Completeness Index — %** |
| GRC | Regulatory Perspective | Governance discipline **Policy Compliance Score** | Responsible AI usage-**AI Model Governance Score -bias control** | Predictive Risk Forecast **Accuracy — accuracy of forward-looking risk models.** |

*Figure 6: Integrated KPIs that translate strategy into measurable outcomes*

- **Maturity matrix or success criteria:** A well-defined and validated maturity matrix offers a structured framework to assess enterprise progress and pinpoint discrepancies between company's vision and actual performance.

| | Level 1: Manual | Level 2: Enabled | Level 3: Predictive | Level 4: Integrated | Level 5: Cognitive |
|---|---|---|---|---|---|
| **Strategy** | Ad hoc, qualitative goals in PPT | KPIs linked to financial targets | AI signal detection: External data influences targets | Dynamic scenarios: Real-time strategy recalibration | Self-driving strategy : Pivots recommended by AI |
| **Planning** | Rigid annual budgets; Excel-based | Basic driver-based templates in EPM/CPM | Predictive baselines: ML generates first-cut forecasts | Connected planning: Operations and finance synced via AI | Autonomous planning: Zero-touch rolling forecasts |
| **Close and Consolidation** | Manual reconciliations; 10+ day close | System-aided matching and eliminations | Anomaly detection: Flags errors during the close | Narrative GenAI: Auto-drafted board reports | Lights-out close: Instantaneous, touchless reporting |
| **GRC** | Sample-based audits; reactive solutions | Centralized digital policy repository | Risk scoring: AI identifies high-risk cost centers | Continuous monitoring: 100% transaction coverage | Predictive compliance: Proactive issue prevention |

*Figure 7: How CPM helps close the gap between strategy and operations*

*The global economy is fragile, defined by razor-thin margins and dynamic competition.*

*One of the greatest challenges is latency. This is caused by changing customer expectations and supply chain disruptions, rendering annual budgets obsolete.*

*Sustained performance now depends on dynamic resilience, supported by agile and adaptable solutions.*

## Oracle EPM: An AI-powered Business Transformation Platform

Sustainable, AI-enabled business models increasingly blend outcome-as-a-service (OaaS) solutions, ecosystem-driven platform economics, and circular subscription frameworks. These solutions help enterprises shift from product delivery to guaranteed outcomes, maximizing stakeholder value through recurring, regenerative revenue streams. Together, they enable continuous, value-driven growth and help organizations thrive in a wider, digitally connected ecosystem.

Oracle Enterprise Performance Management (Oracle EPM), a market leader in this space, is a unified, AI-enabled cloud suite. It facilitates enterprise-wide business performance management across strategy, finance, human resources (HR), supply chain, and sales operations. Additionally, it streamlines financial close, planning, budgeting, forecasting, tax reporting, and GRC processes to improve decision making, speed, and accuracy. With embedded AI and machine learning, EPM generates actionable insights by uncovering patterns and, automating routine tasks, leading to accurate forecasts. Figure 8 illustrates this model.

