AI: The opportunity for CFOs

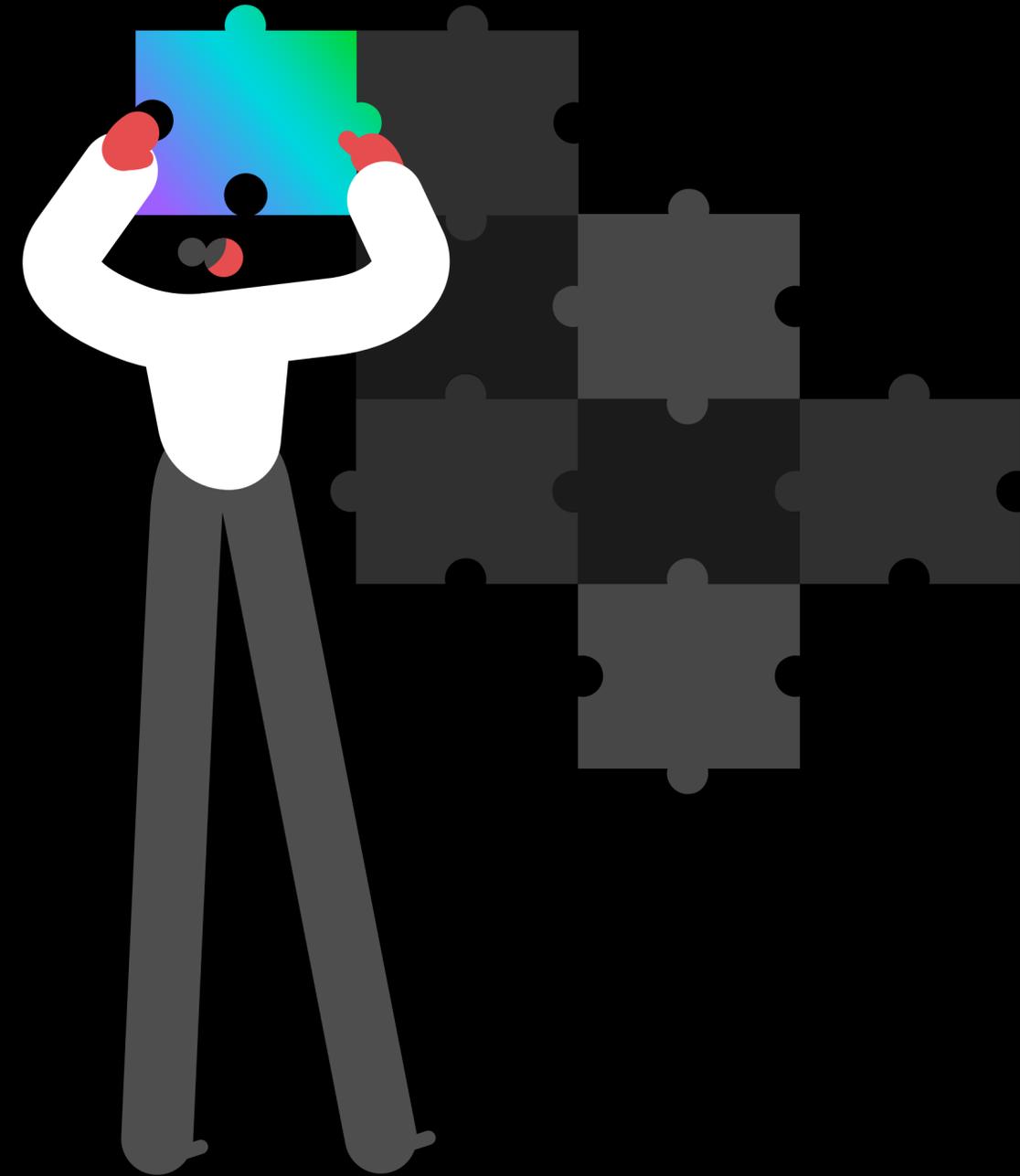How finance leaders can realize the potential for integrated AI tools

