workday®

# Global CFO AI Indicator Report:

## Four Steps for Finance Leaders to Expedite Time to Value with AI

In collaboration with **FT** LONGITUDE

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# Introduction

Pressure to invest in AI is high, and it's a direct result of talent shortages, macroeconomic pressures, and an exhaustive list of disruption that are pressure-testing global companies' ability to thrive. For finance departments in particular, that pressure is driven by two forces: the need for more efficiency and the demand for better insights from ever-increasing data sources.

Because of its ability to automate mundane tasks, collate data, and deliver new insights, AI seems well-positioned to relieve these pressures and alleviate these two top pain points on the finance function's agenda as they plan for 2024 and beyond.

Looking to AI-enabled finance solutions for support with current challenges, finance leaders expect the top benefits of AI to be increased productivity, followed by data-driven decision-making. But when it comes to adoption, the top driver is better decision-making, followed by operational efficiency.

Far from being distinct objectives, efficiency and insights for decision-making go hand in hand: when AI is paired up with finance applications, it has the potential not only to free up resources to do more decision-making, but also to significantly improve the decision-making process itself with automation and data insights.

Ideally, AI will start to remove some of the more tedious tasks currently handled by employees as well as drive new insights, enabling finance professionals to focus on delivering more strategic business value. But can finance leaders really trust AI to make that ideal a reality?

Workday, in partnership with FT Longitude, commissioned the "Global CFO AI Indicator Report" to bring clarity and direction to finance leaders who want to better understand the potential impact of AI on everyday finance processes. Through extensive research, this report highlights key findings on the state of finance as it relates to AI, including leadership sentiments, current rates of adoption, expected impacts, key challenges, and more.

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The relationship between finance and IT is based on a collaborative approach, as opposed to, okay, IT wants me to do this. Just recently our CTO and his team created a sandbox to enable people across the organization to learn how a ChatGPT bot machine learns and behaves. I was surprised how many folks on my team raised their hand and immediately were trying to do things on their own accord.

**Derek Sager**
SVP, Finance, CAI

More from this speaker

From the research, we have observed a notable divide between organizations that are successful in adopting AI—referred to as the "AI Pioneers" throughout this report—and those that lag behind: 85% of AI Pioneers have either rolled out, scaled up, or matured an AI practice, as opposed to 44% of all respondents. We expect to continue to see the divide grow between early adopters and organizations that fail to invest in and prioritize innovation. As time passes, the more critical it becomes for those lagging in AI adoption to follow the example of those finance leaders making the best use of AI.

The future of finance is one where the CFO will help to align the business's investment in AI with the goals of the business, leveraging new technology to do more faster, elevating the department's influence across the business, and leading effective change.

For those who want to think differently, embrace AI, and accelerate time to value for the business, this report offers insights around four crucial steps finance leaders can take to help guide a successful approach to adopting AI, namely:

1. Have an AI strategy
2. Define your data management strategy
3. Accelerate teams' speed-to-value with AI
4. Mitigate finance risks with early adoption

> " The wonderful opportunity [with AI for CFOs] is this chance to revisit the fundamentals of value creation, capital allocation, capital management, and regulatory and organizational compliance.

**Michael Schrage**
Research Fellow, MIT Initiative on the Digital Economy, MIT Sloan School of Management

## The "Global CFO AI Indicator Report" in brief.

The data in this report is based on findings from a global survey of 2,355 cross-functional senior business executives. In addition to quantitative research, we interviewed 11 global senior business leaders from finance and procurement, IT, and HR to get their insights into the research findings. This report collates responses from the 640 *finance* leaders surveyed to highlight AI trends, sentiment, and challenges among CFOs and their leadership teams.

**Finance respondent titles surveyed:**
- Chief Financial Officer
- Chief Accounting Officer or Controller
- VP/Director Finance, Accountancy, and/or Treasury
- Head of Finance, Accountancy, and/or Treasury
- VP/Director of FP&A or Financial Systems
- Head of FP&A or Financial Systems
- Chief Procurement Officer
- VP/Director/Head of Procurement

## Finance respondents by region.

43%
33%
24%
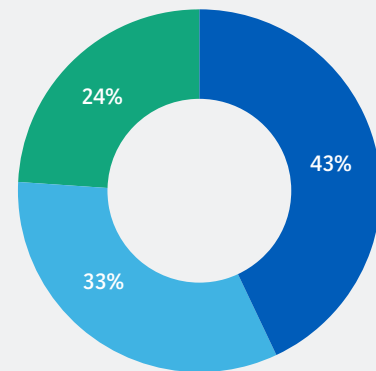
Finance leaders (n=640)

- North America (n=240)
- Europe (n=225)
- APAC (n=175)

# Lessons from early adopters: who are the AI Pioneers?

To track levels of AI adoption maturity and understand how organizations are benefiting from AI and machine learning (ML), we analyzed the adoption scores,* with respondents falling into three strata:

Top third, with an average adoption score of 89
Middle third, with an average adoption score of 54
Bottom third, with an average adoption score of 12

The top third are what we consider AI Pioneers.

*The adoption score is a reflection of an organization's level of investment in AI and ML technologies, its progress using AI and ML to improve workforce capacity, and its level of AI and ML adoption maturity. For more information and a breakdown of the index, please refer to page 21.

## How we define finance AI Pioneers.

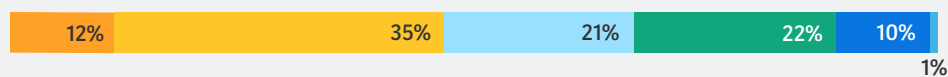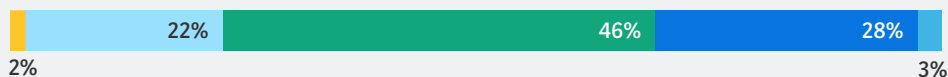**AI Pioneers' AI adoption is over 2x the rate of others.**

All respondents

| 8% | 31% | 16% | 27% | 16% |
| --- | --- | --- | --- | --- |

1%

AI Pioneers

| 7% | 53% | 38% |
| --- | --- | --- |

3%
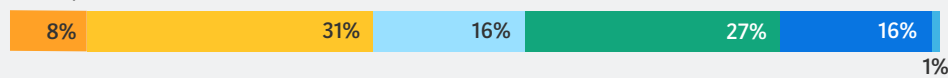
**77% of finance AI Pioneers have already embraced AI.***

Finance

| 12% | 35% | 21% | 22% | 10% |
| --- | --- | --- | --- | --- |

1%

Finance AI Pioneers

| 22% | 46% | 28% |
| --- | --- | --- |

2%     3%

**Legend:**
- Yet to commence
- Researching
- Piloting
- Rolling out
- Scaling up
- Mature

**Survey question:** Which of the following best describes your organization's current level of AI and ML adoption? (All respondents; n=2,355.) Respondents selected one answer option.

