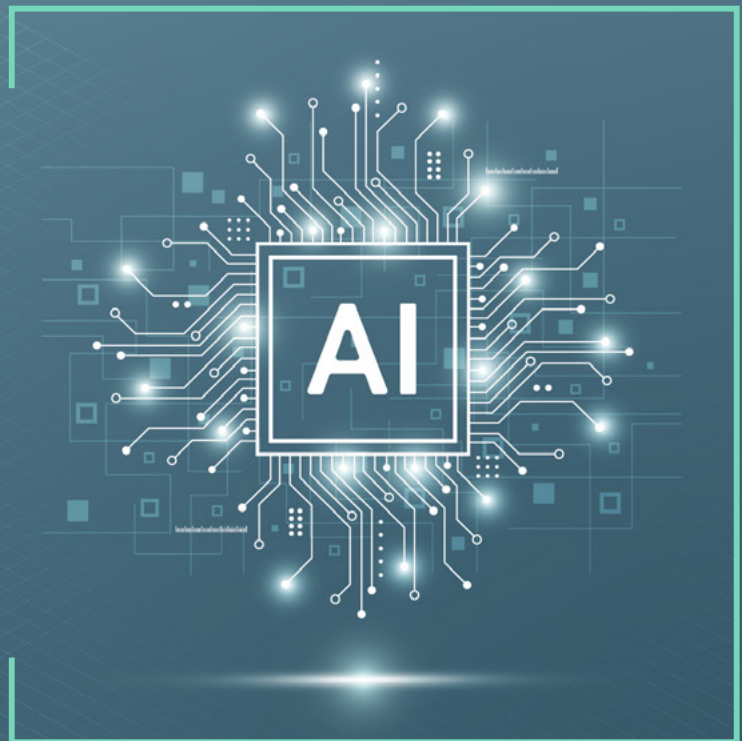


AI in Action:

How Companies Are Putting Artificial Intelligence to Work



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In an era where artificial intelligence (AI) is redefining traditional workstreams and reshaping industries, companies stand at a crossroads.

AI adoption promises to streamline operations and redefine strategic horizons through enhanced efficiency and innovation. Yet, navigating the path to AI integration can be complex.

In Connor Group's AI Adoption Survey, we surveyed 110 professionals from various company sizes and industries, including 37 executive leaders, to understand how finance, accounting, IT, and compliance teams are leveraging (or not leveraging) AI to their advantage.

Beyond the conjecture of future intent, the survey sheds light on current actions taken and results realized. In many cases, the findings were surprising. Most valuable are the significant opportunities highlighted by companies making strategic, early investments in AI, as well as insights on avoiding common pitfalls that can hinder progress.

Here is the composition of our respondents and the detailed insights their answers provided.



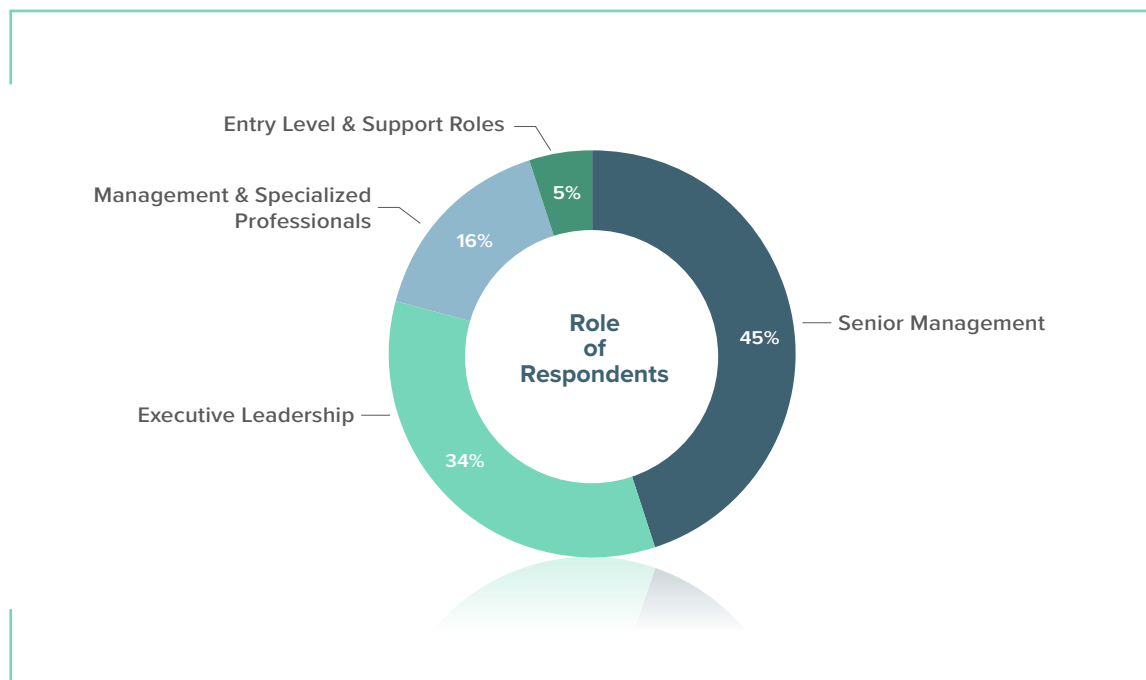
Looking for guidance on how to implement AI responsibly?

