



PAWORLD 2025 NYC

HR Leaders Working with Finance
Quantifying ROI via workload modelling,
scenarios, and CFO-grade metrics.



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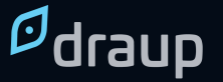
AI is moving from experimentation to expectation

**\$400B+ in AI
spend, yet
<10% see
measurable
ROI.**

**From promise
to proof: time
to show
impact**

**CFOs point to
ROI,
integration
costs, and
linkage gaps**

The next wave of AI directly influences revenue, margin, and free cash flow.



Bucket	Description	Typical P&L Lines	Illustrative Impact
Efficiency / Cost Takeout	Automating repetitive, manual workflows	SG&A / COGS	3–7 % cost reduction; faster close cycles
Growth / Revenue Uplift	AI-driven pricing, personalization, and sales enablement	Revenue / Gross Margin	2–4 % top-line uplift
Risk & Quality Improvement	Forecast accuracy, fraud detection, compliance automation	Other Expense / Reserves	10–50 % loss avoidance

CFOs can treat these as value pools—each with its own risk, maturity, and payback horizon.

CFOs expect every AI initiative to tie back to a P&L line.

AI Examples	Income Statement		Year ended January 31	
		2022	2023	
Sales Automation & Personalization Lead Generation Customer Management	Revenue	\$ 680,422	\$ 776,552	
	Cost of revenue	97,191	103,301	
	Gross profit	583,231	673,251	
Customer Support & Experience	Operating expenses:			
	Research and development	201,358	157,538	
Data Analytics Coding Product Management	Sales and marketing	159,665	248,571	
	General and administrative	109,857	129,845	
	Total operating expenses	470,880	535,954	
Content Creation Sales Enablement	Gain/Loss from operations	112,351	137,297	
	Other income (expense), net	20,510	16,146	
Legal & Contracts Finance & Accounting HR	Gain/Loss before income taxes	132,861	153,443	
	Provision for income taxes	589	840	
	Net Gain/Loss	132,272	152,603	

CFOs evaluating AI investments should quantify impact through three simultaneous lenses:

- 1. P&L Line Mapping** – Tie each AI use case to the P&L. Identify whether the AI drives revenue ↑, cost ↓, or risk ↓. Examples:
 - Dynamic pricing → Revenue ↑
 - Code copilots → SG&A ↓
- 2. Adoption Curve Weighting** – Apply a Year-1 realization factor —typically 30% to 50%
- 3. Cash Flow Translation** – Translate modeled P&L gains into Free Cash Flow Improvement, e.g., via AR acceleration (DSO ↓), AP Optimization (DPO ↑), and inventory efficiency.
 - Even when EBITDA impact is modest, these balance-sheet levers improve liquidity.

Source: How AI can supercharge your P&L outcomes, by Birju Shah & Harpreet Khurana.
Numbers are illustrative.

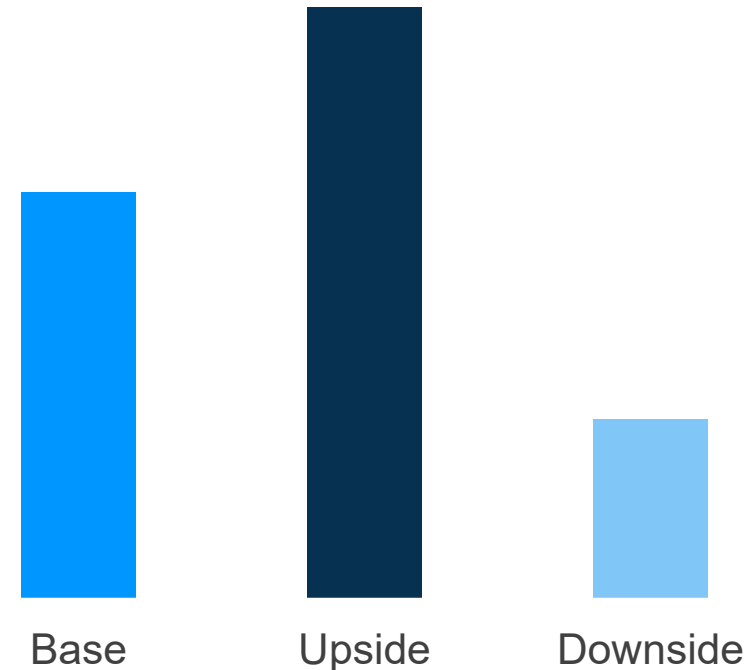
The Road Ahead – From Thesis to Tangible ROI