Sage

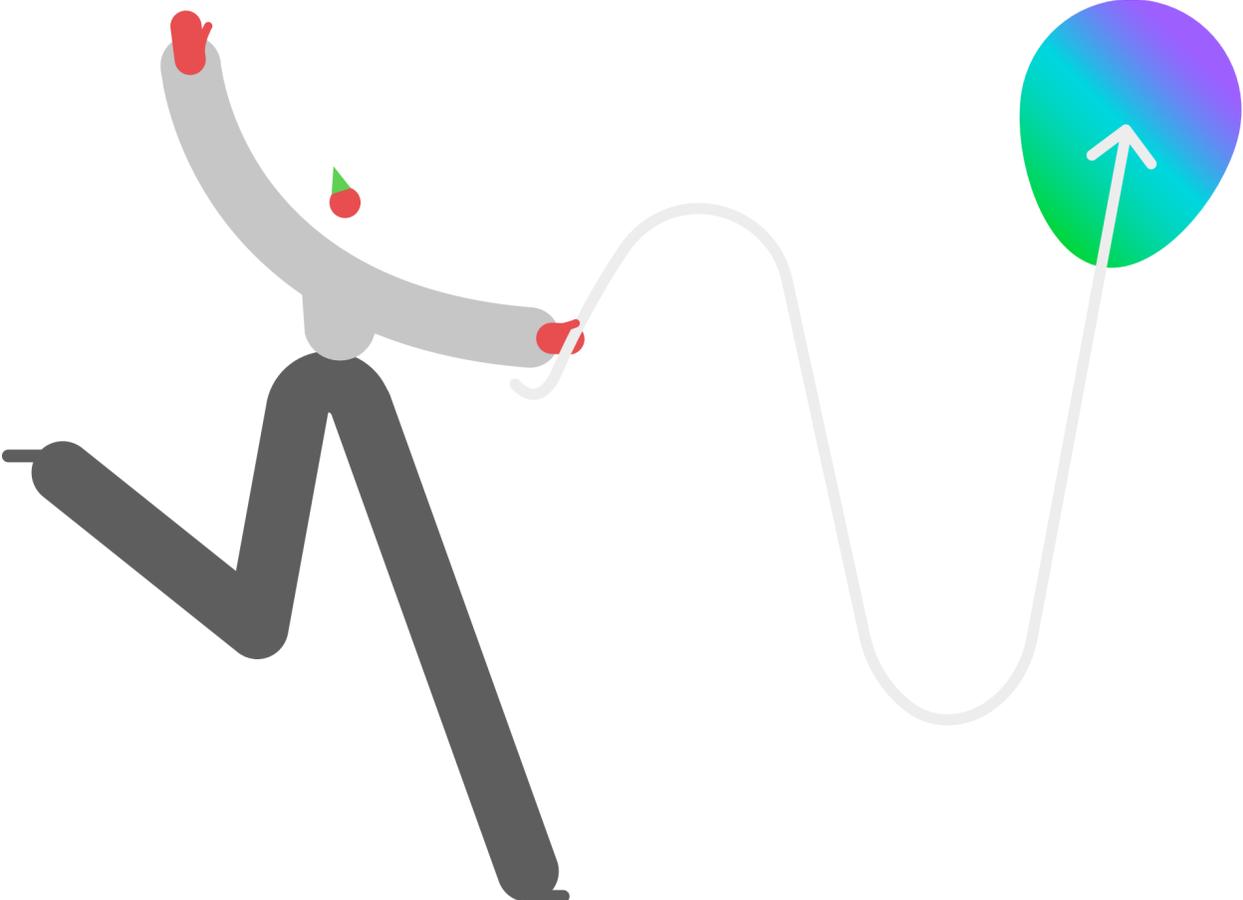Vision33

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Understanding the potential of AI

Artificial Intelligence (AI) is reshaping the business world, and finance is no exception.

AI software becomes more integral to a finance professional's workflow as the technology evolves, promising increased efficiency and deeper insights.

In the recently published report, 'Secrets of Successful CFOs', key attributes and behaviors that distinguish top-performing Chief Financial Officers were analyzed.

The study revealed that 86% of finance leaders have incorporated AI into their operations in some capacity.

However, adopting AI tools designed explicitly for finance lags behind, with only 49% of finance leaders using specialized AI solutions. This discrepancy highlights a significant opportunity for growth and optimization.

AI finance tools vary widely in accessibility and integration capabilities, ranging from freely available software to comprehensive solutions embedded within larger platforms.

This guide will help you find AI tools that meet your needs and integrate easily with your current systems, enhancing your financial, strategic, and operational capabilities to drive growth.
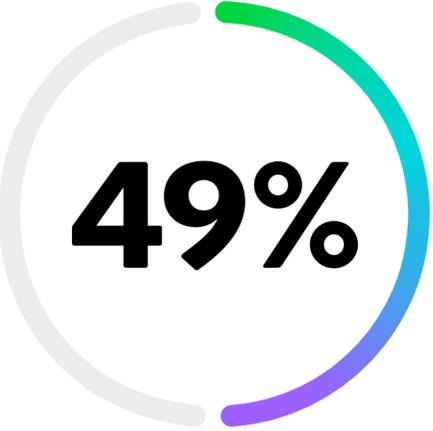
49%
of finance leaders use specialized AI solutions.[1]

1. All statistics in this report come from Secrets of Successful CFOs

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The growth of finance is powered by AI

Artificial intelligence is profoundly impacting the finance sector, empowering CFOs and finance teams to respond to changing expectations and positively reshape their roles.

Now more than ever, finance leaders are being tasked with thinking more strategically, and AI creates the bandwidth to make that possible. AI's real value is in its ability to elevate finance professionals into future-gazing and future-shaping strategic advisors.

With AI at the helm, CFOs and their teams can drive forward organizational success and personal fulfilment. As we unlock the benefits of AI in finance, those who embrace the technology and the necessary skills will be at the forefront.

Aaron Harris
CTO, Sage

Unlocking AI's potential: Generative and beyond

To understand how artificial intelligence is used in finance, let's compare generative AI and traditional AI.

Generative AI: combines machine learning and large-scale data processing to create new content like text, images, and financial forecasts. It helps develop new business models, improve financial forecasts, and personalize customer interactions.

Traditional AI: analyzes existing data to make predictions and decisions, enhancing efficiency, reducing risks, and improving decision-making. It is crucial for fraud detection, risk assessment, and automating customer service.

The key takeaway: both generative and traditional AI are essential for enhancing financial operations and driving growth.

While generative AI creates new content, traditional AI provides the robust machine learning behind current features, making it indispensable today.

Both types of AI have the potential to provide incredible value to any business that embraces them. They can uncover new opportunities, boost efficiency, and improve ways of working across the business.

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Empowering CFOs with **Sage Copilot**

Sage Copilot is our new generative AI-powered assistant that's designed to meet the unique challenges of CFOs and finance professionals.

Sage Copilot tackles your to-do list, automates tasks and workflows, and recommends ways to help you make savings and drive impact. It works around the clock so you and your teams don't have to, giving you back time so you can focus on making smarter, faster decisions across your business.

