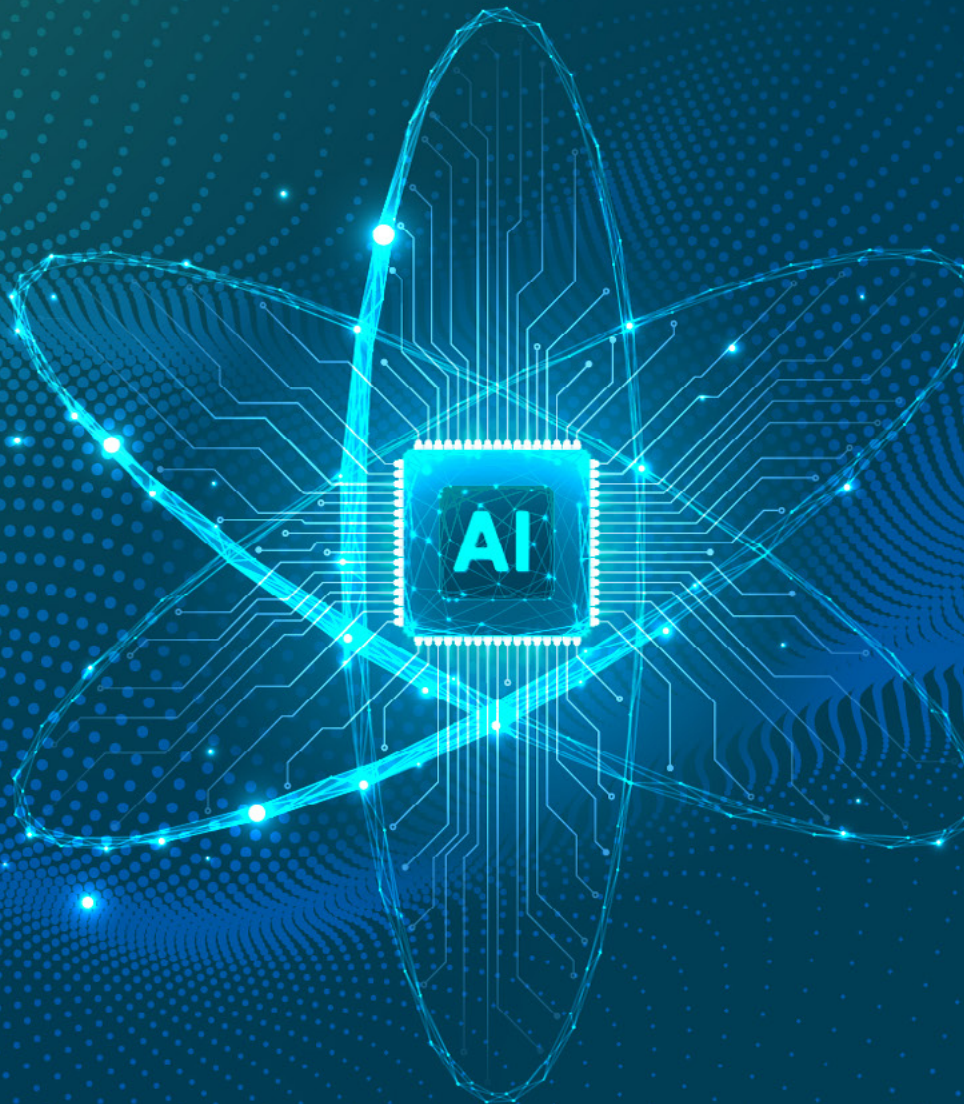


Building Momentum:

The State of AI in Finance
and Accounting



Foreword

The H2 2024 AI Adoption Survey (July–December) builds on the insights captured during the **H1 2024 survey** (January–June), offering a deeper look into how finance and accounting leaders are navigating the complexities of artificial intelligence (AI) adoption. With responses from nearly 150 leaders across finance, accounting, and compliance, this publication reveals both progress and persistent challenges in integrating AI into critical financial processes.

Since the last survey, AI adoption has shown steady growth, with a 7% increase in organizations having completed the implementation of AI tools for one or more business processes. Notably, the intent to adopt AI has grown significantly across most processes, highlighting a rising confidence in AI's transformative capabilities, especially in transactional workflows like Procure-to-Pay (P2P) and Opportunity-to-Cash (O2C).

However, the survey also underscores ongoing hurdles, including technical skills, training, data quality, and governance gaps, which continue to slow the pace of adoption and create new organizational risks.

Looking ahead to 2025, the trajectory of AI adoption promises a more pragmatic and outcome-driven approach. While excitement for innovation remains, the focus will shift increasingly towards leveraging AI for high-impact, tangible use cases rather than deploying technology for its own sake. This steady maturation reflects the growing understanding of AI's role in driving measurable organizational transformation.

Key advancements will include the rise of AI agents, integration into broader technology strategies, and the growing importance of purpose-built applications tailored to specific needs. Companies will also emphasize governance to manage risks and workforce training to build AI expertise, ensuring sustainable adoption and maximizing long-term value.

This report not only captures the current state of AI in finance and accounting but also provides actionable insights to guide organizations toward a more AI-optimized future.

Jason Pikoos
Managing Partner, Technology and Innovation
February 2025

Survey at a Glance

Enterprise AI adoption is gaining momentum

AI adoption continues to rise, with fewer organizations on the sidelines, more having completed an AI deployment and others moving into planning and implementation. There was a clear increase in the intent to adopt AI across all finance and accounting processes, though actual live projects remain modest. This reflects a growing awareness of AI's potential, tempered by the complexities of execution.

AI strategy and governance lag dangerously behind adoption

While AI adoption has been modest, many organizations are skipping foundational steps like strategy, planning, data preparation, and governance deployment. Without these, AI initiatives risk falling short of expectations or creating major organizational risks, highlighting the need for a more structured, deliberate approach.

Measurable financial impact coming, but still rare

Efficiency and accuracy gains remain AI's primary benefits while cost savings and revenue growth remain elusive. In the near term, achieving direct financial impact will likely require the use of purpose-built technologies targeting high-volume processes like Procure-to-Pay (P2P) and Opportunity-to-Cash (O2C), where ROI potential is highest. In the longer term, embedded AI capabilities, agentic flows combined with the broader tech stack (data, apps, automation tools), will drive the most meaningful business value, cost savings and growth potential.

Most adoption is very simple; transformation AI still pending

Organizations are predominantly accessing AI through AI chatbots (e.g., ChatGPT) or features integrated into their existing applications. While these provide low cost, moderate gains in efficiency, transformational outcomes will require AI technologies and uses that are deeply embedded within critical processes and reimagining how we operate, rather than simply automating what we do today.

For now, few jobs are being disrupted by AI growth

AI's direct impact on finance and accounting teams remains limited. Modest staff reductions are largely offset by increased hiring of AI talent and investment in training and upskilling. This reflects the slow adoption of AI, however, as the technology adoption is expected to accelerate, the impact will become more significant, creating an increasing need for team training and development.

AI expertise and data quality are major barriers

A scarcity of AI expertise and people training continue to be the most significant hurdles to adoption. We saw a rise in concerns surrounding data quality, as companies recognized that fully taking advantage of AI will require access to high quality, broad data sets. Organizations must invest in upskilling and data infrastructure to address these hurdles—both of which are complex and time-consuming to resolve.

Successful adopters are experiencing increased accuracy

Despite ongoing concerns about AI accuracy, including risks like hallucinations, it has become the second most cited benefit of adoption, following increased efficiency and speed. As models advance and usage expands, organizations are increasingly leveraging AI as a powerful tool to enhance quality and achieve higher levels of accuracy.