[Use the Generative AI Governance Framework.](#)

Respondent Demographics

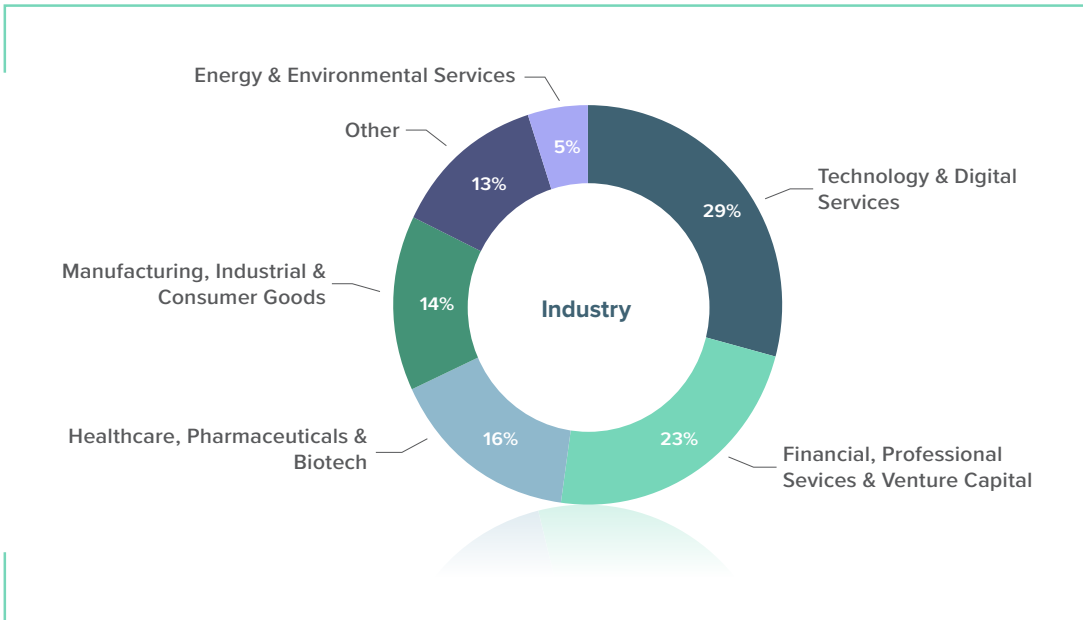
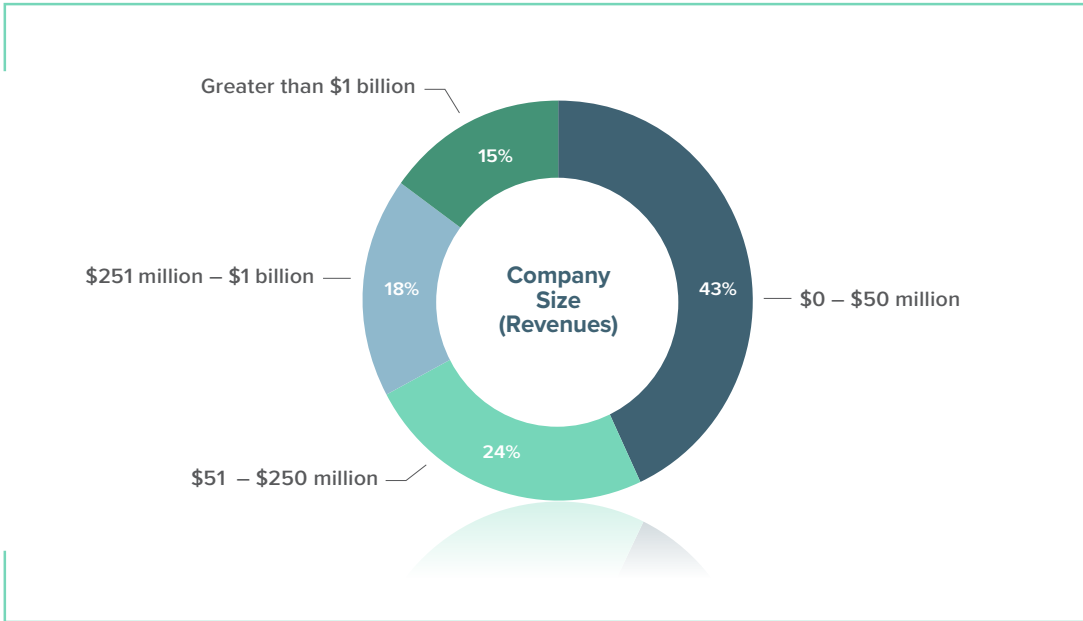
Respondents are categorized into the following broad functions based on their job titles:

- **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, Revenue 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 can be 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



How Are Companies Really Using AI?