*Survey question: Which of the following best describes the current level of AI and ML adoption in your organization's finance and procurement teams? (Finance respondents; n=640.) Respondents selected one answer option.

Among AI Pioneers, out of the top stratum of respondents with an average adoption score of 89, 195 of those are finance leaders. This cohort—which we call the finance AI Pioneers (top 31%)—is working faster and more efficiently, finding more opportunities to reduce risk, and delivering significant strategic value to the business.

Given the finance AI Pioneers' advanced progress with AI and ML, their approach and shared characteristics tell us not just about the potential of these tools, but also about their real-world success once finance leaders begin to embrace and harness the benefits of these powerful technologies. As evident in this report, the finance AI Pioneers' successes are cause for confidence, investment, and action.
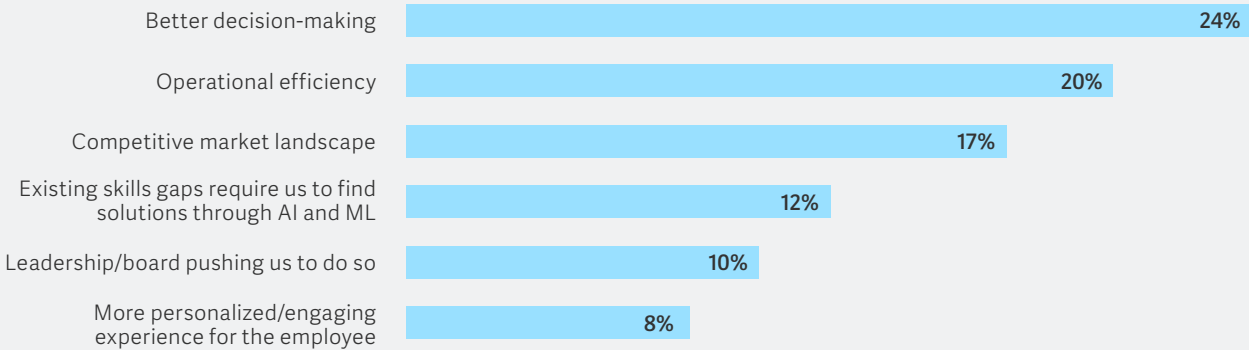
# Step one: have an AI strategy—your business depends on it.

**Finance professionals embrace AI for insights and efficiency.**

As noted in our introduction, finance leaders feel the pressure to increase AI investments mainly as a solution for their operational efficiency challenges and to gain a competitive edge for their organizations through better insights.

AI's potential to improve data management and drive analytics and insights should help finance deliver higher value faster by augmenting its capacity around the skills finance leaders indicated are most important to meeting business needs: technology skills, analysis, and decision-making.

## Data-driven insights and efficiency are the top drivers for AI adoption in the finance function.

| Driver | Percentage |
|---|---|
| Better decision-making | 24% |
| Operational efficiency | 20% |
| Competitive market landscape | 17% |
| Existing skills gaps require us to find solutions through AI and ML | 12% |
| Leadership/board pushing us to do so | 10% |
| More personalized/engaging experience for the employee | 8% |

**Survey question:** What are the main sources of pressure to increase the level of adoption or investments in AI and ML at your organization? (Finance respondents; n=640.) Respondents stack-ranked up to 3 answer options in order of priority.

## Finance's top essential skills are in full alignment with AI solutions' capabilities.

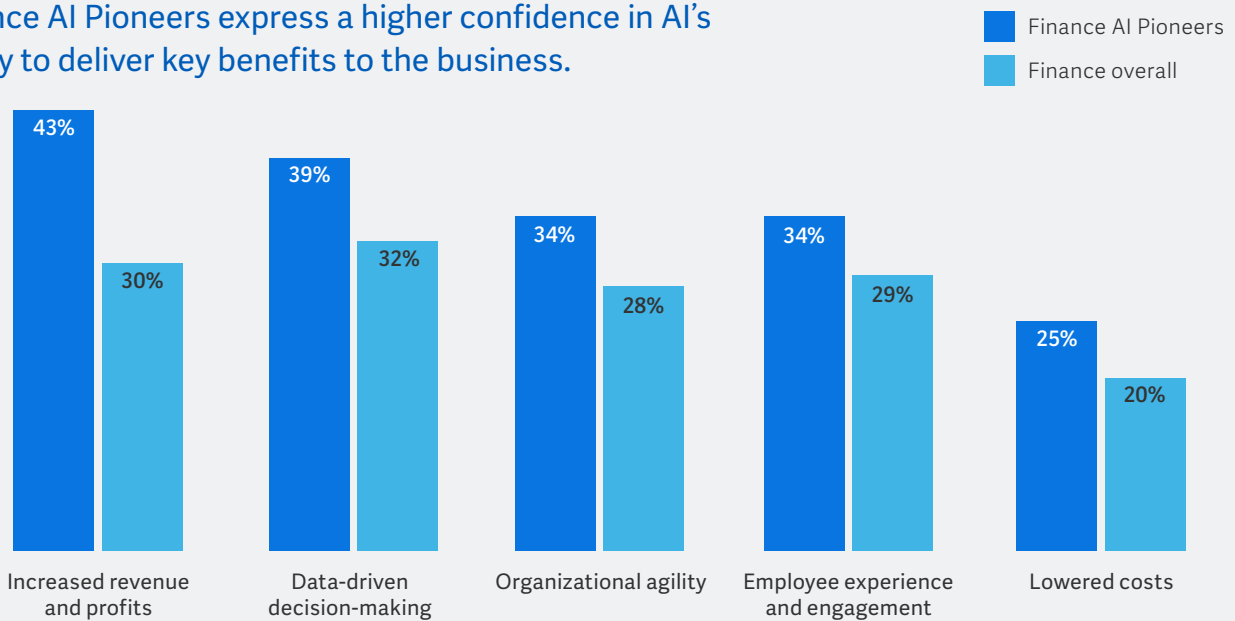| Skill | Percentage |
|---|---|
| Ability to work closely with new technologies (e.g., AI and ML) | 25% |
| Advanced analytics and data visualization | 24% |
| Data literacy/data-driven decision-making | 24% |
| Communication and presentation skills | 22% |
| Ability to identify, anticipate, and manage risk | 21% |
| Data science and advanced statistical modeling | 20% |
| Resilience and adaptability | 20% |

**Survey question:** When it comes to enabling your team to continually meet the needs of the business, which of the following skills are most important as AI and ML become more integrated with finance and procurement? (Finance respondents; n=640.) Respondents selected up to 3 answer options.

