### BCCG BOSTON CONSULTING GROUP

### Digital Trends and Gen AI in Finance

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CENTER FOR CFO Excellence

DUBAI



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- Mumbai / Texas / Philadelphia
- Corporate Finance & Strategy
- Global OCFO expert 5 continents, 25 countries
- 90+ Finance transformations over ~2 decades
  - ✓ Optimizing org structures and operating models
  - ✓ Re-engineering core processes
  - ✓ Digitizing to modernize Finance and Accounting

## Introducing digital finance



### We are witness to an emerging new era in Finance

Digitalization and AI is disrupting the Finance Function





Major tech trends are changing the "art of possible" in Finance

Source: BCG

Digitalization and AI is disrupting the role of Finance Navigating through the "Digital Finance" journey

## Emerging tools / technologies will step change the way finance operates



## Enabling tools have different impacts across efficiency and effectiveness for Finance



Yet multiple factors often prevent Finance from achieving its ambitions



### How do we start? Many technologies available to enable evolutionary transformation...





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Poised to rapidly change the workplace, evidenced by impressive feats it can already accomplish





Create fully original text, images, audio and reason, in seconds



Low barriers to entry and does not require high levels of expertise to get started



Access to expertise and knowledge across all fields



## Gen AI will likely follow an S-Curve for use cases in the finance function



### Preliminary, given rapid changes in GenAl ecosystem

Looking across industries, Gen AI is expected to see the strongest growth in Healthcare, reaching \$22B market volume in 2027 with a CAGR of ~ 85% p.a.



Note: 1. Other includes Industrial Goods, Energy, and Telecom markets; 2. BFSI includes Insurance (~ \$2B 2025) and Financial Institutions (~ \$13B 2025) including retail and wholesale banking, asset and wealth management, and private equity Sources: AI TAM research, Expert interviews, BCG analysis



## Gen AI will not replace AI, but rather extends AI capabilities in finance

### Use Generative AI for producing Use AI content, generating ideas, for decision making answer questions Any writing task Reconciliation detection (e.g., contracts, investor comms) -Recommendation engine Financial scenario \_\_\_\_ 🗊 Credit scoring generation Demand forecasting Audit risk detection Compliance Automated report (expense fraud) generation Data-based detection Spend **Business** category intelligence and analysis strategic insights Applications can overlap and leverage the best of both technologies

### Unlocks new use cases

 Ability to generate content and ideas will reshape workforce productivity and customer engagement

### Extends current AI use cases

- Simplifies the user interface, and enables effectiveness of current processes (e.g., demand forecasting)
- Increases accuracy and speed of existing models by generating better synthetic data

### AI use cases will persist

 Compliance, process optimization and control, forecasting

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### And potentially transform the way finance organizations create value



# ~25 diverse use cases already identified / piloted within finance organizations

Functions	Use ca			ases <sup>2</sup>			Impact
Finance Operations (incl. P2P and O2C)	Contract Drafting	Credit review	Invoice processing	Billing generation support	AR collections	Customer/su pplier leakage	Improved Efficiency: Provides customized document generation, freeing up analyst time for other work
Accounting & Financial Reporting	Period-end Reconciliations	Financial Close & Reporting	General ledger entry review				Improved Efficiency: Expedites reporting and review processes to be completed in timely manner
Finance Planning and Performance Management	Ad-hoc profitability analysis	Scenario Analysis	BI & Strategic insights	Financial forecasting			Improved Effectiveness: Increasing analysis accuracy and quality of insights
Treasury Management	Monitor foreign currency trends	Cash flow analysis	Cash forecasting				Improved Effectiveness: Optimizes cash management with more accurate forecast generation and analysis
Risks & Controls	Policy draft creation	Compliance monitoring/r isk analysis	Initial draft audit memos	Fraud detection			Improved Efficiency & Effectiveness: Accelerates basic control processes and strengthens risk management
Investor Relations	Market trends and peer benchmarks	Market perception & sentiment	Investors reports and communication	Investor Relations Q&A draft			Improved Efficiency: Quicker report generation to free up capacity to edit and prepare for investor questions
		Text analysis	1 Data An	alysis Code	optimization	Insights generation	

1. Includes report/document generation

2. Based on BCG perspective on current technology and knowledge of typical process improvements required in finance function