Most are not using AI

Despite the excitement surrounding AI technologies, adoption rates in practice remain low:

- Only 16% of respondents have implemented (or are currently implementing) AI tools.
- While few have implemented, most plan to use AI with only 22% of respondents having no adoption plan across all their processes. Companies with no plans are mostly small and emerging companies.

Adoption appears to be impacted by several key challenges:

The challenge is defining a strategic vision

People-related concerns emerged as the foremost obstacle to implementing AI, with almost half of survey participants citing technical expertise and staff training and adoption as implementation challenges.

However, based on our experience in assisting companies of all sizes with their AI transformations, the true barrier to initiating meaningful AI adoption is the lack of a defined a strategic vision — gaps in talent and expertise can only be effectively measured after the AI strategy has been established.

Smaller players have less funding

Despite growing interest in AI as a means for driving efficiency and cost savings, business leaders are unable to fully explore implementation opportunities due to cost and resource constraints.

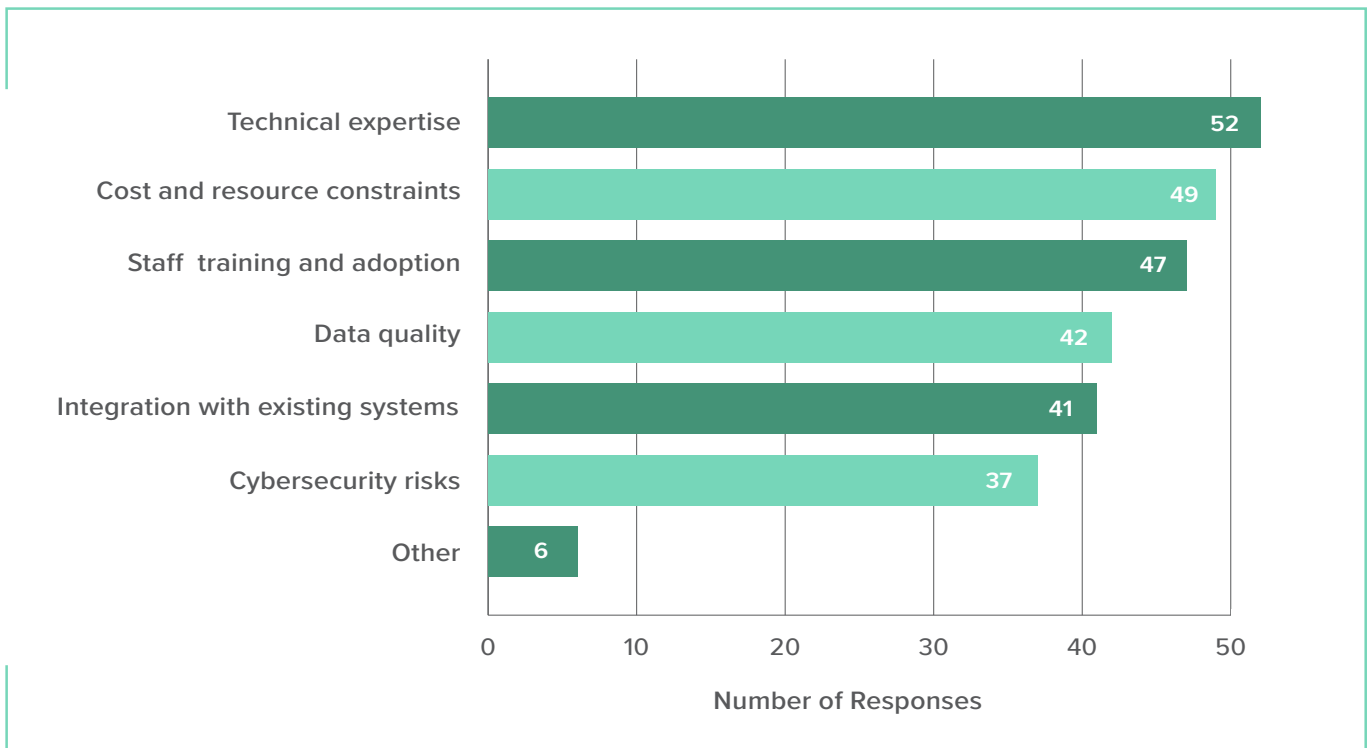
This issue is particularly pronounced in smaller companies (those with revenues less than \$1 billion) compared to large companies:

- 47% of smaller company respondents cite cost as a major concern, versus only 25% cited by large companies.
- Furthermore, only 35% of smaller companies who have implemented AI have achieved cost savings, compared to 57% of large companies.

This likely reflects smaller companies' tighter funding and limited economies of scale from automation. On the other hand, larger enterprises benefit from higher transaction volumes and have comparatively bigger budgets to explore automation opportunities.

