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Finance Innovation
Survey 2023

**How Finance executives in Switzerland
see the current state of AI and its potential
in Finance**

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Foreword

This year's Deloitte Finance Innovation Survey addresses the question of AI adoption in Finance. We explore the opportunity for the application of digital technologies generally, and AI in particular, within Finance, highlight the continuing importance of human talent and skills, even as automation advances, and explore the challenges of successful AI implementation.

Last year's survey looked at another critical topic: sustainability and the role of the Finance function. Responses revealed a gap between Swiss Finance leaders' sustainability aspirations and their readiness to be part of the transformation. Is ambition also outpacing capability in the adoption of AI?

Few would doubt that AI is here to stay in Finance. Businesses have successfully implemented AI-powered technologies, for example to increase automation or improve decision-making. What then does the current installed base tell us about the potential of AI in Finance and what lessons can be drawn from these pioneer projects?

We hope this report provides insights that will help you in your transformation to an AI-fuelled Finance function and we look forward to continuing our dialogue with you.

Markus Zorn,
Partner
Finance and Performance
(F&P) Lead Switzerland

Key findings

Current state of AI adoption in Finance

- AI is already widespread in Switzerland. Almost 90% of Swiss Finance executives surveyed say they are aware of AI initiatives in their company. 75% say AI solutions are being implemented.

- From an organisational perspective, most AI projects are initiated at a function level. Finance is a leading function in AI adoption.

- Nevertheless, almost 60% of survey participants describe the current maturity level of AI adoption as low.

Digital technologies and AI application

- AI has untapped potential. Among all the digital technologies available to Finance today, respondents to the survey expect AI to show the greatest increase in importance over the next two years.

- Whilst AI today impacts mainly Financial planning and analysis, Financial operations, and Controllership and reporting, all functional areas of Finance are seen as having future potential for AI led automation.

- According to the survey results, the greatest benefits AI offers in Finance are improved process efficiency and forward-looking insights.

People and organisation

- Success with AI depends on a re-think of the traditional Finance skillset. New AI specific skills are required to work productively with AI technologies. Foremost among them are programming languages, proficiency with cloud technologies, and mathematical and statistics knowledge.

- All Finance domains have identified the need for AI related skills. However, three out of four respondents indicate that training and/or hiring of Finance professionals with such skills has not yet begun.
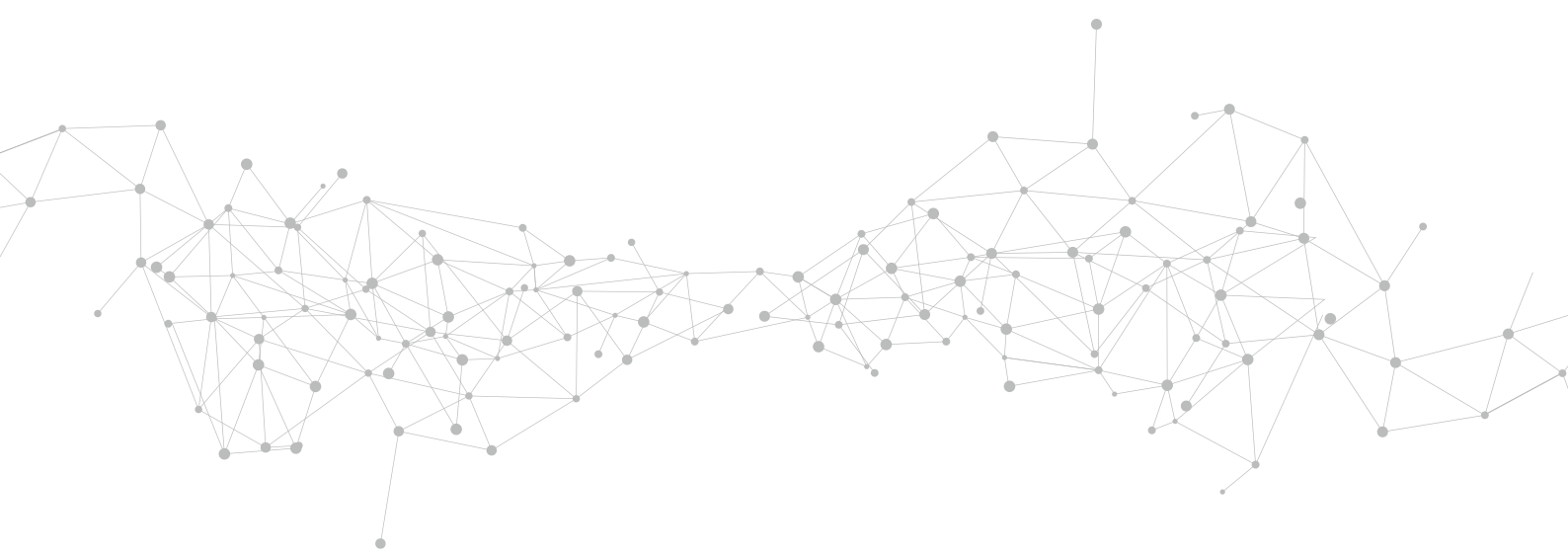
Implementation approach and governance

- Most AI projects today take place for rather individual use cases within functions and are not embedded in or following a group wide strategy. Scaling and industrialisation of AI therefore can become more complex and requires more change effort.

