

E-book

# CFO Survey: AI Offers a Window of Opportunity for Competitive Advantage

Key findings from the 2021 Sage Intacct Artificial Intelligence in Accounting and ERP Survey

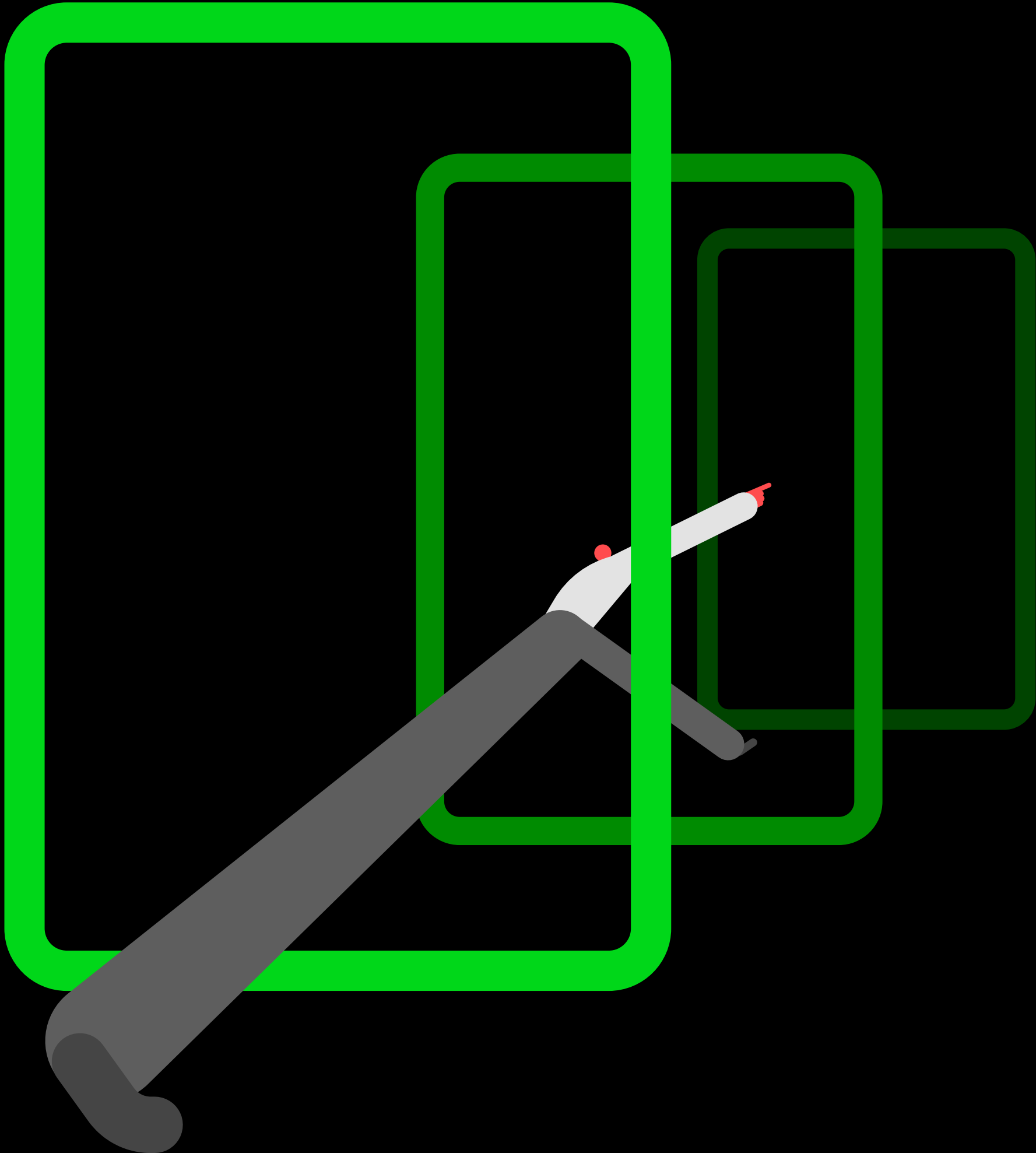
Sage





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# Introduction

While artificial intelligence (AI) has been widely adopted in consumer applications, marketing, and customer service, it's still relatively new in accounting and finance.

We created this survey to learn more from CFOs about their adoption and views of AI in finance:

- What benefits do they see now and expect to see in the future?
- How do they apply AI today and how do they expect to apply it in the future?
- What capabilities and investments are most important when evaluating finance solutions?

This survey was given to attendees at two 2021 CFO conference events—Gartner CFO & Finance Executive Conference and the CFO Leadership Conference.





# Summary of findings

Our survey shows that AI is rapidly moving into the mainstream, becoming expected functionality in financial solutions. But with only 21% adoption, there is still opportunity for competitive advantage through its adoption.

An Accenture study shows leaders that have doubled down on tech—and are growing 5x faster than laggards. More than 50% of the leaders accelerated their investment in technologies such as cloud or AI.<sup>1</sup>

With 95% of CFOs considering AI in vendor selections, the time is now to start planning for the impact to your business if you haven't already.

The good news is that you don't need special skills or technical resources to adopt AI. You can look for AI that's native within financial management solutions.

**21%**

**have already adopted AI in finance**

**5x**

**growth of leaders<sup>1</sup>**

**>50%**

**are at least somewhat likely to adopt AI in the next year**

**95%**

**consider AI capabilities, strategy, and roadmap in vendor selection**

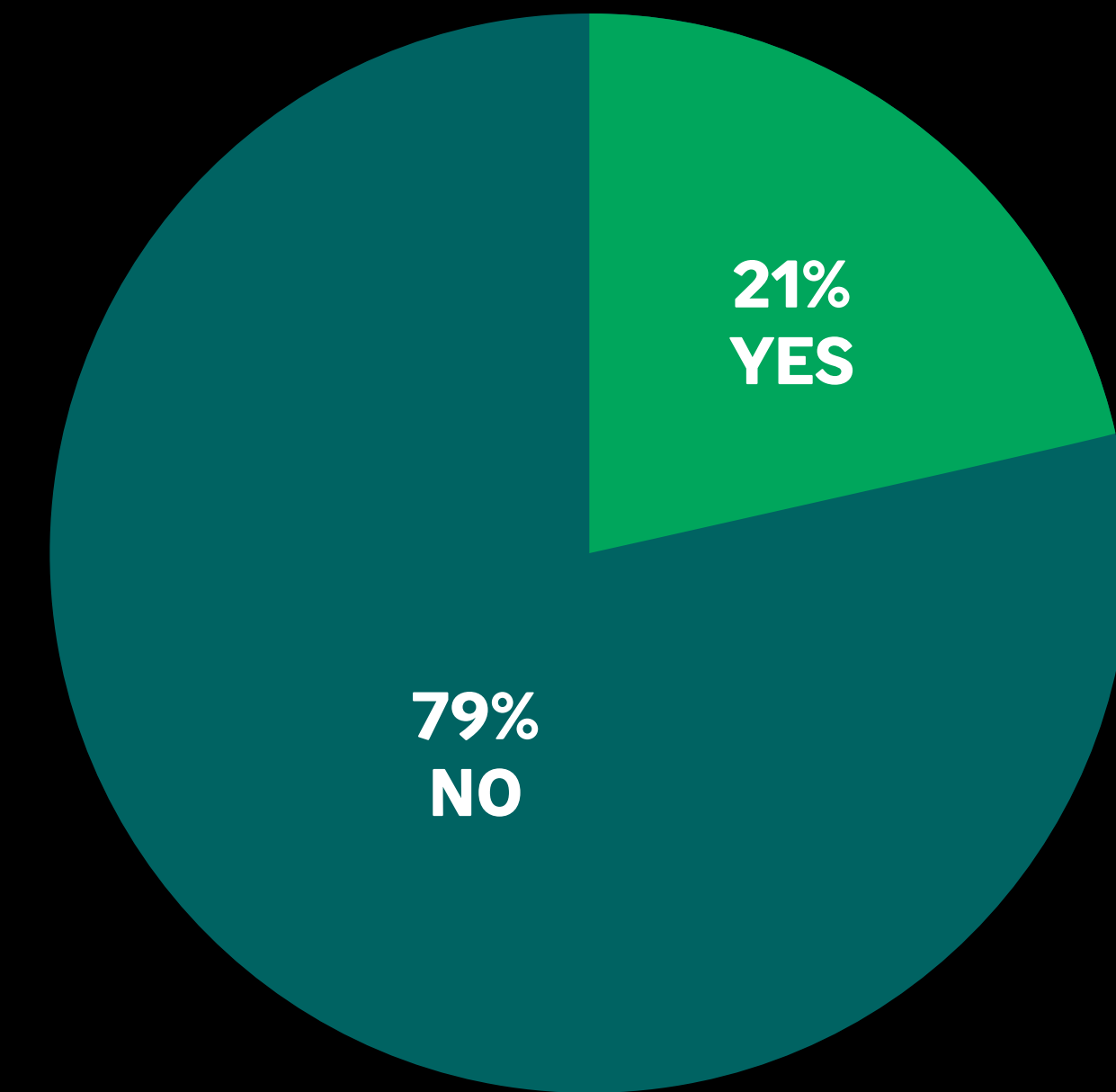
**51%**

**plan to adopt AI that's embedded into their financial solution**

# 21% are using AI in finance today

## Are you already using AI in finance?

Twenty-one percent of survey respondents say they've adopted some form of AI in finance. This level of adoption indicates that AI is no longer limited to early adopters. It's now crossing the chasm into the early majority.



