

smartCFO

EMEA Edition | Brought to you by Workday | Vol. 3

AI and the future of finance: The CFO perspective



**Also in
this issue:**

**When we say AI is
transformational, we mean it**

Javier Delgado, Business Network Builders

**How finance leaders
can reimagine work**

Kendall James, Collaborative Solutions

Editor's comment

Welcome to the latest edition of smartCFO magazine, where we aim to provide insights on the latest trends, opinions, backgrounds and regional insights from finance leaders across the EMEA region.

It's no secret that we're all witnesses to a profound technological shift taking place at an incredible pace and on multiple levels. AI and machine learning (ML) are more than technological innovations – they are catalysts for change in businesses and society.

In this edition, we'll explore what AI and ML mean for finance leaders. Through the insights we've gathered, we hope to answer questions like: How can AI and ML help the CFO and CHRO to work smarter together? How are CFOs already using AI to gain a competitive advantage? And what barriers stand in the way of AI adoption?

We know how valuable it is to hear the perspectives of other CFOs and business leaders as they tackle the issues facing business today. So with that in mind, this edition features insights from Stuart Collins, CFO at BDO UK, Javier Delgado, COO at Business Network Builders, Sam Allen, Finance Transformation Director at Checkout.com, Richard Coombes, Partner at Deloitte, Ed Downing, Head of FP&A at Equiniti, Nigel Bryan, Head of Financial Control at NFU Mutual, and Camillo Werdich, CEO at Sinpex.

We're also delighted to feature insights from award-winning journalist Oliver Pickup, as well as thought leadership from Workday partner Collaborative Solutions on their recently published report, 'The future CFO: Leveraging technology to adapt to change'.

We hope this issue gives forward-thinking CFOs the confidence to meet this moment and that it inspires all of you to become the changemaker your organisation needs.

Angelique De Vries - Schipperijn

President, EMEA, Workday

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CFOs look to address the finance talent gap with AI and ML

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How AI is enabling CFOs and CHROs to work smarter together in an economically uncertain period

Breaking data silos to drive strategy enables HR and finance departments to work in concert – and by removing administrative tasks, and empowering employees with self-service solutions, AI makes their working lives more fun.





By **Oliver Pickup**,
Award-winning Writer,
Pickup Media

22 November 2023 marks 60 years since Lee Harvey Oswald assassinated John F Kennedy. The 35th president of the United States knew plenty about handling pressure in uncertain times. JFK commanded patrol torpedo boats during World War II, was at the helm during the Cuban Missile Crisis and signed the first nuclear weapons treaty a month before his premature death.

What would the youngest-serving US president have made of modern-day pressures, not least the advancement of AI in the post-pandemic world? Kennedy's observation that "the Chinese use two brush strokes to write the word 'crisis'" is perhaps apposite. "One brush stroke stands for danger; the other for opportunity," he explained. "In a crisis, be aware of the danger – but recognise the opportunity."

CFOs and CHROs would be wise to heed JFK's words and recognise the opportunity presented by AI. Admittedly, they have had it more challenging than most since the start of the COVID-19 crisis and during the ongoing cost-of-living crisis. And, considering CFOs and CHROs have seen their list of responsibilities multiply in recent years, they may not have the time or inclination to engage with a technology that, as many predict, will cut human jobs and possibly slaughter humanity, according to some doom-mongering experts.

However, embracing AI enables those operating in these spaces to handle their workload better, focus deeper on identifying and nurturing talent – which is why most HR professionals enter the industry – and manage finances, the chief concern of CFOs.

Further, with more data at their fingertips, both can play more critical roles strategically, working closely together and with other members of the C-suite.

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This wave of AI innovation sweeping the world right now is going to impact the world for generations to come. It will be the most significant inflection point in our lifetime.

Clare Barclay, UK Chief Executive, Microsoft

Holistic approach

"The best HR teams impact right across the operations and strategy of organisations and are looking outside them to anticipate the coming challenges and opportunities too," says Lesley Richards, Head of the Chartered Institute of Personnel and Development (CIPD) in Wales. "It is absolutely right to say that a more holistic approach is necessary. In fact, it's really hard to create excellence in this type of work without all of the critical elements being well aligned."

Notably, 'Will AI fix work?', a report published in May by Microsoft – which has invested billions in OpenAI, creator of ChatGPT and DALL-E – suggested it will be the HR professionals, working in concert with finance teams, that can best understand and use AI who will communicate better with workers and improve the overall employee experience.

As the axiom goes, a happy worker is a productive worker, so it is worth CFOs working closer with CHROs. Increasingly, data-powered AI is the golden thread that binds together their work, enabling smarter decisions around employee recruitment, retention, performance and career development.

While 49% of around 30,000 respondents to Microsoft's global survey reported they were worried that AI would consume their jobs, considerably more (70%) wanted to delegate as much work as possible to AI to lessen their loads. "Human-AI collaboration will be the next transformational work pattern," stated the report.

Clare Barclay, Microsoft UK's Chief Executive, expanded this theme when she took to the stage at London Tech Week in June. "This wave of AI innovation sweeping the world right now is going to impact the world for generations to come," she enthused. "It will be the most significant inflection point in our lifetime."