- AI implementations face some familiar challenges. The most mentioned are data availability and/or quality issues, a lack of knowledge and skills, and the lack of an AI strategy or vision.

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01.
Defining AI in Finance

Artificial Intelligence (AI) refers to software with self-learning algorithms capable of complementing human judgement in task completion. It encompasses many technologies that work together to enable innovative solutions, such as Deep Learning which can be applied to image, text, and audio recognition and interpretation. Such technologies have the potential to disrupt industries and transform organisations.

Finance as an insight led function is in the vanguard of AI adoption:

In Business Finance, AI helps decision making by providing deeper insights to Finance functions. For instance, AI applied through Natural Language Generation (NLG) and AI-powered decision intelligence helps companies create insightful management reports. An interactive dashboard enriched with narratives can derive actionable insights from profit and loss figures. It identifies the performance impact of value drivers, recommends potential actions, and can provide performance alerts to users.

In Operational Finance, AI can reduce the burden of manual work in transactional finance processes beyond what can be reached with Robotic Process Automation (RPA). For instance, AI applied through cognitive automation using Optical Character Recognition (OCR) builds the foundation for touchless invoice (accounts payable) processing as all received invoices, regardless of their format, are converted into machine-readable data for processing. Regarding back-office processes, AI can also be leveraged for assessing credit limits and cash collection, where it can identify irregular patterns and help the back-office team to focus on key outliers, or proactively suggest change activities (e.g., credit limit increase).

If you want to find out more about use cases for AI in Finance, please reach out to our topic experts:

Jon Bailey,
F&P Switzerland
Finance Strategy Lead

"A clear vision is key to set the direction for any AI journey. Our Digital Finance lab accelerates your vision definition, helping you to get off to a great start"

Miriam Hirs,
F&P Switzerland
Business Finance Lead

"Selecting the right use case can help accelerate your AI journey. I'd be delighted to discuss options with you in the area of planning & forecasting and advanced analytics"
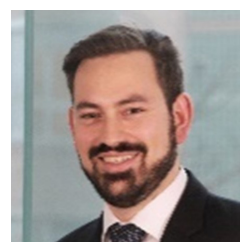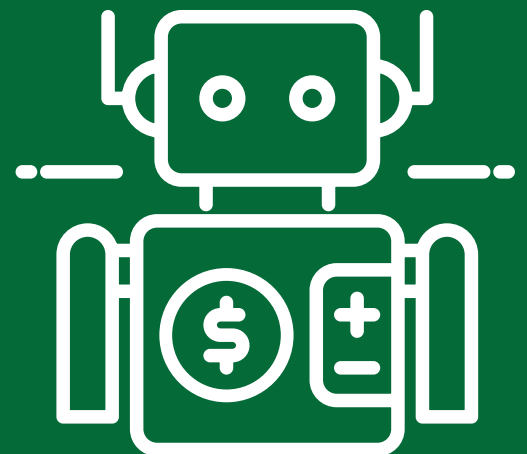
Marwan Kosbah,
F&P Switzerland
Operational Finance Lead

"Automation is key. I'm looking forward discussingwith you how to use the full potential of AI to accelerate the automation of Finance and to boost performance."

02.
Current state of AI adoption in Finance

AI adoption is taking place and offers significant benefits for Finance

Illustration 1: **Are you aware of ongoing or completed AI initiatives/projects in your company?**

Companies are putting AI to work. The vast majority (almost 90%) of survey participants say they are aware of concrete AI initiatives in their company. Almost half of these are in the Finance function. Only 1 in 10 survey participants are not aware of any AI initiatives.
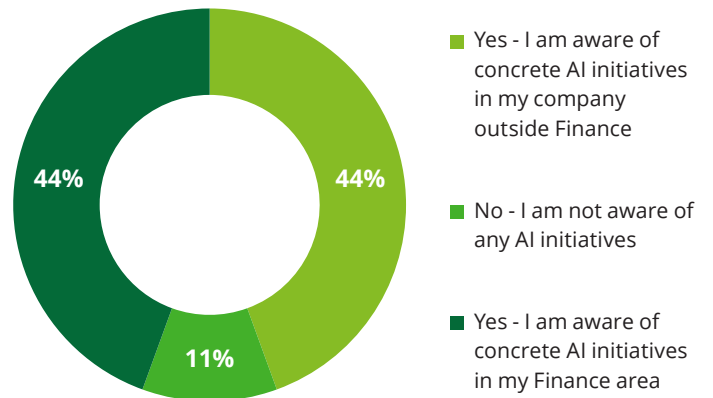