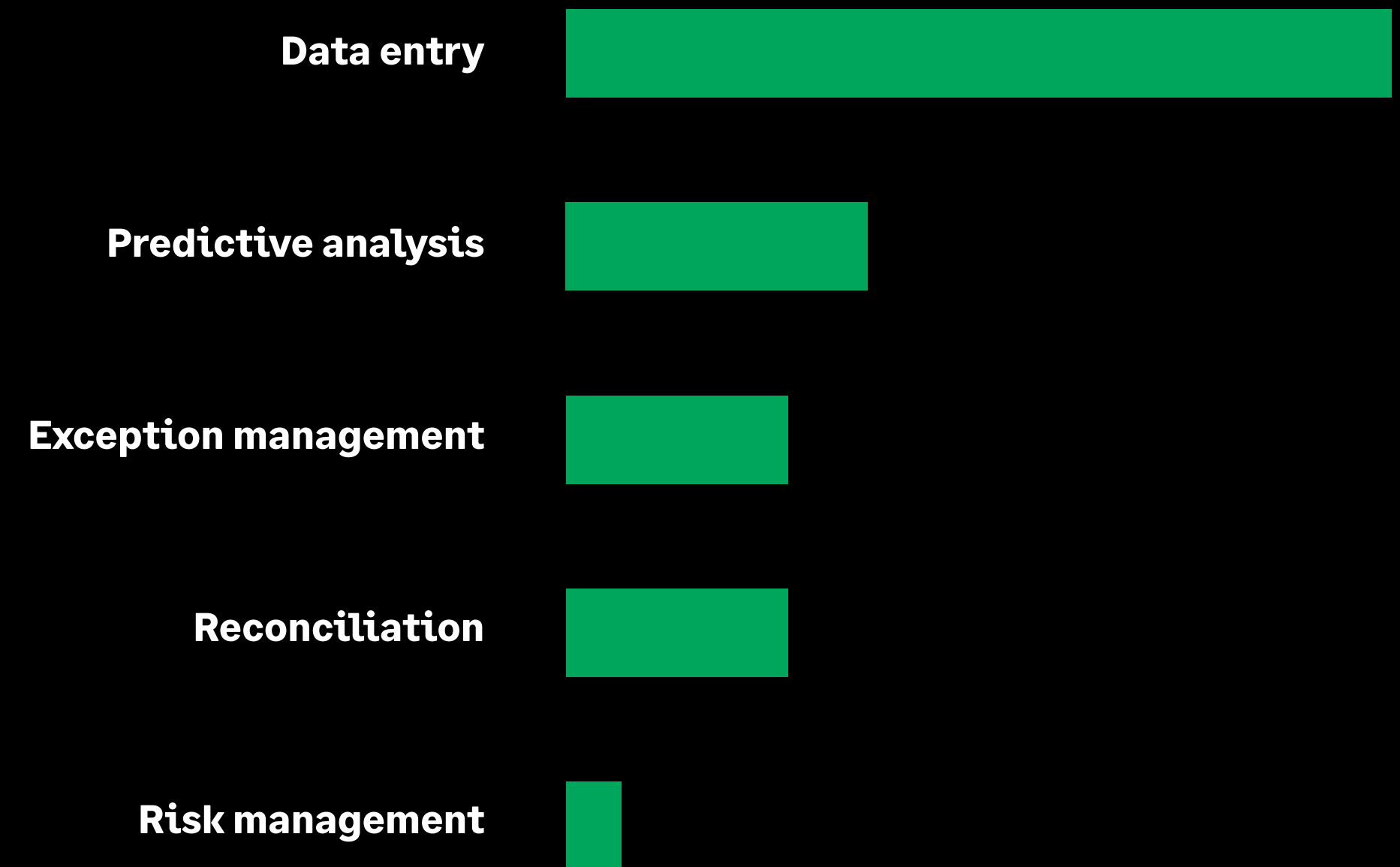
Are you already using AI in your finance function?

# AI is most commonly used today to automate repetitive tasks

## Which areas do you currently use AI for?

Historically, finance teams have relied on manual, repetitive processes to perform tasks, such as data entry, reconciliations, and exception management. These tasks are time-consuming, errorprone, and frequently considered tedious by those doing the work. So, it's not surprising that they are an early target for the application of AI.

AI can perform these tasks with greater speed and accuracy than humans, accelerating access to accurate insights to inform decision-making. It frees finance teams from menial work, allowing them to focus on higher-value strategic activities.



# AI tip: What's the difference between automation and artificial intelligence?

## **Rules-based automation**

Rules-based automation follows a set of steps or rules developed by humans. It works well for situations where a set of finite rules can be developed. But it cannot think or learn. So, it's limited to use cases where all the rules can be developed in advance to handle all the possible scenarios.

## **AI and machine learning**

AI is “automation on steroids” according to McKinsey & Company. Machine learning (ML) is a type of AI, which uses algorithms that don't have to be explicitly programmed. ML thinks and learns from patterns in data, getting smarter over time. It makes human-like decisions such as classifying data, matching transactions, detecting outliers, and more.

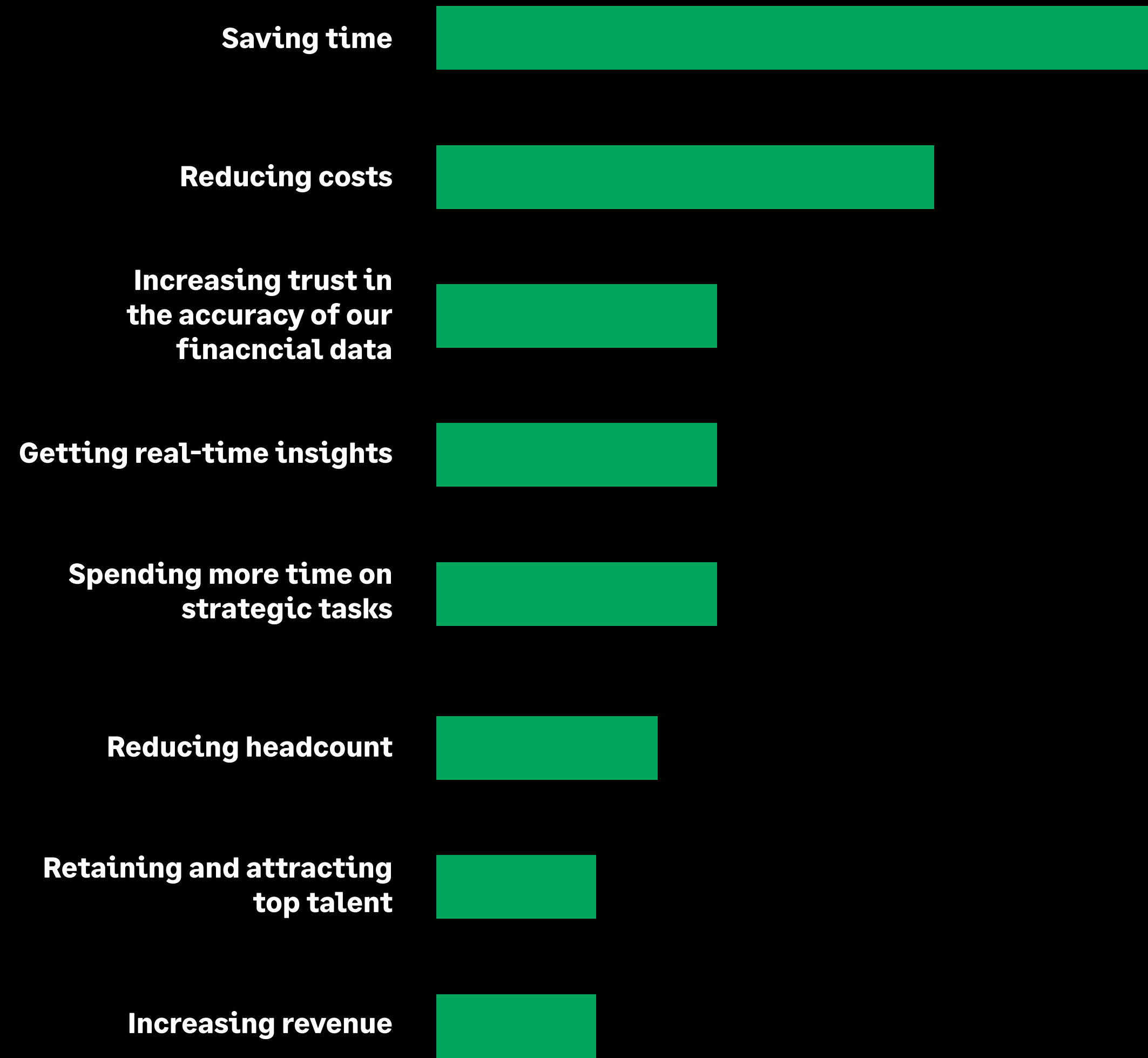
You can train AI similarly to how you would train a human—by providing examples. The more examples you provide, the smarter—or more accurate—the ML will be. It automates tasks that wouldn't previously have been feasible to automate due to their complexity, opening the doors to new and greater benefits.

