

## Hey! What's New? 2024-132

### Six Key Lessons Shaping CFOs' Approach to Generative AI for 2025

A guest post on the *CFO* webpage, written by Ed Fitzpatrick and Dr. Alfred Sanders, points out that “technology is changing at a faster rate than ever. ...the Fourth Industrial Revolution, driven by advancements in artificial intelligence, is at full speed – and CFOs are leading the charge.”

**1. Generative AI is empowering CFOs to lead their organizations into the technological revolution. According to the article,** “as CFOs absorb the impact and velocity of generative AI on their business models, the technology has become a tool for creating a competitive advantage. The goal is to use generative AI to gain benefits beyond productivity, such as improving products, accelerating time to market, or elevating the customer experience – all of which paved the way for increased sales and growth.”

**2. Companies are at various stages of their generative AI journey, but all see the future.** The authors note that “companies are not at the finish line of their generative AI adoption journeys, as there appears to be no finish line to cross with the ever-changing speed of technology. As generative AI is developing and being used in new ways, CFOs need to maintain a mindset of continuous adaptation and evolution.”

Despite this approach, however, they add, “there are still challenges that prevent CFOs from fully harnessing generative AI’s potential. The biggest obstacle is dealing with outdated, disconnected systems from decades of ‘best-in-class’ solution implementations and corporate acquisitions, leading to poor quality data management. As a result, it’s difficult for CFOs to access and use data effectively across the organization. The opportunity to leapfrog the competition with technology rests with those best able to consolidate and clean up data. Generative AI, after all, is only as powerful as the quality of data it is fed.”

**3. CFOs are getting creative with how they select generative AI initiatives.** “Whether it’s using AI-powered chatbots for customer service or harnessing predictive analytics for financial forecasting, the list of opportunities seems endless, but the resources are limited. The goal is to identify generative AI projects that provide the biggest bang for the buck.” To do this, the authors advise that forward-looking CFOs experiment with how to best choose generative AI projects. “CFOs are fostering a sense of excitement by running contests across the organization to come up with fresh ideas on how to best deploy AI solutions to drive value.”

**4. An ROI with new technology is not always easy or the only priority.** One issue in achieving a solid ROI and quality operational benefits is how well employees embrace using generative AI. “Getting people to change how they do things is challenging, regardless of the technology. Proper change management is essential, much like when implementing legacy systems. To ease the transition, CFOs are focusing on gradual integration by offering ongoing support, clear communication and highlighting quick wins that show staff how even small changes can make their daily tasks more manageable.”

**5. CFOs are strengthening their partnerships with chief information officers.** CFOs are convinced that collaboration with CIOs and chief technology officers is critical, given the growing amount of data and the need to turn it into actionable insights to drive customer and

shareholder value. “Together with technology teams, CFOs can better tackle key business opportunities where AI can make a significant impact, helping technology investments align closely with strategic business objectives. In addition, because solid data management is crucial to success with generative AI, many CFOs are partnering with CIOs to use cloud solutions like Snowflake and Databricks to better manage their data. As a result, baseline data analytics and AI training across the enterprise have become more essential.”

**6. Employees are getting upskilled to meet technology needs.** Given the global appetite for AI and generative AI skill sets, CFOs realize that attracting and retaining AI talent is difficult and costly. The authors suggest that finance leaders should assess the best way to develop their existing teams and improve their AI competency levels through training and selective hiring. As more manual processes are automated, staff trained to apply the latest technology will add the most value.

Fitzpatrick and Sanders conclude that, “as the Fourth Industrial Revolution picks up speed, CFOs who push the boundaries of what’s possible with generative AI will set the pace for everyone else. Those who embrace change, forge strategic partnerships and empower their teams to harness this promising technology will turn today’s challenges into tomorrow’s competitive edge.”