STRATEGIES FOR MONETIZING DATA THROUGH **ARTIFICIAL INTELLIGENCE**

AI CAN GO BEYOND EFFICIENCY TO DRIVE NEW BUSINESS INITIATIVES

CFO

TATA CONSULTANCY SERVICES

Artificial intelligence (AI) is not a passing fad. The number of enterprises implementing AI grew 270% in the past four years and tripled in the past year, according to recent **Gartner** research.

Top-performing companies are leveraging AI technology in a number of areas compared to their peers, according to an Adobe **report**. Specifically, leading companies are using AI for marketing-related tasks (28% vs. 12%). Unsurprisingly, data analysis is a key AI focus for businesses, with on-site personalization the second most commonly cited use case for AI.

As with any emerging technology, organizations are still discovering how to best deploy artificial intelligence to move the business forward. It certainly provides opportunities to streamline and reduce the resources need to handle routine tasks such as routing invoices and reconciling bank accounts and consolidating data for the close.

There needs to be a shift in mindset as companies look to go beyond AI's ability to optimize resources to harnessing the abundance of algorithms, data, computing power and skills powered by AI to drive better business outcomes.

This white paper will cover some of the challenges in implementing AI, opportunities to leverage the technology to boost the bottom line, and best practices to get the most value out of investing in AI.

CHALLENGES OF IMPLEMENTING AI

Many companies recognize that AI and other cognitive enablers have the potential to improve decision-making, streamline reporting and consolidations, and enhance budgeting and forecasting. Investments in new technologies are driven by changes to the business model as well as changes in the role of the finance function to provide more strategic insights into the business.

Since AI is still emerging, some organizations haven't yet discovered all of the opportunities to leverage the technology. Often, AI is viewed as a way to handle routine and predictable transactions more efficiently. However, many organizations fail to recognize how AI can support better planning, more accurate forecasting and the ability to predict, rather than react to, marketplace trends. The organizations with the greatest success are those that see AI as a value creator rather than only as an optimizer.

"Artificial Intelligence applied to corporate business functions is no longer a "distant"

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—VIKAS GOPAL, GLOBAL MANAGING PARTNER, FINANCE AND SHARED SERVICES TRANSFORMATION, TCS

vision and optional but a "new & here" reality. AI use cases can be applied to all aspects of corporate functions like finance and procurement," said Vikas Gopal, Global Managing Partner, Finance and Shared Services Transformation, TCS.

There is also a lack of uniformity across verticals, making it challenging to develop standards and best practices. Another challenge on the standards front is that while some organizations are making strides in upgrading their technology platforms, not all companies have an enterprise system.

Very few organizations have an organization-wide strategy on AI. The focus is on ROI in shortest time rather than a long term vision. This can undermine the effectiveness and sustainability of the efforts. Another hurdle is the push to quickly generate ROI. While there are clear savings in using AI to replace routine tasks, there are some softer benefits that are more difficult to quantify. "AI has to be viewed as a value creator in addition to a tool to optimize processes," said Joseph Fay, Partner, Digital Finance, tools and enablers, TCS.

There are also concerns about staffing the finance team with the appropriate talent as organizations deploy AI in more strategic ways. AI elevates people from transaction processors to creators of new businesses, products and services, but it requires a different set of skills.

As the role of the CFO shifts from transaction enabler to provider of improved business decision support through AI, the requirement of the finance team will shift as well. Finance organizations of the past have been largely staffed with accountants and clerical staff. Transformed finance organizations will still require accountants, but there will be an impact on the number of clerical staff operating within finance.

More importantly, finance will require talented analysts with strong enterprise business acumen. Additionally, there will be a greater need for data scientists and automation specialist to prioritize and implement AI.

To realize the maximum potential of AI, companies will need trained data science experts who are at a premium in the jobs market currently. Companies may find themselves in the Catch-22. Data scientists resources may be too expensive to bring in-house without an established ROI, but without them, benefits and opportunities may never be fulfilled. This can require a shift in HR hiring for finance roles with the related AI skill set. Continuous learning is additionally needed to ensure the skills keep up with technologies.