# Time savings is the most commonly cited benefit of AI today

## What benefits are you already achieving?

So far, early adopters of AI listed time savings and cost reductions as the top two benefits they’ve experienced. These benefits align to areas where survey respondents say they use AI the most—for repetitive tasks for data entry, exception management, and reconciliation.

Some are also experiencing the downstream benefits of increasing accuracy, gaining real-time insights, and freeing time to spend on strategic tasks.





# AI in action: intelligent timesheet entry

Here's an example of how AI can help with a tedious task that most service professionals hate—creating project timesheets.

Professionals can use an ML-based time assistant to do the grunt work of combing through their calendar, email, and files to reconstruct their work week. Professionals just review, adjust, and submit.

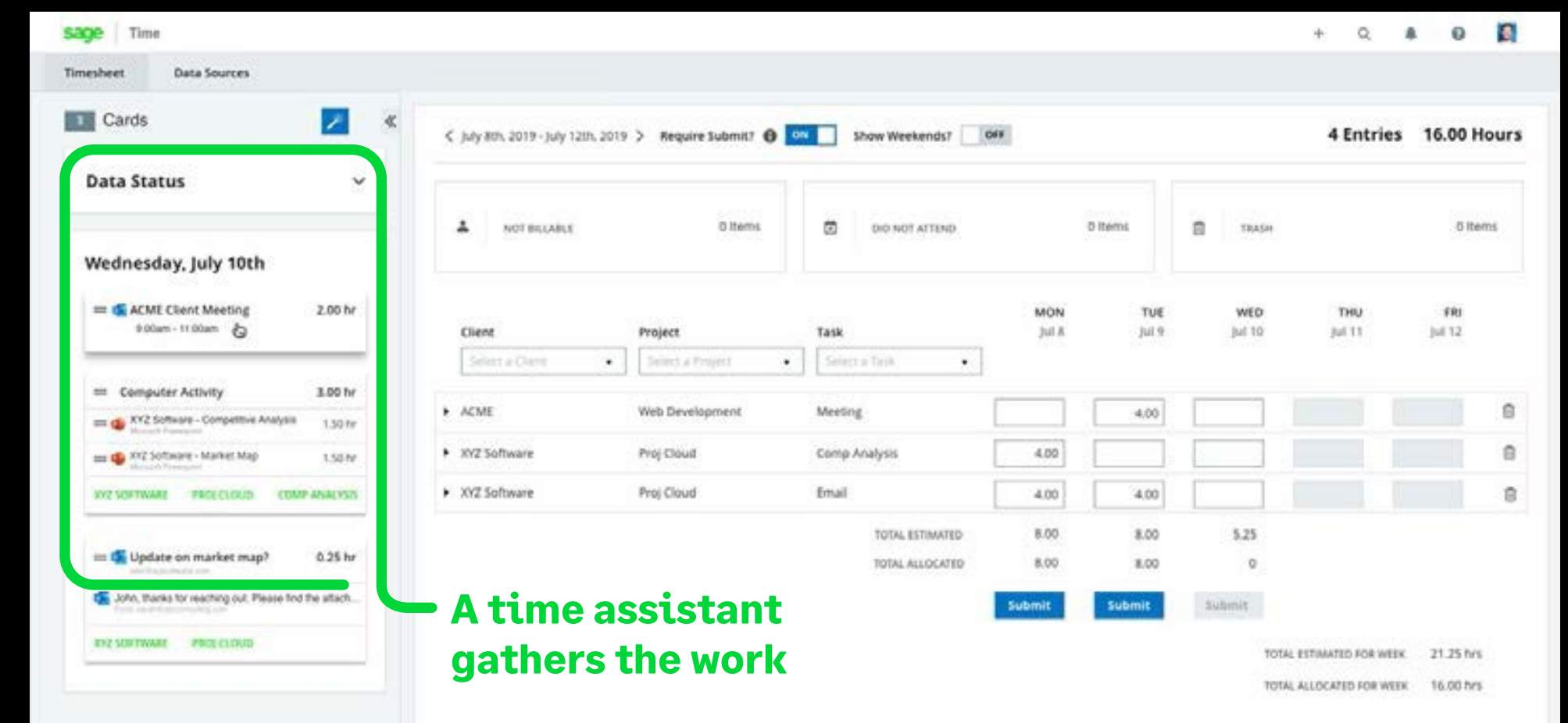
Not only does it free professionals from soul-crushing timesheets, but active ML-based time assistant users:

- Log 16.8% more billable hours
- Submit timesheet entries 12.9 days earlier



- See 100% of time accounted for with 57% of activities pre-populated with required dimensions, such as clients and projects, with 95% accuracy

To maintain the professional's privacy, their work details never leave their laptop and can be deleted on a set schedule.



**“Sage Intelligent Time has been a very big help in us being more accurate with our billable time. For example, I could be working in Excel on a project for what I thought was 45 minutes when, in actuality, it’s been two hours! That likely happened regularly before we started using Sage Intelligent Time. That can add up to hundreds of hours across my team on a quarterly basis. The prevention of this revenue leakage is truly amazing.”**

~ Angela Payne, Senior Consultant at LBMC, a professional services firm

# Over 50% of CFOs are at least somewhat likely to adopt AI in finance in the next year

## How likely are you to adopt AI-powered software for finance in the next 12 months?

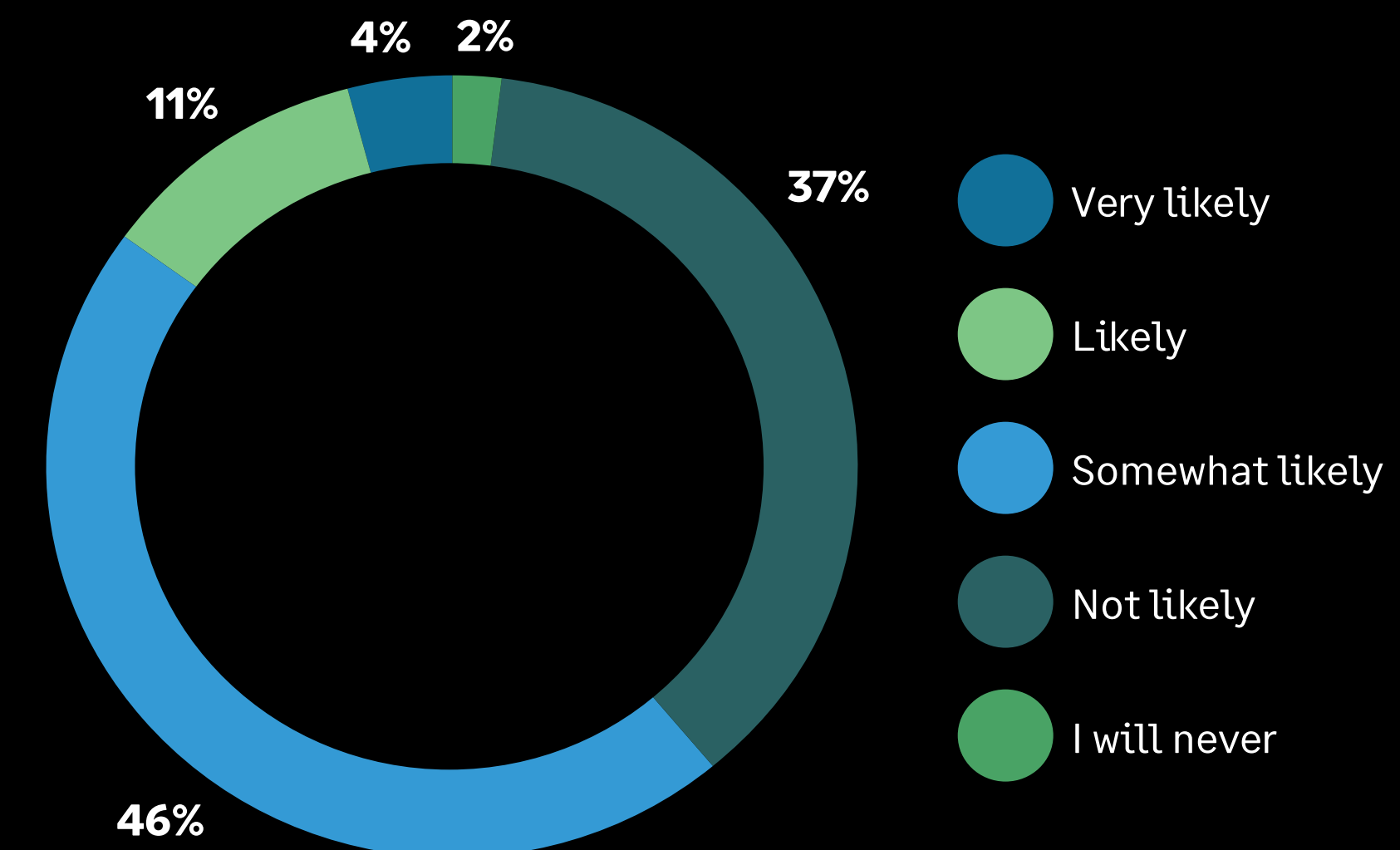
While those who are likely or very likely to adopt AI in the next 12 months is only 15%, there's an additional 46% who are somewhat likely to adopt.