Avoiding digital debt

The uptake of generative AI, in particular, has been extraordinary. Barclay pointed out that the internet took seven years to reach 100 million users. It took ChatGPT just two months to hit the same number (a record that has since been surpassed by Threads, Meta's latest social media platform that looks and feels like the channel formerly known as Twitter).

"This type of adoption has not been seen before and really will disrupt all industries and how they traditionally operate," continued Barclay. "It will also significantly impact the world of work and how people work." She cited a PwC study that calculated AI would boost the UK's GDP by over 10% by the end of the decade, equating to an additional £232 billion.

To take advantage of AI, though, finance and HR teams must look up, urged Barclay. Referencing more Microsoft research, she warned that 64% of workers didn't have enough time or energy to complete their daily jobs. "They're challenged and overwhelmed with the pace of work, burnout and a lack of productivity. We

call this deluge of information 'digital debt', sapping energy, slowing down the ability to think clearly and severely impacting thinking for innovation."

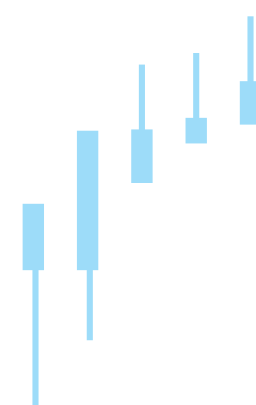
AI can assist. "There's been a lot of discussion about job losses and the impact of AI, but the research showed that leaders around the globe are the least interested in using AI to cut jobs," said Barclay. "Instead, they believe, and value how, it will help employees to be more productive and focus on more meaningful work, as well as having wellbeing benefits – obviously one of the overheads of this digital debt."

In short, AI provides finance and HR teams with digital assistants, or 'copilots', as Microsoft calls them. "These copilots will help workers manage this digital deluge, prioritise the most important tasks, create compelling content and improve their creativity significantly," added Barclay. "Ultimately, this is about using this technology to help employees navigate what matters most to them."

AI as copilot

If used correctly, AI in its various forms will ease the workload for HR and finance teams, says Paris-based Helen Poitevin, Distinguished VP Analyst, HCM at Gartner. "In future, as AI can provide hyper-personalised recommendations and insights around employees, HR professionals will be able to better support staff in creating career development plans, streamlining documentation and improving the onboarding process, among other things."

Daniel Pell, UKI Country Manager for Workday, says HR departments are already establishing more 'self-service' tools for employees that reduce their administration workload. Increasingly, companies empower staff to book holidays via a smartphone application or intranet portal – no need to plead with HR for time off.



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Using AI to identify and predict skills for prospective and current employees enables more effective job matching and career development.

Daniel Pell, UKI Country Manager, Workday



Yet, more crucially, learning is not keeping up with the pace of work. According to Work Economic Forum projections, 60% of the workforce requires upskilling by 2027, but less than half have access to the necessary training.

Again, AI can help CHROs and, in turn, CFOs. “Using AI to identify and predict skills for prospective and current employees enables more effective job matching and career development,” says Pell. By acting on recommendations surfaced by AI, HR professionals can proactively approach staff that have been in the same role for three years, for instance, to offer an appealing internal move. This engagement extends the employee’s lifecycle within an organisation.

Showing a small amount of recognition can go a long way, too. LinkedIn research found that saying ‘thank you’ to employees four times a year raised their retention rate to 96%. With AI, HR teams can prompt managers to celebrate their team members’ contributions.

Additionally, frequent pulse surveys allow HR teams to monitor the morale and sentiments of individuals, providing them with the data needed to make necessary improvements or interventions before a situation becomes irreparable and costly.