- Yes - I am aware of concrete AI initiatives in my company outside Finance
- No - I am not aware of any AI initiatives
- Yes - I am aware of concrete AI initiatives in my Finance area

Illustration 2: **Has any AI solution already been implemented in your company?**

The implementation of AI solutions is well underway. Almost 90% of survey participants are aware of specific AI initiatives in their company and only slightly fewer say that such solutions have already been implemented. 75% of respondents say that AI solutions have been implemented in their company.
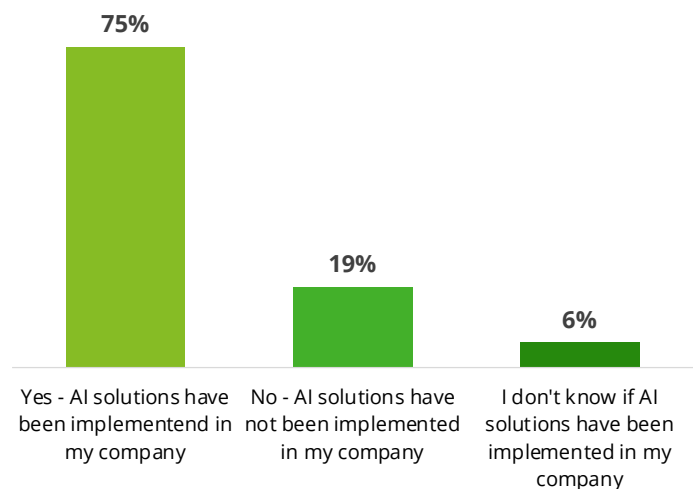

Yes - AI solutions have been implementend in my company	No - AI solutions have not been implemented in my company	I don't know if AI solutions have been implemented in my company
75%	19%	6%

Illustration 3: **On which organisational level(s) are AI projects initiated in your company?**

Most AI projects are initiated at a function or process-specific level. Most AI projects are initiated either at the function level (26.8%) or at a process-specific level (22.0%). Other levels at which AI projects are initiated are shared service centres/centres of excellence (19.5%) and the division/business unit level (17.1%). By contrast, only 14.6% of projects are initiated at group level.
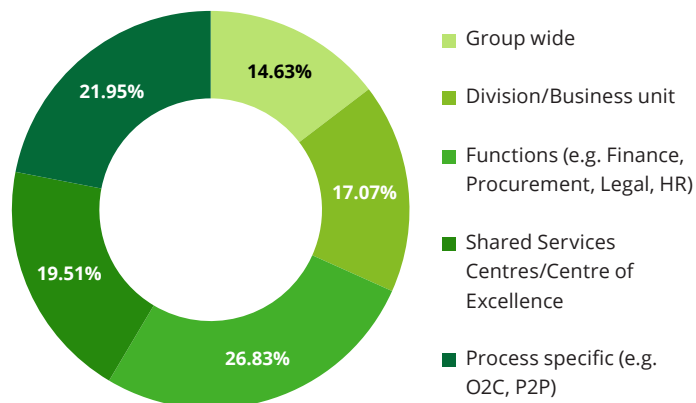
14.63%

21.95%

17.07%

19.51%

26.83%

- Group wide
- Division/Business unit
- Functions (e.g. Finance, Procurement, Legal, HR)
- Shared Services Centres/Centre of Excellence
- Process specific (e.g. O2C, P2P)

Illustration 4: **Which department in your organisation is the owner of Finance-related AI projects?**