These results are in line with Gartner's assessment that, "Through 2024, 60% of organizations will seek artificial intelligence use cases



in native financial management solutions.”<sup>1</sup>

If you haven't already, you should consider assessing the impact AI could have on your business. For instance, consider how AI can elevate the work of your employees. By freeing your employees from performing mundane, repetitive tasks you enable them to focus on higher level work and potentially developing additional skills. Over time, you might even change your recruiting criteria to look for candidates with skills that complement your AI-powered solutions.



1. 2021 Gartner Critical Capabilities for Cloud Core Financial Management Suites for Midsize, Large and Global Enterprises, (ID G00733924)

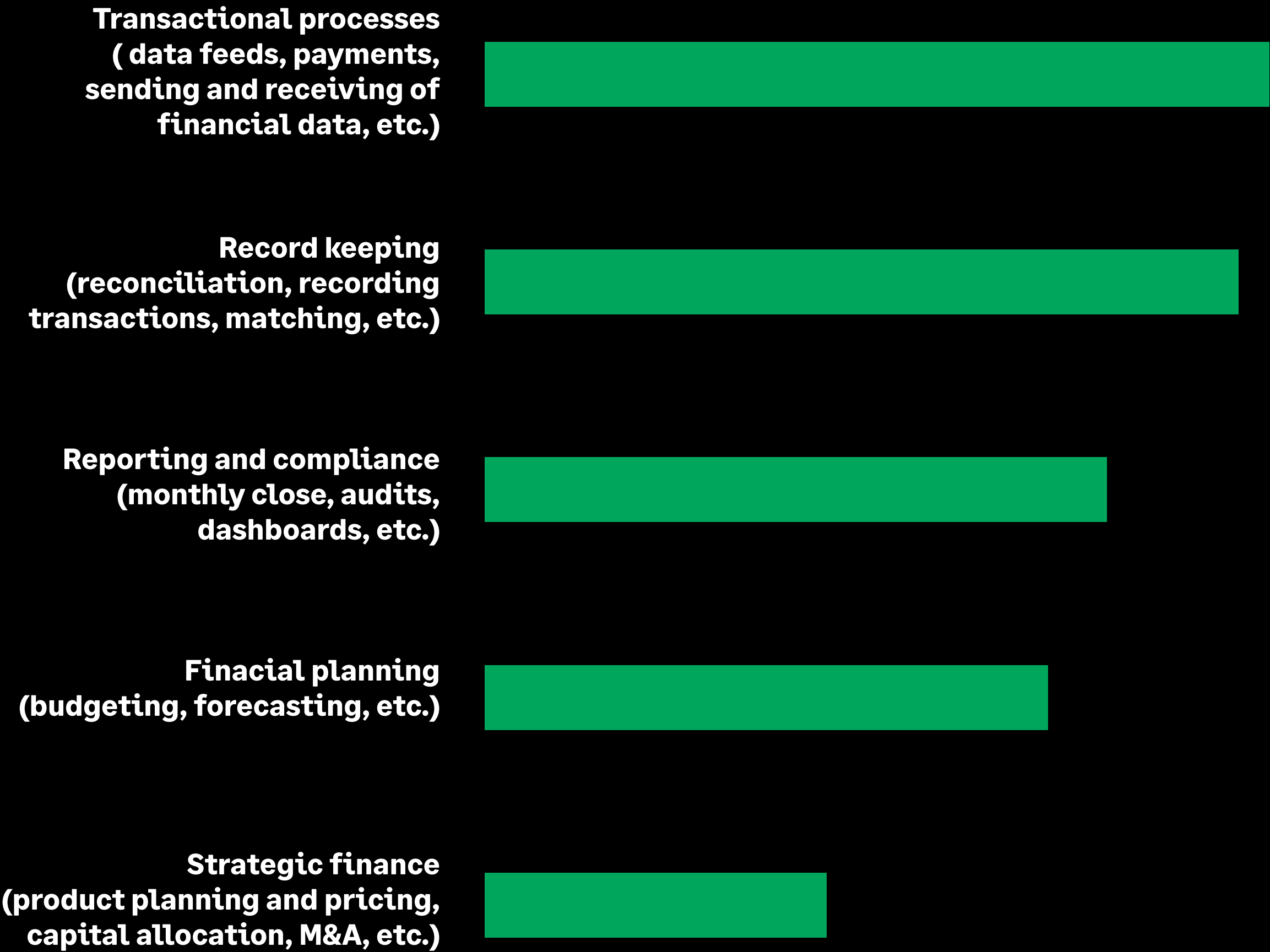


# **CFOs expect AI** **to help most with** **transactional and** **record keeping** **processes**

## **What types of tasks do you expect AI to help finance with?**

Looking forward, CFOs see AI being the most helpful in transactional and record keeping processes, following the path of the early adopters.

Close behind are reporting and compliance as well as financial planning. Strategic finance was less prevalent, likely the result of being perceived as more complex technologically and further into the future.

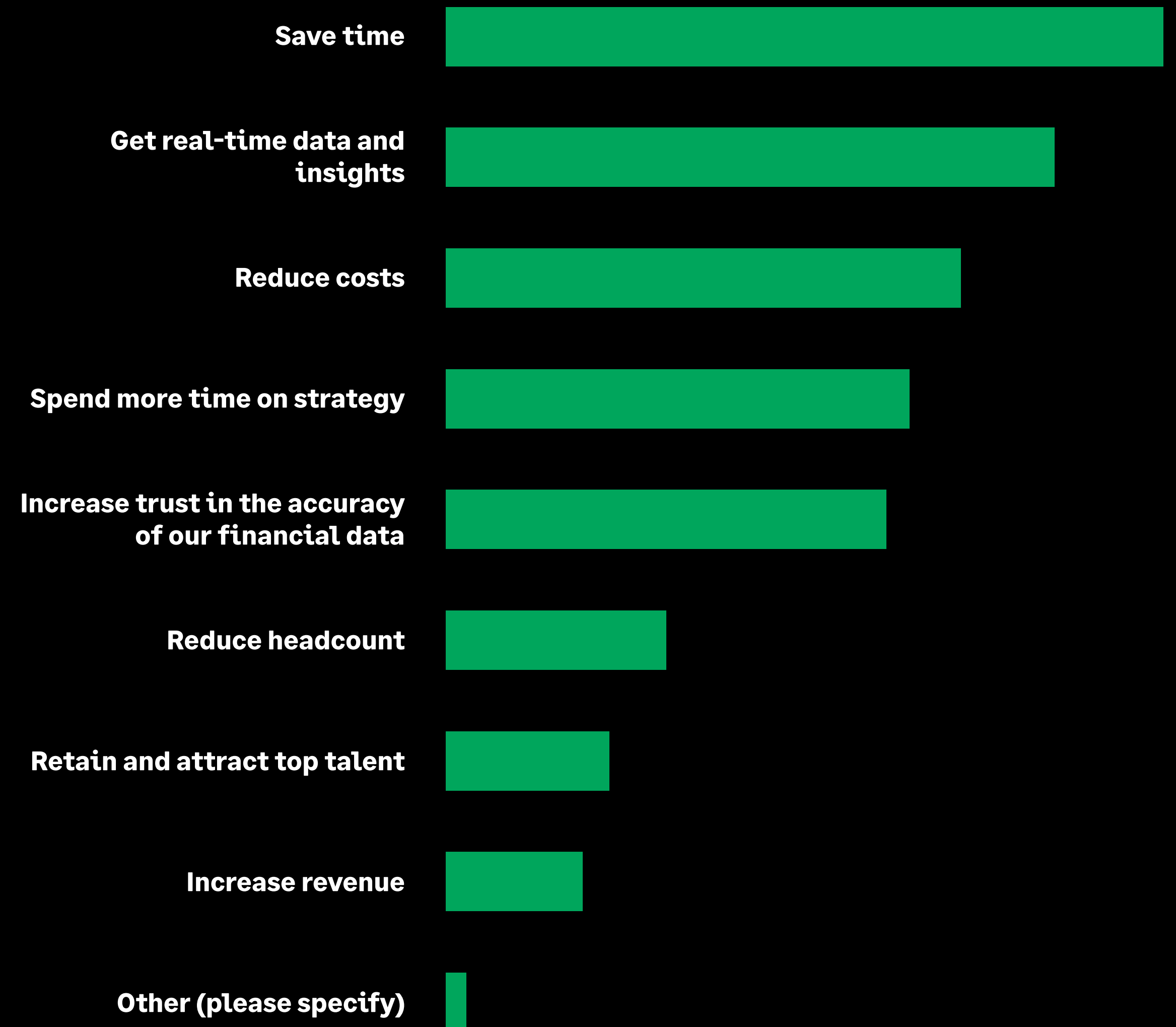


# Saving time and gaining real-time insights are the top future expected benefits from AI

## What are the top benefits you expect AI to deliver in the future?

Saving time and reducing costs top both the list of benefits achieved today as well as those expected in the future.