About the state of AI in finance and accounting: H2 2024 survey results

The H2 2024 survey (July to December), conducted by Connor Group, gathered insights from 146 finance, accounting, IT, and compliance leaders to assess the evolving role of AI in the finance and accounting functions. Survey respondents represented a diverse range of industries and company sizes. This report builds on findings from the [H1 2024 survey](#) (January to June), providing an updated view of AI adoption, challenges, and benefits.

The survey highlights both opportunities and persistent barriers, including workforce training, governance gaps, and data quality issues. While AI adoption is gradually increasing, particularly for transactional processes like P2P and O2C, its measurable financial impact remains elusive. The findings offer actionable recommendations for organizations to align their AI strategies with governance frameworks and incremental adoption to maximize ROI.

Learn more about Connor Group's AI offerings at:

p.connorgp.com/connorgroup_AI_automation#Governance

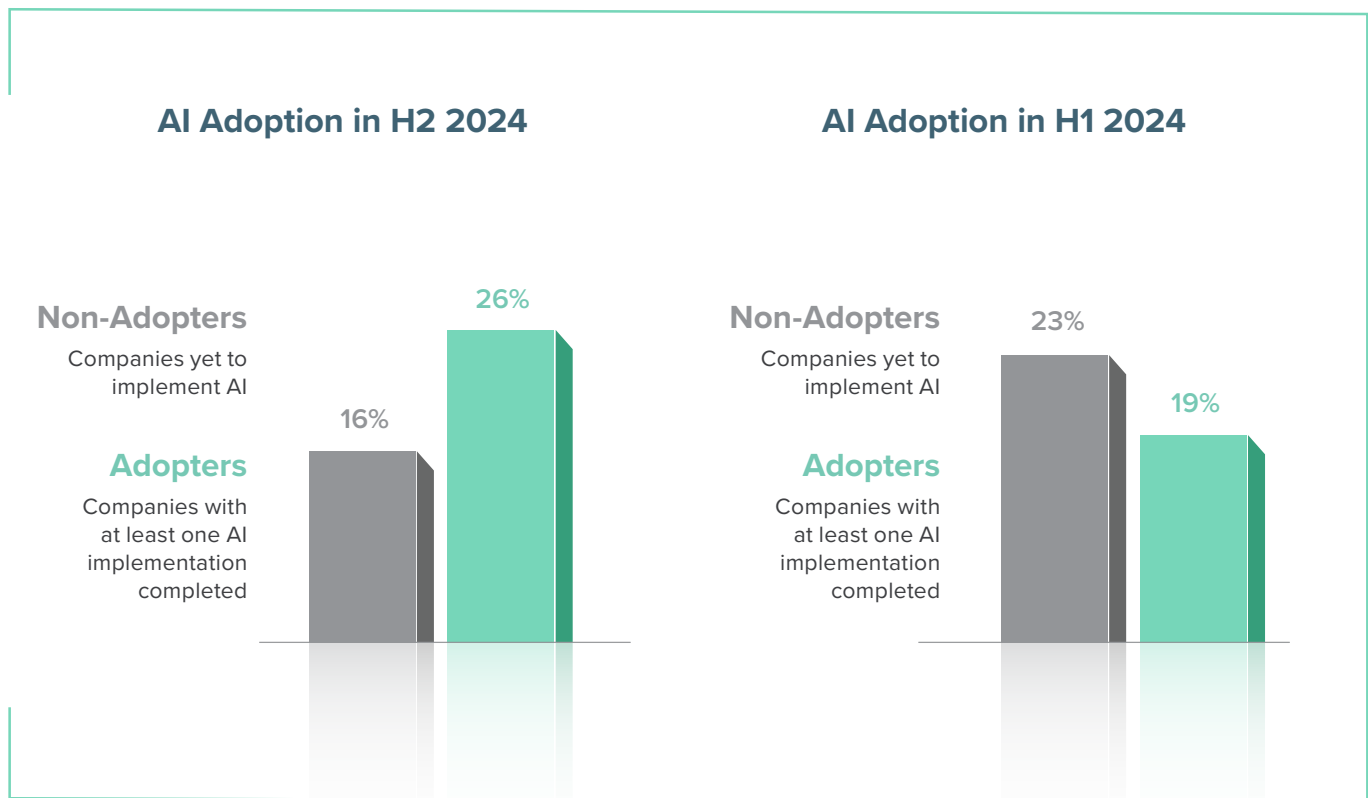
Survey Analysis and Results

AI adoption gains momentum, but slowly.

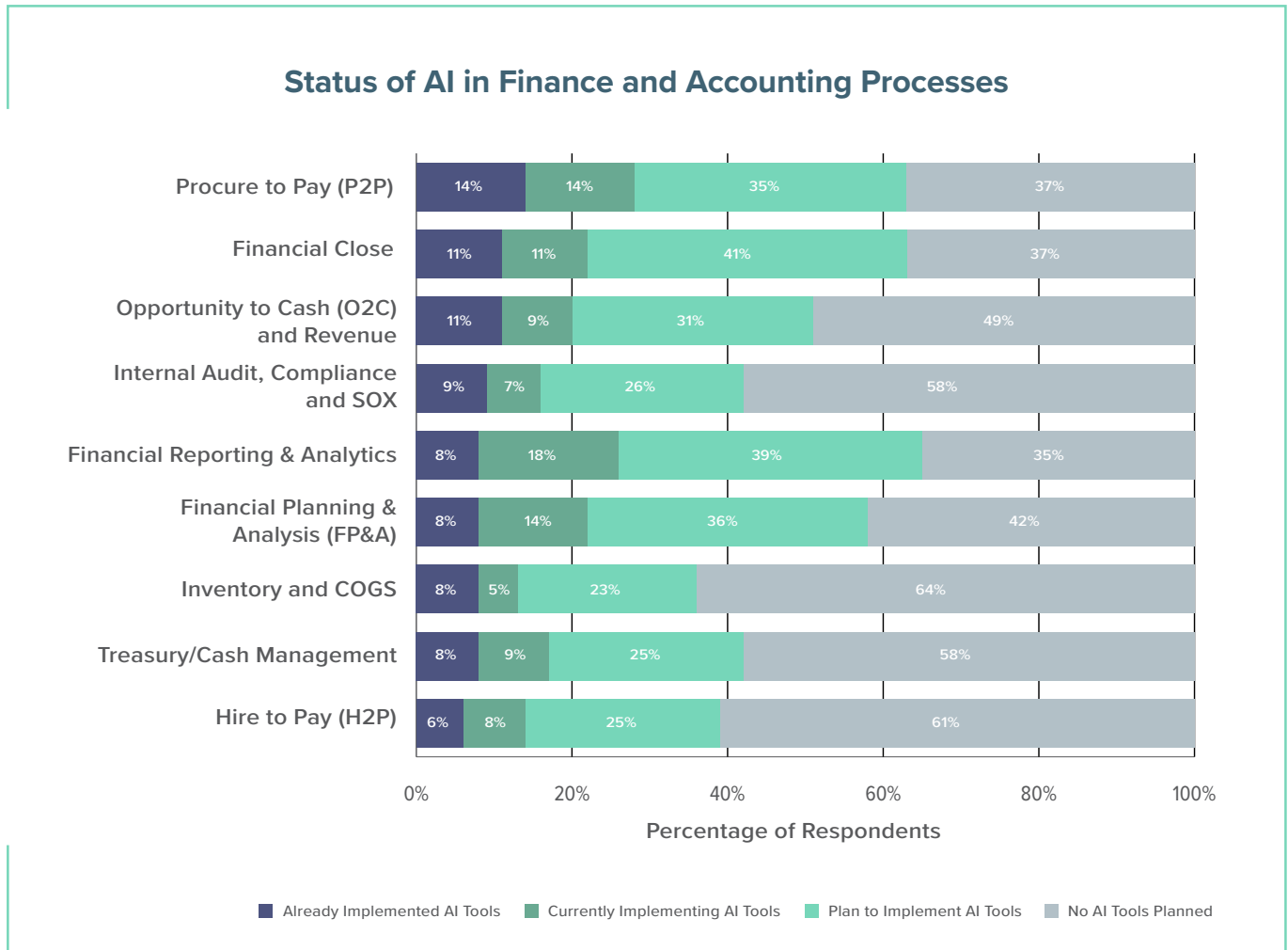
The H2 2024 survey reveals strong progress in AI adoption compared to H1 2024, reflecting a growing commitment among organizations to leverage AI for business transformation. The proportion of organizations completing at least one AI implementation rose significantly from 19% to 26%. This shows that more companies have transitioned from planning to execution and are finding effective uses for AI technologies.

