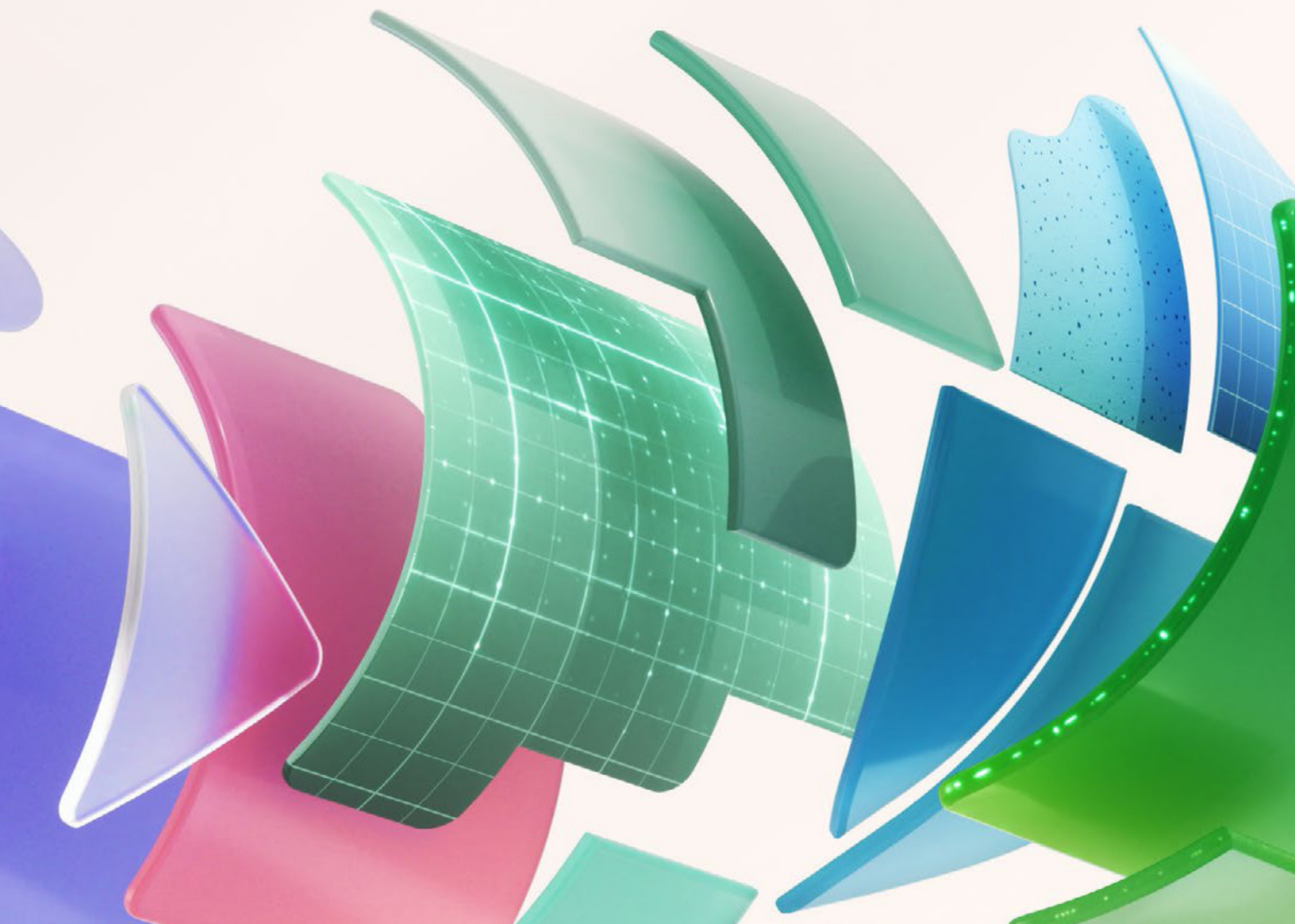


The CFO's guide to generative AI

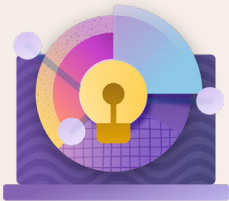


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Introduction

The potential of generative AI

Rapid technological advances and unsettled economic landscapes are changing the world of finance at an unprecedented pace—making it difficult to stay ahead. As a CFO, you are uniquely positioned to be a leader during this time of change and technical revolution, which is about more than adopting new tools. It's also about rethinking the way finance functions, integrating innovation and driving strategic value across the organization. From mitigating risks to championing growth opportunities, you are uniquely positioned to help your organization navigate the ever-growing generative AI wave.