But some benefits that aren't as common today are expected to be more prevalent as we look to the future. These include increased visibility and insights, accuracy and trust, and time to focus on strategic activities.



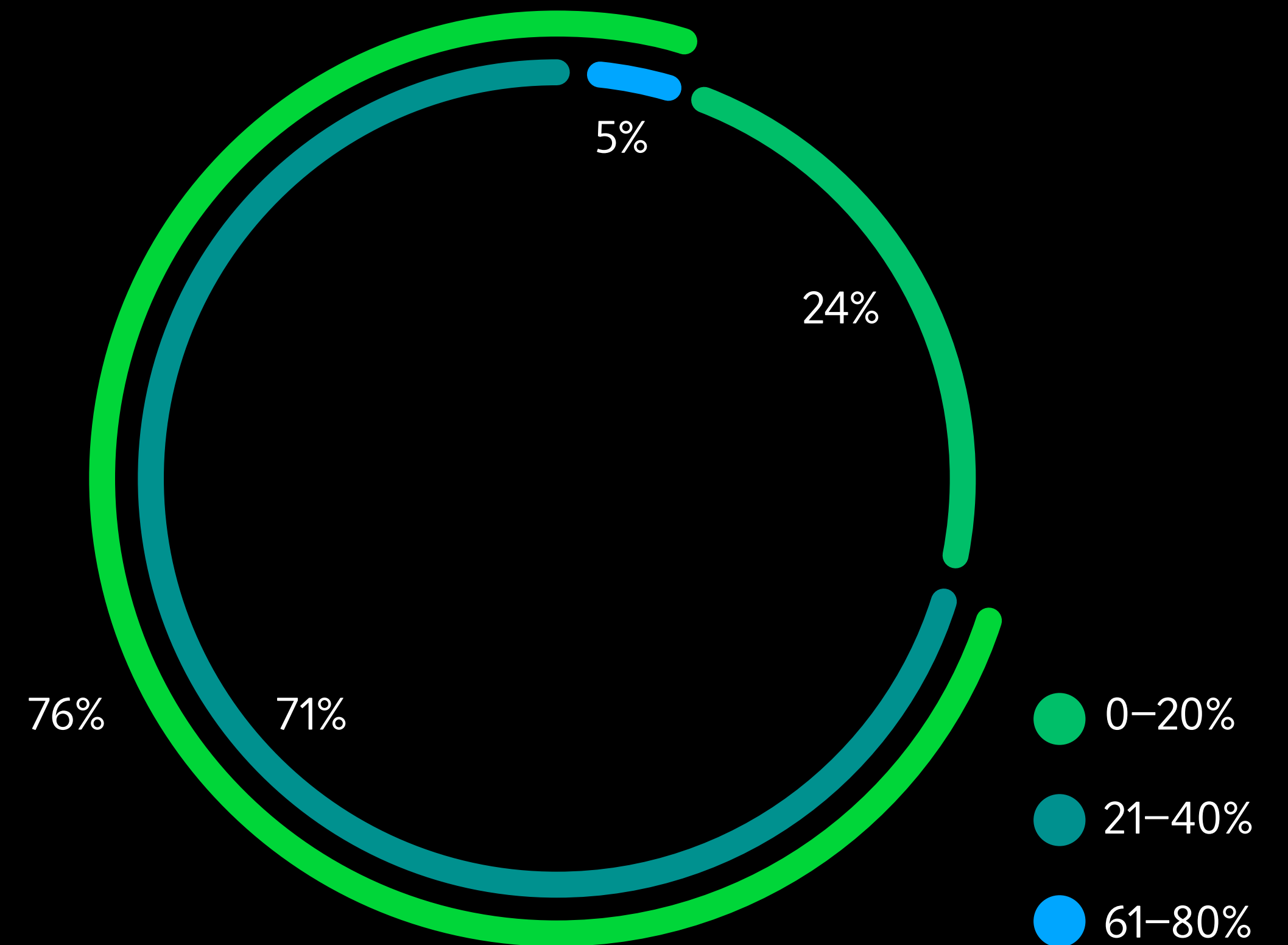


# Most believe AI will help their teams achieve 20% to 40% gains in productivity or more

## How much more productive do you expect AI to make your finance team?

CFOs envision large gains in productivity with 71% expecting 21-40% gains in productivity. Another 5% believe that those gains will be even larger, ranging above 60%.

It's clear most CFOs have high expectations for the productivity impact AI will have on their organizations.



# AI in action: outlier detection

Catching errors is critical to having accurate financial information for decision-making and stakeholders. And the earlier, the better. But if you're like most teams, you only have time to focus on a few critical areas. As a result, errors are inevitable, increasing the downstream cost to fix them and exposing you to potential loss of credibility with your stakeholders.

Outlier detection learns your transaction patterns and flags new transactions that don't fit those past patterns for review. It reviews every line item, every dimension, and every amount within minutes of entry. It provides transparency into why the item was flagged, so you don't need to guess. You gain higher accuracy and trust your data—without having to wait for the close.

The screenshot shows the 'Approve Journal Entries' interface. A table lists journal entries with columns for Outlier, Request status, Requester, Journal, Transaction type, No, Reference number, Description, and Date requested. One entry is highlighted with a green circle around the 'Outlier' icon. Below, the 'General Journal - Journal Entries' section shows a transaction with a green box highlighting the 'Outlier' column in the 'Entries' table.

Doc	Outlier	Account	Department	ShDim	Project	UDD	Location	Trn currency	Transaction debit	Transaction credit	Base debit (USD)	Base credit (USD)	Allocation	Memo
1000	99	Bank of America 2	11--Accounting	--	--	--	United States of America	USD	1.00	--	1.00	--	--	Entry 1
4000	--	Sales	11--Accounting	--	--	--	United States of America	USD	--	1.00	--	1.00	--	Entry 2

**“Outlier detection reviews our journal lines at a much deeper level than we could review manually. It finds errors on the front end so we can fix them before they get to internal and external users of our financials. For instance, outlier detection just found coding issues with our Payroll that would have caused a misstatement to our lender had they not been found. It helps us maintain accuracy and credibility.”**