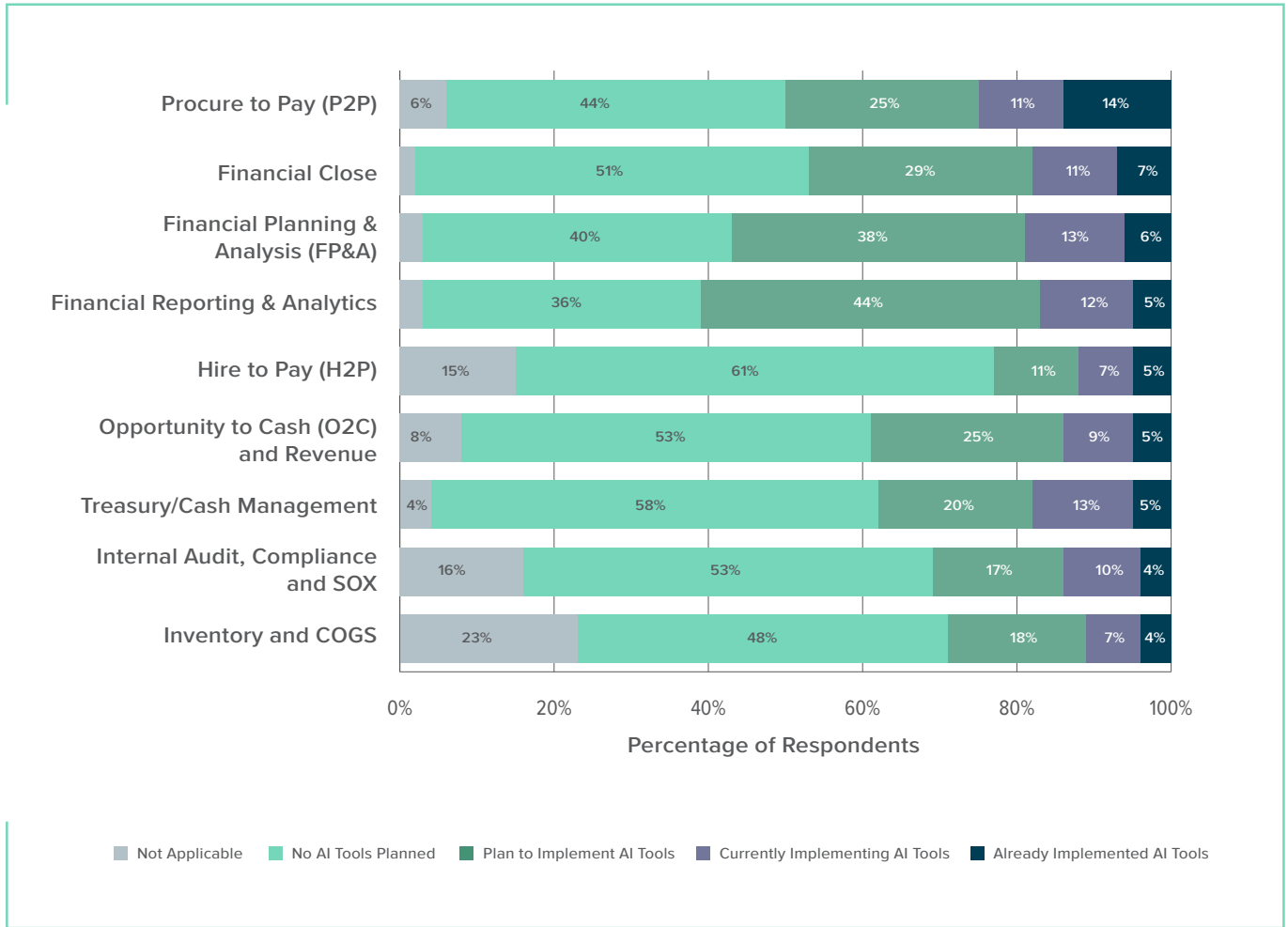
The modest adoption rates highlight a significant opportunity for companies to gain a competitive edge through early AI implementation. However, overcoming these challenges will require a comprehensive and thoughtful AI implementation strategy.

What challenges have you faced during the implementation and ongoing use of your AI solutions?



Despite the gap in technical expertise cited by most respondents, an independent survey reports that **most firms expect to lean heavily on their internal IT resources (87%) and existing technology vendors (83%) to execute their AI strategy.** This disappointing lack of creativity indicates many organizations may unknowingly be settling with incremental improvements of the ‘as is’ rather than exploring the exponential potential of AI through the infusion of fresh perspectives and the consideration of the best technologies available.

Which business processes are leveraging AI?



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

P2P takes the lead

Of the respondents with AI implementation plans, Procure to Pay (P2P) had the highest adoption rate, with 14% having already implemented AI-enabled solutions, and a further 11% in the process of doing so. This is likely because P2P is a lower risk area largely comprised of repetitive and document-intensive transaction processing, making it a prime AI automation opportunity.