When we asked finance leaders to consider where they anticipate AI and ML to drive the biggest benefits, answers largely centered around insights, talent, and efficiency. Notably, finance AI Pioneers also expressed more confidence in AI's ability to deliver on these benefits, with higher rates of response for key business-focused outcomes.

The general hope among the finance leaders surveyed indicates that AI should be a competitive advantage as firms find insights that lead to higher revenues and lower costs than competitors within their industry. And the easiest way to see those effects will be to start with small, tangible use cases that show immediate results.

## Finance AI Pioneers express a higher confidence in AI's ability to deliver key benefits to the business.

Finance AI Pioneers
Finance overall

| | Increased revenue and profits | Data-driven decision-making | Organizational agility | Employee experience and engagement | Lowered costs |
|---|---|---|---|---|---|
| Finance AI Pioneers | 43% | 39% | 34% | 34% | 25% |
| Finance overall | 30% | 32% | 28% | 29% | 20% |

**Survey question:** As AI and ML become more integrated with finance and procurement, what do you believe the biggest benefits will be? (Finance respondents; n=640.) Respondents selected up to 3 answer options. Chart represents response selected by finance AI Pioneers at a higher rate than by the general finance cohort.

" Of all the senior executives, CFOs have always been the most analytical, the most quantitative . . . and that's why generative AI is so important to them. I think CFOs should be on the forefront of this revolution.

**Erik Brynjolfsson**
Professor, Stanford Institute
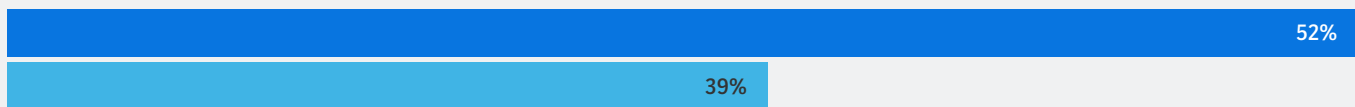for Human-Centered AI (HAI)

**In order to remain competitive, finance leaders need to start planning finance-specific, AI-infused use cases for accelerated value delivery.**

Our research finds that 52% of finance AI Pioneers believe that AI and ML will be a game changer for finance (compared to 39% of finance leaders at large). Similarly, 48% of finance AI Pioneers assert these technologies will allow them to deliver more strategic value (compared to 40% of finance leaders at large). Both game-changing factors promise to elevate finance's contribution to the business as a whole.

## AI Pioneers expect to elevate outcomes.

■ Finance AI Pioneers ■ Finance

AI and ML is a complete game changer for finance and procurement

| | |
|---|---|
| Finance AI Pioneers | 52% |
| Finance | 39% |

I am excited to use AI and ML in finance and procurement

| | |
|---|---|
| Finance AI Pioneers | 51% |
| Finance | 46% |

AI and ML will enable finance and procurement teams to deliver more strategic value

| | |
|---|---|
| Finance AI Pioneers | 48% |
| Finance | 40% |

**Survey question:** To what extent do you agree or disagree with the following statements about the impact of AI and ML on finance and procurement? (Finance respondents; n=640.) Respondents selected one option per statement on a scale from 1 (strongly disagree) to 5 (strongly agree.) Chart represents respondents who selected 4 or 5 on this scale.

AI applied to strategic use cases with tangible outcomes will empower finance leaders to better navigate the current business landscape with real-time insights.

When based on a well-defined, structured data set, AI and ML can also illuminate potential risks and anomalies, identify emerging trends, and provide critical insights that enhance strategic decision-making—all more quickly, accurately, and efficiently than previous methods. This will empower finance and procurement to drive more value.
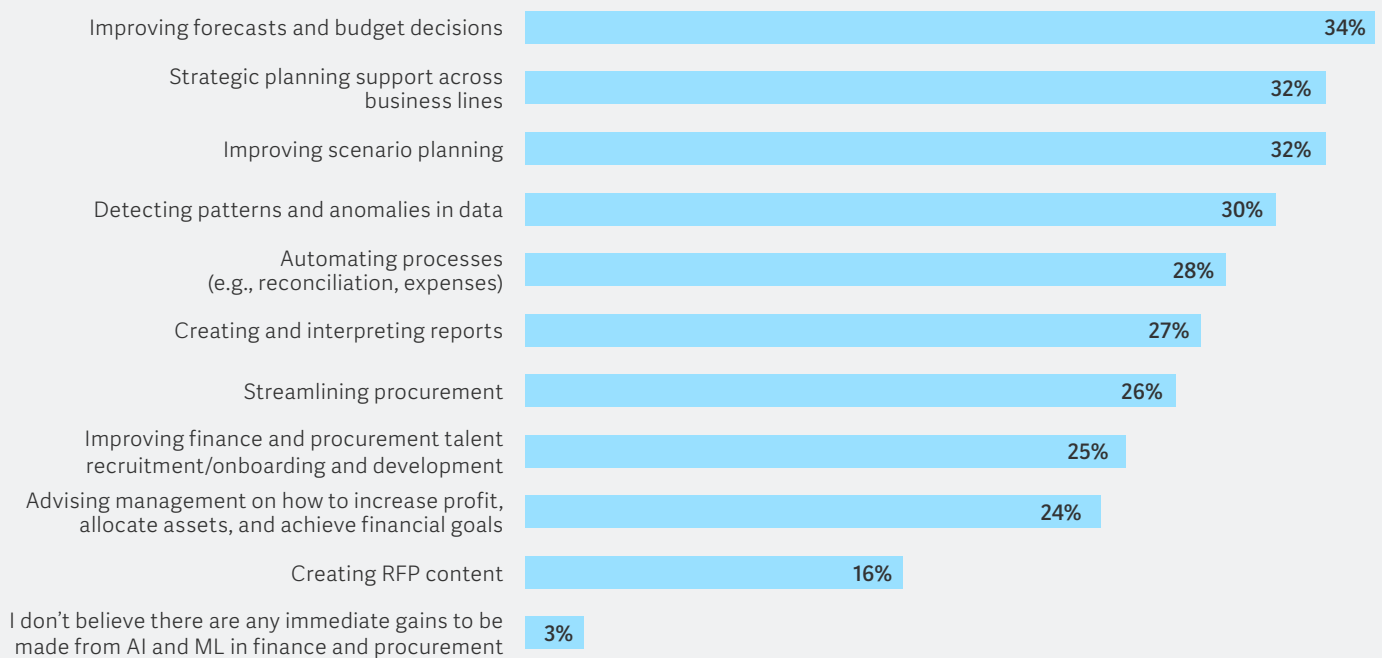
## Use cases in action: how AI is transforming the future of finance.