~ Erin Horak, VP of Finance, VRC Investigations

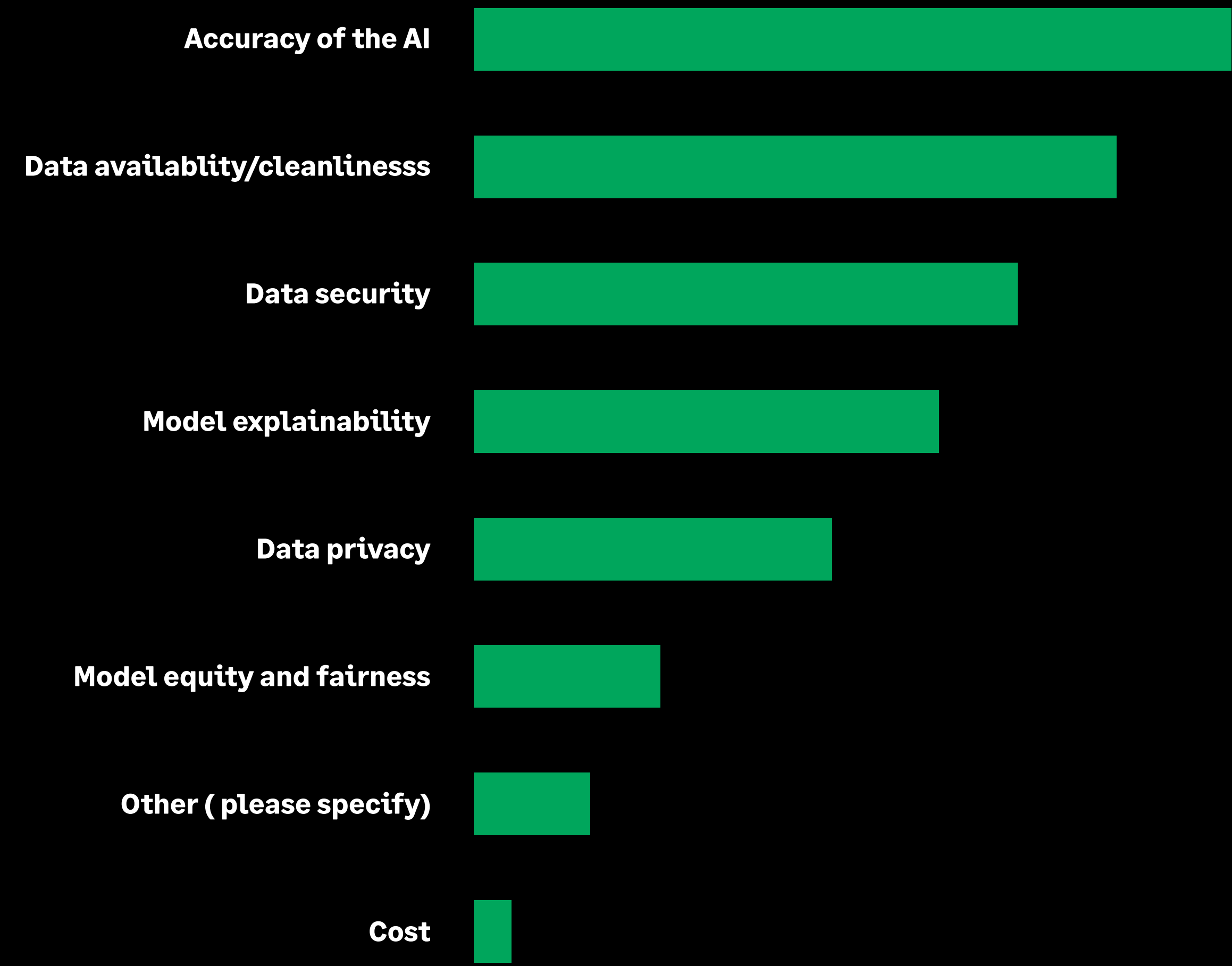


# The top concern about AI is its accuracy, followed by data availability and cleanliness

**What hesitations do you have related to deploying AI for your finance function?**  
The top hesitation that CFOs have with AI is the accuracy of it, closely followed by data availability and cleanliness.

Concerns about accuracy highlight the importance of using a multi-tenant cloud solution to provide large datasets that AI can learn from to increase accuracy. You can also look for the ability to supervise the AI, providing additional guidance for its learning.

You may want to begin early to review your data for cleanliness. AI technology can be used to help you clean.

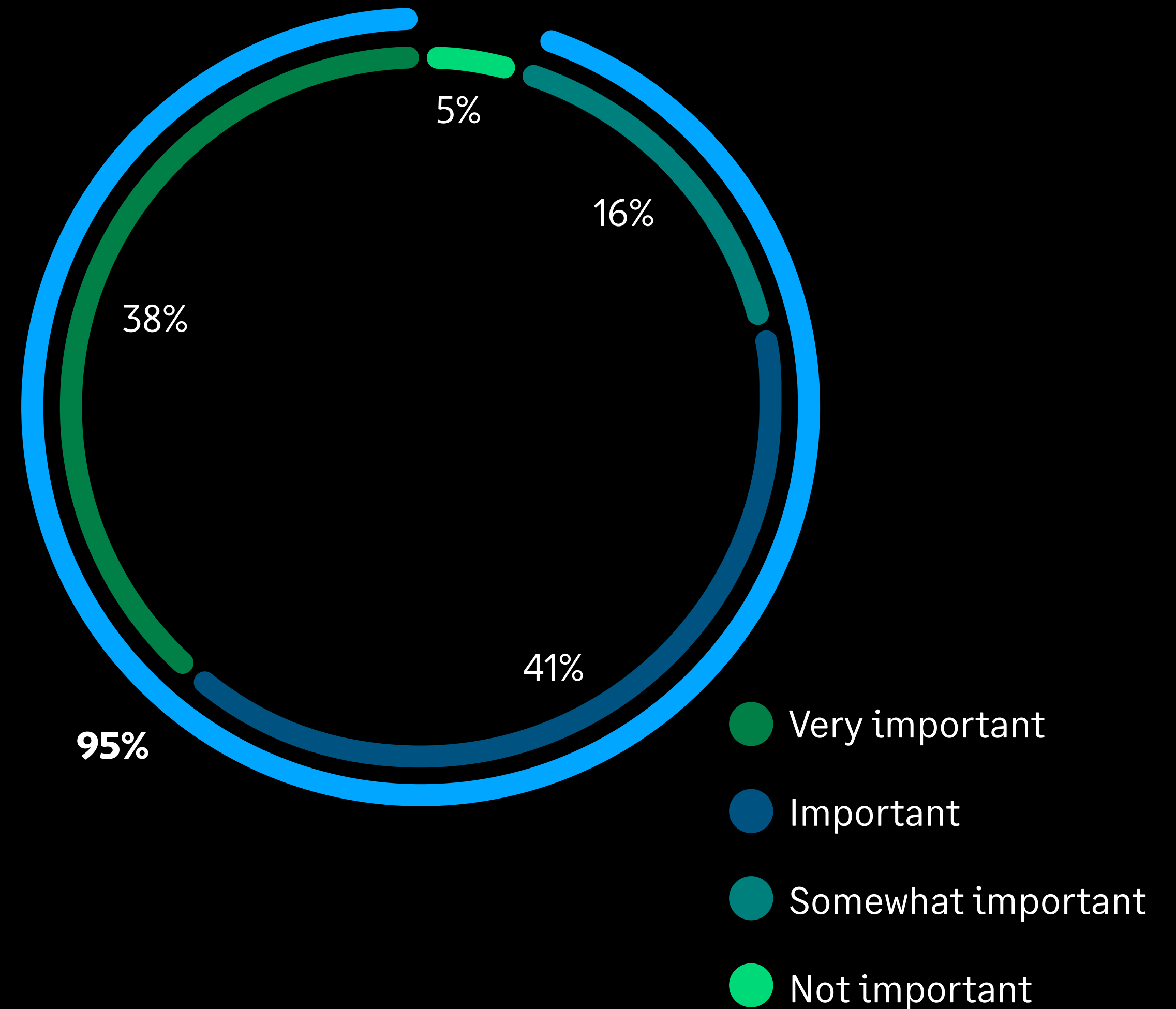


# 95% say a vendor's existing AI capabilities are at least somewhat important in purchase decisions

## How important are AI capabilities in your finance software purchasing decisions?

Fifty-seven percent of respondents consider a vendor's existing AI functionality to be important or very important in their purchase decisions. And, a full 95% say it's at least somewhat important.

If you're not already considering AI capabilities in your evaluations, you should know that nearly all your peers are considering it at some level.