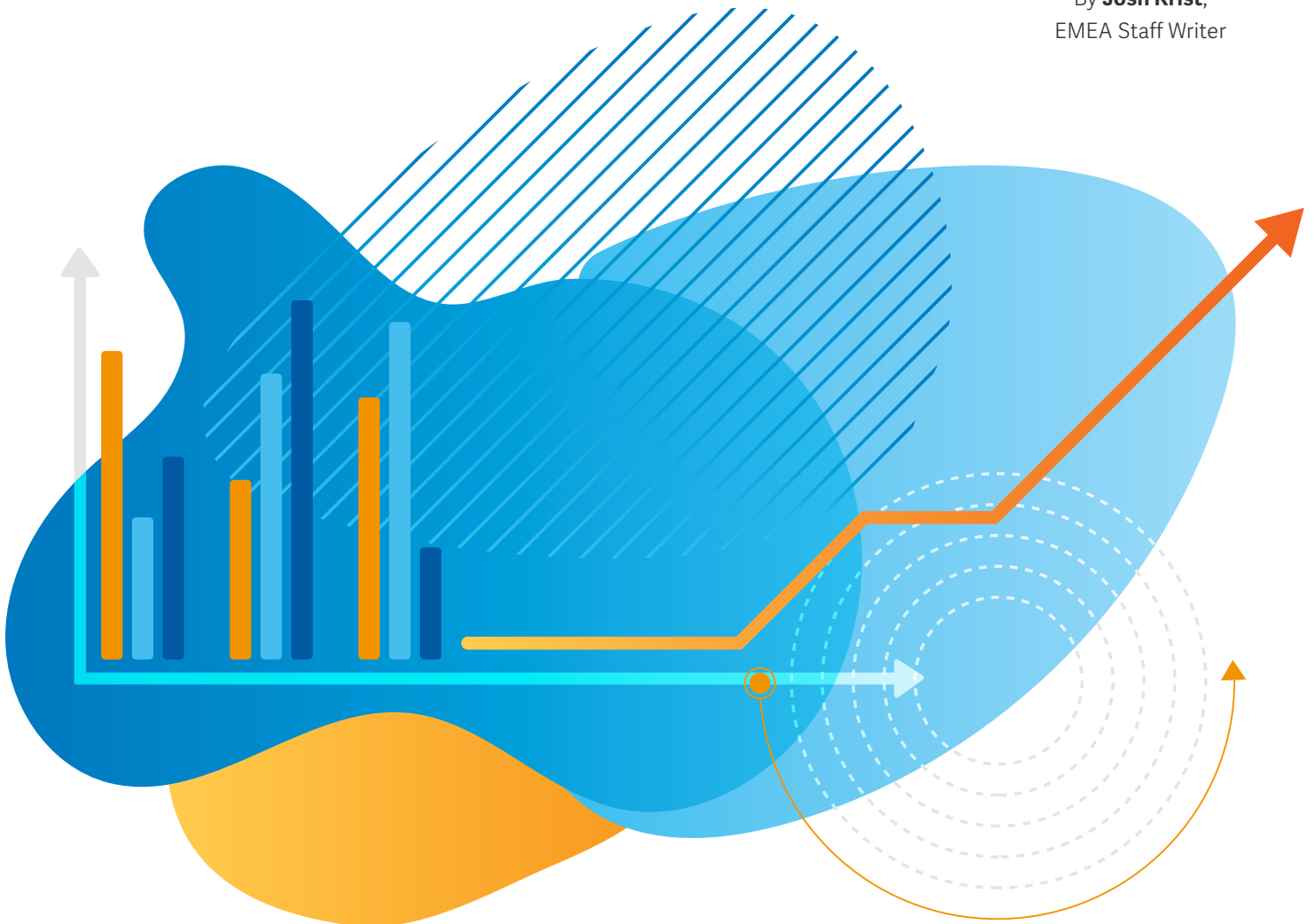
Given Gallup’s most recent ‘State of the global workplace’ report found that 2022’s 23% employee engagement was a record high, there is significant room for improvement in this area. But by using AI to boost this figure, CHROs and CFOs working in tandem will become the beating heart of company strategy in the digital age.

Workday research: 'AI IQ' study reveals AI adoption barriers for business leaders

A new Workday survey of 1,000 business decision-makers from around the globe cuts through the hype and reveals what leaders are really doing, thinking and feeling when it comes to AI – perhaps the most transformative technology of our lifetime. Keep reading to discover our findings.



By **Josh Krist**,
EMEA Staff Writer



AI is having its moment. Something that's always been futuristic has suddenly become very real and very now. In fact, the Workday 'AI IQ: Insights on artificial intelligence in the enterprise' report, based on a survey of 1,000 business decision-makers from around the globe, found that many business leaders are currently using some form of AI or ML to further their business – ranging from small pilots to full-blown, enterprise-wide deployments.

If you believe some AI pundits, the changes the technology will bring are so profound that we can barely imagine them given our current frame of reference. Our 'AI IQ' study cuts through the hype and speculation to find out what business leaders are really doing, thinking and feeling when it comes to what may be the most transformative technology of our lifetime. Here's a look at some of our most compelling findings.

Leaders want less artificial, more intelligence

Overall, we found that business leaders are fairly certain their AI investments will increase over time and that AI will bring tangible business benefits. But there's a caveat: leaders aren't sure they can rely on the data they use to power AI and ML or if they're deploying these technologies in the right places, in the right way and at the speed the business needs. They're also uncertain if the people in their organisations have the necessary skills to get the most value out of these technologies.

We also found, unlike previous surveys about transformative technologies, that respondents are in almost unanimous agreement that AI will indeed be a game-changer – or at least a game-enhancer. A whopping 80% of respondents agree that leveraging AI and ML is a requirement to keep their business competitive, and two-thirds say AI and ML have already increased productivity and operational efficiencies.

Another strong point of agreement: humans need to stay in the loop at key moments. More than nine in 10 decision-makers (93%) believe it is important for a human to assist AI or ML when making significant decisions, rather than allowing the technologies to do it alone. And only 29% said they are very confident that AI and ML are currently being applied ethically in business.

We found that 73% of the decision-makers surveyed are under pressure to increase adoption or investments in AI and ML. Although almost everyone feels pressure to move quickly with AI, and that pressure mostly comes from the top, the motivation for the pressure varies. IT leaders feel the pressure to support overall business competitiveness. In HR, the pressure is about improving the employee experience, while finance decision-makers say they're being asked to address skills gaps.