Tools like Microsoft Copilot are at the forefront of this shift to generative AI, powered by large language models (LLMs) and advance automation. These tools can enable financial leaders to spend more time optimizing costs, freeing up capital, and de-risking revenue with improved financial analysis and business intelligence.

The potential for significantly better efficiency and effectiveness is already making an impact, with the majority of leaders—79 percent—agreeing that AI is critical to stay competitive.¹ The call to action for CFOs is clear: embrace AI or risk being left behind.

71 percent

of companies surveyed are using AI within finance operations²



The new CFO, empowered by generative AI

The role of the CFO is quickly evolving, driven by technological advancements and the increasing demand for strategic leadership. Generative AI, powered by tools like Microsoft Copilot, is a fundamental shift in how financial operations are managed, transforming traditional workflows to provide time savings that can be strategically reinvested. **Microsoft 365 Copilot brings together the power of the web and business data to support CFOs and finance professionals by streamlining processes, enhancing insights, and enabling a sharper focus on strategic decision-making.**

The Microsoft ecosystem also includes Copilot Studio for building custom Copilots and agents for your organization as a configurable experience. In Dynamics 365 and Microsoft 365, pre-built AI-powered agents, like Financial Reconciliation agent, can automate entire workflows while others support specific steps, but all are built to augment how people work.

The intersection of AI and the CFO's priorities

The CFO's balancing act

Leaders in finance face multiple pressures and new expectations: delivering innovation and controlling operational costs while attracting and retaining talent and driving strategic organizational growth during economic volatility. At the same time, costly legacy systems and time-intensive manual processes limit the ability of finance teams to focus on higher-value tasks.

This is a pivotal moment for all CFOs to reimagine, rethink, and realize the adoption of generative AI and Microsoft technology can help you maintain the equilibrium as you straddle the line between strategic transformation and operational stability.

Key CFO challenges and AI impacts

GENERAL COMPLEXITY



Challenge

Multiple teams, conflicting inputs, bottlenecks, and lack of visibility across numerous systems, tools, and platforms mean achieving a holistic view is difficult.



AI impact

AI can synthesize information from disparate places, supply real-time insights, make the complex simple, and create digestible, aggregating, executive summaries.

ATTRACTING AND RETAINING TALENT



Challenge

80 percent of CFOs report challenges in taking on more strategic roles, as teams are stretched thin managing day-to-day operations.¹



AI impact

Finance teams that have adopted AI and/or innovative technology may have more success in attracting and retaining talent. Copilot automates routine tasks, making it easier for finance professionals to complete rote duties and encouraging greater job satisfaction.

DATA SECURITY AND PRIVACY



Challenge

CFOs manage vast amounts of sensitive data critical for compliance and decision-making.



AI impact

Ensuring data integrity while unlocking its value for AI-driven insights is essential. Copilot can transform raw data into actionable insights while safeguarding compliance and data.

CHANGE MANAGEMENT



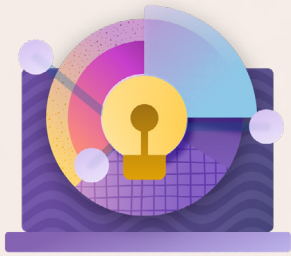
Challenge

Preparing an organization for changes such as the adoption of generative AI is essential for successful implementation.



AI impact

Copilot is a resource for creating a framework for the change process and standardizing new workflows.