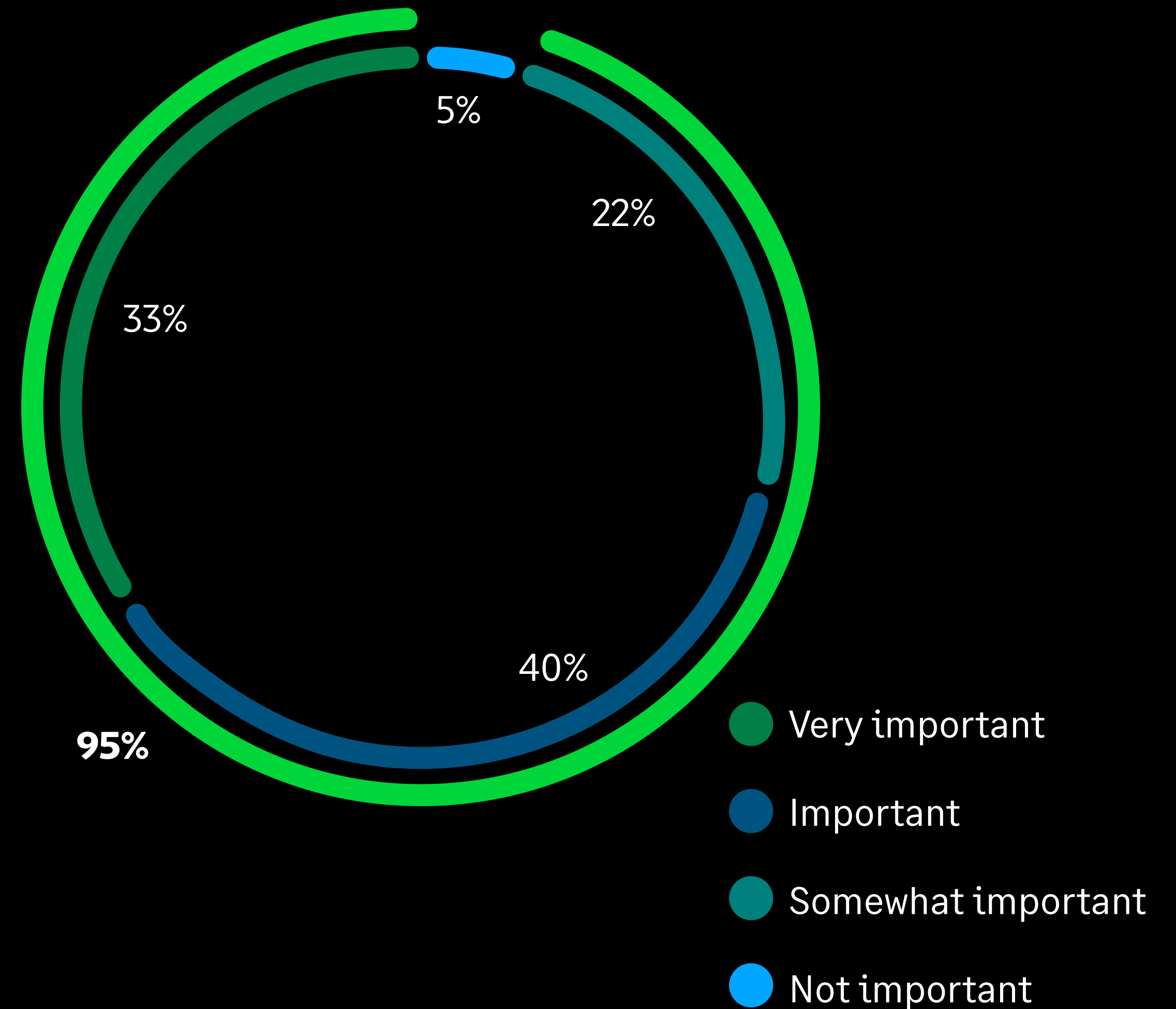


# 95% say vendor's AI strategy and roadmap are at least somewhat important in purchase decisions

## How important are AI strategy and roadmap in your finance software purchasing decisions?

Similar to evaluating current AI capabilities, CFOs are also considering AI strategy and roadmap as an important consideration in purchase decisions. Of those polled, 73% say it's important or very important, and 95% say it's at least somewhat important.

AI should be a consideration in your finance purchase evaluations, if it's not already, to support your future competitiveness.

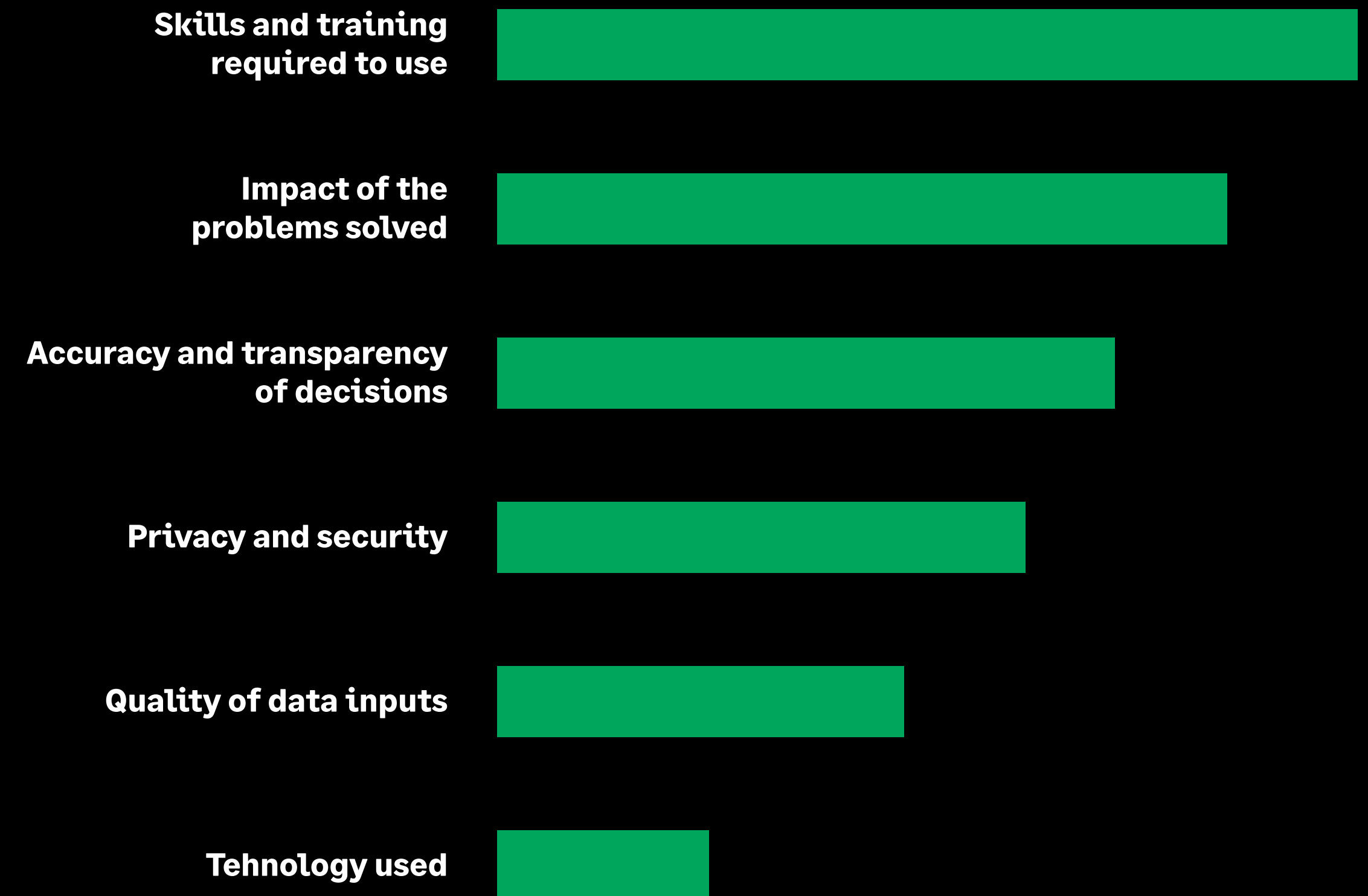


# Skills and training, problems solved, and accuracy and transparency are top vendor AI strategy components

## What components of a vendor's AI strategy and roadmap are most important to you?

When including AI in your purchase evaluations, your peers are nearly equally weighing several factors. Respondents gave the most weight to the impact of the problems solved, skills and training needed, and the accuracy and transparency of decisions.

The least important component to respondents was the technology used. But it's important to point out that the technology plays a significantly influential role in delivering on many of the higher priority strategy components.





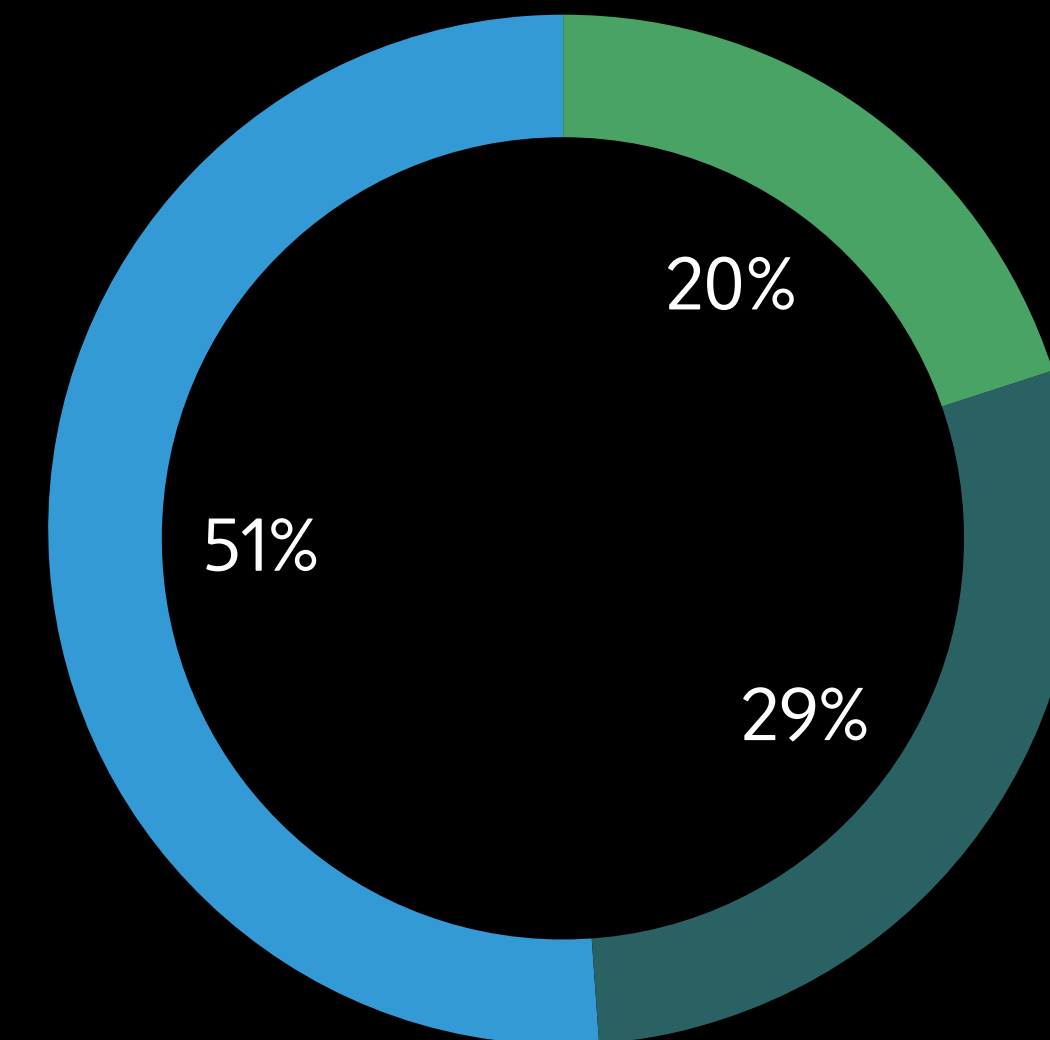
# Over half expect to adopt purposebuilt AI that's embedded in their financial solution