The bottom line is leaders know they need to execute on AI and ML now. Yet, they must also quickly determine how to do so in a lasting way that will deliver immediate value today and ongoing value tomorrow, all in a fast-changing space.

Looking at our research results, optimistic – yet anxious – is a good summation of how business leaders are feeling about AI.

73% of decision-makers are under pressure to increase adoption or investments in AI and ML.

Other top findings from the report include:

Increased pressure

73% feel pressure to increase adoption or investments in AI and ML.

83% intend to either keep investments in AI and ML the same or increase them next year.

87% say AI and ML are influencing technology purchasing decisions.

Risks and obstacles

75% say many hindrances are preventing their organisation from fully implementing AI and ML.

Top risks to implementing AI include data and security (48%), concerns about accountability (47%) and inability to measure return on investment (46%).

77% say uptake would increase in their organisation if there were fewer risks involved.

Data difficulties

77% are concerned about the timeliness or reliability of data their organisation will use for AI and ML.

29% of people from organisations currently using AI believe insufficient data volume or quality is to blame for AI falling short of expectations.

33% of respondents rank data security and privacy as a top barrier to entry for their organisations to use AI and ML.

Rare consensus

99% agree there are business benefits from investing in AI.

Reasons for benefits include improved decision-making (41%), automating business processes (38%) and improved employee retention/experience (35%).

80% agree that AI and ML are required to keep their business competitive.

Looking ahead

We conducted this survey because we know that the future of many organisations, industries and the business world overall is being made right now. As you read these lines, an even larger and more ambitious survey on AI and ML is being conducted in collaboration with Longitude Research, a Financial Times company. We look forward to sharing these findings, but we know that with such transformative and fast-moving technology, fresh insights at this very moment are extremely valuable.

Jim Stratton, Chief Technology Officer at Workday – who along with other Workday leaders has been vocal and clear about AI's value to businesses – lends his executive perspective to this research. He writes in the foreword to our 'AI IQ' study:

“In my conversations with customer and partner CIOs and technology leaders, the biggest challenge I'm hearing with AI and ML is that people aren't sure where to start, and they wish they had a better idea of where others are finding success, and encountering roadblocks, on their journey. That's exactly what this report is for, and I hope that after reading it and absorbing the insights it offers, leaders will be able to tell a better story about AI and their own organisation's goals.”

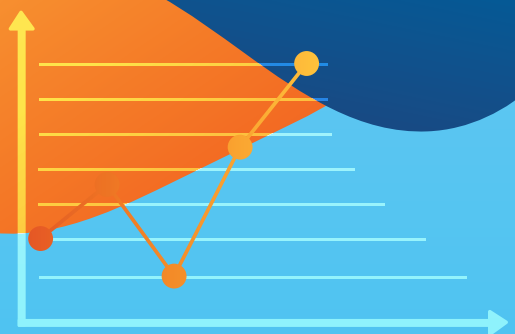
33% of decision-makers rank data security and privacy as a top barrier to entry for their organisations to use AI and ML.



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Jim Stratton, Chief Technology Officer, Workday



AI and the future of finance: The CFO perspective

This summer, at Workday Elevate events across EMEA, we spoke to finance and business leaders to understand how AI and ML will transform the world of work and the role of the finance function.

In conversation with Terrence Wampler of Workday, Professor Erik Brynjolfsson, from the Stanford Digital Economy Lab, recently made a bold prediction about the impact AI is likely to have on finance leaders. “AI is not going to replace CFOs,” he told Wampler, “but CFOs who use AI will replace those who don’t.”

It’s not only Ivy-League academics who appreciate the significance of this moment. CFOs themselves recognise that AI and ML are already changing the rules of the game and proving a decisive competitive edge. At Workday Elevate, we sought out finance leaders from across the Workday customer and partner community to find out how their roles are changing and what the future has in store for finance teams.

Reducing the administrative burden

AI and ML are already helping many organisations to automate manual, repetitive and labour-intensive transactions and processes, while also detecting anomalies and making recommendations. As a result, finance teams can now process high-volume transactions with increased speed and accuracy, reducing what used to take months or weeks to hours or minutes.

“Manual tasks should not be done by human beings because we need the experts to make expert judgments. We don’t need the experts

to do data collection,” said Camillo Werdich, CEO and Founder of Sinpex, a Germany-based compliance software company.

While automation in itself has been transformative, Sam Allen, Checkout.com’s Finance Transformation Director, believes this is just the beginning. “I think AI and robotics will do things we haven’t even thought of asking,” Allen said. This was echoed by Stuart Collins, the CFO at BDO UK: “We’re just scratching the surface of what these new tools can do.”

The evolving role of the CFO

For Brian Montgomery, Senior Director, Finance at Workday, AI and ML are nothing new. “Certainly in my time, maybe 30 years doing this, automation and technology have transformed and changed the look of a finance function in quite meaningful ways,” he said. “AI is the next phase of that evolution.”

Richard Coombes, a Partner in Deloitte’s Human Capital Consulting practice, agrees and is already seeing customers using AI and ML to improve executive decision making. “That’s not only using past data to say here’s the trend, and make a decision based on that,” he said, “but actually now starting to look at predictive data to say here’s my future workforce needs and therefore the skills I require, so smarter future decisions.”



