

## Hey! What's New? 2024-117

### How CFOs Can Monetize AI For Financial Growth

It's no secret that artificial intelligence can deliver internal benefits such as increased automation, enhanced business processes and greater insights from data, says Bob Violino in an article on the *CFO* webpage. "But companies can also leverage their internal knowledge of AI and the tools they are using to generate income and find new opportunities for business growth. And the good news is this can apply to virtually any type of business. And CFOs can play a big role in helping their organizations monetize AI." The following are some tips for ensuring success.

**Demonstrate value:** To create AI-based solutions that are viable in the market, Violino advises, "companies have to show prospective customers how they will benefit from using these offerings. CFOs need to work with fellow senior executives, including those directly overseeing product development efforts, to get a sense of why AI-powered solutions are valuable for clients."

"Understanding and addressing customer needs is fundamental," said Anthony Lam, CFO at healthcare technology company Healwell AI. "CFOs should ensure the AI product or service being developed addresses a specific problem and delivers clear value."

**Focus on generative AI:** Generative AI "is a profit catalyst, much like the steam engine was during the Industrial Revolution," Violino writes. "The companies that prospered then weren't just those building engines, but those integrating the steam engine into their operations, using it to fuel unprecedented growth. Similarly, [generative AI] is the steam engine for the mind — unlocking creativity, amplifying productivity and fueling learning across every sector." CFOs must shift the conversation from how technology can generate digital revenue to how GenAI can increase the probability of success for the core business, he adds. "When posed this way, CFOs have a pivotal role in unlocking revenue from generative AI for non-tech companies."

**Understand costs:** To calculate the return on investment in AI-based products and services, companies need to understand the development costs. According to Lam, "AI solutions can be expensive to develop. They often rely on foundation models (FMs) — machine learning or deep learning models that are trained on broad data to be applied across a range of use cases. And these FMs require extensive data processing capabilities. ...CFOs must carefully assess these costs and plan how to amortize them over revenue streams to achieve a favorable return on investment."

**Determine pricing:** Another key part of the ROI equation is determining how to price AI solutions. Pricing strategies should reflect several factors. One is the market segment. The article notes that "pricing will vary depending on whether the target market is small, mid-sized, or enterprise clients, Lam said. "CFOs need to balance the trade-off between gaining market share with lower prices and maximizing revenue with higher prices."

Another factor is the pricing metric. Writes Violino, "the pricing model, fixed monthly fees vs. volume-based charges, should align with customer preferences and usage patterns. Effective pricing is essential for a successful AI product or service launch, and CFOs play a vital role in setting pricing strategies that meet organizational objectives."

**Enhance sales and customer retention:** Another way companies can boost their finances via AI technology is by taking advantage of new market opportunities and improving customer experiences for better retention. AI and data analytics “can transform both sales and customer success by delivering real-time insights and automating key processes,” said Kevin Rhodes, executive vice president and CFO at Extreme Networks. “In sales, predictive analytics help teams forecast customer behavior, allowing them to focus on leads with the highest potential for conversion. For customer success, AI-powered tools can identify patterns in customer usage and engagement, enabling proactive outreach to address issues and boost satisfaction.”

Rods also pointed out that, “by automating administrative tasks like CRM [customer relationship management] updates, scheduling and reporting, AI frees up time for teams to focus on building relationships and driving long-term value. This leads to greater efficiency, improved customer retention and better overall performance across both functions.”

**Identify business trends:** Traditionally seen as the guardians of an organization’s financial health, CFOs are now expected to step out of their conventional roles and take on a more strategic role within the C-suite, Rhodes noted. “This evolution is largely driven by AI and the power of data analytics to help influence business strategy, which is becoming more and more of a CFO responsibility.”

For more, go to [How CFOs can monetize AI for financial growth | CFO](#).