Reimagine every process

Essential for maintaining the health of a business and its legal compliance, finance is an irreplaceable participant in business strategy, with processes and reach throughout an organization. Enterprise Resource Planning (ERP) and financial systems have not substantially evolved since their debut, leaving finance leaders with a heavy operational load.

From Record to Report, Planning and Analysis, and Risk Management and Compliance, there is a substantial set of responsibilities that are known, required, and often demand countless hours of manual activity. Finance professionals named the following as their top AI use cases¹:

81 percent

who identified **"helping
find information I need"**

76 percent

who seek **"simplifying
financial reporting"**

77 percent

who looked for
"validating data quality"

75 percent

who want AI assistance in
**"identifying opportunities to
improve financial performance"**



Capitec Bank took advantage of Microsoft Copilot and Financial Reconciliation agent to reconsider its reconciliation workflows, addressing inefficiencies in financial data management. By automating reconciliation processes, the bank reduced weekly processing times from six hours to one minute per session. This transformation enabled team members to focus on high-value activities while improving data accuracy and reliability. The result was a significant improvement in operational efficiency, reduced costs, and a stronger foundation for strategic financial planning.

What can AI do for CFOs today?

Generative AI's potential lies in its ability to enhance productivity and uncover efficiencies while empowering human judgment and the strategic thinking that distinguishes great financial leadership. It can also perform recurring numerical tasks and help you write code to remove complexity with Python integration.

Here are some things you can do today with AI-powered tools like Microsoft Copilot:



Enhance productivity

Generative AI models can schedule meetings, set agendas, summarize actions, and take notes. They can comb emails for essential information, draft routine emails, and more.



Reviews

AI can be used to analyze and understand complex financial documents, contracts, and reports, saving time and reducing errors. It can also review financial results to identify variances and provide commentary, summarizing key findings for stakeholders.



Analysis

Generative AI can do formative and trend analyses, predictive analysis with Python, can write code to analyze, produce Microsoft Excel integration for year-over-year charts, and data visualization. AI can also compare financial data sources, allowing teams to quickly identify discrepancies and gain insights.



Compliance risk mitigation

Generative AI can merge or identify specific language, areas of compliance where an auditor would look closely, parse out information, and review contracts for policy adherence.



Automation

By automating reconciliation processes, AI improves data accuracy and reduces the manual effort required for financial close. This minimizes errors, ensures compliance, and leads to significant cost savings.



Queries

Virtual agents powered by generative AI can support employee queries, help with expense reports and policy, determine purchase order owners, track status of internal orders, offer other help desk functions, complaints, providing more personalized employee experiences.



Predicting

Generative AI can be used for envisaging stock prices, exchange rates, and other financial indicators by analyzing historical data and generating forecasts. You can learn more about [predicting with Copilot in Excel](#).

63 percent

of finance professionals believe AI will significantly boost productivity¹

59 percent

expect it to improve the quality of their work output¹

Financial processes, reimagined

The Microsoft Copilot ecosystem of Microsoft 365 Copilot, agents for finance processes, and Copilot Studio was designed to drive measurable innovation and save time, reduce costs, and uncover revenue opportunities. Here are three examples of frequent finance challenges and how Microsoft Copilot solves them.

ANALYZE CASH VARIANCES



Challenge

A lack of insight into customer and market trends can lead to reactive rather than proactive decision making, reducing the ability to capitalize on market opportunities.



Copilot solution

By automating data standardization and providing advanced variance reports, teams gain better insight into trends and discrepancies. This analysis drives faster decision-making and reduces operational costs while identifying revenue opportunities through optimized cash management.

RECONCILE FINANCIAL DATA



Challenge

Data stored in disparate environments can slow decision making and reporting—affecting time to close and spending.



Copilot solution

Accelerate period closings with AI-powered reconciliation capabilities that reduce errors and manual effort and errors. In fact, it helps CFOs allocate resources more effectively to enhance financial health and enable revenue-driven strategies.

CONTRACT REVIEW



Challenge

Inefficient procurement approvals and inconsistent policies slow down all procure-to-pay workflows, making it difficult to identify risk and prepare for negotiations.