By **Patrick Evenden**,
EMEA Staff Writer

Montgomery agrees and believes the biggest impact AI and ML will have is giving finance leaders real-time insights into what is happening in the business. “Actually, on a day-by-day or even an hour-by-hour basis, AI is starting to tell us, here's what's happening now in your business and seeing what the right thing to do with that new information is.”

AI and ML analytic capabilities are also helping financial institutions meet regulatory requirements and battle cybersecurity threats, two key initiatives that otherwise often involve tedious and time-consuming tasks.

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Manual tasks should not be done by human beings because we need the experts to make expert judgments. We don't need the experts to do data collection.

Camillo Werdich, CEO and Founder, Sinpex

“Reading and analysing regulatory documents and extracting information from them – these are things that AI can do better than human beings,” Werdich said. And unlike people, AI doesn't grow fatigued.



A need for speed

For Ed Downing, Head of FP&A at financial services company Equiniti, speed is everything. “I guess it's all about availability of data and the speed of responsiveness of an FP&A function or a commercial finance function,” he said. “If you're removing some of that administrative burden or reconciliation burden, improving the quality of the data, then it means that you're already one step ahead. You don't need to wait for someone to assemble a report and check it reconciles before you can then look at the insights and take action.”

Nigel Bryan, Head of Financial Control, NFU Mutual also sees the FP&A function as being one of the earliest beneficiaries of AI and ML, and predicts that it will “increasingly become part of that world”. He foresees that the ability to scenario plan using external and internal data will become a key part of what finance needs to do and will result in “less time looking backwards, more time looking forwards.”

The zero-day close

As well as accelerating FP&A processes, Montgomery is seeing the gears turning faster across the whole of the finance function. As a result, he thinks it's possible to run the finance function in a fundamentally different way and has set his sights on ‘the close’, “probably the most common pain point we all have.”

Montgomery predicts ‘the close’ could soon be a thing of the past. “We're now working on decreasing the time it takes to close the books down to zero days,” he said. “ML is transforming our ability to do that in a really efficient way that not only does it faster but improves the process and gets us to better insights in a shorter space of time.”

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Accountants: finally, it's our moment. [Technology] allows us to turn our focus into creating value for a business. And isn't that what we all want in our day-to-day work: to be somebody who's creating value for the company we work for?

Brian Montgomery, Senior Director, Finance, Workday





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Ed Downing, Head of FP&A, Equiniti

Equiniti's Downing highlights a couple of practical ways that Workday is helping to improve the richness of the data on the financial transaction. "When someone is raising a purchase order, and maybe there's a certain supplier or a certain description in the purchase order, then [Workday is] suggesting a particular project code or suggesting the cost centre that it should go to," he said. "When that transaction ends up in the ledger, it's already accurate. So it just improves the data that's captured against each of those items so that performance reporting becomes more complete."

As someone who has been a finance leader for over 30 years, Brian Montgomery knows that it's not always been that easy. Particularly when it comes to getting insight into the business. But AI, he says, is starting to shine light onto parts of the business that were difficult to see before. "ML can look at every single transaction. It's been able to do that for a while, but the big change is that it can now give us insights into what's happening in the business from looking at all of the transactions. And that's really, really powerful." From a finance team's perspective, it means they can not only determine what's happened, but also shape the future and help the company achieve its strategic goals in a much more efficient and meaningful way.

Creating value

Richard Coombes thinks AI will be a boon for productivity, not only in the finance function, but across the whole of society. "Productivity in the western world has pretty much flatlined over the last eight, 10 years. There's a huge opportunity and potential in AI to drive productivity in a way that's healthy, that benefits individuals at work and benefits society but increases productivity in the workforce."

Montgomery believes that CFOs will be in the vanguard of that societal shift. "Accountants: finally, it's our moment. I think it's an incredibly exciting time to be a finance professional because of technology. It allows us to turn our focus into creating value for a business. And isn't that what we all want in our day-to-day work: to be somebody who's creating value for the company we work for?"

Business Network Builders: When we say AI is transformational, we mean it





By **Jordan Hallam**,
EMEA Staff Writer

I recently sat down with Javier Delgado, Chief Operating Officer at Business Network Builders (BNB), to find out more about how AI and ML are transforming the way the world works. Check out the highlights.

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Generative AI is already revolutionising the world of work.

Javier Delgado, Chief Operating Officer,
Business Network Builders

Every few years, a technological innovation comes along that's hyped as the thing that will completely transform the way we all live and work. This time, the technology in question is AI, with news stories galore and companies around the world pivoting to incorporate AI and ML into their operations.

But is this time different? To find out, we spoke with Javier Delgado, COO of BNB, a Workday partner and customer.

For Delgado, there's no question about whether AI will bring transformational change to the world: it's already done it. "I think that generative AI is already revolutionising the world of work," he said. Through automation, improved data analysis and as an enabler of innovation, AI has or is in the process of transforming the way we work – and live.

First of all, through automation AI has already freed employees from the kind of repetitive, time-consuming tasks that dampen productivity. "The reality of that is that we're helping people to become more efficient," said Delgado. The potential to automate more grows every day. For business leaders, the trick will be finding which areas are best suited to automation and then automating them. "We need to be creative about how we use this automation, because it's not the kind of automation we're used to."