While 16% of respondents remain on the sidelines, this represents a meaningful decline from 23% just six months ago. We expect this number will continue to decline rapidly as more accessible AI applications become available.

These findings emphasize the momentum behind AI adoption, as organizations increasingly move from exploration to tangible implementation. The shift highlights both the growing confidence in AI's capabilities and the recognition of its potential to transform key business processes.



Which Processes Offer the Greatest Promise?

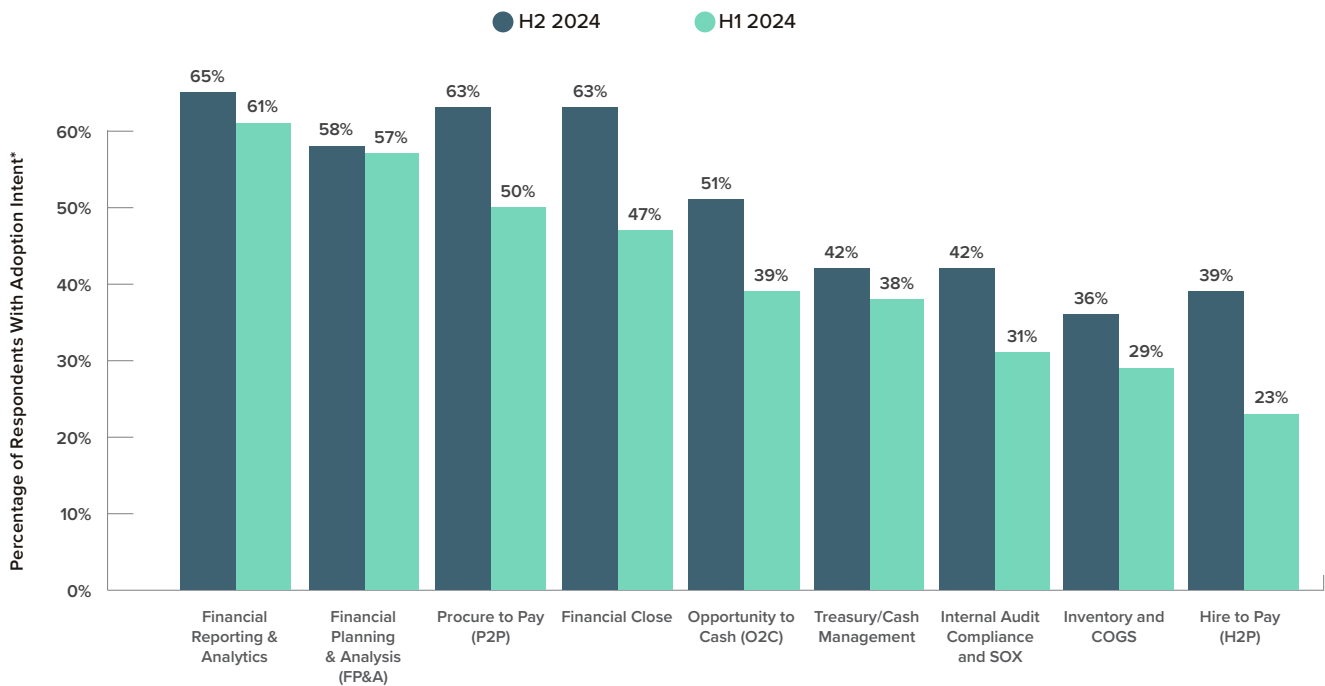


AI implementations are progressing slowly

The pace of AI implementation remains modest. While Procure-to-Pay (P2P) continues to lead in terms of live solutions, its progress has remained unchanged from the H1 2024 results, with 14% of respondents having already implemented AI solutions.

The processes that showed the most acceleration in AI deployments were Opportunity-to-Cash (O2C), Inventory and Cost of Goods Sold (COGS), and Internal Audit, each reporting a 5-6% increase in AI already implemented. Each of these processes involves highly manual activities and large volumes of documents, which lend themselves well to strong current AI capabilities.

Processes: Intent to Adopt*



*Intent to Adopt is defined as the percentage of respondents who have implemented, are in the process of implementing, or plan to implement AI tools in the business process.

Across the board increasing intent to adopt AI

Despite modest progress in completed AI implementations, there is a clear increasing adoption trend across all processes, compared to the prior survey. A few interesting highlights:

- **Transactional processes** (P2P, H2P, O2C) saw the greatest increases (ranging from 12-15% compared to H1), while Inventory & COGS and Treasury Cash Management showed increases ranging from 4-7%. This growth aligns with AI's current capabilities, including its ability to extract data, read, summarize, analyze, and compare documents.
- **Analytical processes** (Financial Reporting, FP&A) continue to show a high intent to adopt but saw only modest increases. This reflects the desire to use AI, but moderated by some of the realities of what AI can currently do in the analytical space—these are emerging capabilities that are complex to deploy. Furthermore, we anticipate data quality presents a limiting factor, requiring investment and time to address.
- **Review-oriented processes** (Financial Close, SOX & Compliance) showed strong increases (ranging 11-16% compared to H1). These processes, although more complex, have components that align well with current AI capabilities, but require purpose-built capabilities to automate tasks and workflows. Unsurprisingly, these are areas where we see significant investment from up-and-coming software companies.

These trends indicate a growing confidence in AI's ability to drive transformation and deliver value, particularly in transaction-heavy areas of accounting operations.