CFOs must evolve from funding AI experiments to curating an “AI P&L Portfolio”.

- Treat AI as a financial asset, not a cost center.
- Prioritize use cases with clear linkage to revenue, COGS, or SG&A reduction.
- Balance short-term efficiency gains with long-term growth levers.
- Be aware of modeling challenges:
 - Attribution: separating AI gains from transformation initiatives.
 - Adoption Lag: 6 to 12 month delays in realized benefits.
 - Hidden Costs: Integration, governance, rework.
 - ROI Dilution: Early headcount cuts reduce gains.

Roadmap for AI: Pilot → Measured Impact → Portfolio Scaling → Self-executing Enterprise

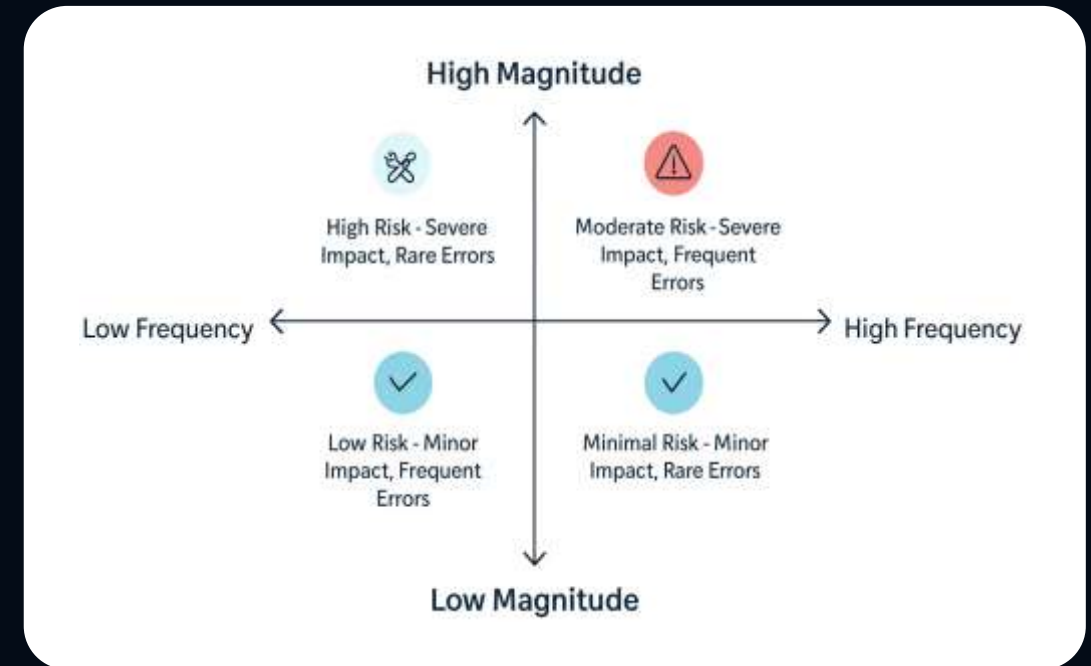
Scenario Sensitivity Analysis



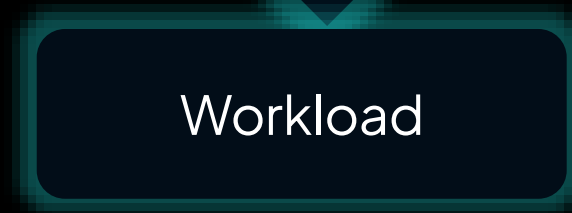
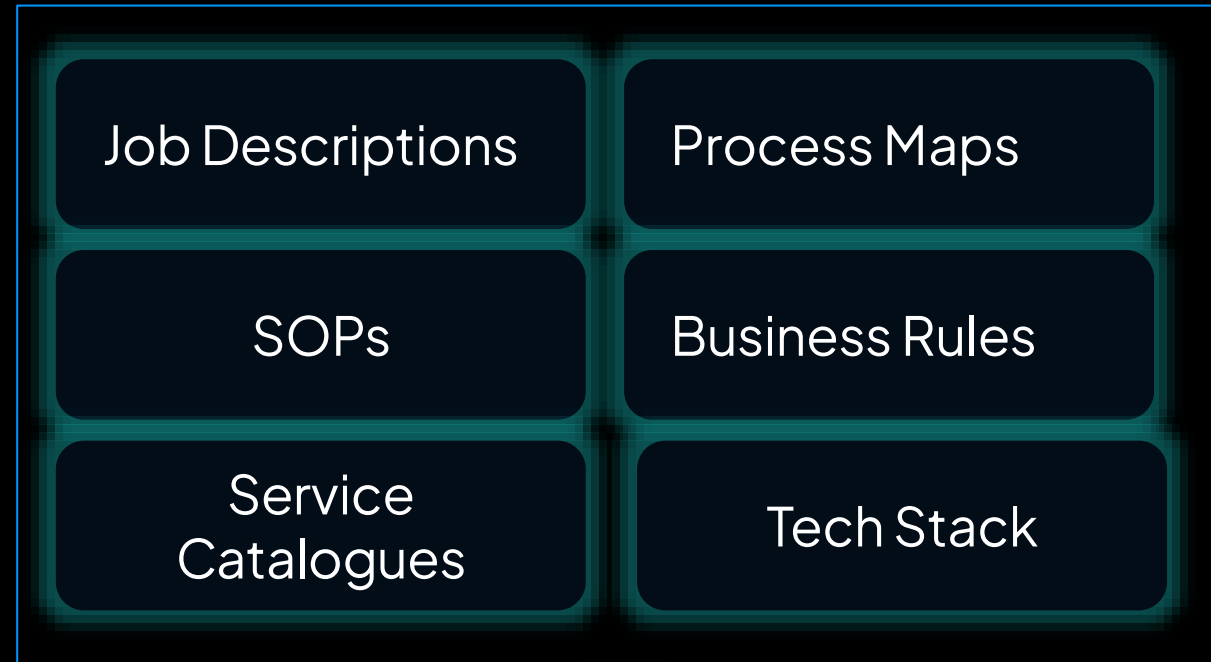
Use risk magnitude and frequency to guide where AI belongs.

Start in the pilot zone, build trust, measure results, and scale into higher-impact areas.

- **High Magnitude / High Frequency:** Human oversight and strong controls are non-negotiable (Board reporting, financial close, audit prep)
- **High Magnitude / Low Frequency:** Use AI cautiously. Manual review is key. (M&A, regulatory filings, strategic forecasting)
- **Low Magnitude / High Frequency:** Pilot Zone. Test and Learn Safely. Create the cultural readiness for higher-stakes AI adoption (Invoice processing, reconciliations)
- **Low Magnitude / Low Frequency:** Safe to automate. (Report formatting, tagging)



Source: The CFO's guide to AI tool evaluation: Glenn Hopper's framework





The connecting point is ...

Workloads capture the true shape of work — they represent the units of effort that keep a process running, a customer supported, a system maintained, or a product delivered.

To translate them into productivity, agility, and transformation readiness, enterprises must connect Skills to Workloads.