Financial analytical solutions appear to be the next wave

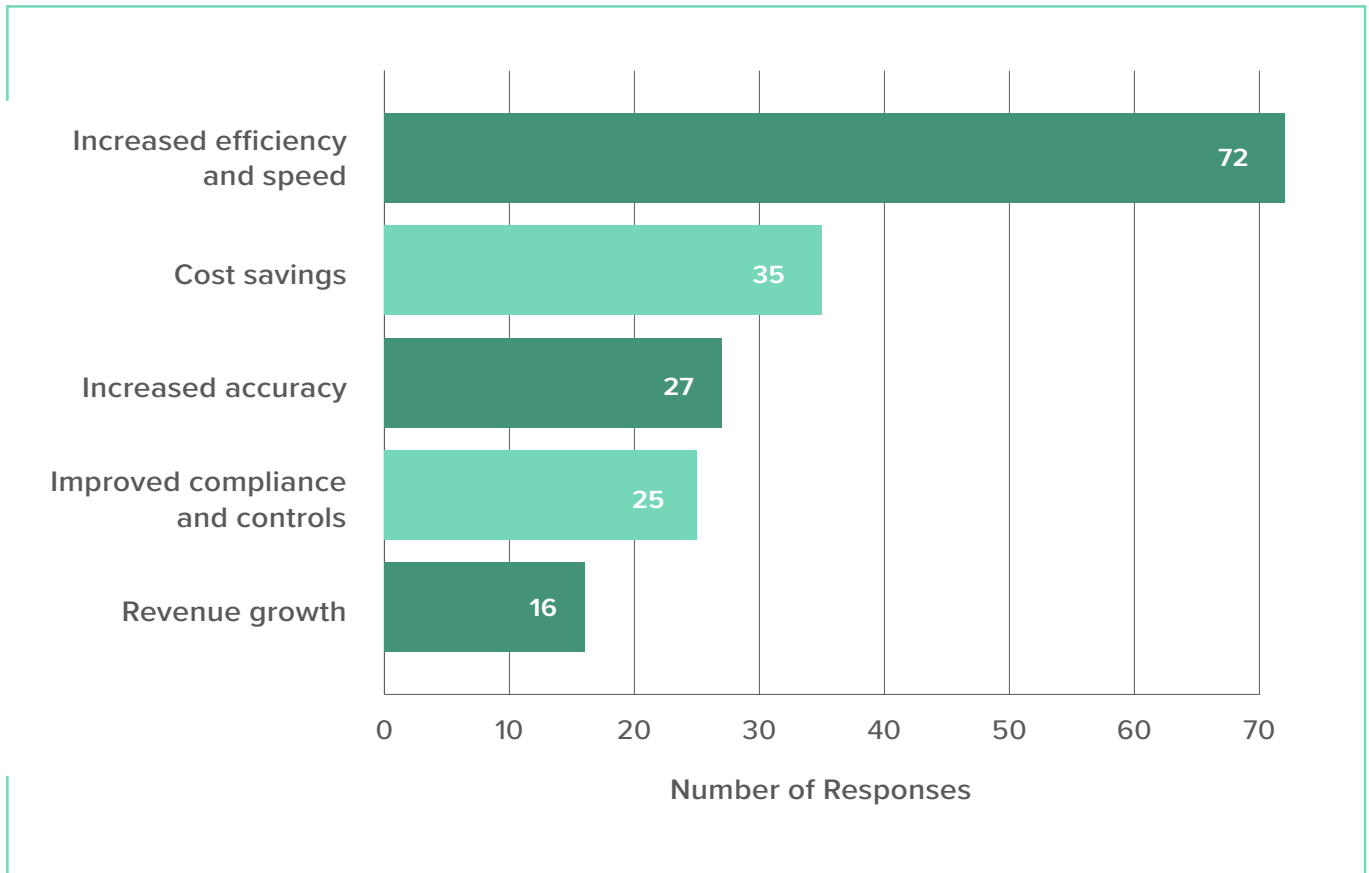
Surprisingly, despite the emergence of strong automation opportunities in document heavy processes such as Hire to Pay (H2P), Order to Cash (O2C), and Compliance and SOX, most organizations have no plans for adoption in these areas. Instead, organizations appear to be targeting analytical functions for their next AI-enabled solution, most notably Financial Reporting and Analytics (44%) and Financial Planning and Analysis (38%) are the processes most cited for future implementation plans. This trend is intriguing given this is a newer emerging AI capability, and will require a significant investment to gather, store, clean-up, and organize data along with related data management processes. This will drive large data-related investments in the coming years.

While AI capabilities mature in the analytical space we recommend companies seize the opportunity to implement automation in processes where AI can provide immediate advantages, such as in H2P, O2C, and Compliance.

A recent report from Deloitte indicates risk management is primed for a transformational shift from periodic manual assessments to dynamic, continuous risk assessments; enhancing efficiency and providing near real-time risk insights. Unsurprisingly, the promise of this technology has not yet achieved critical mass as **only 27% of our respondents have experienced improved compliance and controls from AI**, indicating significant untapped potential. ¹

¹Deloitte. (2024). The FinanceAI dossier: Generative AI use cases in finance.

What benefits is AI actually delivering?



Effective deployment of AI in analytical functions will likely require **substantial investment in data preparation and infrastructure enhancement** as organizations prepare to leverage new and emerging AI capabilities.