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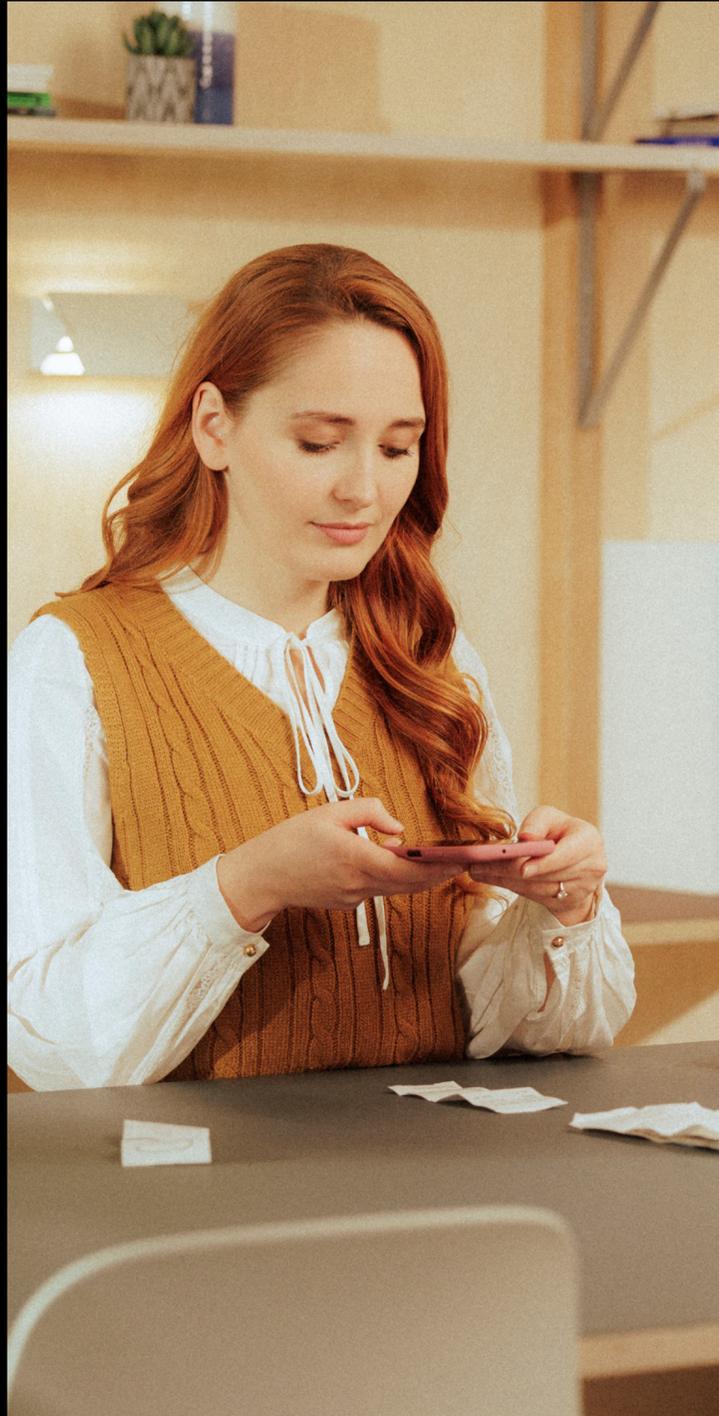
Sage Ai AP automation: A strategic asset in financial operations

Integrated into Sage Business Cloud, Sage Ai transforms Accounts Payable (AP) through advanced automation. CFOs and finance teams get the benefit of:

- **Increased efficiency and productivity:** automation of repetitive tasks, allowing people to focus on strategic activities.

- **Cost savings:** reduces manual intervention, cutting operational costs and minimizing errors.

- **Enhanced accuracy and compliance:** ensures data accuracy and compliance with regulatory requirements.

- **Improved vendor relationships:** ensures timely payments, fostering better vendor relationships.

- **Scalability:** handles growing transaction volumes without additional resources.

- **Real-time insights and reporting:** provides real-time data and analytics for better decision-making.

- **Enhanced security and fraud prevention:** mitigates fraud risks with built-in security measures.

Customer spotlight: Johnny's Selected Seeds

Johnny's Selected Seeds, renowned for its research and development and global distribution, has revolutionized its financial operations with Sage Intacct AP automation.

Michelle Pyle, Finance Director at Johnny's Selected Seeds, shared, "Sage Intacct's AP automation, especially its AI features, has been a game-changer for us."

- Simplified processes: the AI component excels in reading and extracting data from bills, simplifying review and approval.

- Time savings: "Once it's approved, it's all done. AP automation has cut our processing time in half," explains Pyle.

- Streamlined payments: the transition from paper checks to electronic payments has provided real-time financial data, which is crucial for timely decisions.

"It isn't just an efficiency tool; it's a strategic asset that supports our growth and innovation efforts."

Michelle Pyle
Director of finance

Johnny's Selected Seeds

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Sage Ai outlier detection: Boosting financial accuracy and security

Sage takes financial precision further with robust outlier detection capabilities.

Sage Ai is essential for identifying anomalies within financial data that may indicate errors or potentially fraudulent activity, ensuring the integrity and accuracy of financial management.

- **Proactive anomaly detection**: Sage Ai outlier detection monitors the General Ledger (GL) and flags transactions that deviate from historical patterns.

