

Technology Challenges of the Modern CFO

Artificial Intelligence, Machine Learning, and the Modern CFO

Chief Financial Officers have always played an active role as an advisor for business owners and CEOs.

Bringing together information from every area of business – sales, marketing, human resources, operations, accounting – is a skill that makes CFOs unique among business executives.

- Analysis
- Accounts Payable/ Receivable
- Procurement:
- Audits
- Monthly/Quarterly Close



What makes today an even more exciting time for CFOs is the available technology that can aid and enhance decision making.

In the 1990s, Enterprise Resource Planning systems were introduced. ERP gave CFOs the ability to look at an entire company from within one software program for the first time. Over time, the amount of data has grown exponentially.

Now, with the integration of Artificial Intelligence (AI) and Machine Learning (ML), CFOs can analyze a wealth of data and information quickly and offer more strategic guidance than ever before.

Artificial Intelligence and Machine Learning – More Than Dashboards

Artificial intelligence uses the power of today's computer systems to perform tasks that normally require human intelligence. Machine learning uses algorithms that allow software applications to learn by being trained to identify key patterns. Both have matured to the point where now they have become key technologies used by the modern CFO.

While most ERP systems feature dashboards that can provide real-time information on everything from inventory turnover to employee productivity, dashboards can't tell you when to re-order inventory or hire your next employee. This is where AI and ML can be an essential tool.

Using your ERP system, you can quickly gather data and generate reports with the push of a button. But machine learning can take data gathering one step further and help CFOs reduce repetitive tasks and make more strategic business decisions.

AI can help automate complex processes, identify future trends based on historical data, and provide an unbiased view of performance. Using AI and machine learning, your ERP system can become more predictive, telling you during which weeks of the year you sell the most inventory and what types of inventory have the highest profit margins.

Finding the Hidden Story

While ERP systems can sift through and organize information into useful reports or alerts, it's still up to the CFO to extract the data needed to make important business decisions. Machine learning can help CFOs identify patterns, trends, and disparate connections that a human eye might otherwise miss, including external data that can impact an organization's performance, such as weather patterns, natural disasters, and commodity prices.

AI and ML Are Already Here

AI and ML are being used right now in financial departments across the country. For example:

1

Analysis:

Imagine getting specific data from your ERP without constructing complex queries. AI coupled with voice recognition can be used to ask questions such as, "What was the company's revenue in Q3?" or "How much product did this branch sell last year?"

2

Accounts Payable/Receivable:

AI systems can read invoices, automate the approval workflow, and streamline the payment process.

3

Procurement:

AI can track price changes among suppliers and identify the optimal provider at any given time.

4

Audits:

AI can quickly gather journal entries and provide an audit trail of all transactions, automatically evaluating the numbers.

5

Monthly/Quarterly Close:

AI is being used to gather data from multiple sources, consolidate the information, and aid in reconciliation.

Conclusion

The vast amount of data being generated in your company keeps growing and is getting more complex by the day. This overwhelming amount of information presents an opportunity for CFOs to gain more strategic insights by pairing their ERP system with AI and machine learning.