Most Finance-related AI projects are owned by the Finance function. 69% of the companies surveyed state that the Finance function owns Finance-related AI projects. However, 19% see the IT function as owning Finance-related AI projects and 12% state that other functions own Finance-related AI projects.
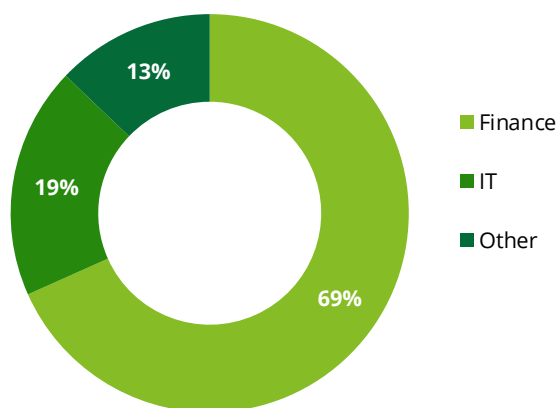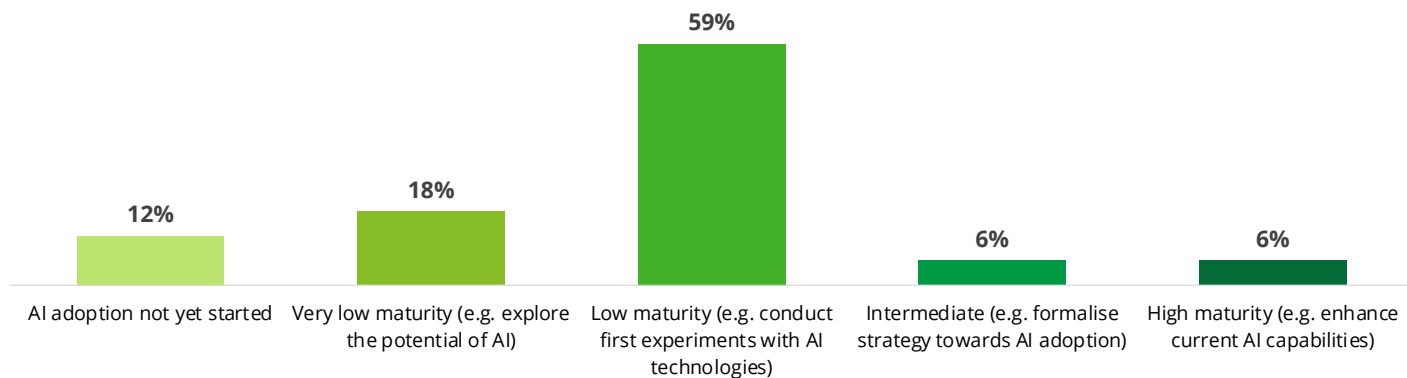
13%

19%

69%

- Finance
- IT
- Other

Illustration 5: **Which of the following maturity levels best reflect the current stage of AI adoption in your Finance area?**

12%	18%	59%	6%	6%
AI adoption not yet started	Very low maturity (e.g. explore the potential of AI)	Low maturity (e.g. conduct first experiments with AI technologies)	Intermediate (e.g. formalise strategy towards AI adoption)	High maturity (e.g. enhance current AI capabilities)