Untapped opportunities remain

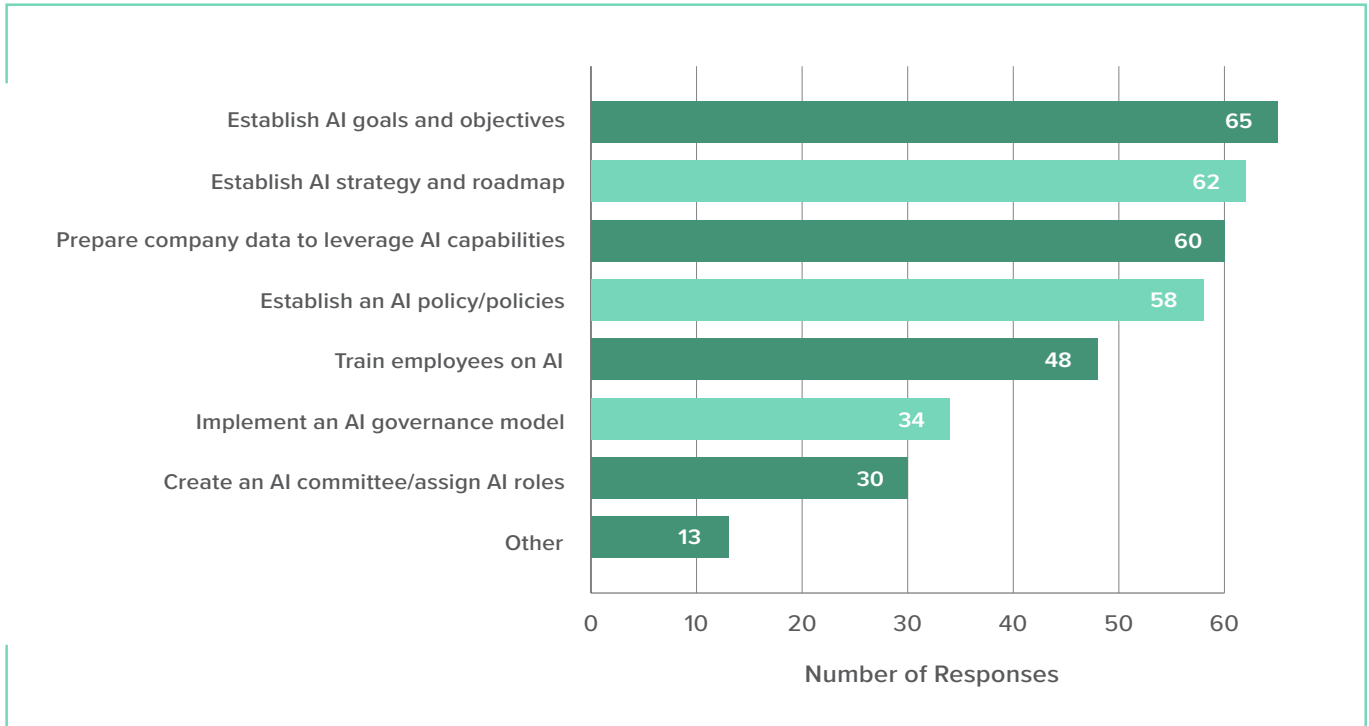
A surprisingly large number of respondents reported no plans to implement AI in processes with high automation potential, namely P2P (32%), O2C (40%), and Financial Close (34%). This is likely driven by leaders lacking awareness of AI's potential, insufficient critical mass to justify the technology investment, or other pressing priorities taking precedence.



Deloitte's Q4 State of Generative AI in the Enterprise report reveals a declining interest in Generative AI among board members and executive leadership. From Q1 to Q4 2024, the percentage of C-suite executives with “high” or “very high” interest dropped from 74% to 59%, while board members’ interest fell from 62% to 46%.

This trend is an expected phase in the **Hype Cycle**, as initial excitement fades and early implementations fail to meet the sky high (unrealistic) expectations. As we progress with AI, it will be important organizations and technology providers refine their solutions and provide more practical uses with more measurable ROI. While interest may have cooled, rapidly advancing models and new AI innovations like agentic flows, combined with existing powerful technologies will bring a renewed focus on automation, leveraging AI.

Companies are Adopting AI Without Being Ready



While AI adoption is on the rise, many organizations have yet to take the essential steps to establish foundational AI readiness. Notably, only 27% of companies have completed at least one of these three foundational activities: defining AI goals and objectives, developing an AI strategy and roadmap, or implementing AI governance. This is particularly concerning, especially when we consider that 75% of companies show strong adoption intent (adopting AI in two or more processes).

While companies may be eager to jump into AI adoption, skipping critical foundational steps can lead to several challenges, including wasted resources and money, poorly integrated AI solutions, lack of buy-in, and outcomes that do not offer a sustainable or valuable ROI.

Based on our significant experience with transformational automation, adopting a deliberate and strategic approach is essential to achieving measurable success. We encourage organizations to be careful and not rush into AI implementation activities without laying key foundational building blocks, which will undoubtedly and significantly improve outcomes.

AI Funding Remained Decentralized

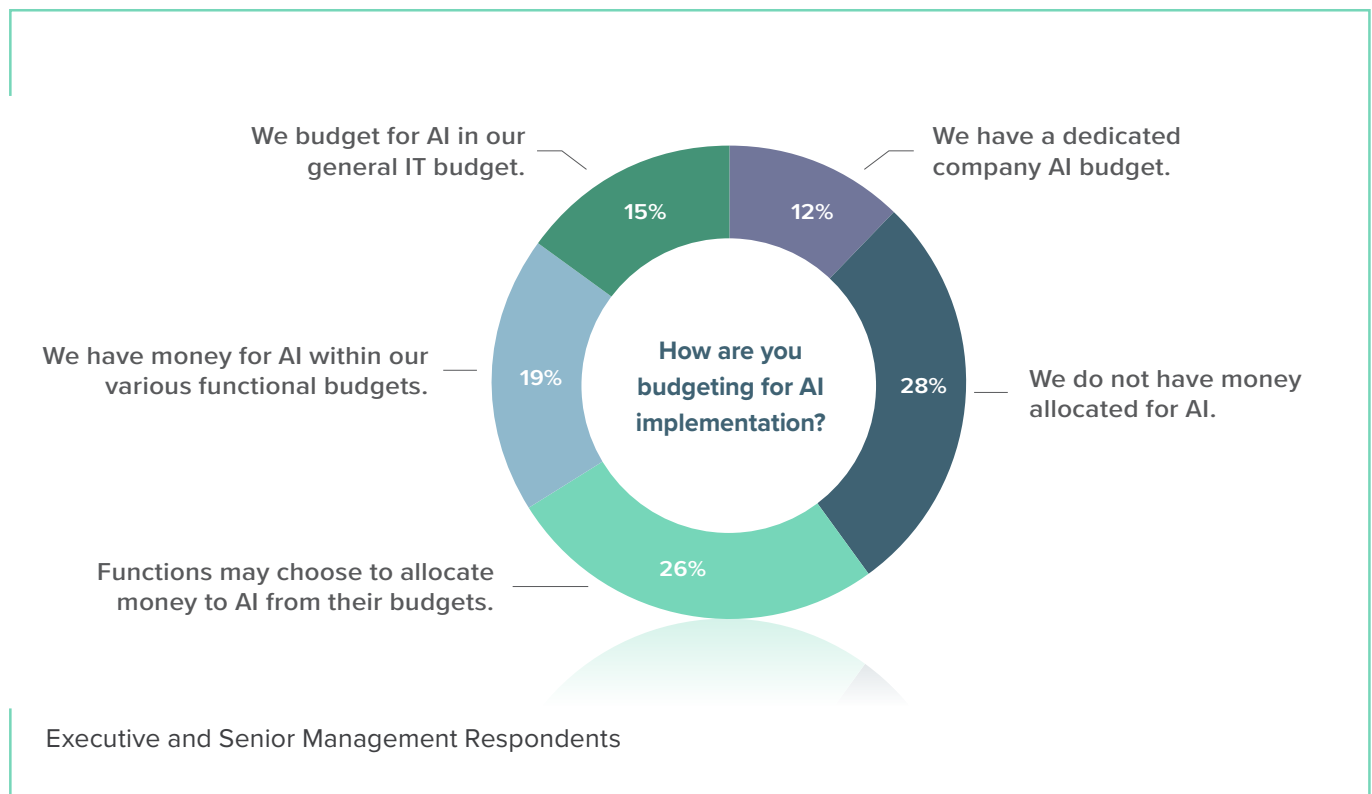
Budgeting for AI has remained very similar to the H1 2024 results. This may, in part, be because we are in the same calendar year and budgets have yet to be updated for 2025.