Copilot solution

By summarizing emails, extracting critical terms, and facilitating collaborative reviews, Copilot makes it easier for teams to identify risk-laden terms, align on accounting guidance, and gain greater clarity for negotiations—driving cost savings and faster decisions.

These examples are only the beginning of what generative AI can do. As you consider your workflows and priorities—and reimagine what's possible—you can discover even more ways for generative AI to provide value in the [Copilot adoption library](#).

What's next: The evolution from AI assistant to autonomous AI agent

It's undeniable how generative AI, acting as your financial assistant, can reinvent many of the more mundane or repetitive daily tasks. Out of the box, Microsoft Copilot enables experiences akin to those of a helper—they require human interaction, prompts, and direction to complete the job.

Imagine the possibilities of an autonomous agent, which is an AI system able to collaborate with you or work to complete specific tasks, including complex and creative projects. According to insights from a recent KPMG survey, over half (51 percent) of organizations are exploring the use of AI agents today.² Autonomous agents represent a new standard for finance teams, enabling them to move beyond legacy applications and adopt AI-first processes. Anything you can do now with Copilot you may soon be able to do with an agent. For example, right now you can automate routine tasks, synthesize information from meetings, and perform basic reconciliation. With autonomous agents, AI can provide finance proactive support, allowing you to focus on delivering strategic financial insights. For example, Copilot agents will be able to autonomously reconcile financials and subledgers to the general ledger, identifying discrepancies, exceptions, and anomalies while ensuring accurate financial reporting. And, eventually, Copilot agents may have the capacity to generate reports and initiative-taking processes at your request and on your behalf.



A group from the Treasury and Financial Planning and Analysis teams at Microsoft piloted Financial Reconciliation agent to automate and simplify the data reconciliation process and improve productivity. Previously, teams spent, on average, one to two hours weekly reconciling data across hundreds of accounts every month.



“The Financial Reconciliation agent capabilities saves an average of 20 minutes/account, or a 22 percent cost savings in average handling time. It's a huge timesaver for an organization as complex as Microsoft.”

Anita Mehra
Corporate Vice President
Global Treasury & Financial Services



This level of AI autonomy could unlock further automation and business process transformation across functions. Agents of the future could not only execute tasks but also preemptively address bottlenecks, deliver real-time insights, and enable finance teams to operate with exceptional efficiency and precision. This list is incomplete, there will be thousands more scenarios possible with agents. Every organization will be able to choose its own processes to modernize and systems to update, using out-of-the-box Copilot capabilities or creating your own using Copilot Studio.

New autonomous Copilot agents can also enable customers to move from legacy line-of-business applications to AI-first business processes.

For example, instead of interacting with AI to aggregate expense reports, you could have an agent run that process on a prescheduled time—for example, every Tuesday morning—and share that information with you. Another example is Account Reconciliation Agent for Microsoft Dynamics 365 Finance. Designed for accountants and controllers, this agent automates the matching and clearing of transactions between subledgers and the general ledger, helping speed the financial closing process, enhance cash flow visibility, and potentially resulting in faster decisions to drive business performance. Agents like this are designed to help finance teams drive business value—and are a catalyst for gaining a competitive advantage and future-proofing your organization.

Delegating to autonomous agents

Features of autonomous agents:

Customization

Agents can be tailored using Copilot Studio to meet the distinctive demands of an organization, integrating seamlessly with existing data and workflows.

Proactive operations

Unlike traditional tools, agents operate autonomously, preventing potential bottlenecks and delivering insights without manual intervention.

Scalability

From small businesses to large enterprises, agents can manage increasing complexity, driving both operational and strategic outcomes.

Benefits of autonomous agents:

Cost reduction

Automate repetitive tasks, optimize resource allocation, and reduce errors.

Improving processes

Enhance predicting accuracy, improve cash flow, and streamline accounts payable and receivables.

Operational efficiency

Accelerate reporting cycles, improve compliance, and ensure data accuracy.