AI is still in its infancy in Finance departments. Most of the Finance professionals surveyed (59%) describe the current maturity level of AI adoption as low and, roughly equivalent to implementing AI solutions experimentally. 18% of respondents even describe the current maturity level as very low. Less than 10% describe it as high.
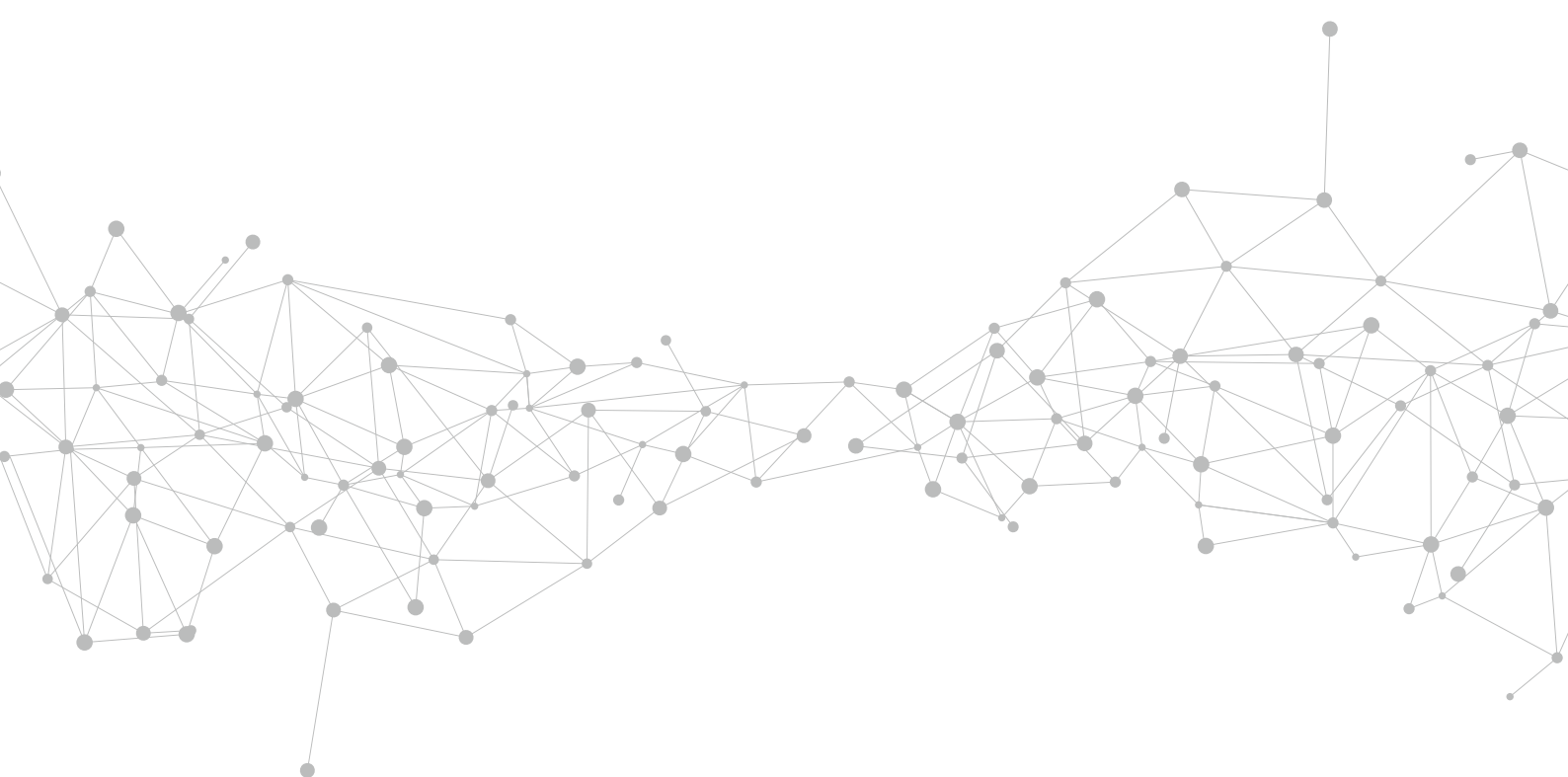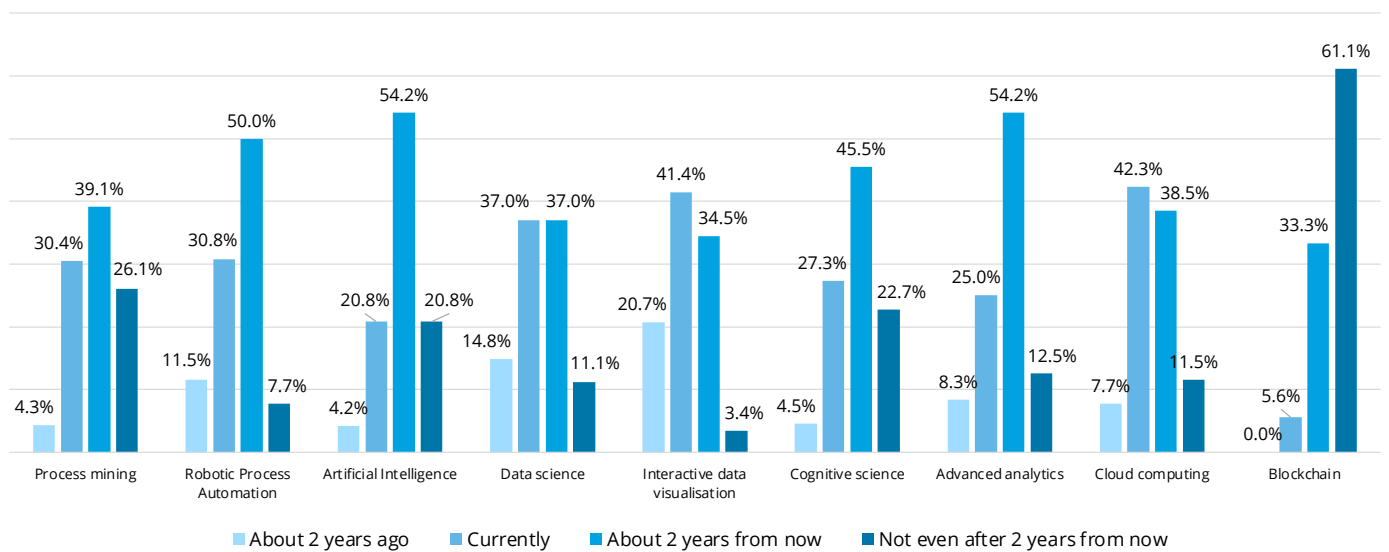
03.
Digital technologies and AI applications