- **Maintaining financial integrity**: outlier detection is crucial for maintaining high levels of accuracy in financial reporting and preventing errors and fraud supporting sustainable growth.
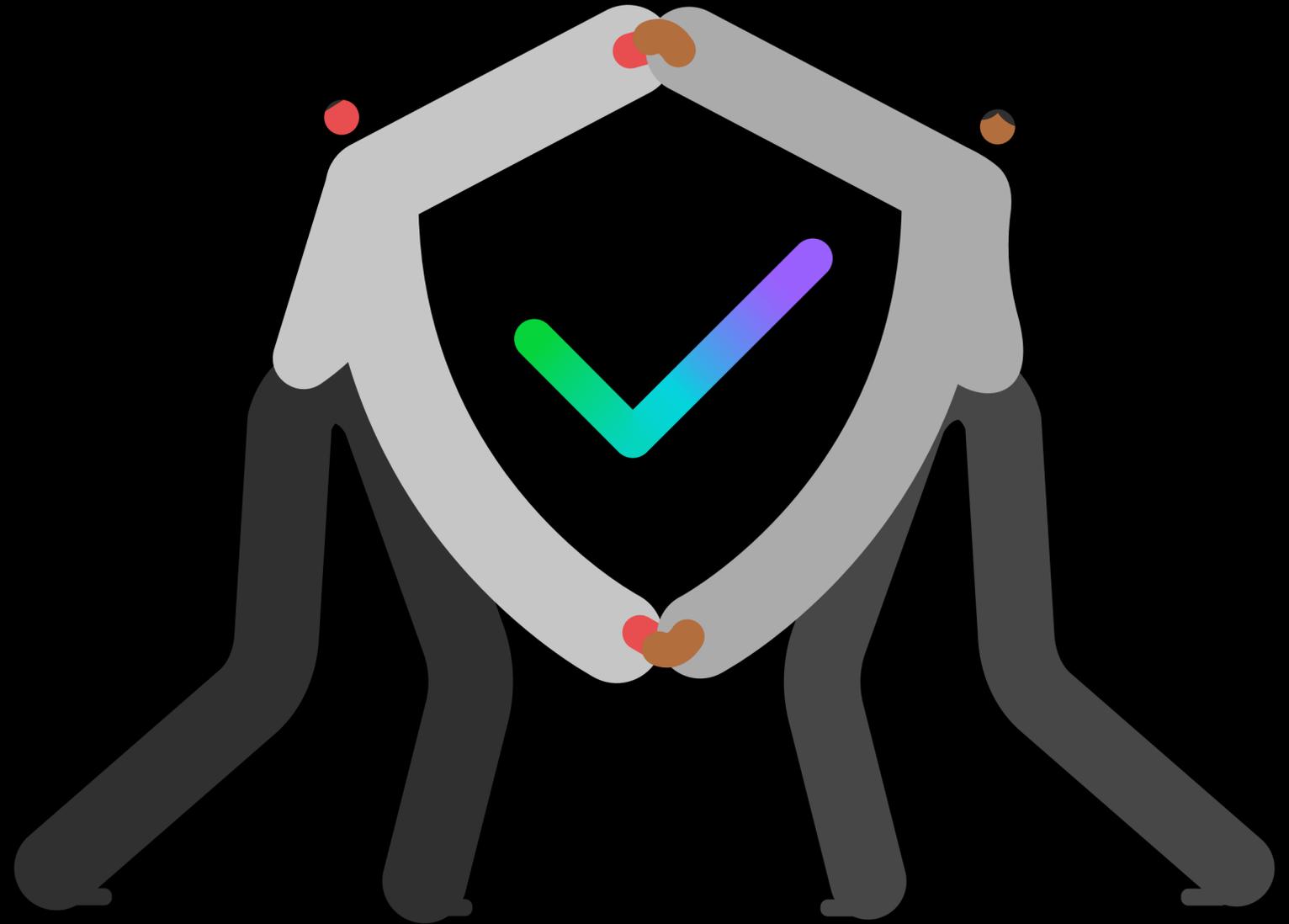
Customer spotlight: Operation HOPE

Operation HOPE, the largest U.S. nonprofit dedicated to financial literacy and empowerment, has integrated Sage Intacct outlier detection into its financial operations, significantly enhancing the efficiency and accuracy of its processes.

- **Enhanced error detection and security**: Sage Ai proactive detection allows Operation HOPE to identify and investigate discrepancies swiftly, ensuring financial accuracy.

- **Operational efficiency:** using Sage Intacct for both AP automation and outlier detection has transformed Operation HOPE's financial operations, reducing the need for manual oversight, and cutting processing times, allowing more focus on growth initiatives.

"Sage Ai makes data entry and review easier. It's like having an assistant. It helps our team do everything they've been doing—but in a faster and smarter way."

Michael A. Smith
SVP of Finance & Accounting

OPERATION HOPE

10 essential steps for AI implementation that drives growth

As we've explored the transformative potential of AI through key statistics and real-world success stories, it's clear that AI is a practical tool driving significant improvements.

Sage's customers' experiences demonstrate the tangible benefits AI can bring, from automating accounts payable to enhancing financial accuracy.

Realizing these benefits requires strategic implementation. Notably, 78% of finance leaders who self-identify as very successful rank understanding technology and systems as critical.

Here are 10 practical steps to identify the right AI tools for your business, win over stakeholders, and maximize growth.

1. Define the pain point
or problem you are trying to solve

Before adopting any AI finance tool, clearly understand the specific problem you aim to address.

- **Strategize AI integration:** identify areas where AI can significantly enhance financial workflows and drive growth.

- **Target areas:** focus on automating routine tasks like AP processing, enhancing data analysis for faster insights, refining financial forecasting for better predictability and supporting growth initiatives.