Previously, finance tasks such as anomaly detection, fraud identification, and outcome prediction were manual processes. Today, to meet demands for higher efficiency and strategic insight, organizations need AI for enhanced automation and data integrity. This section highlights three areas where AI applications are proving to be beneficial for finance leaders: FP&A, procurement, and accounting.

## Financial planning among top transformational areas of AI and ML.

| Category | Percentage |
|---|---|
| Improving forecasts and budget decisions | 34% |
| Strategic planning support across business lines | 32% |
| Improving scenario planning | 32% |
| Detecting patterns and anomalies in data | 30% |
| Automating processes (e.g., reconciliation, expenses) | 28% |
| Creating and interpreting reports | 27% |
| Streamlining procurement | 26% |
| Improving finance and procurement talent recruitment/onboarding and development | 25% |
| Advising management on how to increase profit, allocate assets, and achieve financial goals | 24% |
| Creating RFP content | 16% |
| I don't believe there are any immediate gains to be made from AI and ML in finance and procurement | 3% |

**Survey question:** In which areas can the finance and procurement teams derive the most immediate value from AI and ML technology applications? (Finance respondents; n=640.) Respondents selected up to 3 answer options.

## AI-enhanced FP&A: uncovering anomalies, precision, and real-time insights.

Notably, the three highest-value AI use cases identified by respondents impact FP&A the most. AI-driven forecasts and plans empower FP&A to swiftly detect anomalies, generate precise forecasts, gain profound insights, and expedite decision-making.

**Common use cases of AI in FP&A include:**

**Identifying data anomalies:** AI-driven anomaly detection enhances data accuracy by alerting planners to irregularities in real time, enabling prompt adjustments and continual model improvement through user feedback.

**Outlier reporting and predictive analytics:** AI-driven forecasts are compared to planner forecasts or budgets, revealing significant differences and delivering real-time insights across planning versions.

**Predictive forecasting:** AI leverages historical data and additional datasets to enhance demand forecasts, ultimately improving prediction accuracy and decision-making in FP&A.
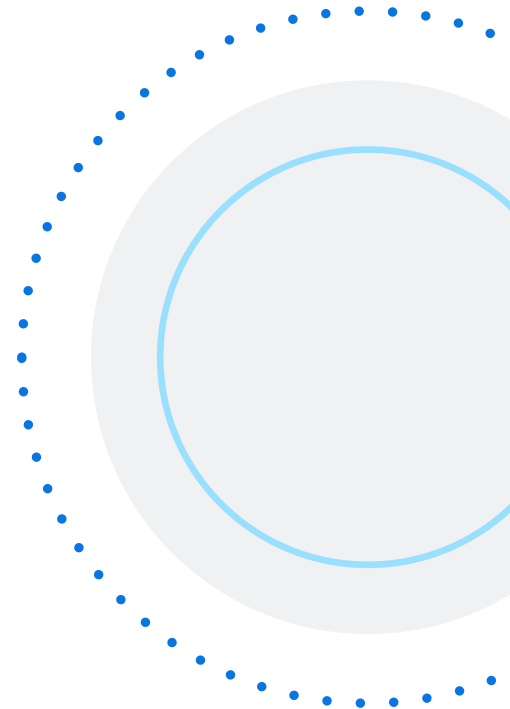
## Accelerated accounting: embracing AI for data excellence.

AI-empowered accounting processes not only mitigate data risks, but they also expedite the close process, resulting in seamless, intelligent, and user-friendly transactions that leave more time to focus on core business activities and more robust financial reporting and analysis.

**Common use cases of AI and ML in accounting include:**

**Interrogating data:** AI serves as a data detective, continuously scanning journals to proactively identify anomalies, errors, and areas in need of attention. This empowers accounting teams to enhance data accuracy, mitigate risks, and confidently close the books.

**Touchless processing:** By replacing manual data entry with optical character recognition (OCR) and AI-driven features, spend management achieves touchless supplier invoice processing. This approach not only reduces errors, but also efficiently handles coding, routing, and exception highlighting, resulting in significant time and cost savings.

**Predicting recommendations:** AI leverages historical customer payment behavior to intelligently match payments with missing remittance details to corresponding invoices. This predictive capability streamlines payment processing and improves decision-making, ensuring that financial operations run smoothly and efficiently.

## Maximizing procurement potential: AI's data-driven approach.

When it comes to spend management, procurement and expense processes offer an ideal AI and ML use case because of the need to accurately assess data, detect risks, and drive efficiencies. Source-to-pay processes, for example, are often labor-intensive and error prone, providing an opportunity for AI to deliver massive improvements.

**Common use cases of AI and ML in procurement and expenses include:**

**Locating data:** By using OCR and AI-driven features, these technologies swiftly locate contracts, completing tasks that used to take hours or even days in just seconds. This frees sourcing teams to focus more on contract negotiations and risk management, helping to optimize their efficiency.

**Detecting risks:** Automation, which reviews extensive datasets and identifies potential errors, enhances the risk management of expense processing. This review process accelerates reimbursement, mitigates risks, and ensures more secure financial operations.

**Recommending spend categories:** ML can suggest appropriate spend categories, reducing downstream errors, expediting the procurement process, enhancing the user experience, and instilling confidence among team members. This capability streamlines expense management and bolsters accuracy and efficiency.

**Finance teams who embrace AI use cases are well-positioned to take on the role of business strategy enabler.**

While most finance leaders are aware of the trend toward AI-supported analytics, they have been a little slower to adopt than leaders in other functions: only 31% of finance teams have made good progress deploying AI to streamline or automate workflows in comparison with 32% of HR leaders and 41% of IT leaders.

The evolution toward AI requires a commitment to embracing new processes, initiating effective communication and interdepartmental collaboration, and encouraging buy-in from leadership.

In other words, finance leaders have the opportunity to champion AI in a way that stretches the traditional scope of their roles. There is enormous potential here, placing finance leaders in a position to emerge as key business enablers among their C-suite peers.