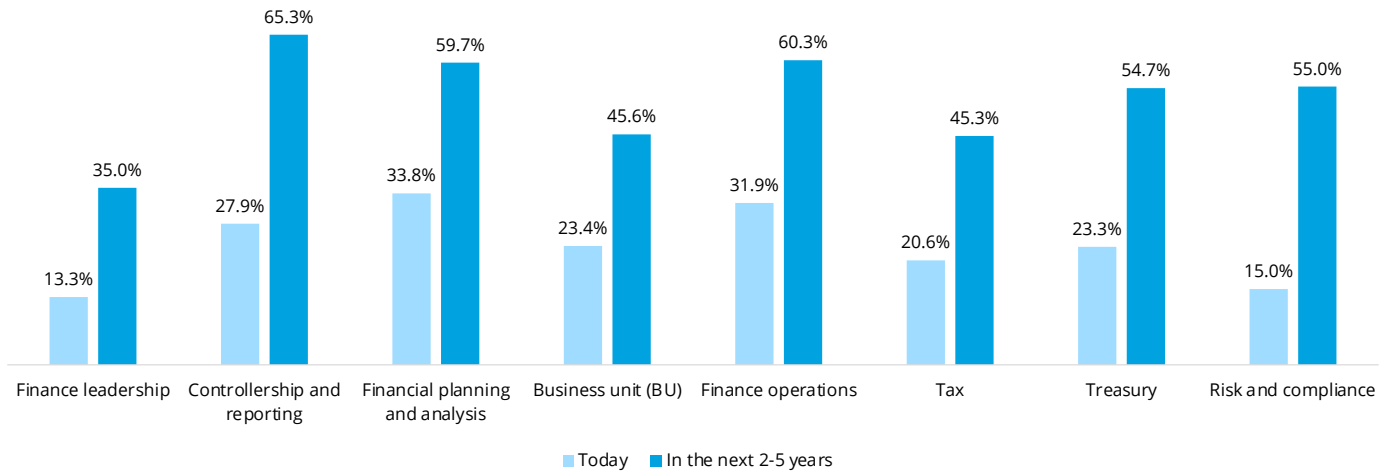# The AI-fuelled Finance function is gaining momentum

Illustration 6: **In general, which of the following technologies have you used in your Finance organisation 2 years ago, or use today or expect to use in 2 years' time?**

Legend: ■ About 2 years ago ■ Currently ■ About 2 years from now ■ Not even after 2 years from now

Digital technologies will become crucial for the future of Finance. Leading the adoption of digital technologies in Finance are Interactive data visualisation, Data science and Robotic Process Automation (respectively 52%, 44%, 35%). These technologies are expected still to be the leaders in two years' time. However, particularly large gains are expected in Advanced analytics and Artificial Intelligence, which will then rank in the top three alongside Robotic Process Automation (respectively 59%, 57%, 57%).

Illustration 7: **In your opinion, to what extent will AI impact day-to-day work within the following Finance areas?**

	Today	In the next 2-5 years
Finance leadership	13.3%	35.0%
Controllership and reporting	27.9%	65.3%
Financial planning and analysis	33.8%	59.7%
Business unit (BU)	23.4%	45.6%
Finance operations	31.9%	60.3%
Tax	20.6%	45.3%
Treasury	23.3%	54.7%
Risk and compliance	15.0%	55.0%

■ Today ■ In the next 2-5 years

AI will impact all functional areas of a Finance function. Survey respondents indicate that the areas of Financial planning and analysis, Financial operations, and Controllership and reporting are already impacted by AI to a greater extent than other Finance areas (respectively 34%, 32%, 28%). Over the next two years adoption is also expected in Tax, Treasury and Risk and compliance (respectively 45%, 55%, 55%).

Illustration 8: **Where do you see the greatest benefits of AI technology in your Finance area?**

Process eficiency and forward-looking insights are key benefits of AI. According to the survey results, most respondents see process efficiency as the area in which AI can provide the greatest benefits in the form of cost reduction and productivity enhancement. Creating forward-looking insights through scenario modelling is also an area that is seen as particularly beneficial.

Making processes more efficient leading to reduced costs and enhanced productivity

Allowing scenario modelling to create forward-looking insights

Improving existing services and processes leading to enhanced stakeholder relationships

Creating and implementing new products and services leading to enhanced Finance capabilities

04.
Talent and skills

Successful AI deployment relies on skilled talent

Illustration 9: **Do you already have the necessary skills in your Finance area to work successfully with AI technologies?**

Workforce skills are key to implementing AI in Finance and training has yet to start. Survey results suggest that all Finance professionals surveyed have recognised the need for AI related skills among their employees. But 76% say that training and/or hiring of Finance professionals with such skills has not yet started.
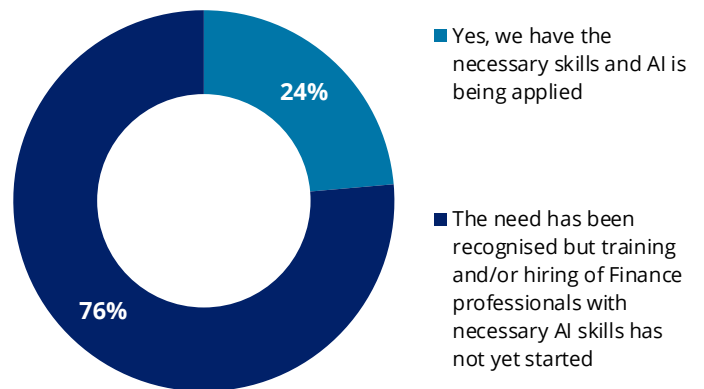

