



## WHITE PAPER

# AI and its impact on the CFO

## FINANCE

It can feel as though everywhere you turn, someone is talking about artificial intelligence (AI) and how it's revolutionizing the way we work and live. In fact, many business leaders state that **AI played an important role** in their ability to stay resilient during the COVID-19 pandemic.<sup>1</sup> Their companies even increased AI spend, despite unprecedented challenges, with two-thirds saying they'll continue or begin new AI initiatives. It would seem that AI is here to stay, and it's time for CFOs to be more strategic about harnessing the power of AI to their benefit.

### Is the robo-CFO on the horizon?

CFOs looking to reduce costs, uncover fresh insights, and identify new paths and opportunities for growth must acknowledge and consider the benefits of AI. One recent study revealed that **95% of respondents agree** that embedding AI into their business operations, products, and services would be beneficial to their organization.<sup>2</sup>

AI has already evolved significantly, and yet it holds greater potential for continuing to revolutionize business and your role as CFO. Your role has evolved over the years to meet organizational needs. This evolution has made you an even more trusted advisor to the CEO and the entire enterprise. What you don't need to worry about is being replaced by "robo-CFOs." AI will take some of the pain out of the day-to-day operations of the CFO role, but human insight will continue to be of utmost importance.

**“Tools powered by artificial intelligence (AI) offer the next level of digitalization for finance, far beyond the automation enabled by robotic process automation (RPA).”<sup>3</sup>**

**JACKIE WILES**  
Contributor, Gartner

## What do we mean by AI?

AI can mean different things to different organizations and even to different organizational roles. Perhaps a good way to think about it is this: AI is anything that a computer can't do, until it can. In other words, it's evolving. AI is one point on a technology continuum. Rather than explore the entire continuum, let's level-set and define what forms of AI have the most bearing on the role of the CFO.

### Machine learning

Machine learning is what many consider to be true AI. Machine learning is an AI technique based on the idea that systems can learn from data and identify patterns. It dynamically builds algorithms without predetermined rules to come up with predictions and recommendations. Since the algorithm is data-based, machine learning is less biased and more accurate than when an actual person generates recommendations themselves. Very little user input or training is required in this form of AI; and it becomes smarter and more accurate with more data.

### Robotic process automation

Robotic process automation (RPA), which some prefer to call "software automation," is one of the best-established forms of AI and the first stop on the technology continuum. RPA uses business logic and structured inputs to automate business processes and repetitive tasks, such as taking over the purchase requisition approval process or sending files between IT systems. RPA can also be used to perform complex tasks, such as pulling together mountains of financial data from different technology systems to create reports in a matter of hours versus what would normally take a human days or weeks to do. That's why RPA is used to drive efficiencies that enable regular users to focus on activities that contribute to their organization's strategic objectives.

### Predictive analytics

Predictive analytics, which in its most powerful form leverages machine learning, uses data to make predictions about future trends and likelihoods. It uses techniques ranging from data mining, statistics, and modeling, to machine learning. Organizations can use predictive analytics to forecast future outcomes based on historical data. Thus, AI implementation has the potential to provide the greatest payoff for CFOs.

### Intelligent assistants

We're all familiar with intelligent assistants (also known as automated personal assistants), like Alexa™ and Siri®. You speak to them using natural language and they go off to do your bidding, whether that's opening an app or figuring out who sang the "ear worm" that's stuck in your head. Devices and systems that use natural language processing are another step on that technology continuum.

Intelligent assistants are programmed with machine learning, voice recognition, and natural language processing, so they can learn from the input the user provides (voice commands) and get better at predicting and meeting the user's needs. A CFO could look for this type of technology to connect core systems to answer questions and perform redundant, tedious tasks.

### Chatbots

Chatbots are "conversational agents" that are meant to interact and converse with real people through either web-based applications or stand-alone apps that provide a chat interface. Chatbots are similar to intelligent assistants, but they're not tied to any particular device. Chatbots have natural language processing built in, so they can understand the text users type. They use algorithms to process the text to determine an appropriate response. The technology evolved so rapidly that it can be difficult at times to know if you're interacting with a chatbot or a human. For example, if you access the "personal financial assistant" (which is really a chatbot) for one major bank, it will talk you through everything from opening a new account, to resetting your password, to reporting suspected fraud.

## What's in it for the CFO?

The real benefit of AI is that it helps the office of the CFO work smarter. AI provides insights into patterns found in large data sets that would otherwise go unnoticed because the human brain can only process so much data. AI can augment your capabilities. With the aid of AI, you can review aggregated mass quantities of data at a very high level, and provide the high-level analysis needed to convert that information into a competitive advantage for your organization.