Overall, budgets continue to lean heavily toward a decentralized approach, with 60% of companies allowing functions to determine how and what to invest in AI.

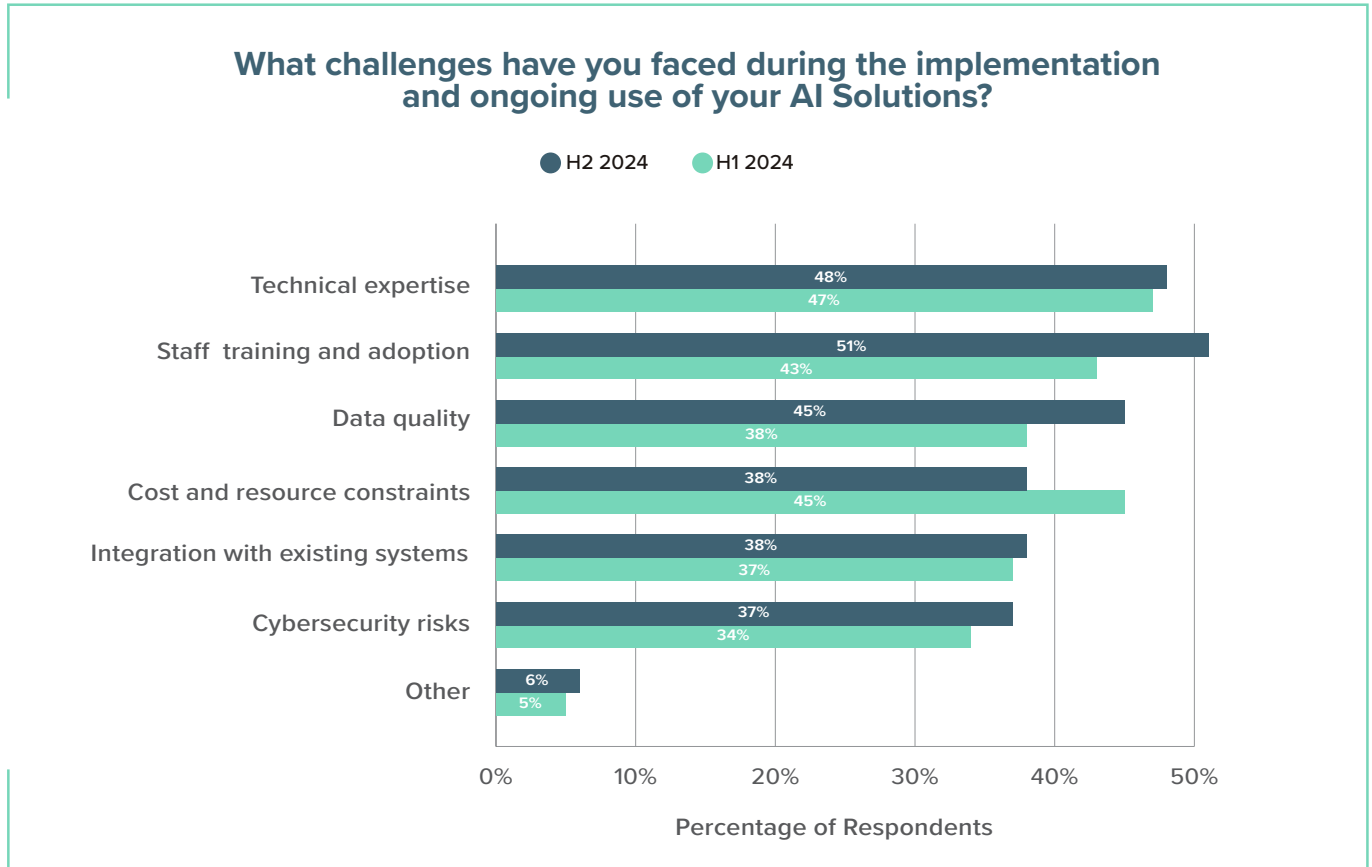
Companies with no budgets for AI remained at around 30%.

As AI adoption continues to expand, budgets for AI and automation initiatives are expected to rise substantially. To navigate this shift, organizations will face increasing pressure to manage spending and drive measurable value and ROI. To this end, we do expect AI budgeting to evolve with an increase in centralized management and oversight. This will be particularly true for larger, more established organizations, which typically manage their technology spend more centrally.

The current decentralized approach does offer several key benefits including fostering innovation, empowering individual teams, and allowing for a more agile and rapid approach.



Major Obstacles Continue to Hamper AI Adoption



Technical expertise and staff training continue to be the top challenges

Workforce-related challenges have continued to be the top hurdles for organizations in their AI adoption efforts. Specifically, training is becoming an increasing problem, with 51% citing this challenge—an 8% increase from H1. We expect this challenge to persist, especially since only 33% reported having training initiatives either underway or complete, suggesting a disconnect between current training efforts and training needs within organizations.

Unsure how to safely and responsibly kickstart your company’s AI journey? Follow this [5-step method](#) to craft your AI implementation strategy, and implement AI responsibly using our [GenAI Governance Framework](#).

The shortage of AI-experienced talent, reported by 48% of respondents, highlights the continued demand for technical AI capabilities across the board. This challenge is expected to continue as companies expand adoption and embed AI in their products and services. Companies will need to explore internal development programs, rely heavily on professional services firms, or re-focus on acquiring AI technology (versus building) to meet their AI adoption goals.

Cost constraints are becoming less prevalent

Fewer respondents cite cost and resource constraints—a 7% drop since H1. This is likely a function of slow adoption, whereby less funds are needed or functions are making a greater portion of their budgets available to support AI initiatives. There certainly appears to be much more grace and latitude being given to AI-oriented projects.