Collaborate: engage with finance team members to thoroughly map out current processes, identify inefficiencies, and determine specific pain points that AI can address.
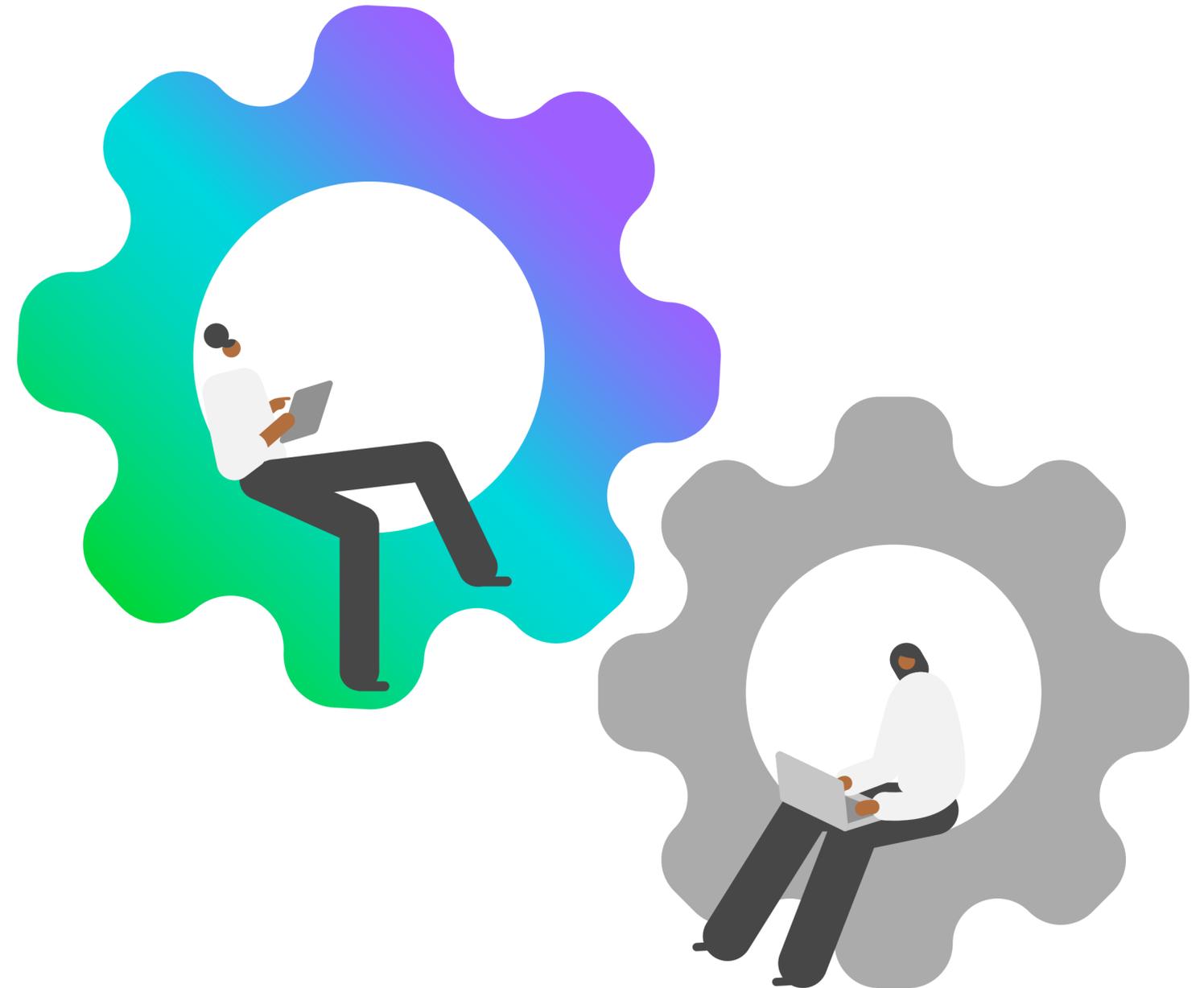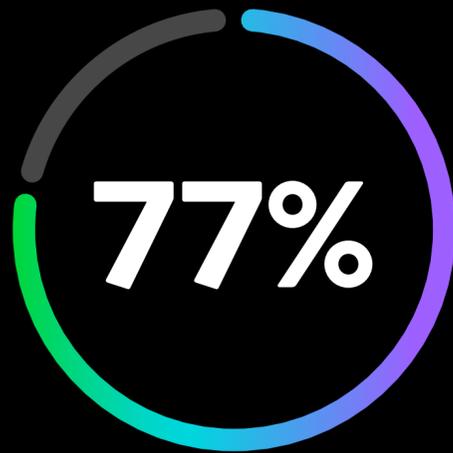
2. Develop a deep understanding of the tools available to you

Research and familiarize yourself with various finance AI tools and their strengths and weaknesses.

- **Invest in AI literacy:** ensure your team is knowledgeable about AI's potential and applications in finance, such as predictive analytics, robotic process automation (RPA), natural language processing (NLP), and outlier detection.
- **Address skills gaps:** focus on continuous learning and strategic recruitment to address short-term skills gaps. Build long-term AI competency through comprehensive training programs.