With AI, your organization can automate manual and repetitive processes, such as invoices, expense reports, and monthly or quarterly closes. With AI, you bring a human into the equation when finalizing major decisions.

AI and machine learning can recognize patterns, such as when a certain general ledger code is applied to a certain invoice, suggesting codes to the users coding the invoices. This helps reduce the amount of time needed to key and correct data, and speeds invoice processing.

The same applies for expense reports. AI and machine learning can observe patterns of human approvals and rejections, flag anomalies, detect fraud, and forward clean expense reports for a one-click approval. For monthly and quarterly closes, the AI advantage is all about speed and quality. AI can consolidate and reconcile data from a variety of disparate sources, so you can close more quickly and accurately. And the quicker your organization gets the numbers, the more time it can spend analyzing them and deciding what actions to take.

AI frees you to focus on more strategic tasks, like analyzing your organization's growth strategy, engaging in business development, providing insight to help avoid problems, and helping improve the overall performance of your organization.

## How can you get started with AI?

The CFO has a key role to play in an organization's digital transformation, especially in the area of AI. "What many finance leaders recognize is that AI is more than another cutting-edge tool. By unleashing its full capabilities in finance and throughout the business, companies can turn it into a driver of differentiation that not only increases productivity, but also boosts growth. Within the finance function, for example, AI can be applied to replacing repetitive and labor-intensive tasks, performing such transactional work with increased speed and accuracy," [reports Deloitte](#).<sup>4</sup>

These are areas you and your organization should consider.

### Rethink applications

Think beyond the usual standalone, best-of-breed point solution, or monolithic system that typically runs operations. Modern technology enhanced with AI blurs the lines, requiring data to be much more tightly integrated. From a general ledger that can act as a data warehouse (incorporating both financial and non-financial data) to embedded analytics delivered by role, AI-embedded in apps helps set the standard for modern financial management technology.

### Embrace cloud

Because many organizations don't have the expertise or data centers to support AI internally, AI does well in the cloud. According to [BusinessLine](#); "The most compelling advantages of AI cloud are the challenges it addresses. It democratizes AI, making it more accessible. By lowering adoption costs and facilitating co-creation and innovation, it drives AI-powered transformation for enterprises."<sup>5</sup> Meaning, the cloud will drive more full-scale AI implementations and better return on investment (ROI) from AI.

## Democratize AI

Incorporating AI into enterprise apps gives every user the ability to leverage AI's capabilities. That's every user, not just the technically gifted. Voice assistants and self-service modelers make it possible for "citizen developers" to build new skills that automate processes. No heavy-duty programming is required. Those same types of assistants make it possible for any user to get the answers they need, from anywhere in the AI-enabled application.

## Look to intuitive solutions and platforms

AI-enabled enterprise solutions and platforms should be as easy to use as the apps on your smartphone. Consumer-inspired user interfaces that mirror personal technology increase productivity and help enhance how core users work.

The AI platform itself should be intuitive to use by developers, too. It's all about making AI accessible to everyone, so it can be used to put information into the hands of the people who need it, when and where they need it. A conversational user interface with chat, voice, and image recognition can go a long way toward making this possible.

## Get started today

AI is a proven necessity in the digitalization of the office of finance. Smart CFOs and forward-thinking organizations that are implementing AI now are realizing helpful advantages.

AI helps CFOs and their organizations work smarter and faster, while processing large data sets and finding the patterns and anomalies quickly. AI enables the CFO to step in and provide the high-level analysis needed that turns data into something actionable.

No matter how much AI an organization adds to its application infrastructure, humans will still make the decisions. With AI, those humans will have more data that's easier to use, so they can make more informed decisions more quickly.

By providing the ability to instantly source data, automate repetitive processes, and optimize workflows, AI can free up talent to focus on high-value activities—creating efficiency gains that result in significant savings for the organization.

<sup>1</sup> Vijau Raghavan, "AI trends to watch in 2021," Forbes, Jan 13, 2021.

<sup>2</sup> Juniper Networks, "AI is set to accelerate... Is your organization ready?" April 2021, p. 3.

<sup>3</sup> Jackie Wiles, "Finance AI is critical to CFO digitization efforts," Gartner, Feb 10, 2021.

<sup>4</sup> Deloitte, "Why CFOs should have artificial intelligence on their minds," Sep 2020, p. 1.

<sup>5</sup> Balakrishna DR, "Understanding AI cloud," BusinessLine, May 25, 2021.

LEARN MORE 

Follow us:     



Infor builds business software for specific industries in the cloud. With 17,000 employees and over 65,000 customers in more than 170 countries, Infor software is designed for progress. To learn more, please visit [www.infor.com](http://www.infor.com).