AI can even help business leaders decide what parts of the organisation to automate, thanks to improved data analysis. The ability to mine vast amounts of unstructured data for improved insights has been growing for years. But “with AI, we can structure it in some way,” Delgado argued, and so we’ve never been more equipped to assess that data for unique insights that allow us to pursue new opportunities.

Taken together, the ability to automate tasks and analyse more data than ever before is leading to a whole new world, defined by innovation. Delgado uses generative AIs, like ChatGPT, as personal brainstorming tools, helping him and his team to create new and exciting ideas.

The potential for AI to further transform business

However, Delgado believes we’ve only scratched the surface of the potential of generative AIs and how they’ll help businesses operate faster and more efficiently.

For one, Delgado argued that HR teams will be able to screen CVs and even equip interviewers with new, tailored questions for candidates. “It can really help to automate and streamline the recruitment process,” he said.

But it can also enhance the working experience for existing employees, too. Generative AI can be used to put complex data into simpler, friendlier terms, making it easier for finance teams to interpret it and bring new value to the business. Meanwhile, BNB themselves have recently started using generative AI to help managers write performance reviews.



I think one of the best ways to have good data quality is to have as democratic access to the data as possible.

Javier Delgado, Chief Operating Officer, Business Network Builders

Could AI-powered chatbots even replace people in the interview process? Delgado wasn’t so keen here, at least for the professional services. At BNB, the human touch is still best for the initial stage of interviews. However, “in some industries like retail, where you’re conducting continuous recruiting of salespeople or people working at your stores, you may benefit from a first interview being conducted this way,” said Delgado. “But we personally who work in the professional services [...] we value the human touch” above all else.

Elsewhere in the business, Delgado believes that there’s great potential for generative AI to analyse and summarise data, and then highlight risks and opportunities for the business. This is especially true in the finance organisation, where it can cut time to complete standard processes to near zero.

But, the real value of AI isn’t about looking at the way you work now and slotting it in. It’s in redesigning the whole way you work to spot new possibilities and then action them.

To do that, we need more strategic, data-driven and collaborative approaches to AI to make it a success. For that, Delgado says, we need visionaries within the business – people who are tech savvy, future thinking and, above all, agile. In professional services, “we need to rethink the way we approach business,” Delgado said, and we need to do it quickly.

Democratic access to data is key to ML success

Delgado argues that to get the most out of AI and ML, you need to have good data – and well-structured data at that.

Once you have the quality, volume and access capability, Delgado says that it’s then vital for you to open that data up to all relevant parties within the organisation. “I think one of the best ways to have good data quality is to have as democratic access to the data as possible,” he stated. Whilst upholding the highest standards of security, this is of the utmost importance for the future success of your organisation.

Employees across the business will be able to make connections that not only you haven’t spotted, but potentially the ML algorithms haven’t picked up on yet either. In essence, this is a new age of opportunity for businesses, where they’ll be able to pursue new avenues and efficiencies they couldn’t dream of yesterday.

So how does this come back to the CFO and CHRO? Delgado says that AI and ML will enable them to be more collaborative than ever. With a more complete view of the business, and with greater insight they’ll be able to make better decisions about the future of the enterprise.

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We need to be creative about how we use this automation, because it’s not the kind of automation we’re used to.

Javier Delgado, Chief Operating Officer,
Business Network Builders





How finance leaders can reimagine work

The role of the CFO is changing. In this guest post from Kendall James at Collaborative Solutions, find out what the future holds for finance leaders and how technology can help them to adapt to change.



By **Kendall James**,
Content Marketing Specialist,
Collaborative Solutions

The office of the CFO plays a critical role in ensuring organisational agility and proactive adaptation to change. Finance leaders are no longer separate in their tasks or technology from other departments; they now need to work cross-functionally to provide the information needed to reach their goals. CFOs' roles and responsibilities include their unique position to use data-backed insights and analytics to advise other departments and teams on growth opportunities, areas for improvement and potential problems that may arise.

Adapting processes for finance and beyond within the modern organisation requires strong support and guidance from the CFO. Important tools and skills for the finance department include intuitive technology to attain deeper and more impactful insights, the ability to adapt to external changes and well-informed knowledge on how to drive value across the organisation. All these critical skills can be improved by embarking on a digital transformation journey and moving beyond legacy ERP systems.

There are many ways that the CFO can participate in business process modernisation, but the primary responsibilities that finance leaders should consider during a transformation are their roles in managing data and advocating for change.

CFO roles and responsibilities in managing and interpreting data

Data collection is growing more complex and quicker than ever. The CFO must use this data to maintain a competitive advantage and make well-informed decisions. 'The future CFO' eBook explains the various responsibilities of the CFO that are evolving or expanding, including just how important it is for financial leaders to both be the keeper of data and to make sense of the data for those across the organisation. If organisational data is in silos, it's hard to respond quickly to change.