There are some challenges we need to navigate

Tension between individual growth (more skills) vs. enterprise agility (fewer, regularly updated skills)

Skills proliferation without consistent definitions across systems

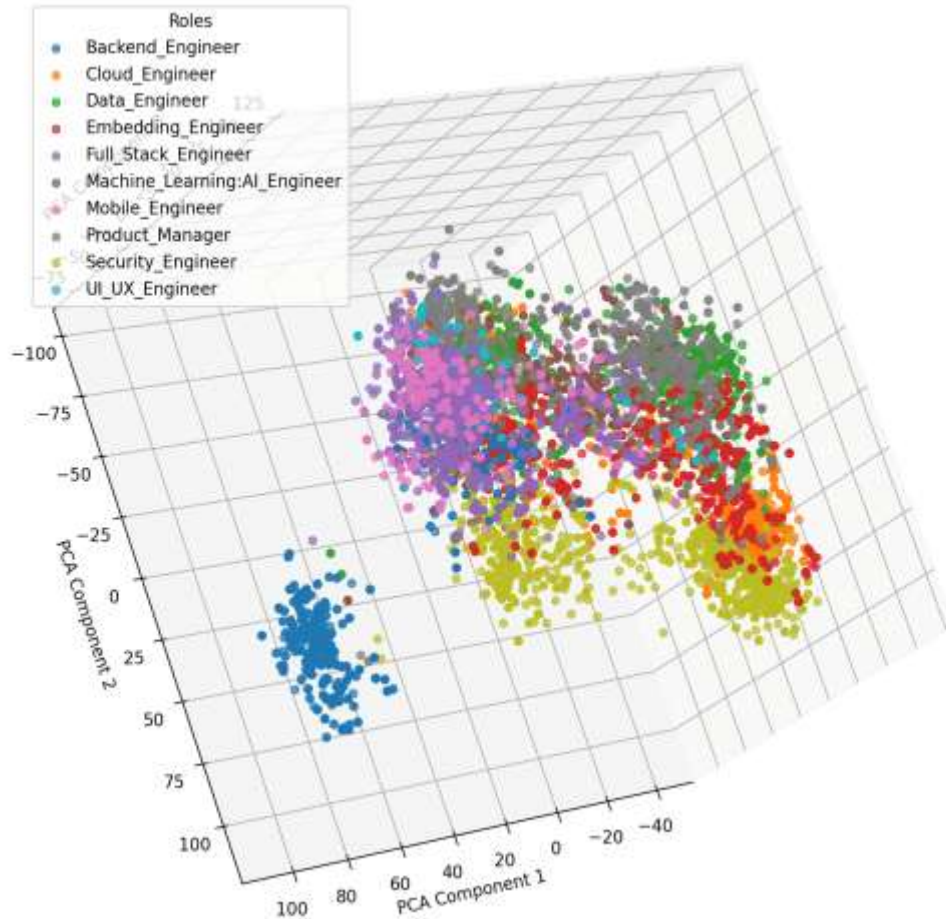
The half-life of skills = The time to master them. Mapping peer-level tech/AI understanding is critical

Roles are **converging** and thereby we need clear workloads and tasks documented

Proficiency Levels

Example many Software Engineering are Converging ...

3D Scatter Plot of Roles



- **Backend Engineers (blue):**
Compact cluster, clearly distinct.
- **Data Engineers (green):**
Widely spread, overlapping with Cloud and ML Engineers.
- **Security Engineers (yellow):**
Interwoven with Cloud and Data Engineers, not standalone.

Root Skills

Root Skills are the foundational capabilities that enable mastery of advanced skills

Core Skills

Core Skills are role-specific capabilities that apply Root Skills to perform tasks and deliver results

Tech Stack

Tech Stacks are the tools and technologies that power applications and services

AI Models

An AI model learns from data to make predictions

Financial Analyst

Root Skills

- Quantitative reasoning and analytical thinking
- Business and financial acumen
- Data interpretation and visualization

Core Skills

- Financial forecasting and budgeting
- Variance and sensitivity analysis
- KPI and performance reporting

Tech Stack

- Power BI / Tableau
- SAP / Workday Financials

AI Models

- Predictive forecasting Assistants
- Anomaly Detection Models
- Generative models for automated commentary and reporting