Data quality problems are increasing

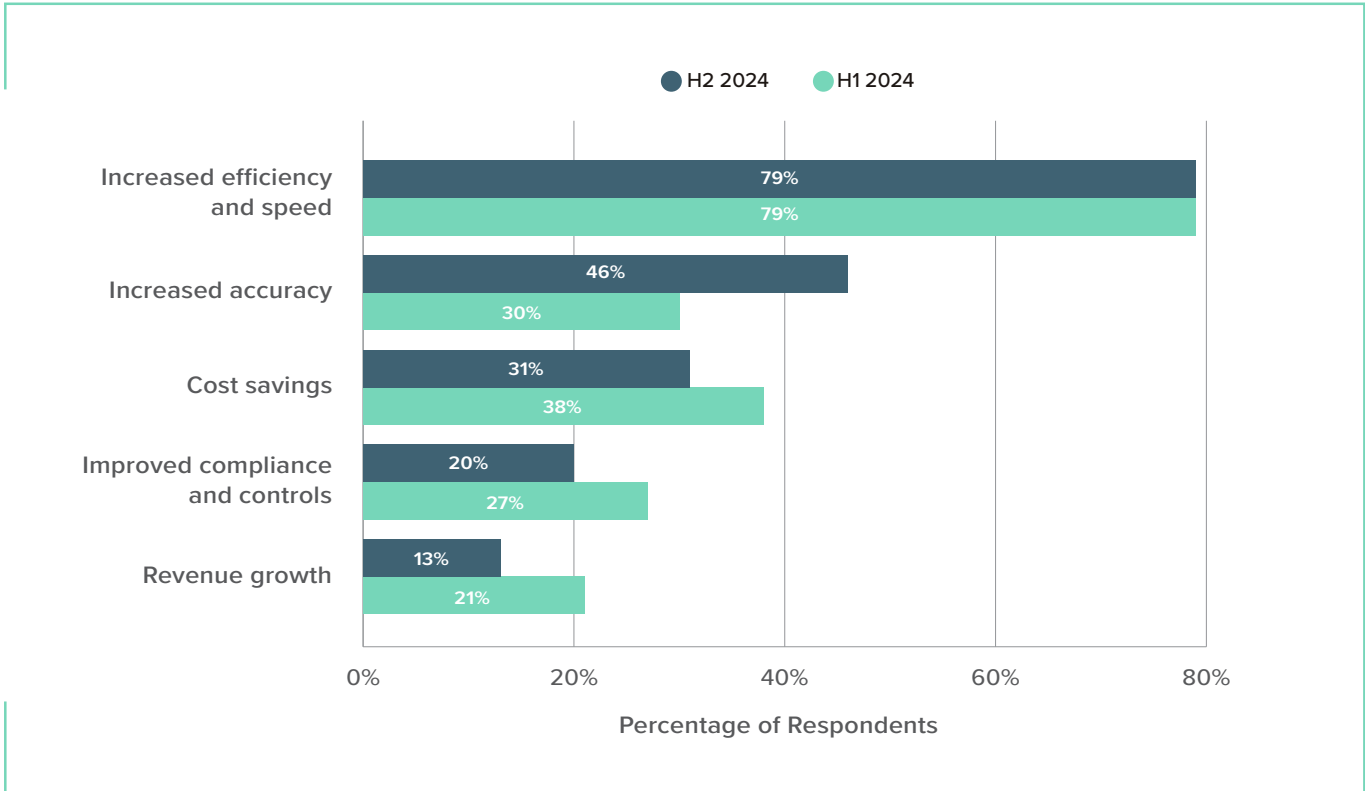
As companies adopt AI, they are realizing the importance of high quality, robust data. This is likely to explain why data quality is now one of the top three challenges reported by 45% of respondents; a rise of 7%. Furthermore, this challenge appears to be a more significant obstacle for large companies (those with revenues over \$1 billion), noted by 54% of these respondents.

This gap underscores the unique challenges larger organizations face, with the size, scale, and complexity of their data. This means that larger organizations, with a more complex data environment will need to start earlier and invest more to get the high-quality data needed to support effective AI uses.

Regardless of company size, high quality data will be critical to achieve full potential from AI. As such, we expect significant investment in data infrastructure and data projects in the immediate future.

Slack's Fall 2024 Workforce Index reports that nearly half of U.S. employees feel uncomfortable admitting AI use to their supervisors, citing stigma and uncertainty about its appropriate application. This shows a clear disconnect between leadership expectations and employee behavior, and highlights a lack of clear communication about AI. Good and regular communication is a key component of effective governance and can go a long way to create alignment and address concerns around AI.

Are We Getting the Value We Expect from AI?



Greater accuracy surges

Interestingly, while AI accuracy is a commonly cited AI concern (e.g., hallucinations), accuracy has surged to the second most cited benefit. As adoption has grown and models have matured, users are realizing that even with the risk of hallucination, AI can be a powerful tool to improve quality and accuracy.

AI’s ability to work through large volumes, at high speed, with relatively high consistency enables it to outpace humans in accuracy across many tasks. Furthermore, freed up from the tedious time-consuming tasks, users are able to invest more time performing better reviews, further improving accuracy.

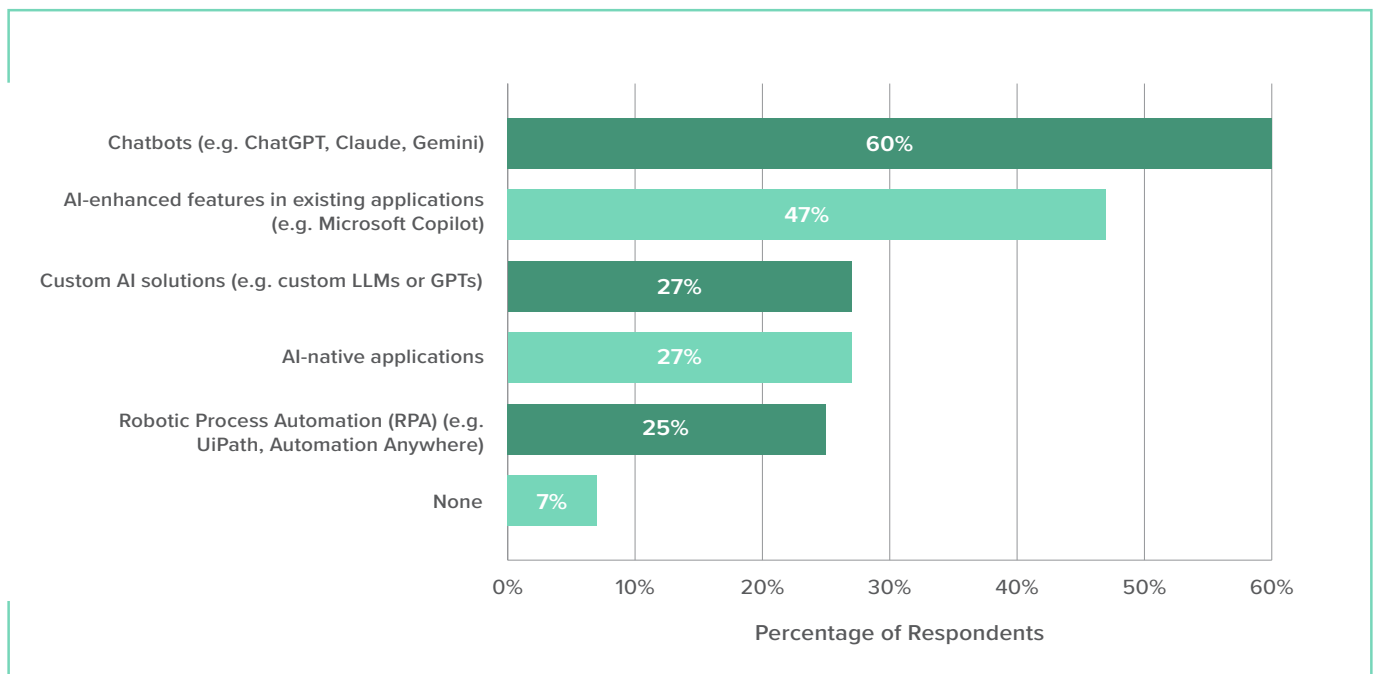
Bottom-line benefits remain elusive

Fewer respondents are reporting benefits to their bottom line from their AI initiatives, with only 31% of respondents citing cost reductions and 13% reporting revenue growth. Both metrics have declined significantly from the previous survey. These findings suggest that the transformative financial benefits promised by AI are not materializing as quickly as anticipated.

This trend reflects the natural evolution of new technologies—while new capabilities have arrived, unlocking meaningful cost reductions or revenue growth requires a deeper understanding and broader application of these technologies. While early AI adoption promised substantial cost savings by streamlining processes, these efficiencies appear to be more effective at enabling existing teams to do more with the same resources.

Another notable factor may be the difficulty in directly measuring the outcomes and ROI of AI initiatives. As we move beyond this exploratory phase of AI, and look for larger production deployment, functions will need to make an important shift—showing tangible ROI benefits. This will be crucial to support on-going and increasing funding of AI projects.

