ACCORDION

SURVEY REPORT

AI IN THE
FINANCE FUNCTION

The state of the PE sponsor & CFO relationship

2025

PE sponsors to portfolio CFOs

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Accelerate your adoption of AI.

98%

of sponsors have told their portfolio company CFOs to prioritize the use of AI in the finance function

PE-backed CFOs understand their mandate: sponsors want them to leverage AI for finance workstreams to drive value creation. And they want them to do it now, using this period of tariff-induced uncertainty and (likely) elongated hold periods as an opportune time to invest in tech-enabled finance processes. That said, the pace of AI adoption has been far slower than sponsors want. Why? CFOs say that it’s because they have no idea where to start or who to turn to for help.

The why, what, and when of finance-led AI adoption:

Why: 01

Sponsors see AI adoption as critical to value creation, and, ultimately, exit. They understand that when applied toward finance workstreams, it can have a measurable impact on EBITDA accretion, process acceleration, and value capture (for example, AI-enabled close acceleration can reduce days to close by 20-30%). Beyond value creation, sponsors see additional benefits in AI's potential to reduce costs through automation and to enable finance professionals to pivot from more manual tasks to higher-value strategic priorities.

What: 02

CFOs have been slow to adopt AI, with most not yet leveraging it or only beginning to explore pilot programs. No matter where their portfolio companies are on the AI journey, 91% of sponsors agree that the right way to adopt AI within finance—at least right now—is by finding those practical and discrete applications that are market-ready. This includes workstreams like close acceleration, cash flow forecasting, cash and liquidity management, and invoice-to-cash processes, etc. But because the pace of innovation is happening so quickly, sponsors believe AI will soon have the potential to meaningfully improve even more strategic functions, like predictive analytics.

When: 03

The answer to when is now. Sponsors believe that with tariff-induced economic uncertainty, deals will be on pause and hold times will elongate. As such, they want their portfolio CFOs to take advantage of this unexpected period to invest in those AI-enabled technologies that will increase valuations for when the market does rebound, or for when pockets of opportunities arise. The problem here is two-fold: CFOs are not aware that their sponsors want them to spend money on AI now, amidst the ongoing market volatility. And even if they were aware, they remain confused about how best to invest in AI and who to turn to for help.

The BFD:

Top ten takeaways:

1. Finance-led AI adoption is a sponsor priority and mandate.
2. PE partners have effectively communicated the importance of AI adoption to their portfolio CFOs, who have heard their call.
3. Sponsors would like their portfolio CFOs to focus on discrete and practical AI applications that are market-ready now (like close acceleration and cash flow forecasting)—with a runway toward more advanced predictive analytics AI as solutions are commercialized.
4. That said, most CFOs have not yet started leveraging AI, or are just starting to explore use cases via piloted programs, making adoption slower than sponsors want.
5. Why the slow start? Many CFOs remain skeptical of AI, seeing it as more hype than help. They are also concerned that their data environment is not yet optimized to realize the benefits of AI.
6. But the main reason behind AI's slow adoption is CFO confusion.
7. Most CFOs acknowledge that they do not know where to start or who to turn to for help.
8. As for when sponsors want their CFOs to invest in AI: it's right now.
9. Sponsors want their CFOs to use tariff-induced economic uncertainty, and potentially longer hold times as deals/exits are delayed as an opportune period to invest in AI.
10. But portfolio CFOs don't know that they have been given permission (and indeed, a mandate) to invest money during this period of economic volatility, further slowing the pace of adoption.

The why behind AI

01

99%

of sponsors say AI adoption within the finance function will be critical to value creation

More and more, AI is being viewed as a critical component of value creation. And in this environment of limited multiples and tariff-induced recessionary fears, value creation is more important than ever before.

Top 3 reasons for implementing AI

According to sponsors:

01 Value creation
02 Cost savings
03 Redeployment of finance professionals from manual to strategic work

According to CFOs:

01 Value creation
02 Redeployment of finance professionals from manual to strategic work
03 Cost savings

Sponsors believe AI's potential goes beyond value creation. In terms of its broader benefits, AI adoption satiates LP demands, making it a critical factor for sponsor fundraising. It is also a value-enabler when preparing for an eventual sell-side process. And, more tangibly, AI can accelerate workstreams (thereby increasing revenue capture), can minimize error rates, and can improve compliance.