Collaborate: engage with AI consultants, training providers and HR to facilitate continuous learning and strategic recruitment. Work together to create a robust training plan and recruitment strategy that aligns with your AI goals.
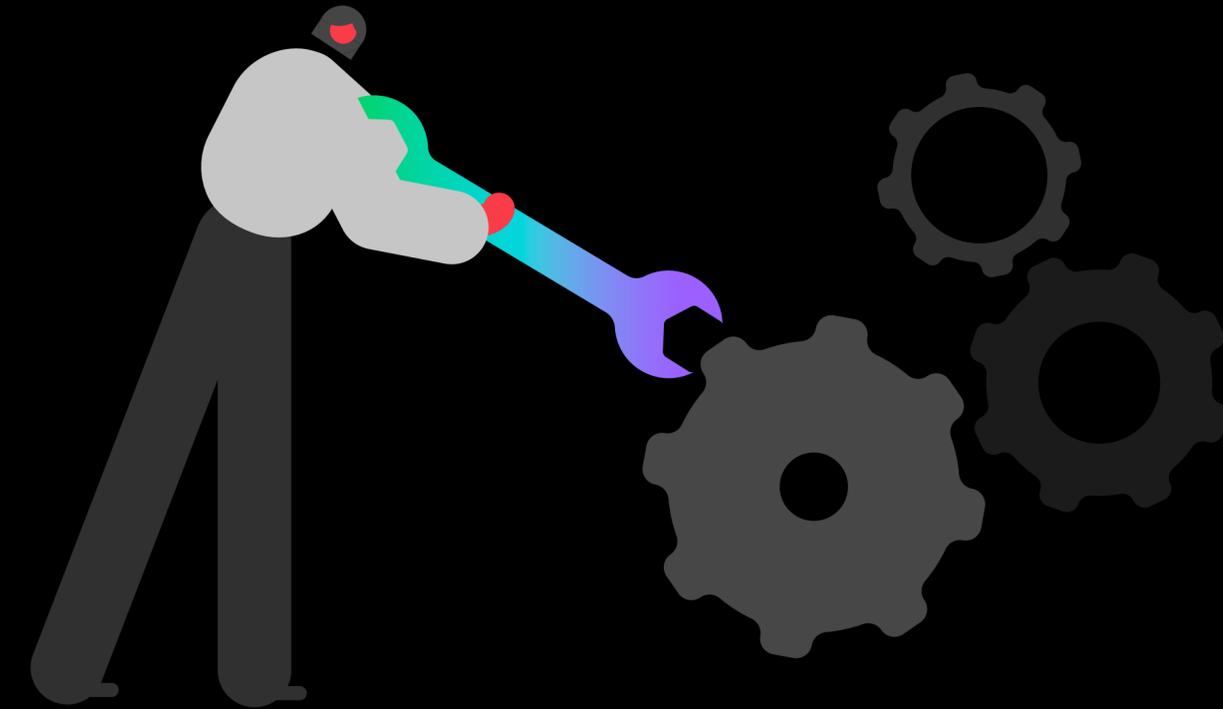
3. Set realistic expectations about what AI can achieve

Set realistic expectations about what finance AI can achieve.

- **AI as a team addition:** view AI as a tool that automates manual tasks, freeing your team for higher-value activities. Understand that AI is not a cure-all and should be used to complement human skills, not replace them.
- **Safe experimentation:** experiment with finance AI tools that use external data before profoundly integrating them into your internal systems. This helps minimize risks and allows for gradual adoption.

Collaborate: work with the IT department and external software vendors to ensure safe experimentation and seamless integration. This collaboration ensures that AI tools are implemented securely and effectively.

77% of CFOs recognize AI as a partner that enhances job satisfaction and strategic operations.

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AI: THE OPPORTUNITY FOR CFOS

4. Find a tool that solves a single pain point, and that pain point only

Choose a tool that effectively addresses your specific pain point.

- **Focus on specific solutions:** avoid tools that attempt to solve multiple issues but fail to address your primary financial problem. Select tools designed for specific tasks to ensure maximum efficiency.

- **Automate simple tasks:** start by automating tasks like the monthly close with AP automation to free up resources and enhance productivity. This can provide quick wins and build confidence in additional AI solutions such as generative AI.

Collaborate: Work with finance process improvement teams and AI vendors to select and implement the right tools. Ensure alignment between the tool's capabilities and your specific needs for the best outcomes.

81%

of finance professionals found that manual financial tasks inhibit strategic work.

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5. Keep one eye on how your AI tools could improve your relationships outside of finance

Choose AI tools that foster teamwork and collaboration across departments, boosting your overall organizational synergy.

- **Encourage collaboration**: implement AI solutions that streamline communication and enhance team data sharing. This will drive collaborative growth and ensure that insights from AI tools are accessible and valuable to everyone, not just the finance department.

- **User-friendly tools:** select AI finance tools that are easy to use, ensuring broad adoption across the organization. Look for tools designed to simplify tasks for non-finance departments, allowing them to use financial data in their decision-making processes.

Collaborate with department heads: work closely with departments such as HR, marketing and operations to align AI tools with overall business goals. Ensure that AI implementations provide tangible benefits to the rest of the business, fostering a sense of shared purpose and mutual support.

57% of CFOs expect more collaboration as a significant outcome in the coming years.

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6. Work closely with IT and legal

Collaborate with IT and legal teams to ensure AI tools meet security and legal standards, protecting company and customer data.

Ensure compliance: use AI tools that comply with regulations like PCI DSS and GDPR to protect sensitive data.

Think about:

- **Compliance audits:** conduct regular audits to ensure ongoing regulatory compliance.
- **Security protocols:** develop robust security protocols, including encryption and access controls.
- **Legal reviews:** schedule periodic legal reviews to comply with data protection laws.
- **Workshops:** host cross-departmental workshops to align on compliance and security responsibilities.
- **Incident response plans:** create an incident response plan for data breaches or compliance issues.
- **Vendor due diligence:** thoroughly vet AI tool vendors for security and compliance standards.

> "Without AI-specific controls, integrating and using AI/ML systems can dramatically increase the likelihood of data theft (intentional or not) and unauthorized disclosures."
>
> **Dr. Todd A. Jacobs**
> **Theia Institute Cybersecurity Think Tank**

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7. Track and fix any issues

Expect some initial challenges when implementing new technology.

- **Issue identification framework:** create a framework that ranks issues by priority and defines the minimum information needed for each risk.
- **Central reporting log:** communicate the framework to the project team and maintain a central log for reporting issues.
- **Regular reviews:** review the log weekly, allocate actions to relevant owners, and track them to completion.
- **Vendor collaboration:** if an issue can't be fixed internally, work closely with your software vendor to explore development roadmap solutions.

Collaborate: work with tech vendors and support teams to troubleshoot and improve.

8. Over-communicate results and wins

Communicate the successes, savings, and efficiencies achieved through AI implementation.

- Clearly define how you will measure success from the outset.
- Share the positive results widely within your organization to build support and confidence, fostering a culture of growth.