Which AI Tools are Teams Using?



How to approach AI investments:

At the outset of AI adoption, companies should treat AI investments like R&D—a phase focused on small-scale investments where the primary value lies in experimentation and learning, rather than immediate cost savings or revenue growth.

As organizations progress to wider adoption, AI initiatives will require larger investments and therefore will also require measurable ROI and a clear tie into business goals. Aligning AI efforts with strategic objectives will be critical to unlocking its full potential during this phase of adoption.

Chatbots remain the most popular AI tool

Unsurprisingly, AI chatbots continue to be the top AI tool cited by respondents; however the growth we've seen in just the last six months of 2024 is astounding—up 23% to 60%. This growth is unsurprising given the accessibility, ease of deployment, and diverse range of benefits these tools provide. Even so, we expect that these chatbots are highly underutilized, as the method of engaging with this technology is new (i.e., chat), and these types of multi-purpose tools often experience slow adoption as specific uses are unclear. Even chatbots require a thoughtful adoption approach and lots of training.

Software companies are rapidly adding AI features

AI-enhanced features are increasingly being integrated into existing applications and are now being used by 47% of respondents. The past six months have offered a rapid expansion in useful (though not always very powerful) AI-enhanced capabilities in many core financial applications. We expect this trend to continue as existing software providers look to capitalize on this hunger for AI and avoid losing market share to new AI-native market entrants.

It is important to note that these new capabilities introduce new risks. Organizations must enhance their governance workflows and controls to ensure AI-enabled features are captured, evaluated, and managed to avoid unnecessary risk exposure.

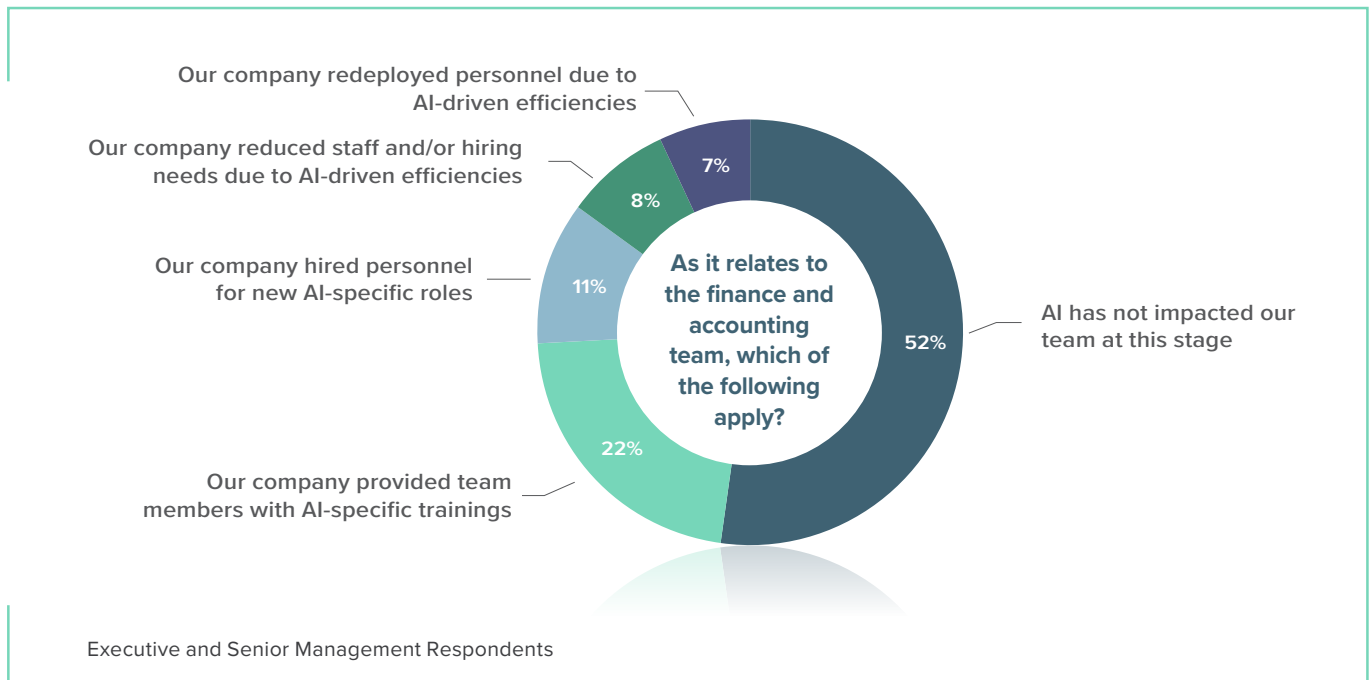
Few are sitting on the sidelines

It is encouraging to see a whopping 31% reduction in respondents who have yet to use a single AI tool since our previous survey, now standing at just 7% of respondents. This dramatic shift highlights the rapid growth of AI use, driven primarily by the increased experimentation with chatbots, which have become a gateway for organizations to explore and integrate AI into their operations.

“In this world of supersonic technological innovation, learning will be part of our jobs versus something we only do to get the job.”

– Jason Pikoos, Managing Partner AI and Innovation

Finance and Accounting Jobs Remain Safe (for now)



AI's impact on finance and accounting positions remains limited and is largely unchanged with only 15% of executives and senior leaders reporting staff reductions or redeployments driven by AI.

Furthermore, the percentage of organizations reporting no impact has dropped 12%, from 64% to 52%. The shift is largely driven by a 10% growth in staff education and training, which has increased to 22%. This is an encouraging trend, showing more companies are investing in their existing teams, preparing them for the anticipated transition to an AI-augmented workforce.

Looking ahead, the demand for AI skills is expected to grow rapidly as the technology advances and its adoption becomes more pervasive. However, this expanded adoption will inevitably reshape workforce dynamics, reducing the need for certain roles while creating opportunities in others. Bridging the emerging skills gap will require a collaborative effort: companies must prioritize investments in upskilling their workforce, while individuals must embrace the reality of a continuous learning era and actively invest in their professional growth and development.

A **World Economic Forum survey** revealed that 41% of employers plan to reduce their workforce by 2030, as AI automates tasks. However, 77% of companies aim to reskill or upskill employees to work alongside AI. This underscores the need for organizations to invest in training programs to address the skill gaps and foster effective human-AI collaboration.

Opportunities and Recommendations

As you set objectives for your 2025 AI initiatives, consider the following key recommendations to deliver impactful and sustainable outcomes.

Prepare now: Build the foundation for AI success

Although AI adoption is progressing at a moderate pace, it is accelerating. Now is the time to lay a robust foundation. Focus on three critical areas:

1. Develop a strategy and plan, along with clear goals
2. Identify your top AI adoption constraints and focus on addressing these
3. Establish some baseline AI governance

Integrate AI into a unified technology strategy

Move away from deploying AI as a standalone solution. Instead, align it with a comprehensive technology strategy that leverages your full tech stack. This will open the door to significantly more Advanced Automation opportunities. A thoughtful approach ensures that AI investments complement existing tools and rethinks current processes, enabling your organization to achieve measurable results and long-term growth.

Explore AI agents: Unlock new capabilities

AI agents and agentic flows represent a powerful evolution in AI technology. Dedicate time to experimenting and learning how these advanced tools can enhance your operations. When combined with your existing tech stack, agents can deliver practical and impactful solutions tailored to your organization's needs. Early exploration and understanding of this developing technology will help you accelerate adoption and identify powerful use-cases.

