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What Gen AI Means for Executive Decision Making

As Andrew Kenney writes in *FM Financial Management*, “raising questions and supporting and expanding research capability are some ways generative AI is making its mark on strategic decisions.”

In the article, Kenney explains that Ahmed Ezzat, ACMA, CGMA, is rather busy. He’s the CFO of a venture capital and private-equity company in Saudi Arabia. The company manages a significant portfolio of investments across various sectors with a streamlined team. Ezzat’s role includes participation on multiple startup boards, helping guide their strategic direction. Part of his work involves evaluating numerous investment applications each year, leveraging advanced technology to enhance the assessment process and ensure a comprehensive analysis of potential investments.

In recent years, as part of his company’s tech-forward approach, Ezzat has been using generative AI to augment his reviews of companies seeking investment — looking for the strategic strengths and weaknesses in scores of startups.

It’s part of a larger trend, Kenney says. “Finance leaders, executives, and board members are trying to use generative AI and machine-learning tools to augment strategic decision making, and technology companies are racing to help them. Some companies have even appointed AI systems as virtual advisers to their boards, with the promise of surfacing hidden trends and steering a company’s financial future.”

But many finance leaders have started with much smaller experiments, he adds. “They’re finding ways that emerging technologies can expand the depth and breadth of an executive’s decision-making process — and they’re learning to work around the technology’s shortcomings.”

For some finance leaders, generative AI agents have already become a personal tool for planning, analyzing and communicating clearly. “No matter how they use it, Kenney advises, “finance professionals should keep in mind that using generative AI-sourced information without ensuring its validity may complicate their fiduciary duties. If the software’s methods and inner workings are unclear, but they are relying on it to make decisions, it may raise questions about ethics and standards.”

While finance leaders experiment with generative AI at a personal level, some companies have started to dream much bigger, Kenney notes. “Could AI itself take on enhanced strategic roles, especially on the board? A Hong Kong venture capital fund said an AI system had an informal adviser role for its board of directors, and a major company in the United Arab Emirates has done the same.”

But some finance experts remain skeptical of the idea that AI will advance into a true leadership role anytime soon. “I struggle to believe there’s an all-singing, [all]-dancing AI member that can hit all professions and functions appropriately,” said James Owen, FCMA, CGMA, global CFO, Profiles Division at Kantar. Instead, he sees AI playing an information processing role — with potential strengths such as tracking board action and helping board members prepare for

meetings. “Everyone at the table will have had their pre-briefing from an AI-inspired source,” Owen predicted.

As the technology becomes more reliable, instead of depending on dashboards that highlight particular data series — or waiting for quarterly updates from staff — CFOs and board members could use natural language interfaces to simply ask an AI agent for specific analyses of large amounts of company finances, forecasts and other data.

But Owen cautions that in its early days, his company’s implementation of Copilot has required troubleshooting and oversight. The technology struggles if files and folders are not uniformly organized, he said. It can’t always “make the linkage” between differently organized files and data, Owen explained. “It’s teaching us to be a lot more organized and a lot more sophisticated.”

It’s a symptom of a larger issue with implementing AI systems, and not just generative AI. “You need structured data for machine learning to be plugged into. And I feel there’s a lot of organizations still in the early part of that journey,” Owen added.

For a lot more, see [What gen AI means for executive decision-making \(fm-magazine.com\)](https://www.fortune.com/story/gen-ai-executive-decision-making/2023/11/21/).