Collaborate: work with internal communications and marketing teams to disseminate success stories.

9. Start small

Begin with a proof of concept by selecting a manageable problem, finding a suitable tool, and solving it.

- **Avoid overreach:** address 1 issue at a time rather than tackling every problem simultaneously. For instance, automating the AP process to reduce manual entry errors and speed up invoice processing.
- **Pilot Initiatives:** use pilot AI finance initiatives to test effectiveness, build confidence, and gather data for broader adoption. Monitor key performance indicators such as processing time, error rates, and cost savings.

Collaborate: work with project managers and pilot teams to implement and evaluate proof-of-concept initiatives. Form a pilot team to handle the technical and operational aspect— work closely with the pilot team to integrate the AI tool into existing workflows. Regularly evaluate the tool's performance and make necessary adjustments.
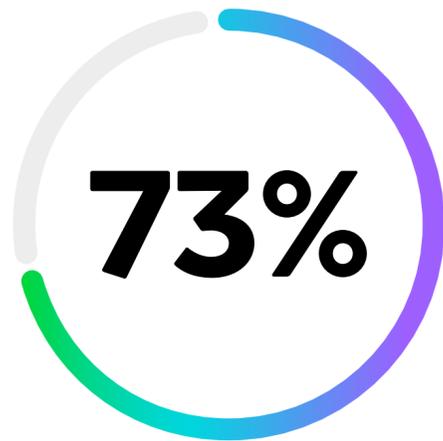
65% of finance leaders state that knowledge of AI will be crucial over the next 3 years.

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10. Deploy AI for broader organizational impact

Once initial implementations are successful and stakeholders are on board, your use of finance AI tools can gradually expand.

- **Broaden applications:** apply early successes to drive comprehensive transformation across all financial operations. Consider how generative AI tools such as Sage Copilot could enhance productivity and decision-making.

- **Identify new use cases:** continuously seek out new areas where AI can be applied, such as predictive analytics, automated reporting, and customer insights, to drive broader adoption.

Collaborate: engage with executive leadership and cross-functional teams to identify and prioritize new use cases for AI tools. Ensure that these tools are aligned with your organization's strategic goals and that their benefits are communicated clearly.

"Outlier detection by Sage Ai is like having an ever-alert assistant that ensures our financial accuracy. It has drastically simplified our data entry and review processes, allowing us to focus more on strategic initiatives rather than routine tasks."

Mark Knowles
Accounting Manager, Operation HOPE

73%

successful leaders stress the indispensability of AI for strategic operations.

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Grow your AI capabilities with Sage

With Sage Ai on your side, you've got all the finance tools you need to innovate and drive your organization—and your career goals—forward.

The future of finance will intertwine the power of AI with a strategic, human approach.

As a CFO or finance leader, your role will grow through regular assessments, guidance, and training to cement this new partnership.

