



Voice of the CFO

How CFOs plan to unlock GenAI productivity and cost savings

Generative artificial intelligence (GenAI) offers the promise of improving productivity across all functions of an organization with impressive gains, according to a chief financial officer (CFO) group representing a diverse section of industries. The conversation was lively and encompassed the CFOs' perspectives on the short- and long-term implications for productivity, revenue, and the workforce, as well as the importance of responsible GenAI implementation.

Building a foundational layer

GenAI has come a long way in short period of time. It started out as the shiny new object and then transitioned into nascent use cases for certain functions. The stage now calls for building a foundational layer for wide-scale adoption by every department and all associates.

"We have to build a foundational layer first before we can actually take advantage of GenAI," said a CFO for a major computer manufacturer. "We have different workstreams that we're currently trying to figure out to move the company forward holistically." It is well worth the wait given the expectation. This CFO expects a 50 percent gain in productivity.

A CFO of a financial services firm sees their GenAI push as an accelerant for foundational work. "We're using this year to set the foundation in terms of data architecture, data lake, and data quality investments that might have taken us three years otherwise."

Other CFOs in the group were more cautiously optimistic. "It's still early days, and the biggest thing for me is the R in ROI," said a CFO for a packaged goods company. "I think backwards. Five years from now, what will the benefits be from leveraging GenAI?"

Starter thoughts

- Consider groundwork strategies for integrating GenAI
- Green-light investment in data quality and data hygiene
- Build consensus with other C-suite members

GenAI predictions

Our CFO group predicts GenAI's impact on their organizations as follows:

- Productivity gains of **50%-60%** in finance.
- Productivity gains of **15%-30%** across all operations.
- Productivity gains will be matched by cost savings like a major reduction in workforce.

At KPMG, we are not just advocating that organizations adopt GenAI. We consider ourselves to be "client zero" and are following our own advice and making major investments—all to help ensure we lead on GenAI.

We believe:

- Trusted AI will accelerate time-to-value.
- Operationalizing Trusted AI at scale will remain a major hurdle for some time.
- GenAI will change entire industries, especially companies with large concentrations of knowledge workers.

Sequencing concerns CFOs

With CFOs focused on building the foundational layer for GenAI adoption, their next concern is sequencing or cadence as it impacts their budgeting, resourcing, and staffing. Management must evaluate which processes and functions can be improved through GenAI and determine the optimal order of implementation.

Management, along with finance, must also decide how fast or how slow to proceed with GenAI and whether to outsource or develop capabilities in-house. A CFO in the fintech space sees value in trusting the right partner or opting for an internal candidate. The company selected a business unit president to accelerate their GenAI program. "As development and implementation cycles get shorter, revenue goes up."

The strength of GenAI lies in automating mundane tasks, freeing up valuable time for employees to focus on more strategic and value-added activities. This can

lead to significant productivity gains. It can also lead to significant cost savings with fewer people needed.

“This has been a challenge for me my entire career as a finance person,” said a packaged goods CFO. “When you make investments where it takes people to get started, but the return on that is less people, how does the cadence work?”

CFOs have a long-range planning view and see a coming transformation of the workforce. GenAI is as much about cost savings as it is about productivity. The question on CFO minds is when and how, so they can plan for it.

A CFO with a technology manufacturer put it simply. “We’re spending a billion dollars. Maybe this is something we should get serious about.”

“Getting serious is about proving the value. Sanjay Sehgal, KPMG Advisory Markets Lead, shared how data delivers bottom-line results. “Being able to connect all the data collected on maintenance, operations, downtime, and so on enables better forecasting. With an intelligent forecast, you can reduce inventory and working capital while driving revenue.

Starter thoughts

- Explore intelligent forecasting with advanced analytics and AI
- Look into vendors and resources for GenAI adoption
- Rethink teams and reorient business models

Responsible GenAI

The CFO group conversation about GenAI and the ramifications of wide-scale adoption quickly shifted into the importance of responsible AI. Guidelines and frameworks must address ethical concerns and prevent unintended consequences. Responsible AI implementation considers the impact on employees, customers, and society and offers steps to mitigate potential risks.

The CFO of a financial services firm mentioned they started putting “responsible” in front of everything associated with GenAI. Per Edin, KPMG Advisory AI lead, provided some perspective. “There are a number of controls and procedures, and a battery of suggestions to put in your ERM approach to ensure your company isn’t exposed or liable for using a biased model.”

For the CFO group, it is comforting to know that security with GenAI is more an extension of each company’s cyber and enterprise risk management program.

To address the impact on employees, organizations need to be open and up front. This involves showcasing successful use cases, providing training and support to employees, and addressing concerns about job security. By involving stakeholders early in the process and ensuring clear communication, organizations can foster a positive mindset towards GenAI adoption.

A successful use case is like the rising tide that lifts all boats. Everyone involved benefits. The CFO for a major computer manufacturer shared the story of being

in India and watching them use GenAI to help solve customer issues with high customer satisfaction. The experience was positive for all involved.

Starter thoughts

- Ramp up cybersecurity defenses
- Add controls and policies for responsible GenAI usage
- Trusted AI accelerates time to value

Our CFO conversation reveals that organizations are taking steps to build a foundational layer capable of making the most of their GenAI investment. At the same time, CFOs are concerned about sequencing or even wishing for a better understanding of what comes next. They see the excitement around productivity but also are aware of the positive impact of GenAI on cost savings. Above all, finance is championing responsible GenAI that considers the impact of this emerging technology on employees, customers, and society.



Additional insights

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