Respondents are seeing increased efficiency with the adoption of AI

Respondents who have implemented AI achieved increased efficiencies (79%) at nearly twice the rate as cost savings (38%). These improved efficiencies are a welcome benefit for understaffed finance and accounting teams who struggle to complete their required tasks. This was highlighted in a recent Gartner study², which found that a vast majority of accountants reported that their workload has increased.

Large companies are using AI to improve the bottom line

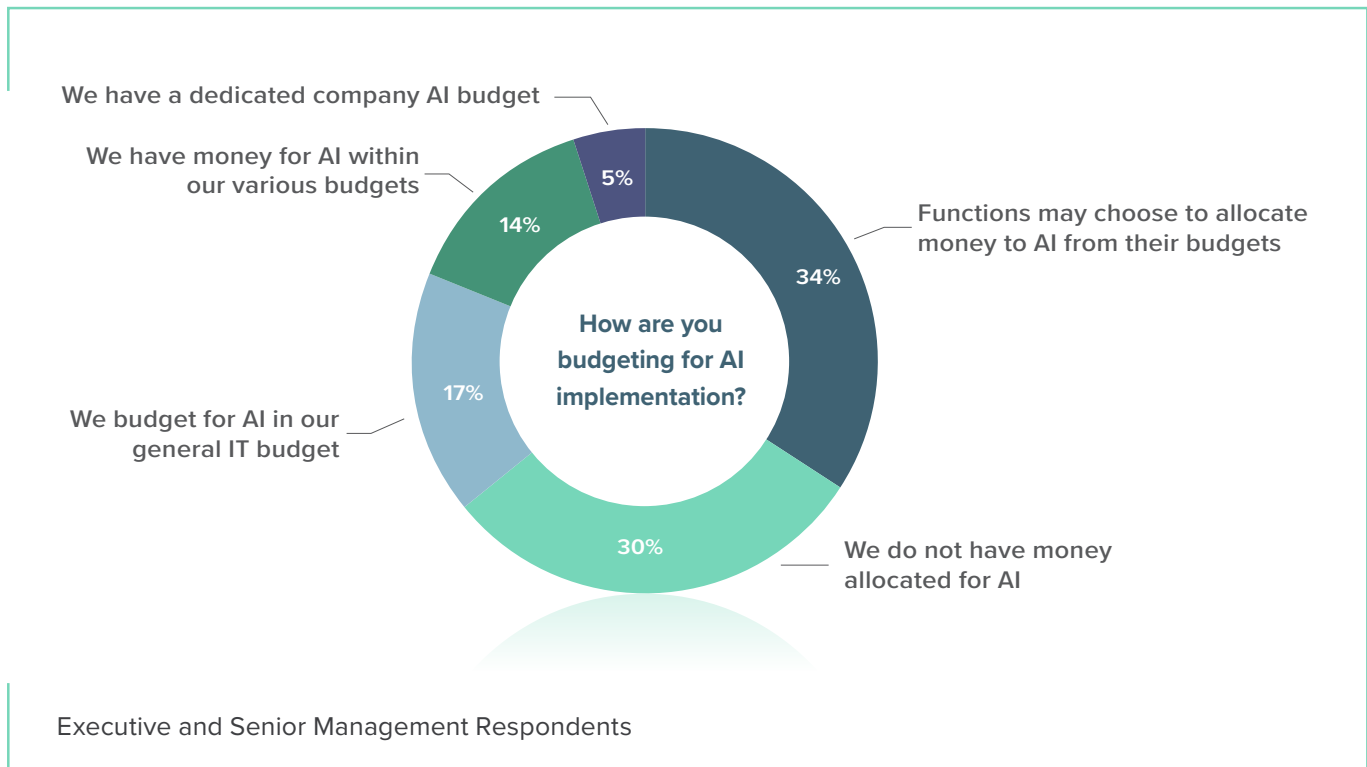
Large companies are not only leveraging AI to achieve significant cost savings, but are also experiencing a higher rate of revenue growth compared to their smaller counterparts (29% versus 16%, respectively). This indicates that larger organizations are more effectively utilizing their resources and AI technologies to enhance their overall profitability.

Other opportunities for success have yet to be fully realized

The overarching outcome of improved efficiency appears to be true across all industries and job functions, outweighing other successes by a significant margin. This concentration on efficiency rather than revenue growth or cost savings is likely due to AI technologies being new, with more limited in use cases and narrower adoption. As the technologies evolve, we expect more organizations will pursue broader AI-enabled solutions to drive revenue growth and cost reduction.

²Gartner. (2024, February 21). Gartner survey shows that a third of accountants make several errors per week due to capacity constraints.

Who is budgeting for AI?



