KPMG global AI in finance

Transforming into a new era with the AI-empowered finance function

### At-a-glance highlights for the healthcare and life sciences sector

KPMG's recent global AI in finance study found that the use of AI is rapidly expanding across finance: 71 percent of companies surveyed are using AI within finance operations, 41 percent of them to a moderate or large degree.

Such is the pace of AI development — and the speed of its adoption — The KPMG global AI in finance study was conducted among CFOs and finance executives across 2,900 companies spread across 23 countries and territories and 6 industries and found that the companies surveyed are rolling out AI across wider areas of finance, including accounting, financial planning, treasury management, risk management, and tax management. AI is truly a global phenomenon, and it is being adopted by finance teams across the world.

Here are some key highlights for the healthcare and life sciences sectors based on feedback from 473 respondents.
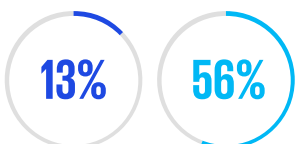
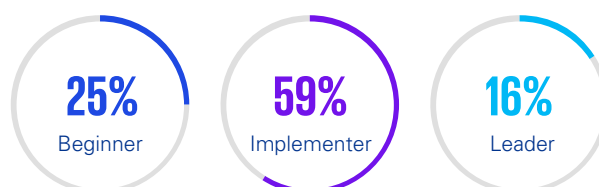## Healthcare and life sciences companies selectively or widely adopting AI and Gen AI

AI 18% 74%

Gen AI 8% 42%
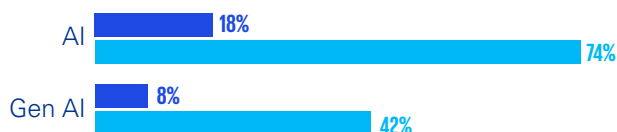
Average across all sectors — AI

30% 83%
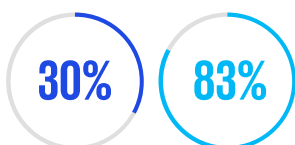
Average across all sectors — Gen AI

13% 56%

■ Now ■ Three years

Healthcare and life sciences maturity breakdown

25% Beginner

59% Implementer

16% Leader

Average across all sectors

| 19% | 58% | 24% |
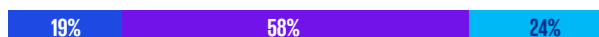
Healthcare and life sciences sector is lagging compared to other industries in regards to progress in the adoption of AI in finance with 16 percent of leaders, falling behind energy, natural resources and chemicals, and technology, media and telecom with both having 23 percent of leaders.

Companies are turning to AI in every area of finance. The accounting and financial planning groups are furthest ahead in using AI because of the benefits it brings to many of their activities, from improved data processing and financial reporting to real-time insights and predictive analysis. Currently, nearly two-thirds of companies are piloting or using AI for accounting and financial planning.

Other areas of finance are following suit: nearly half of companies are now piloting or using AI for treasury and risk management. This can generate better debt management, cash-flow forecasting, fraud detection, credit risk assessment, and scenario analysis in the treasury and risk management functions.

Percentage of company's budget spent on AI

Healthcare and life sciences

7.3%

8.6%

12.1%

13.6%

■ Now ■ Three years ■ Average across all industries
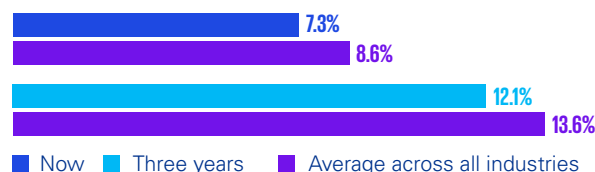
The focus on AI in finance is part of a bigger AI trend happening across industries. Companies on average are spending about 8.6 percent of their IT budgets on AI technologies and solutions. The percentage will jump to 13.6 percent over the next three years.
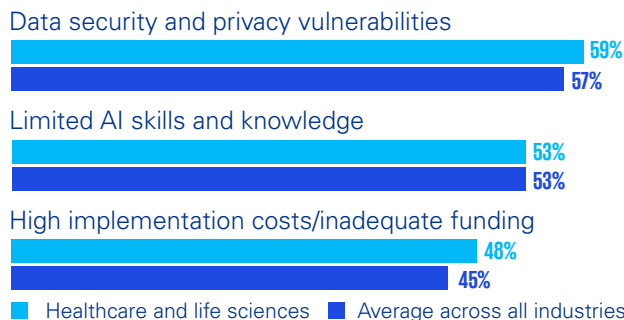
Healthcare and life sciences ROI on AI initiatives exceeding expectations

22%

vs. 29%
across all
industries

Finance teams are investing in a mix of AI technologies, but they find the most value in sophisticated technologies, such as machine learning, deep learning, and Gen AI. Overall, most companies report that the ROI on using these technologies is meeting or exceeding expectations — an outcome that will propel AI usage across industries in the future.

Biggest barriers to your company's adoption of AI

Data security and privacy vulnerabilities
59%
57%

Limited AI skills and knowledge
53%
53%

High implementation costs/inadequate funding
48%
45%

■ Healthcare and life sciences ■ Average across all industries

Financial executives see many of the same barriers and concerns when drawing on AI — but leaders take more measures, and in greater numbers, to overcome them.

	Leader	Other
Develop corporate principles and guidelines on the responsible use of AI	72%	48%
Create digital processes to keep up with regulatory changes	52%	35%
Involve technology leadership in systems integration discussions	52%	42%
Shift to modern IT platforms that facilitate AI innovation	50%	34%
Pilot AI initiatives or implement AI limited use cases first to validate ROI	44%	30%
Conduct change mgmt. and education programs on the impact of AI	42%	34%
Build better systems for gathering, integrating, and sharing data	38%	30%
Invest in developing and acquiring AI skills and talent	37%	41%
Increase AI budgets or shift funds from other activities	36%	39%

Contact us

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For further KPMG insights, read our initial study published in May 2024 on AI in financial reporting and audit. For additional resources please view our kpmg.ai page or contact us.

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