Expert analysis

The benefits of AI among some of the more prominent use cases are notable:

- For AI-enabled close automation, for example—which would include solutions to expedite, streamline, and improve visibility into close processes through AI-powered close checklists, automated reconciliations, and flux analyses—CFOs can realize a 20-30%+ reduction in days-to-close, reduced error rates, and improved audit and compliance outcomes.
- The introduction of AI can expedite full invoice-to-cash processes, including credit checks, invoice matching, deductions, and collections correspondence with customers. In this use case, finance teams can realize a 5-15% reduction in DSO, and a 10% reduction in bad debt.
- For cash flow forecasting—including 13-week cash flow models leveraging machine learning tools to analyze historical baseline, recommend forecasting methodologies, populate standard outputs, and analyze variances and cash management opportunities—benefits include more accurate cash flow predictions, and improved cash flow visibility and forecasting.
- AI can also be applied to contract intelligence, whereby it is leveraged to automate extraction and analysis of supplier contractual terms. This enables the comparison of pricing, invoicing, and payment terms to actual operations, and the identification of cost and working capital improvements. AI-powered contract intelligence benefits include a 25-30% reduction in manual contract review activities and better identification of supplier contract non-compliance risks and mitigants.

The what of AI

02

When it comes to CFO adoption of AI, most are still only in the very early phases (with a notable amount having not implemented AI at all yet).

The state of CFO adoption of AI within the finance department:

34%	Started to explore AI/Gen AI use cases
28%	Piloting discrete Ai/Gen AI projects
27%	Not yet leveraging AI/Gen AI
7%	Actively deploying AI/Gen AI tools against an initial set of use cases
4%	Adopted GenAI/AI broadly within the finance function

99%

of sponsors say that AI adoption should begin with discrete and practical applications related to finance workstreams

For those who are not yet far down the path of AI implementation, sponsors believe that, at least initially, CFOs should use AI to make their foundational financial workflows more efficient.

Close acceleration and invoice-to-cash process automation are just two of those workstreams. There are many other use cases for which sponsors and CFOs believe AI can have an immediate impact.

Top 10 workstreams ready for AI-disruption

According to sponsors:

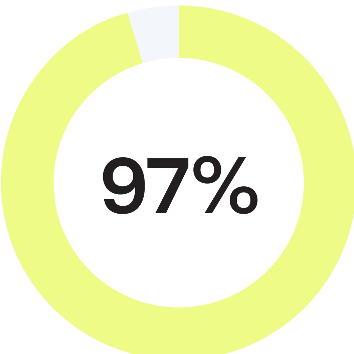
01 Close acceleration
02 Cash flow forecasting
03 Cash and liquidity management
04 Invoice-to-cash processes
05 Financial risk forecasting
06 Sell-side readiness
07 Financial statement forecasting
08 Contract intelligence
09 Demand forecasting
10 Budgeting and strategic planning

According to CFOs:

01 Cash flow forecasting
02 Close acceleration
03 Contract intelligence
04 Financial risk forecasting
05 Invoice-to-cash processes
06 Cash and liquidity management
07 Financial statement forecasting
08 Demand forecasting
09 Budgeting and strategic planning
10 Sell-side readiness

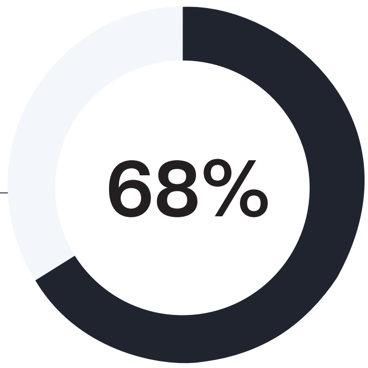
The when of AI

The time for AI is now—according to sponsors, who have thus far been frustrated by portfolio CFOs' slow pace of adoption.



of CFOs say that their sponsors have effectively communicated that AI should be a finance priority

To be clear, the delay isn't because sponsors haven't communicated the importance of AI:



of CFOs say they have been slow to adopt AI because they simply do not know where to begin or who to turn to for help

The reasons CFOs have not deployed AI more broadly in the finance function:

68%	Do not know where to begin or who to turn to for help
19%	Do not believe our data environment is optimized enough to see returns from AI
11%	Believe AI is all hype and not ready to be practically leveraged
2%	Believe investments will not be worth the returns

Expert analysis

The concern about the data environment not being optimized for AI is a reasonable one.

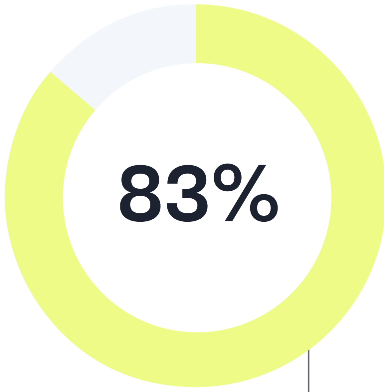
The stronger the data, the more value AI can create.