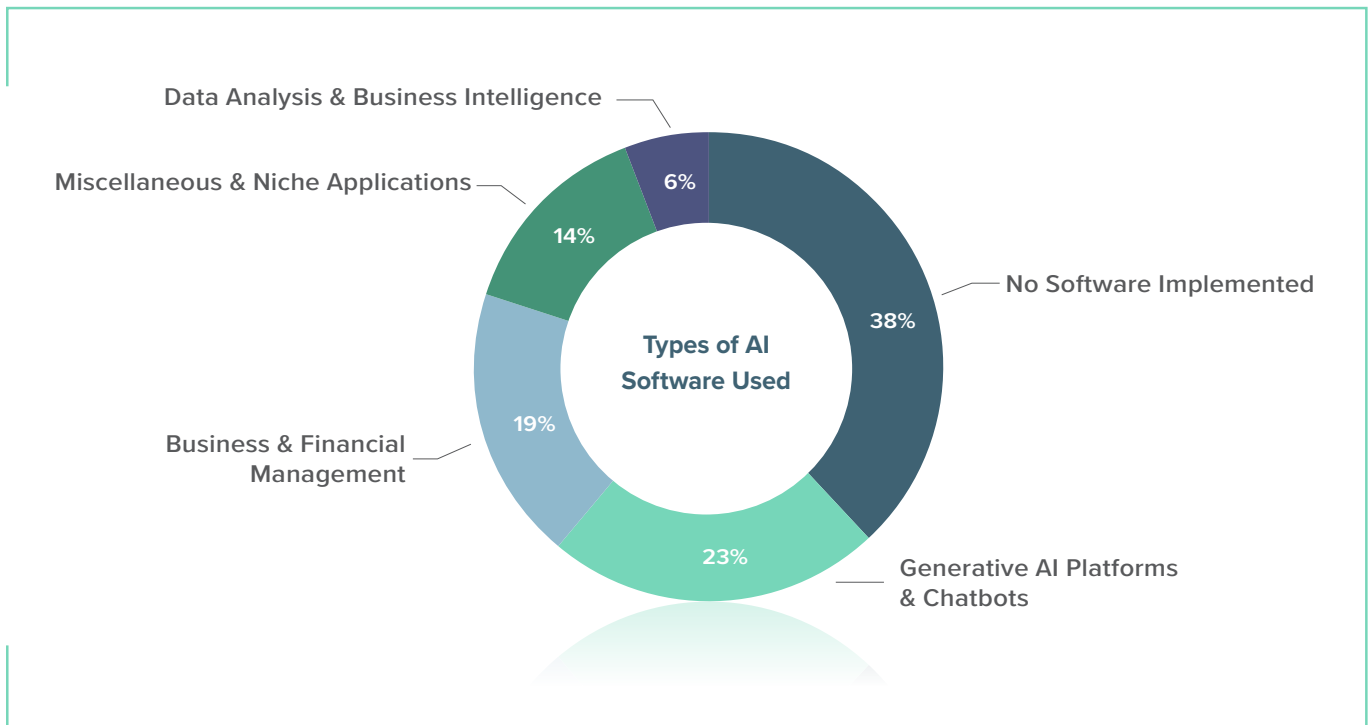
Most companies do not have an AI-specific budget

Of the executive and senior management respondents, 95% indicated a lack of a dedicated AI-specific budget. Among these, 30% have no budget for AI at all, while 65% embed AI resources within different budgets, indicating AI was not an explicit priority during the most recent budget cycle for many organizations. We expect investment in AI to increase at a rapid pace as the technology evolves, more compelling use cases become available, and comfort with the technology increases.

AI management is decentralized

The budgeting strategies of our respondents illustrate a decentralized approach to AI, with 48% of respondents having AI spend determined by functional leaders. While localized ownership is valuable, organizations should be cautious in pursuing AI without a centrally defined AI strategy. A clear strategy ensures ongoing alignment with organizational objectives and limits the real risk of technology proliferation, preventing the addition of many redundant and disconnected technologies.

Which AI tools are companies using?



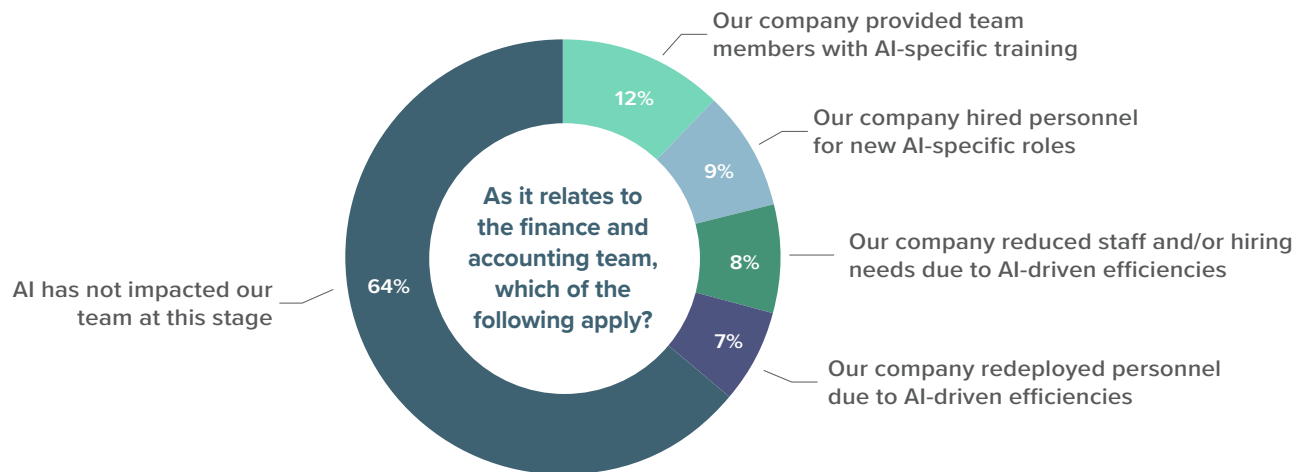
Generative AI Platforms are the leading tools