Prioritize ROI in AI and automation investments

Innovation in AI and automation is vital, but pure efficiency gains will not be a long-term acceptable outcome. Focus on creating tangible, measurable business value by aligning your initiatives with long-term ROI goals. Ensure that new projects demonstrate clear outcomes, such as improved compliance, cost savings or revenue growth, to secure ongoing support and funding. This disciplined approach will enable your organization to move beyond experimentation and achieve meaningful, sustainable outcomes.

What Lies Ahead

Looking ahead, 2025 is poised to be another exciting and transformative year for AI. However, the excitement will be more moderated (or realistic), and advances will start focusing more and more on tangible outcomes versus powerful technological capabilities with an undefined use.

AI Agents: A key focus for 2025

AI agents and agentic flows will emerge as a major area of focus for both organizations and software providers. These tools offer customizable and powerful AI-driven solutions tailored to unique business needs. While exploration will be robust, broad adoption in core finance and accounting processes is not expected this year.

AI as a catalyst for advanced automation

AI will stop being viewed as a standalone solution, but rather a critical tool added to our existing automation toolkit. When integrated into broader technology stacks, AI will help companies unlock new Advanced Automation opportunities, pushing the boundaries of the “art of the possible”. Companies will start finding new, broader, and more innovative ways to automate in ways previously unimaginable.

AI-enhanced software will offer easiest path to adoption

The easiest path to accessing AI capabilities will continue to be through new features provided by existing software providers allowing companies to adopt AI tools without overhauling their existing platforms, and often at a low entry cost. Although these AI-embedded tools will improve, they will not be as powerful as purpose-built AI-centric applications, for now.

Purpose-built AI applications take center stage

Organizations aiming for transformational change will achieve the best AI outcomes by purchasing from a growing selection of AI applications purpose-built for specific use cases. This targeted approach minimizes complexity, reduces costs, and increases the probability of implementation success. Longer term, we will see consolidation in this market as these companies combine, add broader features or get absorbed into larger software providers.

Governance plays expanding role in success

We anticipate several high-profile public missteps due to poor AI governance and control measures. These incidents will likely act as catalysts, prompting organizations to prioritize robust governance deployment to mitigate risks and manage compliance.

Steady growth in AI adoption

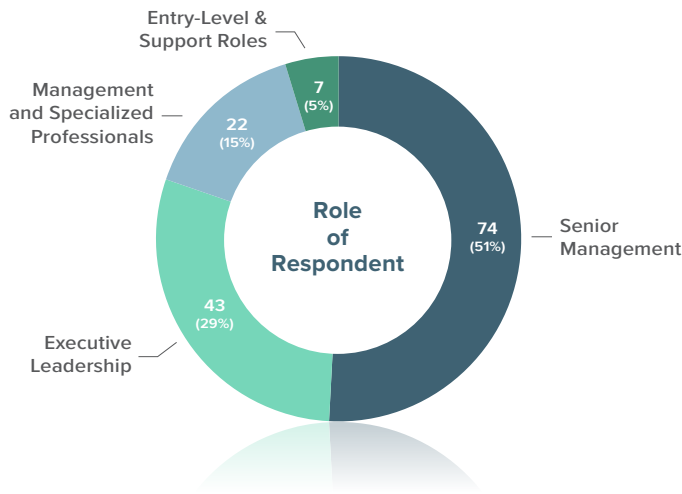
AI adoption is expected to accelerate, but at a moderate and steady pace. Companies will continue to investigate and learn the technology, shifting their focus toward more tangible, high impact use cases rather than merely deploying something-AI. This approach reflects the complexities of executing effective automation initiatives and making large organization changes.

Preparing the workforce for AI-driven future

The rise in AI in finance and accounting is expected to drive greater demand for specialized expertise. Organizations will prioritize AI skills and capabilities; some will look to achieve this via training while others will focus on recruitment. We believe training programs will be the most cost-effective way for companies to build AI capabilities while preserving their team's valuable expertise and institutional knowledge.

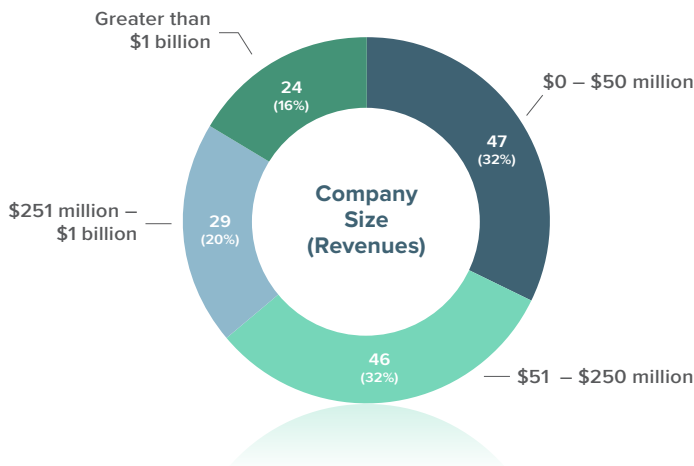


Respondent Demographics



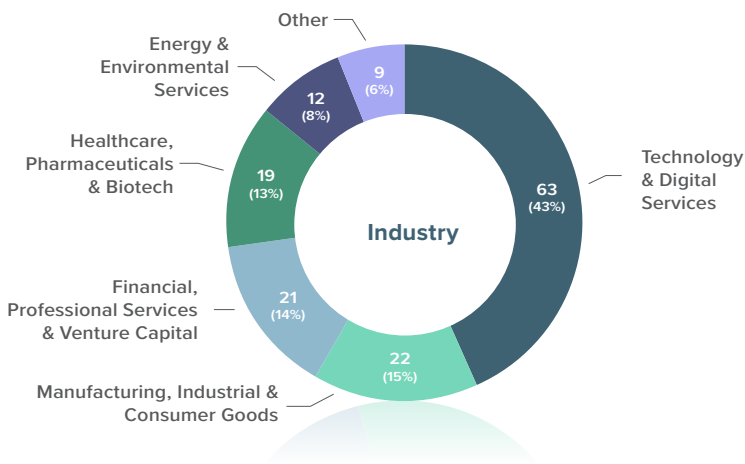
Respondents are categorized into the following broad functions based on their job titles:

- **Executive Leadership:** This category includes C-suite leaders such as CFOs, CEOs, COOs, and other executives.
- **Senior Management:** This group encompasses leaders of departments or divisions, including VPs, Corporate Controllers, Directors, and equivalent roles.
- **Management & Specialized Professionals:** This category covers managers of specific functions such as FP&A, Accounting, Tax, and Internal Audit, among others.
- **Entry-Level & Support Roles:** These roles provide essential support across various departments, including Senior Accountants, Financial Analysts, and similar positions.



Respondents are further categorized by company size and industry:

- **Small companies:** revenues between \$0 - \$50 million
- **Emerging companies:** revenues between \$51 to \$250 million
- **Mid-range companies:** revenues between \$251 million to \$1 billion
- **Large companies:** revenues greater than \$1 billion





No matter where your company is on the AI adoption journey, Connor Group can support you in building an AI strategy, upskilling your team, and developing real-world applications for AI. Reach out to learn how we can help you navigate the complexities of AI adoption effectively.

About Connor Group

Connor Group is a specialized professional services firm of Big 4 alumni and industry executives. Our team of highly experienced professionals helps financial and operation executives with their most complex and significant matters, including digital solutions, financial accounting and operations, IPO and M&A services, and managed services. Our clients are the world's top growth companies, and we support them as they change the world and create new markets!

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