## What type of AI do you expect your finance team to adopt?

Over half of respondents expect to adopt purpose-built AI capabilities that are embedded within their financial solution.

This response reflects the importance of one of the top vendor AI strategy components—the training and skills required to use it.

With embedded AI, you don't need to be an AI expert. In fact, many users have no idea that AI is behind the scenes at all.



- Purpose-built AI that's embedded within your financial solution and doesn't require specialized AI skills to use
- An AI toolset that allows you to create customerized features (similar to Salesforce Einstein)
- Custom AI solutions built by internal or external software engineers



# Why multi-tenant cloud is critical for ML

Since ML learns best with large amounts of data, it's important to consider the role that multi-tenant cloud plays.

With multi-tenant, ML learns collectively from potentially thousands of companies, not just from your individual company. Think about ML that translates only your conversations versus ML that translates millions of conversations. The ML that has more conversations to learn from will be more accurate.

Multi-tenant cloud is like the electric grid, providing the resources to heat your home as well as your entire community by distributing power as it's needed.

More data and more power translates to smarter ML.





# AI in Finance— Vendor Considerations Checklist

As you evaluate vendor's AI capabilities, the checklist below provides questions you'll want to know the answers to in order to compare solutions.

## AI in finance: Vendor considerations checklist

- Does the vendor's AI technology provide real business value (e.g., time and cost savings, profitability, increased visibility, etc.)?
- Does the vendor provide functionality that allows users to supervise and confirm AI's decisions, building trust in the results and allowing AI to learn and get smarter?
- If skills and training are a concern, does the vendor embed AI into their solution, requiring no or minimal training to use?
- Are AI's decisions clearly documented and understandable?
- Does the vendor take a privacy-first approach to building their AI functionality?
- Is the vendor an established (10+ years) multi-tenant SaaS solution?
- Can you trust the vendor with your data, including security, recovery, privacy, compliance with standards, and more?

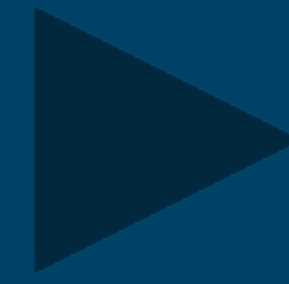
# Accelerate your growth with Sage Intacct Intelligent GL

Sage Intacct uses the power of AI and automation to free your finance team from routine, repetitive tasks and empower them with active insights.

You gain continuous trust in your numbers because your books are always up to date with the latest transactions and validated to ensure accuracy and compliance—without having to wait for the official close.

Watch the Intelligent GL video:

[rc.sageintacct.com/nonprofits/  
sage-intacct-intelligent-gl](https://rc.sageintacct.com/nonprofits/sage-intacct-intelligent-gl)



You don't need to go looking for answers to questions that are well-defined. Your finance solution, powered with modern technologies, pushes insights to you. And for those questions that are less defined, you can explore your data to find answers.

Freed from manual effort and armed with trusted insights, you can focus on the strategies that accelerate your growth.

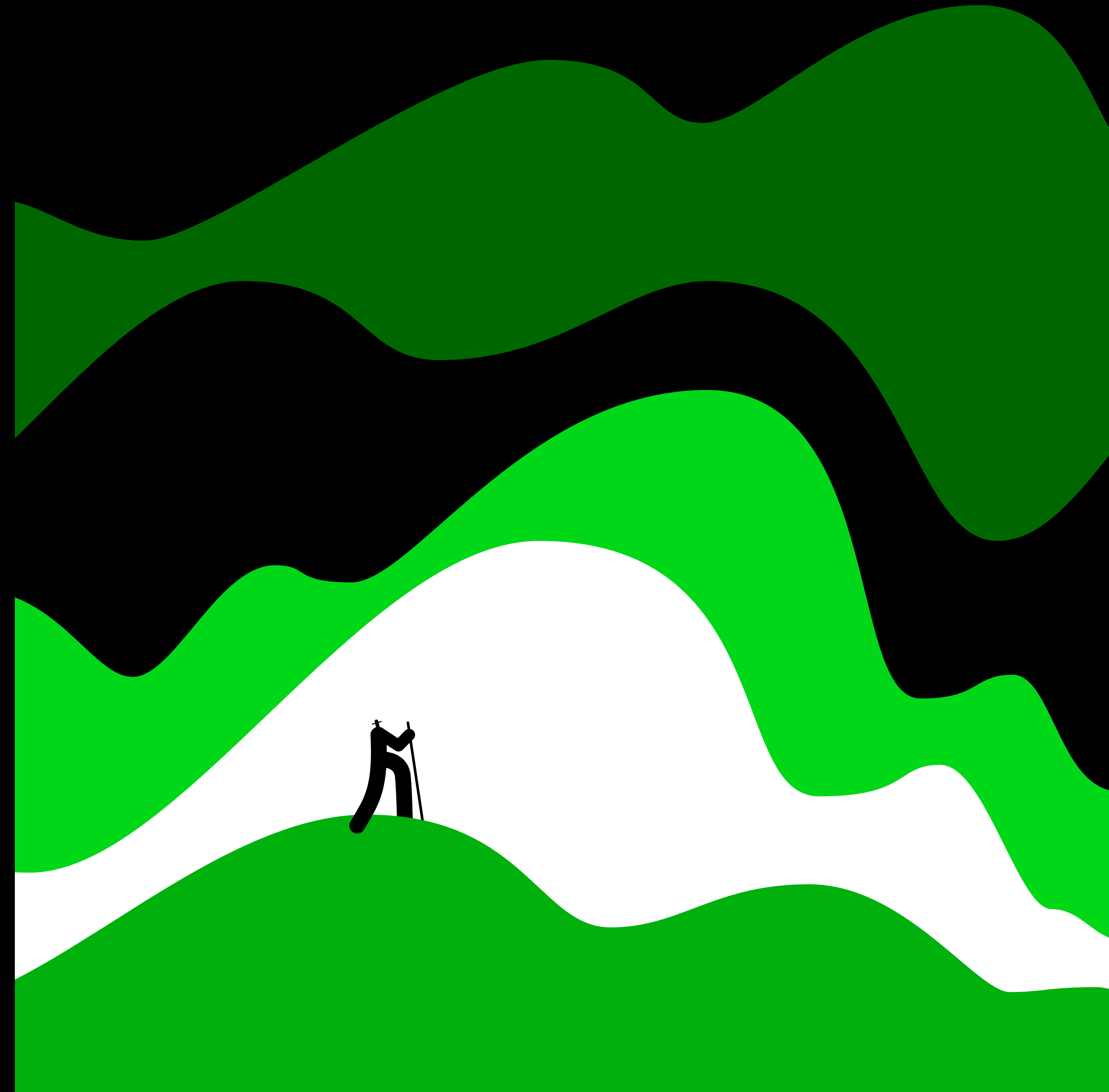
# About Sage Intacct

Sage Intacct helps small and medium-sized organizations knock down barriers to execution with connected cloud accounting, planning, payroll, and analytics that make work and money flow. Our digital network connects your organization with customers, suppliers, employees, banks, and governments to remove friction and deliver insights so you can thrive in today's digital world. Knocking down barriers means you have more time to spend on strategy and planning. You also free time to tackle inequality and climate impacts.

Sage Intacct is the:

- **AICPA**'s only preferred accounting solution provider
- #1 accounting solution based on customer satisfaction by **G2**
- Top scoring product in Core Financials Lower Midsize Enterprises Use Case in the 2021 **Gartner** Critical Capabilities for Cloud Core Financial Management Suites for Midsize, Large, and Global Enterprises

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