Auditoria.AI is an industry pioneer, offering SmartFlow Skills, the 1st cloud-native, Cognitive Automation platform for ERP.

- Harnesses modern technology (AI, NLP, ML, OCR) to transform the next generation finance back office.
- AI-Bots to Automate repetitive tasks, deliver predictive analytics, and provide interactive responses for AP, AR, Audit, Forecasting, and more.
- Streamlines your Shared Services function and recovers thousands of hours per year for your finance teams.
Agenda

• Background: What is AI and why is it relevant today?
• The Opportunities with AI in Corporate Finance
• The Journey to AI-driven Digital Transformation
• Practical Approaches to adopting AI-driven Digital Transformation for Finance
• Q&A
Artificial Intelligence: The new generation of Tech

AI is Technology which enables computers to be taught to:

- Analyze data
- Identify patterns
- Execute tasks
- Predict outcomes

AI is rapidly moving from Experimental Technology to Mainstream Technology
The AI Technology Portfolio

Natural Language Processing  Computer Vision  Machine Learning  Deep Learning
The areas where AI can help

- Improving Process Efficiency has the most potential
- Accelerated Decision Making by getting greater visibility and stronger insights is the next area of opportunity
- Enhancing existing services and improving serviceability to customers is also important
# The Opportunity for AI in Corporate Finance

<table>
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<th></th>
<th>Currently implemented</th>
<th>Within 12 months</th>
<th>Within 2 years</th>
<th>Within 5 years</th>
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<td>61%</td>
<td>28%</td>
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<td>Budgeting and forecasting</td>
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<td>38%</td>
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<tr>
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<tr>
<td>management</td>
<td>35%</td>
<td>37%</td>
<td>29%</td>
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</table>

Source: Grant Thornton's 2020 CFO Survey
Key Challenges that Finance teams face in AP/AR

Accounts Payable Challenges

- Inaccurate invoices: 21%
- Internal approvals: 28%
- Payment status: 16%
- Invoice accruals: 11%
- Internal processes: 10%
- No challenges: 14%

Accounts Receivable Challenges

- Lack of responsiveness is the primary challenge for more than half of respondents (52%).
- Repetitive follow ups results in a whopping 73% who cite this as the biggest challenge.
- Inaccurate customer information was cited by 12% of respondents as the #1 challenge in Accounts Receivable.

Source: Auditoria State of AI/Automation Finance Survey 2020
1 in 2 FP&A don’t use Predictive Recommendation Analytics

Don’t use Recommendation Analytics \[\rightarrow\] Manually build Recommendation Analytics \[\rightarrow\] Use automated Recommendation Analytics

What are Recommendation Analytics?
Recommendation analytics provide insights like “Which customers are likely to be late in payments?” or “What will cash flow look like in the future?”

36% of respondents don’t use any form of recommendation analytics
16% of respondents use manual labor to provide analytics to gain key business insights

Source: Auditoria State of AI/Automation Finance Survey 2020
AI-driven Digital Transformation Myths

• Adopting AI is Slow, Complex and Expensive
• The Primary Benefit of AI-driven Automation is Labor Cost-Savings
• Automation eliminates the Human Element
• AI and Digital Transformation is Futuristic and Complicated – and Robots are a bit Scary
• AI is for the super large Enterprises only
Approaches to AI and Digital Transformation

TACTICAL
• Departmental
• Low Risk
• Low Effort

OPERATIONAL
• Wider impacts for multiple departments
• Typically touches people, process and technology
• Longer in duration

STRATEGIC
• Executive Buy-in
• Broader in scope, larger investment and bigger payoff
• Typically part of a longer term, multi-year initiative
AI: Adoption Strategies used by Finance Leaders

- Inventory Internal Capabilities
- Choose a Data Strategy
- Establish a cross-functional team/taskforce
- Build an AI Center of Excellence with a few trusted partners
- Help the teams confront the fear or hesitation with AI
AI: Practical Examples in the Finance Back Office today

Augment Humans in Correspondence
- AP Inquiry from Vendors
- AR Support from Customers
- Bi-directional Dunning Comms Automation

Execute Repetitive Tasks and Processes
- Prepare Journal Entries
- Conduct Invoice Accruals
- Retrieve Compliance Reports
- Gather Tax Forms, Payroll Reports
- Execute close activities

Predict and Forecast Algorithmically
- Forecast Cash Balances
- Forecast Treasury
- Automate nightly forecast recalculation
- Predict Remittance Delays
AI for Common Vendor Management Tasks

Intelligent email-based Bot which can recognize, respond to and execute common vendor-related tasks and activities

- Reduce the constant interruptions to the AP team
- Doesn’t require a dedicated vendor portal with specialized credentials and maintenance
- Secure communication using your corporate email system with real-time validation of vendor accuracy
AI for Bi-directional Correspondence Automation with Intelligent Classification

Automated notifications for different types of Customers:

- Fast Payers
- Slow Payers
- Key Accounts
- Escalation

- Early Payment Notice
- Request for Bank Reference
- Trade Reference
- 1st/2nd/3rd Past Due reminders

Slow Payer

Early Payment Notice
AI for Predictive Remittance Forecasting

Algorithmic capabilities for predicting:

- Late customer remittances
- Which customers are likely to default
- Invoice payment dates and blocked orders
AI for CashFlow Forecasting & Statistical Analytics

Algorithmic capabilities for:

- CashFlow Balance forecasting
- Treasury forecasting
- Statistical Analytics on Financial KPIs across the back-office
Areas where AI can impact Algorithmic Forecasting

Bottom-Up Forecasting
- Direct Cash Flow
- Market or Country level Forecasting
- Product line Forecasts

Working Capital Forecast
Remittance Forecast
Demand Forecast
Revenue and Target Setting
Financial Statement Forecasting
Tax Implications

Top-Down Forecasting

Line of Business Forecasting
- Inventory Adjustment
- Customer Retention
- Employee Retention
- Employee Attrition
Benefits of AI for Finance Teams

- Eliminate repetitive tasks freeing up staff to work on higher value work
- Improve efficiency and speed of delivery by avoiding manual handoffs
- Reduce risk of human error and costly write-offs or waste
- Deliver higher quality services...predictably
- Create future opportunities for continued refinement and improvement
In Summary..

• Start thinking about opportunities to introduce AI in the Finance function
• Build an AI Center of Excellence with a few trusted partners
• Evaluate and Prioritize a few areas that are candidates for AI
• Pilot a tightly scoped functional prototype for AI that helps your teams
• Operate and Innovate
Q&A