The progress reported by the general cohort of AI Pioneers across all functions in supporting stronger business outcomes should help allay the concerns of hopeful but cautious finance leaders. Across all business functions, 80% of overall AI Pioneers have already achieved good progress in using AI and ML to streamline and/or automate workflows to augment the capacity of the existing workforce (in comparison to only 34% of total respondents surveyed).
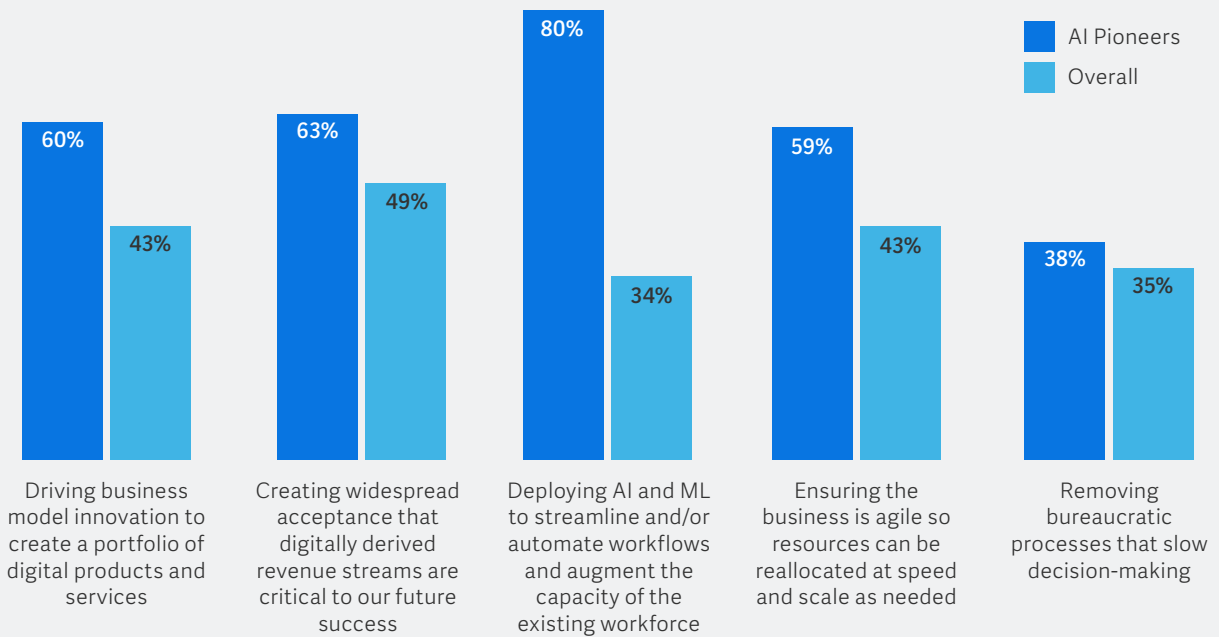
> "Finance leaders have the opportunity to champion AI in a way that stretches the traditional scope of their roles. There is enormous potential to be at the forefront as key business drivers among their C-suite peers.
>
> **Terrance Wampler**
> Group General Manager,
> Office of CFO, Workday

## Digital transformation progress within organizations over time.



Legend: ■ AI Pioneers  ■ Overall

- Driving business model innovation to create a portfolio of digital products and services — AI Pioneers: 60%, Overall: 43%
- Creating widespread acceptance that digitally derived revenue streams are critical to our future success — AI Pioneers: 63%, Overall: 49%
- Deploying AI and ML to streamline and/or automate workflows and augment the capacity of the existing workforce — AI Pioneers: 80%, Overall: 34%
- Ensuring the business is agile so resources can be reallocated at speed and scale as needed — AI Pioneers: 59%, Overall: 43%
- Removing bureaucratic processes that slow decision-making — AI Pioneers: 38%, Overall: 35%

**Survey question:** For each of the following, please use the scale to indicate the degree of progress made in your organization. (All respondents; n=2,355.) Respondents selected one option per statement on a scale from 1 (least progress) to 5 (significant progress). Chart represents respondents who selected 4 or 5 on this scale

# Step two: define your data management strategy.

Data management is proving to be a significant struggle for finance, as 63% of finance leaders conceded their company's data is somewhat or completely siloed.

Companies look to finance leaders for accurate insights, but AI can only deliver outputs as good as the data it's provided. So, while AI is positioned to help finance drive quality outputs, without a solid data management strategy it will be impossible for finance teams to realize truly high-value AI benefits.
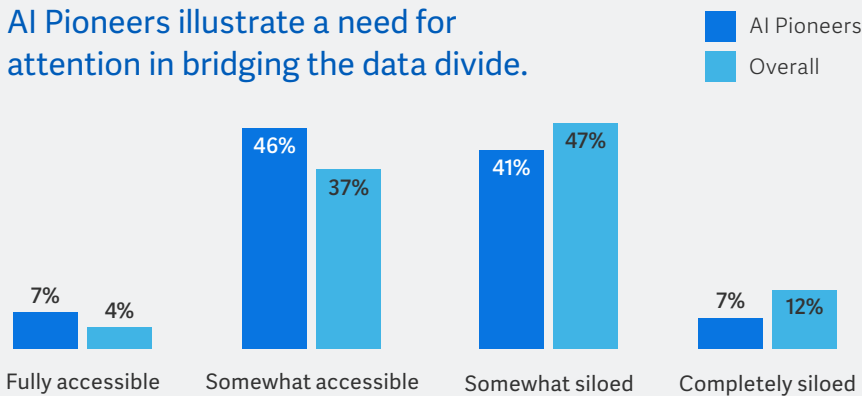
## Pull ahead with strong data management practices.

Siloed data isn't the only data challenge finance teams are facing. Finance leaders additionally cite unreliable or unusable data as a top barrier to transformation along with current technology challenges and security, compliance, and regulation.

Effective AI use cases depend on the pre-existence of a strong, pristine, and unified data foundation. And it's no accident that, among respondents across all functions, AI Pioneers are pulling ahead in data management and accessibility practices.

### AI Pioneers illustrate a need for attention in bridging the data divide.

Legend: AI Pioneers, Overall

| | Fully accessible | Somewhat accessible | Somewhat siloed | Completely siloed |
|---|---|---|---|---|
| AI Pioneers | 7% | 46% | 41% | 7% |
| Overall | 4% | 37% | 47% | 12% |

**Survey question:** To what extent is data readily usable across your organization for those who need it? (All respondents; n=2,355.) Respondents selected one answer option.

**While 7% of AI Pioneers find data fully accessible, a staggering 47% face somewhat siloed data.**

The need for real-time intelligence that enables finance to respond quickly, predict events, and surface richer insights and analysis requires the ability to unify and contextualize disparate data sources. Increasingly, a human-only approach to data management will prove insufficient no matter the number of costly personnel devoted to the task.

Finance is naturally positioned to be on the front lines of driving AI benefits in data-focused processes; the opportunity to reap those benefits will fall first to those with a robust data strategy.

## More on workflows and use cases.

A recent Gartner® study on CFOs and AI use cases summarized key applications and how enterprises are handling them:

"Generative AI can scan contracts for errors and specific terms. Additional algorithms allow users to ask questions using natural language to get answers about terms and provisions."

"Generative AI can review large collections of existing financial policies, like T&E policies, and provide initial recommendations for how those policies could be applied for finance teams to evaluate and refine."