24%

76%

■ Yes, we have the necessary skills and AI is being applied

■ The need has been recognised but training and/or hiring of Finance professionals with necessary AI skills has not yet started

Illustration 10: **Which skills do you think are required to work successfully with AI technologies?**

Top 10 skills:

01 Complex problem-solving

02 Data literacy and modelling

03 Analytical thinking

04 Creativity/thinking out of the box

05 Adaptability to changing environment

06 Decision-making/ critical judgment

07 Business partnering and collaboration management

08 Programming languages

09 Proficiency with cloud technologies

10 Mathematical and statistics knowledge

AI-specific skills are required to work successfully with AI technologies. Traditional Finance-related skills such as (1) complex problem-solving, (2) data literacy and modelling and (3) analytical thinking are crucial to working successfully with AI technologies. Also crucial are softer skills such as (4) creativity/thinking out of the box, (5) adaptability to changing environment, (6) decision-making/critical judgement and (7) business partnering and collaboration, which are less common in Finance teams More AI-specific, non-Finance skills complete the list: (8) programming languages, (9) proficiency with cloud technologies and (10) mathematical and statistics knowledge.
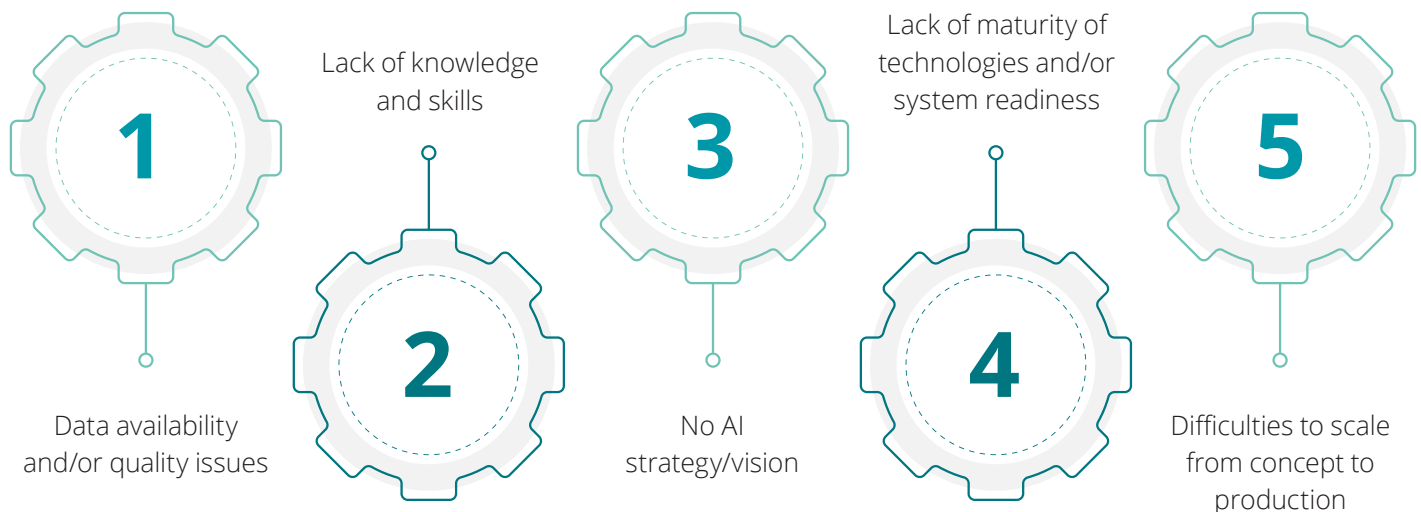
05.
Implementation challenges

Data quality and availability are key to the implementation of AI

Illustration 11: **Please indicate which challenges you perceive to be critical when implementing AI projects in your organisation?**

Top 5 critical challenges when implementing AI projects:

1

Data availability and/or quality issues

Lack of knowledge and skills

2

3

No AI strategy/vision

Lack of maturity of technologies and/or system readiness

4

5

Difficulties to scale from concept to production

The challenges of implementing AI projects are clear. According to survey participants, the biggest challenges are data availability and/or quality issues, lack of knowledge and skills, and the lack of an AI strategy or vision. In addition, the results show that a lack of technological maturity and/or system readiness and difficulties scaling from concept to production are challenges to be overcome.
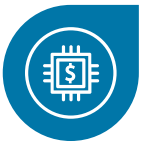
06.
Concluding thoughts

Current state of AI adoption in Finance

- As AI gains more and more traction in Finance, it will be beneficial for Finance to take ownership of its own AI implementations.