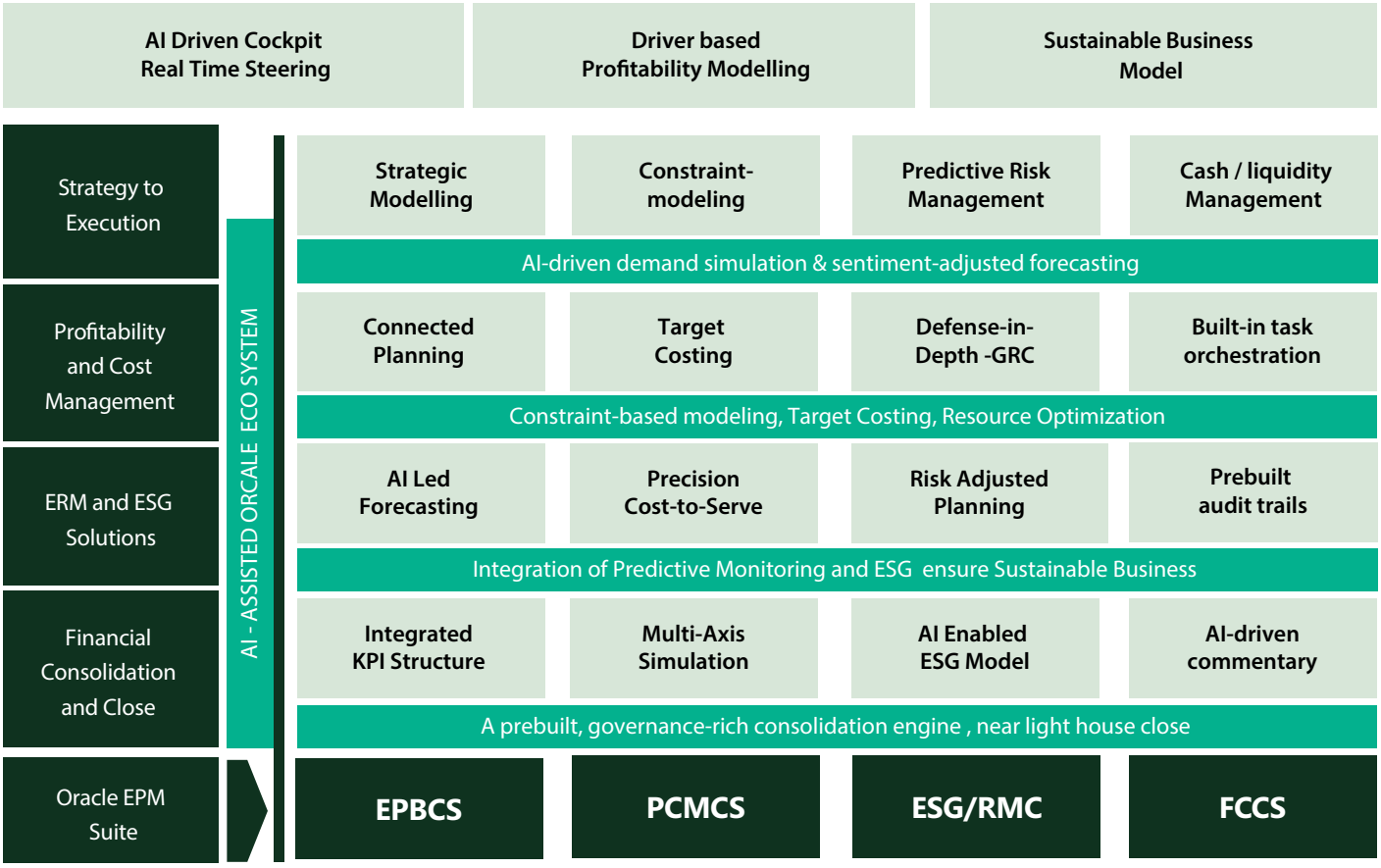


*Figure 8: The AI-assisted Oracle EPM suite facilitating enterprise-wide business performance management*

*In modern business transformation based on the continuous evolution approach, the executive leadership defines strategic direction and governance, building value, managing risks, and determining accountability. CXOs execute this mandate, spearheading digital innovation, operational agility, and enterprise-wide alignment. These initiatives accelerated confident decision making, build organizational resilience, and position the enterprise* ***for long term competitive advantage.***

## Oracle EPM: Key features and benefits

With built-in AI and machine learning capabilities, Oracle EPM enables predictive planning, anomaly detection, and automated insights without the need for additional tools. Its unified financial and operational model, supports multi-dimensional scenario analysis by leveraging a single source of truth.

Realtime data including inflation shifts, currency changes, or supply chain disruptions are integrated into forecasts and what-if scenarios.

Table 3 describes core features and capabilities of Oracle EPM that enable business transformation across enterprises.

*Table 3: Key capabilities of Oracle EPM*

| Capability Area | Description |
|---|---|
| Integrated Strategy and Planning | Integrated planning across all business functions with AI-driven demand simulation and strategic modeling |
| Financial Consolidation | Automated eliminations, translation, cash-flow management, and GenAI-powered workflows enabling faster, audit-ready close cycles |
| Profitability and Cost Management | Multidimensional profitability analysis, AI-enhanced budget allocations, target costing, and CTS optimization |
| ESG and Predictive Compliance | Automated controls, carbon reporting, and predictive monitoring for proactive compliance. |
| Technical Architecture | Cloud-native architecture integrating ERP, SCM, human capital management (HCM) OIC, Autonomous Data Warehouse (ADW), EPM Cloud, and Oracle Fusion Analytics Warehouse (FAW) for AI-enabled enterprise systems |
| Implementation Accelerators | **Industry specific** Models & KPIs, Oracle Unified Method **(OUM)** for structured execution and **Adoption accelerators** for rapid transformation. |

By leveraging these capabilities, CFOs can transition from retrospective reporting to real-time enterprise monitoring, significantly accelerating the insight-to-action cycle.

## Conclusion

Organizations adopting advanced business models today are looking to optimize performance and gain sustainable market advantage. Business model innovations such as AI-powered CPM or EPM radically change the way enterprises create, deliver, sustain and capture value. They have a positive transformative impact compared to conventional product or process innovations.

By reshaping how competition works, value is created, pricing is set, and market participants operate, EPM ensures operational effectiveness and strategic market positioning. However, the success of these transformations ultimately depend on the leadership's ability to incorporate robust governance frameworks that ensure transparency, accountability, and resilience.

In this context, sustainable advantage is key, driven by innovation. What is also critical is the disciplined integration of technology, strategy, and governance into a unified, adaptive model.

## About the Authors

**Sanjay Talati**

Sanjay Talati is a global strategic transformation leader with over 20 years of experience in financial consulting. He heads the Finance Center of Excellence for Infosys Oracle Practice. Sanjay's expertise spans accounting, finance, cost management, and performance management, with a focus on business transformation initiatives aimed at improving organizational performance. Sanjay specializes in Oracle ERP-led global engagements involving Oracle Fusion Cloud Applications and Oracle E-Business Suite (EBS) to deliver financial services modernization.

**CMA Mukesh Gupta**

A leading finance and corporate strategy expert, Mukesh Gupta has more than two decades of experience across the manufacturing and consulting sectors. He specializes in accounting, finance, cost management, as well as business performance management. In his career, Mukesh has successfully led performance transformation initiatives and delivered sustainable improvements, while creating value across organizations.

Mukesh is part of Domain Consulting Group (MFG) of Infosys with the role and responsibilities of Senior Expert in Domain Consulting (Finance-COE).

For more information, contact askus@infosys.com

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