"Around 30% of enterprises have identified a few specific use cases and are testing generative AI in an iterative process, while the leading 10% are seeing gains from applying the technology extensively and are looking to expand its use." [1]

# Step three: accelerate teams' speed-to-value with AI.

When asked about the impact of AI on finance, 51% of finance AI Pioneers stated they are excited to use AI and ML. Leading responses on the impact of AI and ML indicate that finance AI Pioneers expect to see AI and ML drive collaboration, reduce risk, and improve value delivery.

Finance AI Pioneers' five most common responses on the impact of AI and ML are as follows:

1   AI and ML is a complete game changer for finance and procurement.

2   I am excited to use AI and ML in finance and procurement.

3   AI and ML will bring new opportunities for finance and procurement to collaborate with other departments.

4   AI and ML will enable finance and procurement teams to deliver more strategic value.

5   AI and ML will reduce risk.

The general cohort of finance leaders agree with finance AI Pioneers on their top five responses.

## Address common operational concerns.

Notably, AI and ML are arriving at a time when finance leaders are feeling some dissatisfaction—34% of finance leaders expressed dissatisfaction with the number of administrative tasks their teams need to complete, and 28% are dissatisfied with how their role is perceived by the rest of the organization.

Unsurprisingly, given the outcomes experienced by finance AI Pioneers reported up to this point, those with accelerated AI adoption have experienced reduced rates of dissatisfaction.

# 34%

of finance leaders expressed dissatisfaction with the number of admin tasks their teams need to complete. This figure drops to 23% among finance AI Pioneers.

## Higher levels of AI adoption in the finance function are correlated with reduced dissatisfaction across specific job responsibilities.

| Dissatisfied summary | Finance | Finance AI Pioneers |
|---|---|---|
| Number of administrative tasks finance teams need to complete | 34% | 23% |
| How finance and procurement are perceived by the rest of the organization | 28% | 16% |
| The speed at which your team can complete its tasks | 28% | 18% |
| The number of administrative finance and procurement tasks which non-finance and procurement employees need to complete | 31% | 23% |

**Survey question:** Thinking about how your team operates, to what extent are you currently satisfied with each of the following? (Finance respondents; n=640.) Respondents selected one answer option per statement on a scale of 1 (very dissatisfied) to 5 (very satisfied). Chart represents respondents who selected 1 or 2 on this scale.

**Finance leaders are using AI to mitigate growing talent challenges and shortages.**

Many finance leaders are feeling the effects of a significant talent crunch, which makes traditional (high-touch, human-intensive) operating models increasingly difficult to sustain.

In an annual survey of accounting firms, *Accounting Today* concluded that competition for talent is the industry's top challenge: "There is a significant drop in the number of people entering the field, which makes it difficult to recruit and retain team members," explains Suzanne Forbes, managing partner of Florida-based CPA firm James Moore & Co.

As such, fewer teammates are available to consolidate and close for financial reporting—fueling an urgent need for automation and improved talent management through AI and ML.[2]

"

Human plus machine beats machine alone or human alone nine times out of ten.

**Erik Brynjolfsson**
Professor, Stanford Institute for Human-Centered AI (HAI)

"

A lot of new roles are going to emerge in the next couple of years as some of the existing roles become less important. There has to be an ongoing focus on making sure that your talent is continuously learning and developing.

**Prashant Nema**
EVP, Global CIO, Arch Capital Services Inc.

# Step four: mitigate finance risk impacts with the early adoption of AI applications.
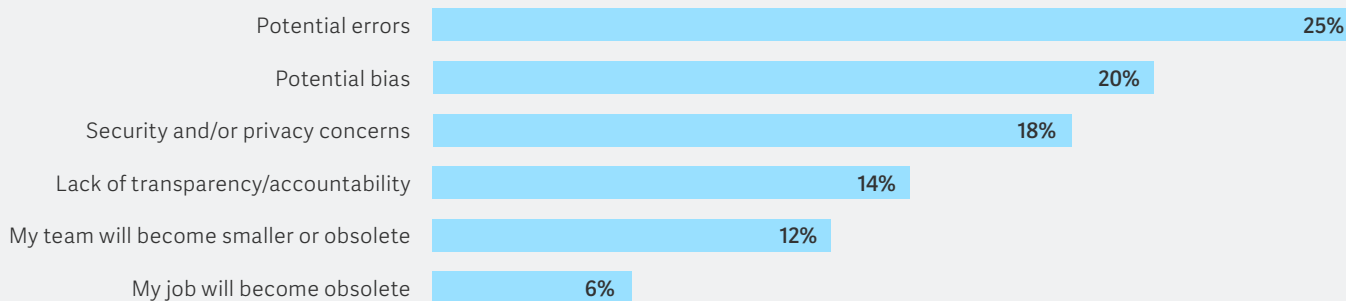
**Understand the real concerns with AI adoption and the associated risks in finance.**

Because finance leaders value predictability, risk mitigation, and financial stewardship, embracing AI may be uncomfortable for some because of the unknown risks that it introduces to the business. Despite AI's clear potential, finance leaders—being risk-averse—are skeptical about adopting AI.

In fact, 35% of finance leaders report finance and accounting as the area of the business least prepared for AI and ML integration, with cybersecurity, compliance, and privacy capabilities a close second at 30%. In addition, when we asked finance leaders to what extent they were concerned about specific issues which might arise as AI and ML become more integrated within their function, we found that 36% believed a lack of AI and ML transparency would weaken security and compliance. We also asked respondents what they believed would be the biggest risks to AI and ML adoption in finance, finding additional concerns around errors, bias, and security (see below).

## Finance is concerned about AI errors and bias.

| Category | Percentage |
|---|---|
| Potential errors | 25% |
| Potential bias | 20% |
| Security and/or privacy concerns | 18% |
| Lack of transparency/accountability | 14% |
| My team will become smaller or obsolete | 12% |
| My job will become obsolete | 6% |

**Survey question:** What are the greatest risks to integrating AI and ML with finance and procurement in your organization? (Finance respondents; n=640.) Respondents stack-ranked their top 3 choices in order of priority.

What's more, 30% are concerned finance staff won't have the technical skills to work effectively with AI, risking future adoption.

All of this points to a pressing opportunity to expand digital literacy and leadership within finance departments to equip teams to correctly and confidently make the most of AI technology.

While the risks and concerns are undoubtedly valid, early adoption has a proven advantage. People and technology performance improve over time, meaning that investing early in AI adoption empowers finance teams to mature their AI practice ahead of competitors that are slower to adopt.