There are many programs launched in the past few years to ground people in data science principles and techniques that will be needed in the near future. As those data scientists are trained, packaged solutions that replicate common scenarios and subcontracting software, analytical and data science resources may make sense.
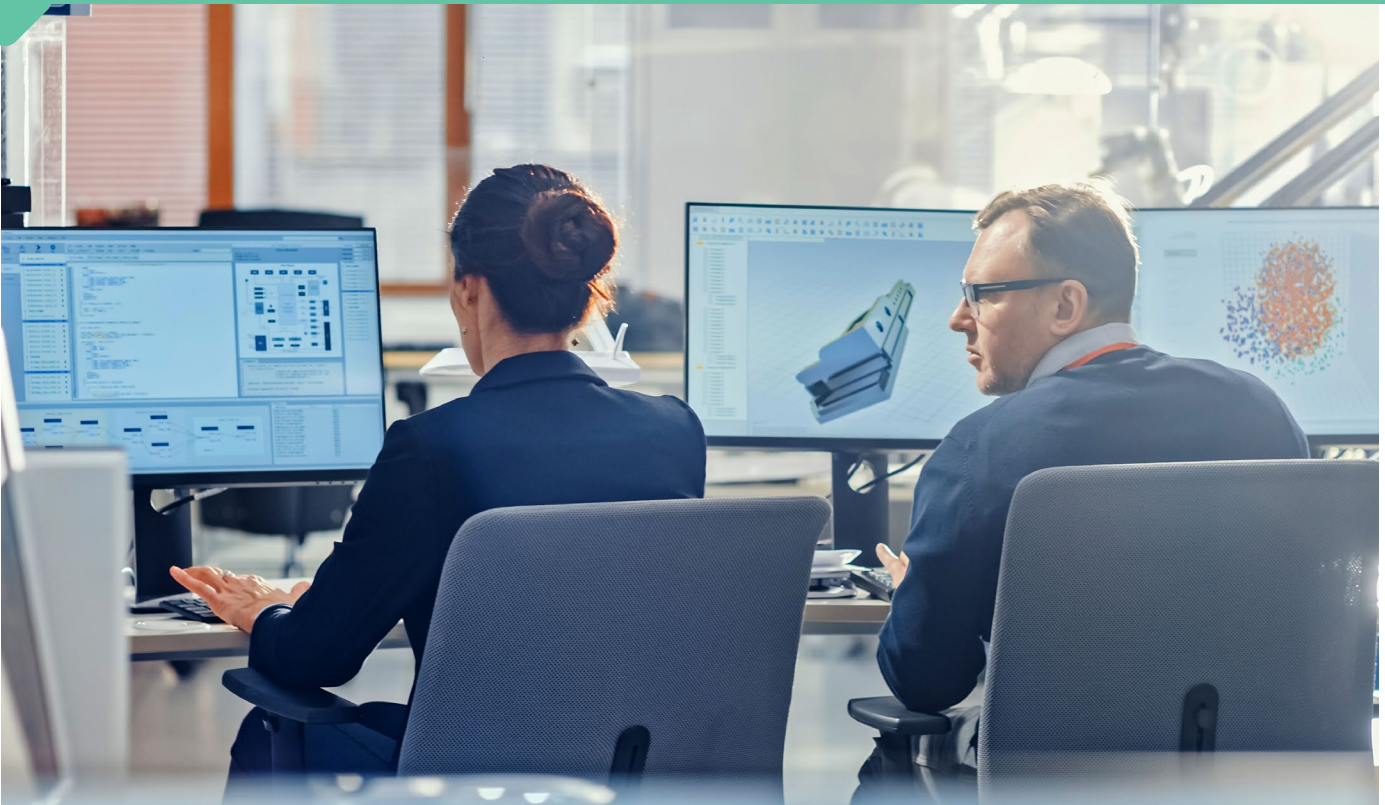
WHAT AI BRINGS TO A DATA-DRIVEN WORLD

Reducing the number of people involved in processing an invoice or preparing a general ledger entry is table stakes for AI. AI's true power comes in its ability to sort through all types of data more quickly and efficiently than humans.

"The real opportunity for AI to become transformative comes when it can be applied to the entire enterprise to drive better business outcomes," said PR Krishnan, Executive Vice President & Global Head, Enterprise Intelligent Automation, TCS.

Consider email as an area that can benefit from AI's ability to tame data overload. According to the Radicati Group, the total number of business and consumer emails sent and received per day will exceed 293 billion in 2019 and is forecast to grow to over 347 billion by the end of 2023.