The Gartner Predicts 2022 report estimates that by 2025, 40% of organisations in service-centric industries will consolidate their core financial and operational solutions in a single ERP system. As a result, finance departments need improved planning and forecasting tools that allow for continuous planning with the ability to generate new reports easily.

Solutions for the CFO such as adopting a cloud-based ERP enable leaders to consolidate, report, analyse and strategise more efficiently in one system, enabling greater agility and adaptability. In addition, using intuitive planning solutions such as Workday Adaptive Planning should be a strong consideration for finance leaders, along with managing the resulting data.

By 2025, 40% of organisations in service-centric industries will consolidate their core financial and operational solutions in a single ERP system.

To support the organisation through more complex financial-scenario planning, how to improve liquidity management, or where best to allocate assets, CFOs need to gather reliable, high-quality data quickly. Due to its central role in an organisation, the office of the CFO is uniquely positioned to help set the overall data strategy.

As part of their responsibility to integrate, simplify and reinforce data, finance leaders can:

- **Highlight the importance of data quality and stability:** CFO roles and responsibilities include driving transformation. By guiding the development of data governance and data management decisions, they can reinforce change management and prioritise data consistency across the entire organisation.
- **Lead data standardisation and unification across departments:** In many organisations, the primary data officer is part of the IT department. However, the CFO has a unique experience as a significant consumer and provider of information across the company. While the office of the CFO cannot drive these data efforts alone, it can work to promote collaboration among leaders such as the CIO and CHRO.
- **Implement technology for improved data:** Data maintenance and management has always been crucial, but in the past, it involved time-consuming manual tasks for employees. Modern solutions can be obtained by embarking on a digital transformation journey. These solutions include automation, ensuring that simple, repetitive tasks can be performed without human involvement and reducing the workload of finance teams. ML algorithms can help authenticate and cross-reference data, which reduces errors and shortens the time needed to validate the data.

Empowering teams and advocating for change

A Workday CFO and CIO Indicator Study found that over half (54%) of CFOs agree that their legacy ERP systems aren't flexible enough to meet the demands of today's business environment. As a result, the CFO cannot maximise the impact of their work, and the data collected from their systems is less effective.

Implementing cloud-based software helps the CFO empower their teams and be a proponent of change. Focusing on how new software will link people, financial and operational data to accumulate value now and in the future is the responsibility of leaders with large influence, such as the CFO.

Sometimes technological change can be met with apprehension and it is the responsibility of company leaders to ensure positive reception and strong adoption of new processes. Adoption and the measurement of employee satisfaction can be enhanced by using a digital adoption platform (DAP) such as AppLearn. DAPs can track user interactions with new technology and offer support when necessary while identifying issues. The data collected improves system knowledge and helps set an adoption strategy.

By implementing Workday Financial Management and empowering teams to face the change positively, CFOs can centralise different financial tools and processes into a unified source of truth. An ERP such as the Workday Enterprise Management Cloud provides a unified, easily accessible source of truth for businesses to cultivate important insights that can move the organisation forward with an intelligent data core. The intuitive platform enables business process modernisation and allows finance leaders to create a technology strategy, offering the ability to build business applications and extend the platform by creating new capabilities.

54% of CFOs agree that their legacy ERP systems aren't flexible enough to meet the demands of today's business environment.



CFOs look to address the finance talent gap with AI and ML

AI and ML could prompt finance leaders to adopt automation more widely and rethink ways to provide value to the enterprise. A recent *Fortune* webcast highlighted what opportunities the new technologies might offer.





By **Bruno J Navarro**,
EMEA Staff Writer

With the potential to supercharge enterprise functions in ways yet to be imagined, AI and ML have understandably drawn plenty of attention from those looking to prepare for a future that's quickly approaching.

In the meantime, there's plenty of opportunity for organisations to use AI and ML as they embark on their digital transformation journeys – particularly within their finance functions.

"Finance is in danger of becoming real laggards in the area of AI, automation and even traditional analytics," said Tom Davenport, author of 'All in on AI: How smart companies win big with artificial intelligence'.

In a recent webcast hosted by Fortune and sponsored by Workday, Davenport, along with Vanessa Kanu, CFO at TELUS International, Katie Rooney, CFO at Alight Solutions, and Philippa Lawrence, Vice President and Chief Accounting Officer at Workday, discussed how organisations were implementing advanced technologies to address the talent gap in finance.

Davenport said a survey he conducted a few years ago suggested HR departments were "well ahead of finance in terms of using predictive analytics and ML."

However, for all the ways AI and ML could help transform the enterprise, Davenport emphasised that existing technologies can free up people to perform higher-level functions. Technology, as he sees it, won't simply replace headcount.

"AI is typically a task-oriented tool. It doesn't replace entire jobs and certainly not entire business processes," he said. "In order to have much of an impact, you have to do a variety of small use cases and sort of pile them on top of each other."

Finance organisations have also started to look at AI and ML use cases to evaluate how such areas as customer service and employee-learning activities drive financial performance and quantify the value they provide to the business, Davenport noted.

Davenport added that audit organisations are already using automation to read through contracts to determine liabilities and measure performance, adding that CFOs and auditors will still need to review the end product and sign off on final results. "We're never going to ask an AI system to do that – because we can't," he added.