As technology continues to innovate, taking these first steps will prepare you to leap into a world where finance technology is intelligent, and your human-centric business thrives.
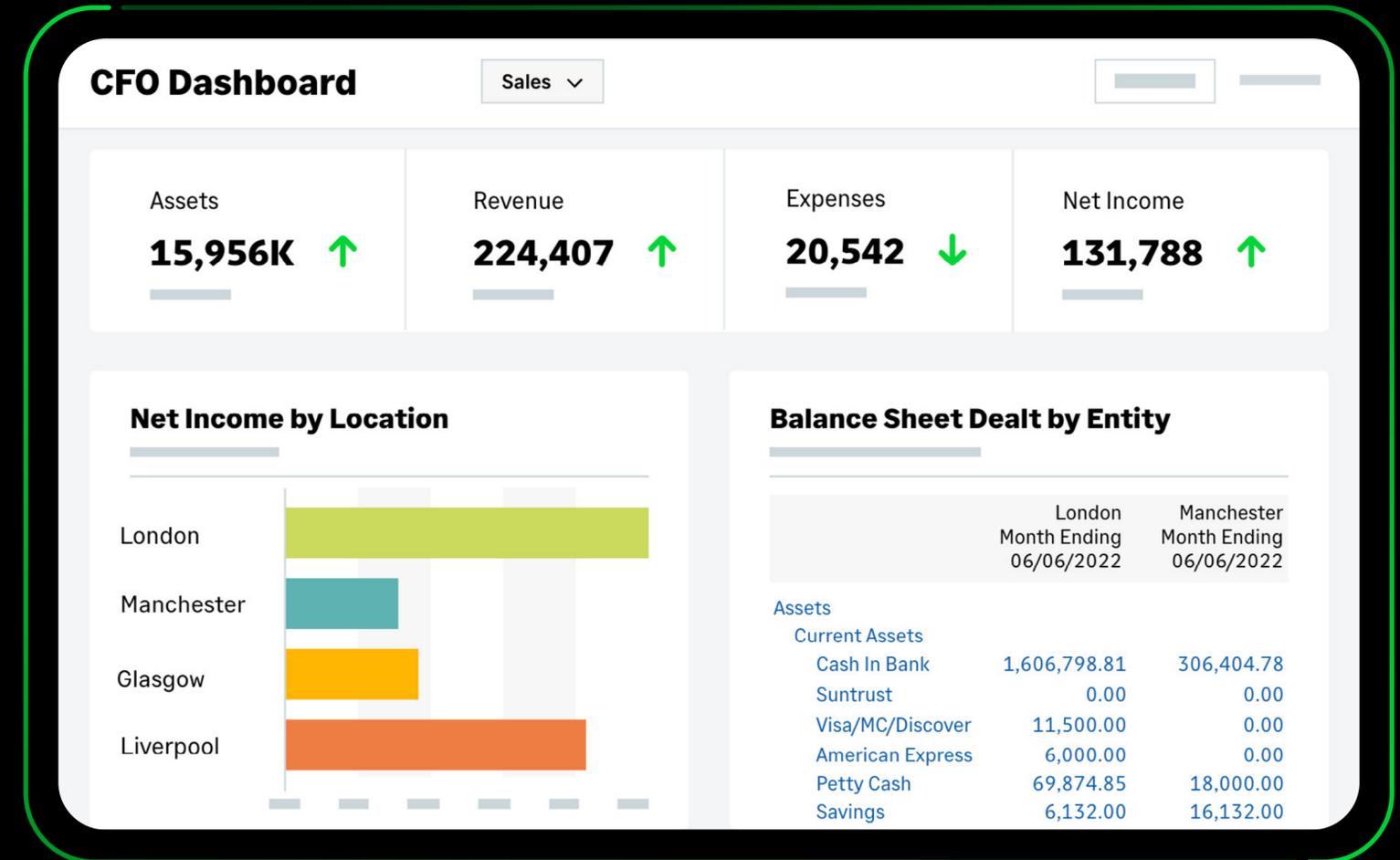
Work with your finance teams, share this insight, and explore the full potential of specialized AI in finance with the blend of precision and ease to help you define your future.
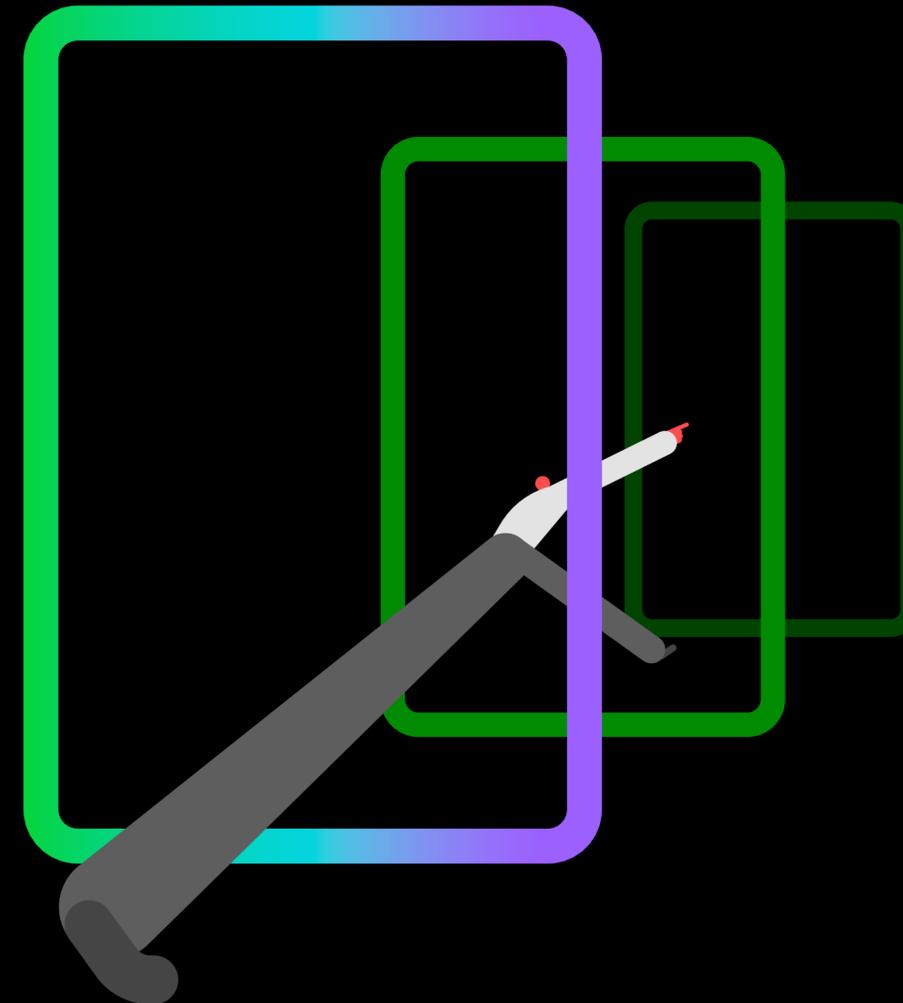
Unlock the next stage of your business.

Sage equips you with the tools and insights necessary to drive profitable growth in an instant. Unlock the ability to make swift, well-informed decisions that provide the crucial competitive edge needed to stay agile, seize growth opportunities, and propel success across your organization.

- **Give a gift to your staff to make them love their jobs**—invest in AI-powered accounting that saves hours every week so they can focus on higher value tasks and grow their careers.

- **Amplify your storytelling**—deliver insightful visualizations to your CEO, board, and investors to make decisions quicker.

- **Streamline your HR and payroll management**—no more manual data entry or maintaining complex integrations.

- **Enhance strategic vision and planning**—create budgets and forecasts to plan for the future; perform scenario analysis to choose the best path forward.

- **Become a strategic partner to your operational leaders**—easily integrate your financials with operational data to create a competitive advantage with real time insights that help them do their jobs better.

CFO Dashboard

Sales ⌄

Assets	Revenue	Expenses	Net Income
15,956K ↑	**224,407** ↑	**20,542** ↓	**131,788** ↑

Net Income by Location

London
Manchester
Glasgow
Liverpool

Balance Sheet Dealt by Entity

	London Month Ending 06/06/2022	Manchester Month Ending 06/06/2022
Assets		
Current Assets		
Cash In Bank	1,606,798.81	306,404.78
Suntrust	0.00	0.00
Visa/MC/Discover	11,500.00	0.00
American Express	6,000.00	0.00
Petty Cash	69,874.85	18,000.00
Savings	6,132.00	16,132.00

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