A “strong data environment” looks like a flexible data warehouse encompassing structured and unstructured data sources. It also includes the requisite systems to quickly, repeatedly, and reliably clean internal and external data sources that are critical inputs for GenAI models. And finally, it leverages cloud technology or services to support larger volumes of data.

Now, if you are a CFO, we’re not suggesting that your data environment needs to be perfect to invest in AI. Quite the opposite. Imperfect data can become an unfortunate psychological and organizational barrier to starting the disruption journey—but it shouldn’t be. Instead, CFOs should take a dual approach to dealing with data issues:

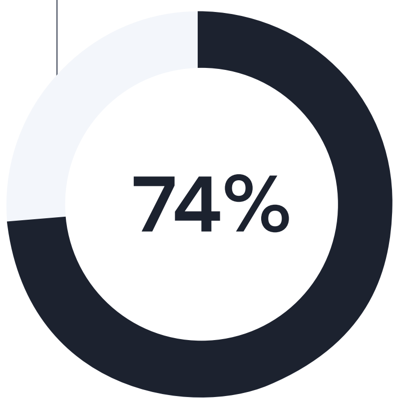
- First, identify those areas where the data, infrastructure, and processes are good enough to inject AI or GenAI. This toe-in, discrete approach allows the organization to start creating AI-related value and muscle memory for more extensive efforts.
- Second, simultaneously launch a structured initiative to improve data infrastructure and management. Work with the CIO to establish a single source of truth across the organization through master data management, data strategy (augmenting internal data with external sources), data infrastructure, KPI refinement, and reports or dashboard development. Doing this will provide the organization with the integrated data and business intelligence infrastructure needed to improve decision-making and multiply the impact of AI.

Sponsors' accelerated timeline isn't just about capturing value creation more quickly, it's also about making the most of this period of delayed deal activity.



of sponsors say they want their CFOs to use this period of economic uncertainty to invest in the type of AI that will lead to value creation

The problem? That's not something sponsors have explicitly communicated to CFOs.



of CFOs believe that their sponsors would prefer they not invest in AI during this period of extreme economic uncertainty

It's an important disconnect to acknowledge, and for sponsors to address. CFOs need to know that uncertainty should not stop AI adoption, but instead should accelerate it.

And while sponsors communicate this message to CFOs, they would also be wise to address CFOs' concerns about not knowing where to start. They can do so by connecting them with the right partners to help them effectively navigate their AI journey.

Expert analysis

CFOs probably have dozens of tech vendors or consultants knocking on their door and flooding their inbox with AI/GenAI promises. If you're a CFO, you should look for partners who understand where AI/GenAI does and does not add value specific to the unique and nuanced requirements of PE-backed CFOs. You also need experts who "get" your sponsor's expectations and goals. This means they must:

Pass the practicality test: You need a partner who can make AI/GenAI "real" by assembling a cross-functional team of financial and technical experts who will curate and implement solutions that drive measurable value…now.

Can fix the data: You know that it's essential to have solid data in order to maximize the value of AI/tech. So, you need a partner who can actually get your data environment ready for tech-enablement.

Have repeatable processes to solve your problems: You want a partner who serves as an expert general contractor, bringing a ready-to-go ecosystem to optimize the benefits of AI/GenAI. These partners have proven processes—they have done this again and again in a PE-backed environment.

Bring a holistic approach: By this, we mean a partner who looks beyond the tech to help fix the people and processes that underlie workstreams and contribute to their efficacy.

About Accordion

Accordion is a financial consulting firm uniquely focused on private equity. Rooted in data and technology, Accordion's expertise lives at the intersection of sponsors and PE-backed CFOs. Our team helps drive value creation for clients, with services supporting the Office of the CFO across all stages of the investment lifecycle—including foundational accounting, strategic financial planning and analysis enhancement, CFO-led performance, transaction support, and turnaround and restructuring solutions. All of Accordion's services are powered by deep expertise in data and analytics, CFO-specific technology, and finance-led transformations. Accordion is headquartered in New York with ten offices around the globe.

Survey Methodology

The State of the PE Sponsor & CFO Relationship survey was conducted by Accordion, in conjunction with Wakefield Research, among 400 total participants—including 200 private equity (PE) sponsors (senior executives) and 200 chief financial officers (CFOs) at private equity-backed companies with $50 million or more in annual revenue. The CFO and PE sponsor samples were collected in April 2025, using an email invitation and an online survey.

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