The CFO's role in successful generative AI adoption

Generative AI transforms not only how work gets done but also the expectations placed on you. To meet the pace of innovation and the breadth of new opportunities, you may find it helpful to quickly prioritize what's most important. The three core things to focus on that can help you successfully adopt AI across your team and organization are: data security, privacy, and compliance; change management; and benchmarks and tracking ROI.

Data security, privacy, and compliance

It's crucial to highlight data security, privacy, and compliance to protect sensitive information and maintain customer trust. Ensuring robust security measures and adhering to privacy regulations can help mitigate risks and prevent potential breaches. Compliance with industry standards and legal requirements not only helps safeguard the organization but also may enhance its reputation and credibility in the market. Microsoft Copilot is built with enterprise-grade security, ensuring that sensitive financial data remains protected. CFOs must:

- Adopt Zero Trust principles to manage data access. Zero Trust is a security model based on the idea of "never trust, always verify." Zero Trust is designed to adapt to a modern, mobile workforce, protecting user accounts, devices, applications, and data wherever they are located.

- Use tools like sensitivity labels and Azure AI Search to ensure data is structured, secure, and ready for AI-driven processes.

Change management

Embracing change management within your AI strategy is essential to ensure a smooth transition and minimize potential resistance from team members. By proactively addressing potential challenges, encouraging trial and error, and providing adequate training, you can foster a culture of acceptance and adaptability. To build a resilient corporate culture that enables everyone to participate in the success of your generative AI adoption CFOs must:

- Celebrate wins, even small victories.
- Foster a growth mindset, where people can try novel approaches without fearing mistakes. Help people learn to use AI in new ways, embracing curiosity and a growth mindset, developing intentional new habits, and learning what's possible in Python.
- Nurture collaboration across teams by encouraging inclusiveness.

An insight from Microsoft Finance's own AI journey:
Reward risk-takers and showcase their work.³

Measuring outcomes and business value

Tracking outcomes and business value are critical when drafting an AI strategy. Not all scenarios will drive ROI or provide tangible benchmarks. The most compelling outcomes may not be quantifiable but will have significant impacts. AI frees up time for high-value tasks, mitigates risk, and enhances employee experiences. By setting clear performance indicators, you can evaluate progress, identify areas for improvement, and ensure that AI investments are delivering the expected value. This approach not only justifies the initial investment but also provides insights into future strategic decisions, driving long-term success and growth.

To ensure the accomplishment of AI initiatives, CFOs need to benchmark KPIs, track ROI, and build a compelling case for ongoing investment. Microsoft Copilot supports these efforts by providing tools to:

- Measure productivity gains and cost savings.
- Demonstrate improvements in financial KPIs, such as faster close cycles.
- Highlight success stories and lessons learned to build organizational momentum.



Payroll operations at India-based software company Genpact require reconciliation between corporate bank accounts to its general ledger and goods and services tax (GST) credits received. Team members formerly spent 40 hours or more monthly to manually reconcile their books. Genpact piloted Copilot for Finance to simplify the data reconciliation process and eliminate time spent on the more repetitive tasks required to reconcile data from disparate sources.

”

“Our finance teams are seeing over 50 percent in time savings within payroll operations. We are encouraged by the results and look forward to the promising roadmap of agents that will further enhance time savings and efficiency.”

Mike Weiner
Chief Financial Officer
Genpact



Centers of Innovation, the CFO's key to realizing the ROI on an AI investment

As you embrace the potential of AI, establishing a Center of Innovation (COI) is a recommended step in transforming how your teams operate. A COI serves as the nucleus for experimentation, learning, and strategic alignment, fostering a culture of continuous AI improvement and innovation. The COI will be emblematic of your effort to lead your organization through the complexities of generative AI adoption and unlock its full potential.