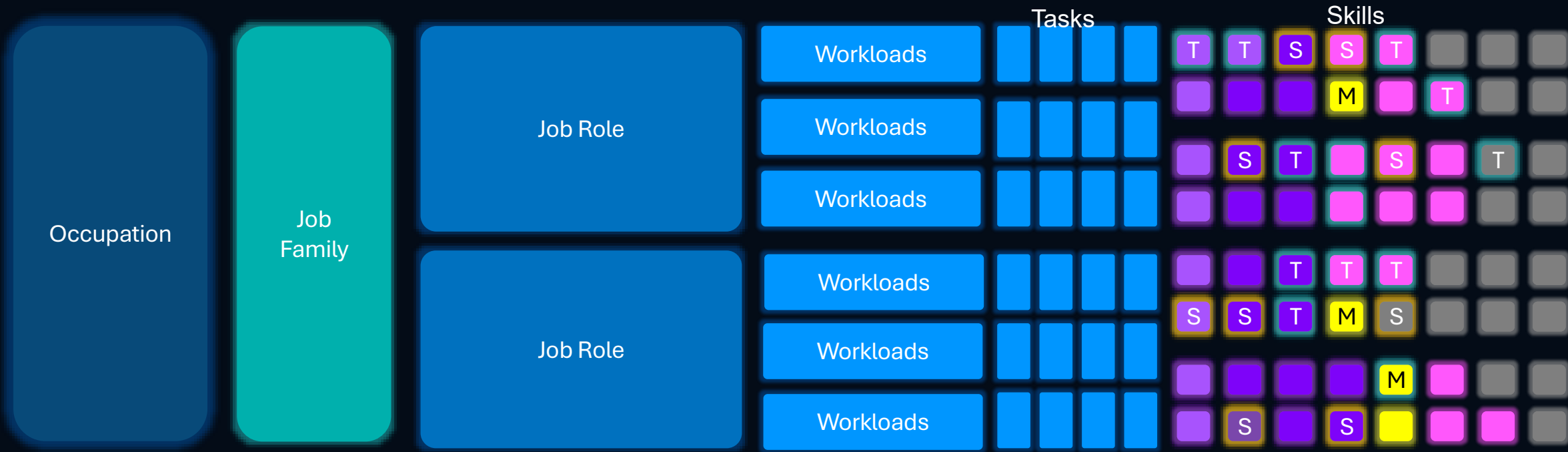
Sunrise and Sunset Financial Analyst Skills

SUNRISE SKILLS

SKILL	RELEVANCE TO FUTURE
Subscription & Recurring Revenue Accounting	Critical for SaaS, Power-by-the-Hour, and DaaS/PaaS models
Financial Modeling for XaaS	Supports pricing, profitability, and scalability of as-a-service offerings
Value-Based Revenue Recognition (IFRS 15 expertise)	Key to managing outcomes-based contracts
Scenario Planning & Predictive Forecasting	Needed to model uncertainties in demand, service usage, and long-term contracts
Digital Cost Allocation & Usage Tracking	Tracks platform and data service utilization for financial transparency
Carbon Accounting / ESG-linked Financials	Aligns with Rolls-Royce's push into sustainable aviation and SMRs
Commercial Finance Business Partnering	Finance embedded into product and platform teams to co-drive monetization
Data-Driven Decision Support (FP&A 2.0)	Advanced analytics, driver-based planning, and real-time dashboards
IP Valuation & Intangible Asset Management	Important for digital twins, software, and data licensing models
Outcome-Based KPI Alignment	Tied to uptime, efficiency, and CO ₂ reduction—not just traditional profit metrics