Not only will finance teams acclimate to (and benefit from) accelerated adoption, but the AI in use will also have the opportunity to mature due to the data it ingests. For finance leaders, this incentivizes starting quickly and ensuring governance is front and center.
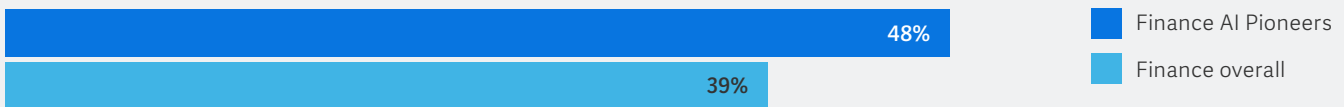
# 35%
of finance leaders report finance and accounting as the area of business least prepared for AI and ML integration.

# Following the footsteps of AI Pioneers.

When it comes to concerns about AI, finance AI Pioneers and finance leaders are aligned, although they differ in their levels of apprehension: finance AI Pioneers are more likely to say AI and ML will reduce risk (48% vs. 39% overall) and less likely to be concerned that finance and procurement employees will not trust AI and ML accuracy (22% vs. 28% overall).

## Finance AI Pioneers are more comfortable with AI deployment.

AI and ML will reduce risk*

| | |
|---|---|
| Finance AI Pioneers | 48% |
| Finance overall | 39% |

Finance and procurement employees will not trust AI and ML accuracy

| | |
|---|---|
| Finance AI Pioneers | 22% |
| Finance overall | 28% |

- **Finance AI Pioneers**
- **Finance overall**

*Survey question: To what extent do you agree or disagree with the following statements about the impact of AI and ML on finance and procurement? (Finance respondents; n=640.) Respondents selected one option per statement on a scale from 1 (strongly disagree) to 5 (strongly agree). Chart represents respondents who selected 4 and 5 on this scale.

Survey question: To what extent are you concerned about the following issues as AI and ML become more integrated with finance and procurement? (Finance respondents; n=640.) Respondents selected one option per statement on a scale from 1 (not at all) to 5 (highly concerned). Chart represents respondents who selected 4 and 5 on this scale.

> "
> The probability is that AI and ML is going to become an outside advisor that's with you all the time. As the interfaces improve, as we figure out a way to plug into it in a safe manner, then it's just a matter of asking questions and getting answers.

**Ajay Sabhlok**
Chief Information Officer & Chief Data Officer, Rubrik

## Insights from the Workday and MIT Sloan Management Review Connections program.

In addition to the commissioned survey highlighted throughout this report, Workday has partnered with MIT Sloan Management Review (SMR) Connections to cultivate and share insights related to AI's now-critical role in finance and FP&A. Program lecturers are the foremost experts in the fields of AI technology for business, and their insights are helping finance leaders contextualize the growing role of AI within the finance function.

"

It's absolutely critical that the CFO and the finance function understand the interpretability of the model and the explainability of its recommendations.

"

One of the things that I believe needs to be of greatest concern for the CFO and the boards of directors that oversee the finance function . . . is the fundamental reality that the more powerful these algorithms become, the better machine learning learns, the more intelligent AI becomes, the more likely it is going to be regulated by a variety of different resources and sources.

"

CFOs, like all of us, are deluged with information, and keeping track of it is unmanageable. But generative AI can take a 400-page report and reduce it to five pages, one page, even one paragraph, highlighting the parts of it that are most relevant to a particular decision.

"

People are excited about what generative AI can do, but I think most people think of it too narrowly. They look at what they're already doing and think, how can generative AI help with those tasks? And that's great. Tons of value there. But the bigger opportunity is doing new things, changing your business models.

**Michael Schrage**
Research Fellow, MIT Initiative on the Digital Economy, MIT Sloan School of Management

**Erik Brynjolfsson**
Professor, Stanford Institute for Human-Centered AI (HAI)

**Learn more and apply for your AI certificate from MIT SMR Connections and Workday here.**

# Conclusion: finance is optimally positioned to harness the potential of AI adoption in their daily work.

Finance may be a naturally risk-averse, careful segment of the business, but it is also one of the most promising areas in which remarkable innovation and change is possible.

It won't be feasible for organizations that haven't considered embracing AI as part of their operational strategy to hold off for much longer. As AI Pioneers illustrate through their confidence, improved satisfaction with performance, and progress in key areas of business performance, finance teams that embrace the change sooner, rather than later, place themselves on a surer path to long-term success.

CFOs and finance teams that embrace AI, build a robust data strategy, uplevel performance, and navigate risk early and effectively will be well poised to drive high-value insights, deliver business growth, and elevate the organization's readiness for an unpredictable future.

Moreover, finance can emerge as a real changemaker within the organization, expanding on its traditional roles and adding new business value.
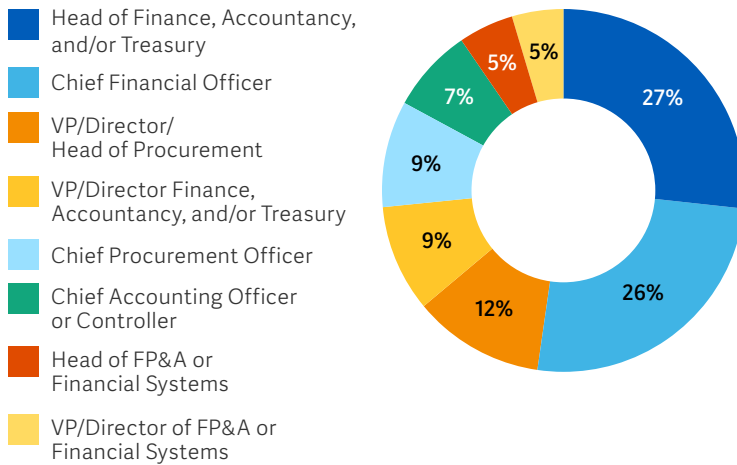
"

We're starting to see greater AI adoption in the more tech-savvy portion of our employee population . . . Right now, AI is still a novelty for a lot of people. But as they start to see the value in using it, it'll reinforce it in their minds, and they'll start to use it more often and more strategically.