At its core, the COI should be designed to accomplish the following three things:

- 1 Upskill employees**, enabling them to maximize the capabilities of AI-powered tools like Microsoft Copilot. Training programs within the COI help your team navigate the latest technologies, empowering them to approach challenges with confidence and creativity. From mastering prompt engineering with out-of-the-box capabilities to taking advantage of advanced features like Copilot Studio, the COI equips teams to drive measurable impact.
- 2 Champion change management** by encouraging an iterative, growth-focused mindset. It provides a safe space for teams to experiment with AI solutions, fostering a willingness to learn from mistakes and refine processes over time. This cultural shift ensures that every member of the finance team, from data analysts to senior leaders, feels invested in the organization's AI journey, sees it as an advantage rather than a threat, and provides a roadmap for adoption across the entire organization.
- 3 Establish scalable best practices**. By setting a clear data foundation, establishing AI governance, and integration, best practices ensure that AI initiatives are built on a durable footing. For example, the COI might standardize workflows for integrating AI insights into financial reporting or create protocols for securing sensitive data used by autonomous agents. These frameworks enable organizations to advance their AI capabilities with confidence, knowing that processes are robust, secure, and aligned with strategic goals.

An insight from Microsoft Finance's own AI journey:
Ensure both data governance and AI policies are in place early.³



Realize value today

Realize the power of AI now with effective prompts

When you interact with generative AI tools, such as Microsoft Copilot, you need to give instructions or requests in natural language. These are called a “prompt.” Prompts are how Copilot can help you automate tasks, generate insights, and communicate effectively with various stakeholders.

Crafting effective prompts enables Copilot to produce the best possible output for your specific needs in your day-to-day job as a finance professional. The more specific you are in your instructions, the closer the response will be to what you are looking for. You can refine your prompts to create, transform, or understand content.

Here are some prompts to try:

Visualize, analyze, and interact with financial data in Microsoft Excel with Python integration

Data's inherent granularity requires prompts that are as specific as possible. Try these in Excel, as well as the finance agents add-on available in Excel.

- "Show me my revenue for every segment in a small multiples chart."
 - "Show me trend analysis, scatter plots, Seaborn Libraries in Python, and Python Matplotlib."
 - "Assume a July-June fiscal year and add a column 'Fiscal Quarter' based on the date column"
 - "In this model, what is the impact of doubling the IT budget on the revenue per month?"
 - "Sort the data by product feature then filter out the Priority 2 features"
 - "Add a column to compare the transaction amount in FY23 and FY24. Let the result be the year with the highest revenue."
-

Generate and summarize finance and meeting content in Copilot Chat and Microsoft Word

You deal with more than just numbers. You must provide reports and context for the rest of the business. These prompts can help you share data faster.

- "Based on the earnings summary document, what questions should we anticipate from investors during our earnings call?"
 - "Write a paragraph explaining a financial concept or term in simple language."
 - "Create a compliance report for the latest quarter."
 - Prepare me for a meeting: "Help me synthesize all call history, transcripts, executive summaries, make an agenda for my meeting, and query my emails."
-

Perform industry research with Microsoft 365 Copilot

Stay up to date, analyze trends, assess opportunities, and speed decision making by accessing and analyzing the latest data from across the internet.

- "Summarize the latest financial regulations from [source or agency]."
- "Create a briefing on [financial market trends]."
- "Provide insights on how [recent regulation] affects [business operation or strategy]."



Get started today with Microsoft Copilot

When you're ready to partner, Microsoft is uniquely positioned to drive the adoption of generative AI with a proven record, robust ecosystem, and emphasis on data security and compliance.

Microsoft offers a trusted ecosystem of AI-powered tools designed to meet the needs of finance leaders. Whether starting with out-of-the-box capabilities like Microsoft 365 Copilot, customizing workflows with Copilot Studio, or taking advantage of Dynamics 365 for deeper financial insights, CFOs have the resources to drive transformation.

By embracing generative AI, CFOs can unlock new levels of efficiency, empower their teams, and lead their organizations into the future of finance. The journey starts today: how will you reimagine finance with Microsoft Copilot?



Want to learn more about Microsoft 365 Copilot? [Go here.](#)

Ready to start your AI journey? Learn more about [Dynamics 365](#) and [contact Microsoft here.](#)

Sources:
1 2024 Microsoft Work Trend Index
2 KPMG Quarterly Pulse Survey
3 CEO Summit Presentation, May 2024