SUNSET SKILLS

SKILL	WHY IT'S BECOMING LESS RELEVANT
CapEx-Centric Financial Planning	Shift toward OpEx-heavy service and subscription models
Manual Journal Entry & Reporting	Automated by ERP and AI-powered finance systems
Linear Budgeting Techniques	Replaced by dynamic, scenario-based, driver-led planning
Siloed Finance Functions	Finance must now collaborate deeply with commercial, product, and engineering teams
Project-Based Costing Without Usage Insight	Inadequate for tracking profitability of as-a-service products
Historical Variance Analysis Focus	Less useful in fast-evolving, forward-looking service models
Fixed ROI/NPV Modeling	Inflexible for subscription models with rolling value realization
One-Time Product Margin Tracking	Fails to account for long-tail revenue streams from service models



Real-time Market Signals

Continuous Updated Job & Skills Portfolio

Future Ready Job Profiles & JDs

Root Skills

Core Skills

M AI Model

S Soft Skills

Sunrise Core Skills

Sunset Core Skills

T Digital Tools/Tech Stack

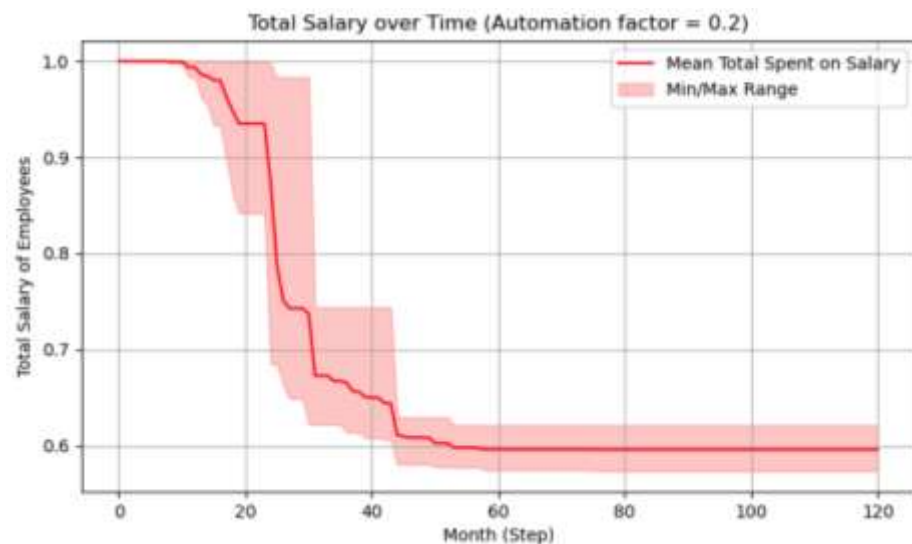
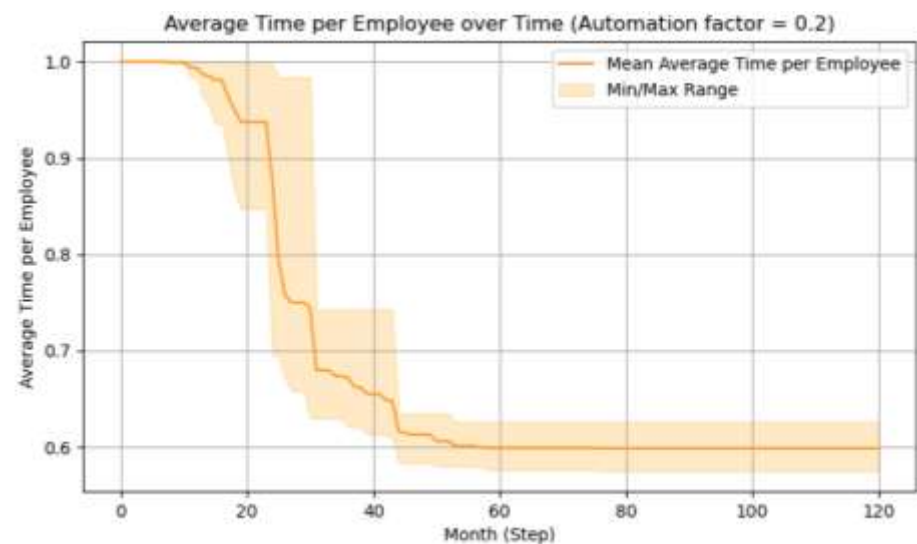
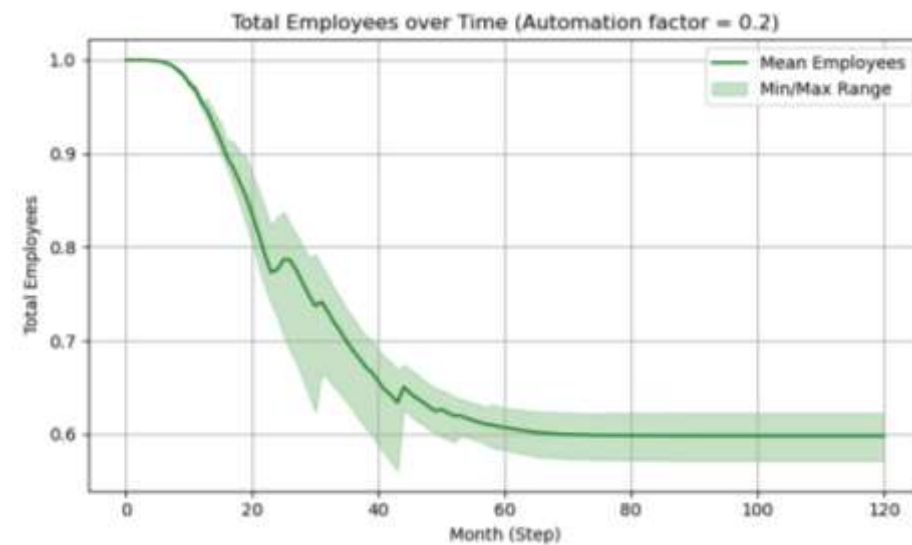
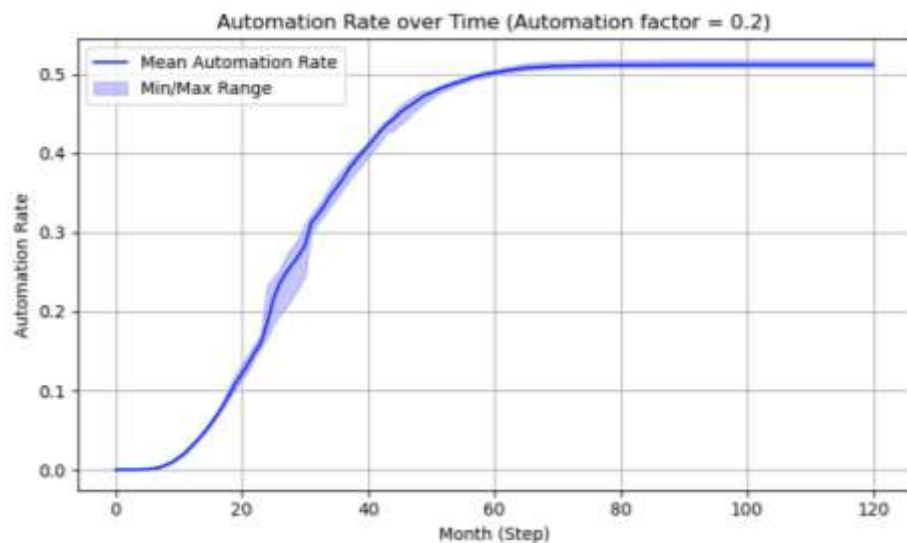
By measuring how each skill is influenced by AI — whether automated, augmented, or newly created — we can simulate the true impact of AI on enterprise performance.

Automation Rate over Time: How the enterprise's automation maturity builds month by month

Employee Demand over Time: How workforce size evolves as tasks shift from human-led to AI-assisted

Average Time per Employee: How AI shortens task cycles and improves throughput

Total Salary Over Time: How efficiency redistributes cost and headcount structures



Thank You



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Gartner
Recognized in Gartner's
2023 Hype Cycle