In line with the low adoption rates noted within business processes, survey results reveal that nearly 40% have yet to embrace any form of AI software. This finding is striking given the current accessibility and ease of deployment of user-friendly AI applications, such as ChatGPT.

A recent study found that 78% of AI users are bringing their own tools to work. Meaning that even for companies with a “no software implemented” response, it is likely that a significant number of employees are independently utilizing AI tools, introducing a complex layer of governance and compliance risks. **Without a formal framework for AI adoption, such as the [GenAI Governance Framework](#), companies may find themselves lacking necessary controls as their workforce engages with these technologies.**³

³ Workers take their AI to the office | LinkedIn

Are finance and accounting jobs going away?



Executive and Senior Management Respondents

AI is not taking over our jobs (yet)

Nearly two-thirds of our senior management and executive respondents reported no immediate impact from AI adoption, a phenomenon likely attributed to the gradual and limited adoption of AI technologies at this stage. This is likely because existing use cases for AI focus on enhancing employee efficiency rather than significantly altering existing team structures and reducing headcount to drive cost savings.

Despite popular public perception that AI technology is displacing jobs, there appears to be an appetite for hiring new personnel for AI-specific roles; 9% of respondents have hired for such positions versus 8% of companies who have reduced staff or hiring needs due to AI. This reflects the dual-edged nature of technological advancement—while some roles become obsolete, new opportunities for AI-focused positions emerge.

As AI technology evolves and more solutions become available, companies will continue to drive growth and reduce costs through increased AI adoption. Consequently, the demand for AI-specific roles will accelerate significantly. To prepare for this shift, companies should educate their teams on effective AI technology utilization now, starting with simple use-cases to build foundational capabilities. This approach will enhance readiness for broader AI adoption, ensuring employees are well-equipped to support a more AI-driven operational model.

Conclusion

Key Takeaways

- AI adoption rates remain low, driven by companies' budgeting strategies and AI adoption challenges.
- Technical expertise and cost constraints appear to be the most significant barriers for AI adoption, however the fundamental issue is a lack of strategic vision.
- For most AI adopters, AI is a powerful ally in boosting efficiency – however companies with more resources can leverage AI technologies to achieve revenue growth and cost savings.
- P2P, FP&A and Financial reporting are the leading processes for AI adoption, despite strong automation opportunities in other processes such as Hire to Pay, Order to Cash, Compliance and SOX.

Opportunities and Recommendations

The following best practices will help your company stay ahead and maximize the impact of your AI implementation efforts:

- **Develop a Strategic Vision:** Establish a clear strategic vision that aligns with your organizational objectives to guide targeted investments and budgeting strategies for AI technologies.
- **Be (Human) Resourceful:** Foster a culture of innovation by assembling a diverse taskforce of key decision-makers to lead a comprehensive AI strategy. Educate teams on effective ways to use AI technology and start with simple use-cases to build capabilities and enhance readiness for broader adoption.
- **Implement AI Governance:** Create and enforce a robust AI governance framework (such as the [GenAI Governance Framework](#)), including well-defined policies and processes to manage risks associated with AI implementation.
- **Invest in Data:** Prioritize investments in data – availability, quality and completeness - to enable those very exciting analytical and predictive AI solutions.

No matter where your company is in 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.

Will This Trend Continue?

Looking ahead, we anticipate a dramatic shift in how companies use AI, marked by these key developments:

- **Increased AI Investment:** Companies will significantly increase funds and resources to pursue new AI use cases.
- **Adoption of Specialized AI Software:** Enhanced AI software will drive meaningful business changes, particularly in knowledge discovery, analytical capabilities, and process flows.
- **Impact on Finance and Accounting:** Responsibilities will shift from routine tasks to more value-adding analysis, exception management, and real-time actions.
- **Demand for AI Expertise:** Organizations will increasingly require AI expertise, even from entry-level employees, potentially straining employment equality.
- **Emerging Challenges:** New issues will arise, including regulatory compliance, data ownership, privacy, workforce displacement, and ethical considerations.
- **Need for Governance Frameworks:** Sophisticated [AI governance frameworks](#) will become essential, similar to those for internal controls.

We will continue to research, innovate and monitor developments in this evolving field – stay tuned for our updates.



About Connor Group

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