Davenport noted that AI and ML remain probabilistic functions. "All ML is based on statistics and statistical predictions," he said. "If there's an area where you absolutely have to have the right answer, that's still going to be one that a human will have to do."

While ChatGPT has garnered a wealth of news headlines in recent months, the biggest technology-enabled gains for business in the near future will likely come from automating repetitive tasks. "There are lots of opportunities from robotic process automation (RPA) for relatively structured predictable finance jobs – jobs involving pulling information from one system and putting it into another," Davenport said. "It's really quite useful for those settings."

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We've adopted this human-centric approach to AI and ML, positioning machines as co-workers but not replacements.

Philippa Lawrence, Vice President & Chief Accounting Officer, Workday

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Our strategy is really around making sure we have that one unified data source – and it’s even broader than finance. It has to get as much as we can across our organisation, as well.

Katie Rooney, Chief Financial Officer, Alight Solutions

Establishing a solid, AI-ready data foundation

“AI is only as good, and the insights are only as good as the underlying data,” Rooney said, adding that maintaining a solid data foundation is a priority for Alight Solutions, an Illinois-based human capital technology and services provider to 70% of the Fortune 100 companies. “Our first focus has really been on streamlining the data infrastructure,” she said. “We have all of our systems – finance, HR, every country – actually on Workday, which has helped level-set the teams.”

That data foundation, however, is critical to enable clear, data-driven decision-making. “Our strategy is really around making sure we have that one unified data source – and it’s even broader than finance,” Rooney said. “It has to get as much as we can across our organisation, as well.”

How AI and ML can support people

Kanu said automation was about supporting employees at TELUS International, a Canadian technology company that provides IT services and next-generation digital solutions “by making them more efficient and enabling them to focus on more engaging, meaningful work.” For instance, TELUS International uses an HR bot that handles more than half of all employee inquiries, which frees up employees to focus on higher-level functions.

“Hiring highly qualified, talented team members globally and at scale to support our own customer demands is our job,” Kanu said, and technology has helped the company speed up recruitment, broaden its access to global talent pools, and increase candidate engagement. At a time when accountants are in short supply, she added, AI and ML can improve recruitment and retainment efforts.

“We hire college grads. We hire really smart people, and then we somewhat dumb them down by turning them into Excel jockeys,” Kanu said. “Nothing wrong with Excel. I love it, but you know that’s not the greatest value we can get from our team members within finance and accounting, specifically.”

Kanu said there’s an opportunity to develop accounting and finance talent by improving employee experience, trading repetitive tasks for strategic work, and becoming better partners to other functions across the enterprise. Managing cells in a spreadsheet, she added, doesn’t engage employees’ higher intellectual capacities – and automation via AI and ML can help change that.



“For me, this is a personal mission because automation is key to unlocking the value from our team members,” she said. “People want to make a difference.”

The effects of automation on work roles

Automation will likely prompt finance leaders to think differently about talent, Rooney said, citing the potential effects of AI and ML technology on offshore talent. But, she emphasised, it’s not a simple matter of automation displacing workers on a geographical basis. “It’s more role- and process-specific in terms of where we can drive the most standardisation to get the most leverage out of what we need to do every day.”

Yet humans will remain in demand for evaluating the customer and cultural implications of data-driven decisions, Rooney said. “Whatever the model tells you today, I guarantee tomorrow could be different,” she added. “Having that human element around how you interpret it, and how you action it, is really critical.”

Kanu also said she didn’t think AI would eliminate the need for human intelligence. “The kind of work that we all do will just evolve over time,” she added. “Anything that requires that higher level of complex thinking, anything that requires relationship building, spending time with investors and key stakeholders, how you manage your board – all of those kinds of skills are not going to go away anytime soon because of automation.”

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For me, this is a personal mission because automation is key to unlocking the value from our team members.

Vanessa Kanu, Chief Financial Officer, TELUS International

Leading through technological change

“We’ve adopted this human-centric approach to AI and ML, positioning machines as co-workers but not replacements,” Lawrence said, providing a glimpse of the Workday vision for AI.

Lawrence also asked how finance leaders have worked with their teams to adopt AI and ML.

“It should be a tool, in essence, that helps us work differently, provide insights differently, and free up capacity to partner with our business teams differently,” Rooney said. “Change is hard, especially in finance, but once you help people see the value of how they can do their work differently, it resonates. For me, it’s helped by just honestly getting started and showing what it can be.”

Kanu noted the pace of change can be overwhelming, especially with all the talk of generative AI and use cases like ChatGPT, and added that the best approach might be to start small.

“Focus on the most relevant use cases for your business and your industry, and then build your knowledge gradually over time,” she said. “We’re not trying to turn our finance organisation into digital experts. They’re not going to be working for IT or building their own apps anytime soon, though maybe eventually. So when you cut it down into bite-size chunks, that certainly makes it a lot easier for the team to digest.”

Kanu added that her finance organisation was in the process of building a team to help smooth the transformation process and increase its use of existing automation tools. “What I’ve found is while there’s resistance to change, generally everybody wants the outcome that will eventually make all their jobs easier,” she said. “The biggest impediment tends to be time.”

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