Leveraging Natural Language Processing to understand the intent of a customer's

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email and respond on behalf human service agents is certainly more efficient. But there is more depth to the benefits of AI. The ability to address 80% of customer emails in a matter of minutes instead of the typical service levels for the channel — which can range from 24 hours to two days — is already transforming the customer experience in many segments.

A bank call center can improve the customer experience by providing call agents with real-time information about the purpose of their call. Customer are happier when they don't have to wait on the phone to provide information, and agents can assist more customers. In one specific example, the average handling time per client was reduced to 250 seconds from 540 seconds. As an added benefit for the bank, this also increases the efficiency of the call center channel that allows more customers to be assisted with shorter wait times.

AI and high-level data analysis can help close the gap on performance and assist in strategy development and monitoring. AI enables CFOs to expand their view beyond traditional reporting. Additionally, when applied to planning and forecasting, AI can deliver driver-based planning, rolling forecasts and improved "what-if" analysis required for decision-making and planning.

Within the retail industry, CFOs can improved reporting beyond traditional store P/L reporting. AI can be used to present new views on store performance. AI can leverage store analytics and data gathered from multiple sources beyond financial systems to track overall store or banner performance.

POS systems and other in-store technologies that gather data on customers entering the store can be integrated with financial performance reporting via AI. This use of AI enables the CFO to present analysis of foot traffic versus the number receipts for conversion rates and products categories/items sold reporting. AI can help evaluate the potential sales impact of changes such as layout, staffing and store

hours, identify problem stores and present plans to close the gap.

Talent acquisition is another area that can achieve significant advantages with AI. "At TCS, we are using intelligent machines in our internal business processes and make a difference in the experience of internal stakeholders," said TCS' Krishnan.

With more than 425,000 employees, TCS' talent management teams continually engage in global efforts to attract the best candidates. This involves matching the thousands of resumes the organization receives daily with the job descriptions related to the business requirements. TCS is using AI-enabled machines to intelligently match resumes with job descriptions to improve the quality of hires.

The bottom line: AI enables companies to move from a reactive posture to a proactive position as they leverage data for decision-making.

BEST PRACTICES FOR MANAGING THE USE OF AI

AI can be deployed to make processes such as procure-to-pay and order-to-cash more efficient, so it is natural to tap the finance chief to lead the AI transformation. But there are more gains to be achieved — such as better planning, forecasting, and cash management — which also impact the finance function.

To create value for the enterprise beyond finance, other C-suite executive and stakeholders should be involved early in the AI-driven transformation process. Procurement and supply chain processes can be significantly improved through AI — and not just through efficiency. AI can help distill data that can improve supply chain performance, provide analysis on vendor compliance with contract terms and other metrics.

While the procurement function can benefit from AI, HR also needs a seat at the table, as the skill sets of finance and others teams will change. People with a data and analytics background are important to all functions.

Marketing and sales also need to be part of the AI discussion, as the data gathered about the performance of marketing campaigns and sales initiatives inform future business decisions.

It is also important to prepare the company's technology platform to handle AI and other emerging technologies. These

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technologies may require hardware-level optimizations and it is important have the right hardware partners to fully leverage the solutions across the enterprise.

TCS recommends a Machine First™ framework for AI implementation, giving machines the right of first refusal, automating repetitive tasks and producing data and insights, to motivate the imagination and the creative capacity of people. The exponential value is then promoted through the joint work between machines and humans.

In conclusion, it is important to remained focused on AI's role in value creation when measuring the impact of the technology. "If the enterprise strategy is to expand share of market or increase revenue by a certain percentage, AI is critical in meeting those objectives," said TCS' Krishnan.

CLOSING THOUGHTS

Leveraging AI can transform the finance function by improving efficiency and transaction processing feed, it has an impact on the entire organization. But the value that AI creates for the company goes far beyond handling many routine tasks such as processing invoices and balancing accounts without human intervention.

AI is about giving human more power to be visionaries for the business by harnessing the abundance of data to better inform the future.

Working with colleagues in procurement, HR, marketing, sales and other business functions, the CFO can leverage AI and other technologies for the benefit of the entire organization.

ABOUT THE SPONSOR

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