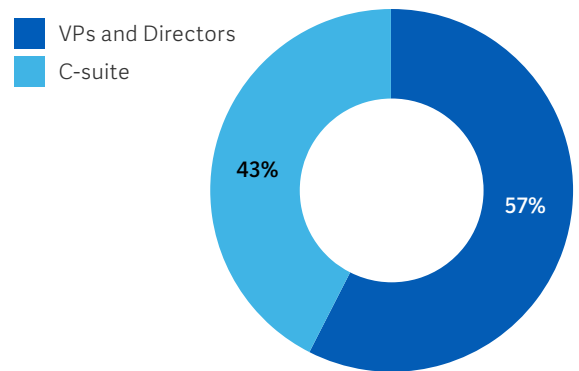**Finance Leader at a North American Financial Services Organization**

# About our research.

In our 2023 Global AI Indicator research, we examined the impact of AI on global enterprises. We surveyed 2,355 senior business executives, paying close attention to what leaders in HR, IT, and finance and procurement had to say. This report collates responses from the 640 finance leaders surveyed—who made up 27% of the total sample—to offer decision-makers a contemporary perspective on the role of AI and ML within the realm of finance.
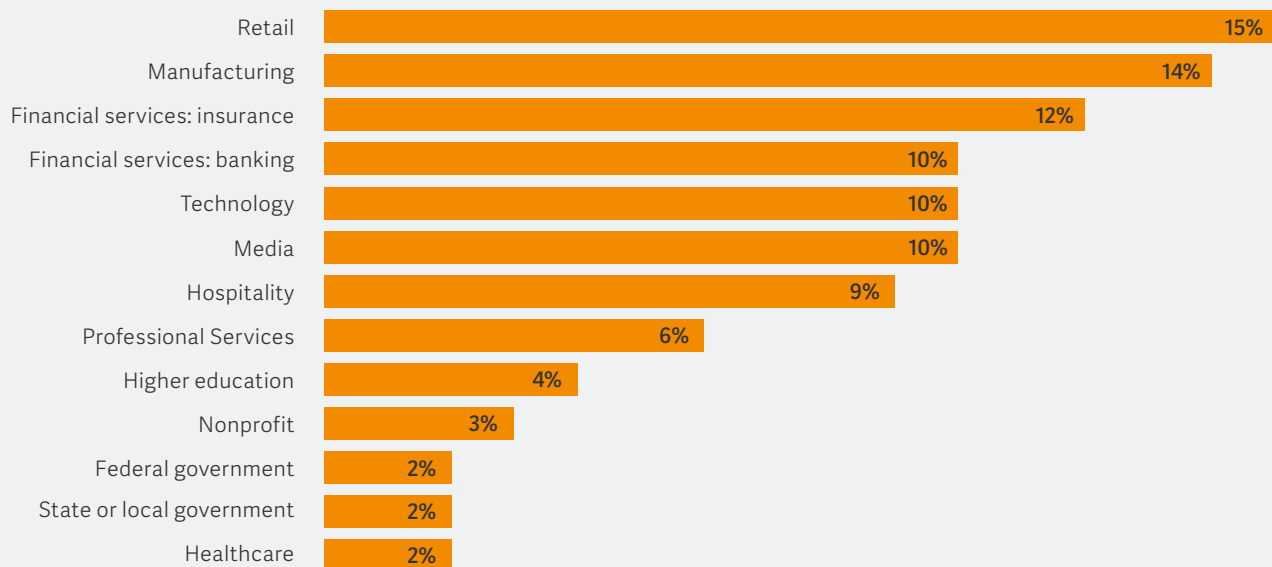
## Finance respondents by job title.

- Head of Finance, Accountancy, and/or Treasury
- Chief Financial Officer
- VP/Director/ Head of Procurement
- VP/Director Finance, Accountancy, and/or Treasury
- Chief Procurement Officer
- Chief Accounting Officer or Controller
- Head of FP&A or Financial Systems
- VP/Director of FP&A or Financial Systems



## Finance respondents by seniority.

- VPs and Directors
- C-suite



**Survey question:** Which of the following best describes your department? Which of the following best describes your job role? (Finance respondents; n=640.) Respondents selected one response per question.

## Finance respondents by industry.



| Industry | Percentage |
|---|---|
| Retail | 15% |
| Manufacturing | 14% |
| Financial services: insurance | 12% |
| Financial services: banking | 10% |
| Technology | 10% |
| Media | 10% |
| Hospitality | 9% |
| Professional Services | 6% |
| Higher education | 4% |
| Nonprofit | 3% |
| Federal government | 2% |
| State or local government | 2% |
| Healthcare | 2% |

**Survey question:** In which sector does your company primarily operate? (Finance respondents; n=640.)

# AI Pioneers: AI adoption index methodology.

To track levels of AI adoption maturity and understand how organizations are benefiting from AI and ML, we analyzed the adoption scores* and respondents fell into three strata:

- Top third, with an average adoption score of 89
- Middle third, with an average adoption score of 54
- Bottom third, with an average adoption score of 12

The top third are AI Pioneers. Of this top stratum, IT leaders make up the biggest proportion of respondents (32%), followed by HR (26%), finance and procurement (24%), and CEOs (18%).

*The adoption score reflects an organization's level of investment in AI and ML technologies, its progress using AI and ML to improve workforce capacity, and its level of AI and ML adoption maturity.

To arrive at the adoption score, three core questions were analyzed from the survey and assigned a weighting to each response option as follows:

- **Q2_1:** Please use the scale to indicate the degree of progress made in your organization. Respondents were asked to select one response option on a scale from 1 (no progress made) to 5 (significant progress made). Responses were then assigned a weighting from "no progress made" to "significant progress made."

- **Q4_1:** Which of the following best describes your organization's current level of AI and ML adoption? Respondents were asked to select one response option on a scale from "yet to commence" to "mature."

- **Q5_1:** What percentage of your organization's annual budget is currently invested in AI and ML? Respondents were asked to select one response option on a scale from "0%" to "more than 50%."

Based on the above responses, the average adoption score across the complete cohort of 2,355 respondents was 54. Among the top stratum of respondents (AI Pioneers), the average adoption score is 89. Among the bottom stratum of respondents, the average adoption score is 12.

This is standard for index methodology.

# Definitions of terms in our research.

**Artificial intelligence (AI):** The ability of machines to perform tasks that have traditionally required human intelligence, such as problem-solving, decision-making, and understanding language. AI systems analyze and learn from data, recognize patterns, and make predictions to support the automation of processes and more intelligent decision-making.

**Digital transformation:** Continuously deploying technology at scale with the goal of creating value. Usually a long-term effort to rewire how an organization changes and evolves.

**Generative AI:** Artificial intelligence that learns to identify patterns and structures from existing data in order to generate new and original content.

**Machine learning (ML):** A subdiscipline of AI that uses data and mathematical methods to learn and make predictions based on outcomes on which the model has already been trained. It allows digital systems to automatically process data and analyze it for insights without being programmed explicitly.

Sources:

[1] Gartner, "Five Use Cases for CFOs with Generative AI"; Rob van der Meulen, 19 September 2023.
www.gartner.com/en/newsroom/press-releases/2023-09-19-five-use-cases-for-cfos-with-generative-ai

[2] *Accounting Today*, "The 20 biggest problems for firms in 2023"; Daniel Hood; 2023.

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