- Finance should consider a review of the current capability to identify where AI could yield the greatest benefits.

Digital technologies and AI applications

- Digital technologies are becoming increasingly important in Finance, with AI seen as having the greatest potential.

- AI is expected to be widely applied across all Finance domains. Finance should begin by identifying candidate business cases, prioritising them and planning their implementation.

Talent and skills

- Finance should provide, in collaboration with a dedicated central function, specialised training programmes to teach new AI specific skills required to work successfully with AI technologies.

- The hiring strategy should be aligned with the organisation's AI vision and ensure to include talent with the required AI knowledge, skills, and technological acumen.

Implementation challenges

- To realise the full potential of AI, Finance should define concrete actions to address the current challenges to implementation.

- These challenges can be overcome by establishing a clear vision and value case, developing a foundational data model, utilising AI toolkits, and equipping the Finance function with the right skills and talent.
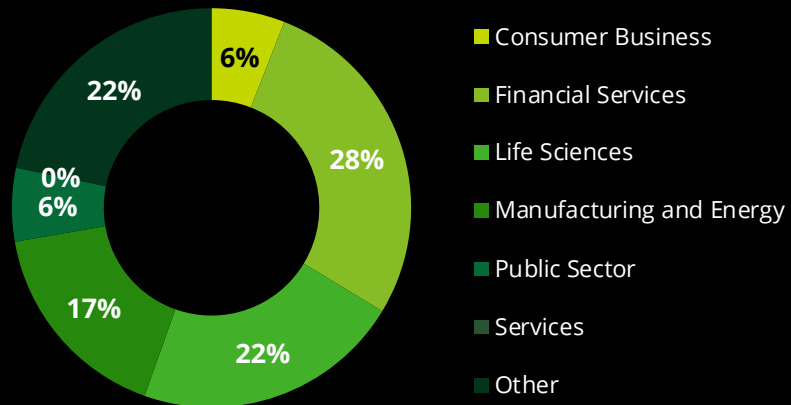
Demographics

Industry coverage
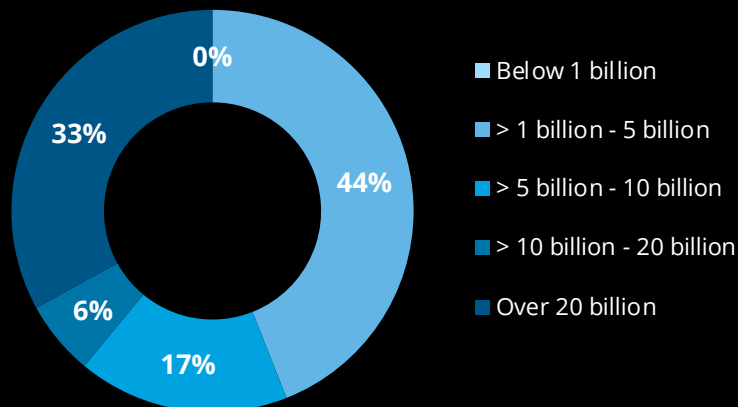
Illustration 15: Please indicate your industry.

The surveyed population covers all Swiss industries. Consumer, financial services, and life sciences have the strongest representation.

Chart values: 6%, 28%, 22%, 17%, 6%, 0%, 22%

Legend:
- Consumer Business
- Financial Services
- Life Sciences
- Manufacturing and Energy
- Public Sector
- Services
- Other

Annual turnover

Illustration 16: Please indicate your company turnover (in CHF).

33% of companies surveyed have an annual turnover of more than CHF 20 billion. 61% represent companies with revenues between CHF 1 billion and CHF 10 billion.

Chart values: 0%, 44%, 17%, 6%, 33%

Legend:
- Below 1 billion
- > 1 billion - 5 billion
- > 5 billion - 10 billion
- > 10 billion - 20 billion
- Over 20 billion

Workforce

Illustration 17: Please indicate the size of your company workforce.

34% of respondents work for companies with less than 10,000 employees. 45% for companies with between 10,000 and 100,000 employees, and 22% in companies with more than 100,000 employees

Chart values: 22%, 6%, 39%, 0%, 6%, 28%

Legend:
- Less than 5,000 employees
- > 5,000 employees - 10,000 employees
- > 10,000 employees - 30,000 employees
- > 30,000 employees - 50,000 employees
- > 50,000 employees - 100,000 employees
- Over 100,000 employees
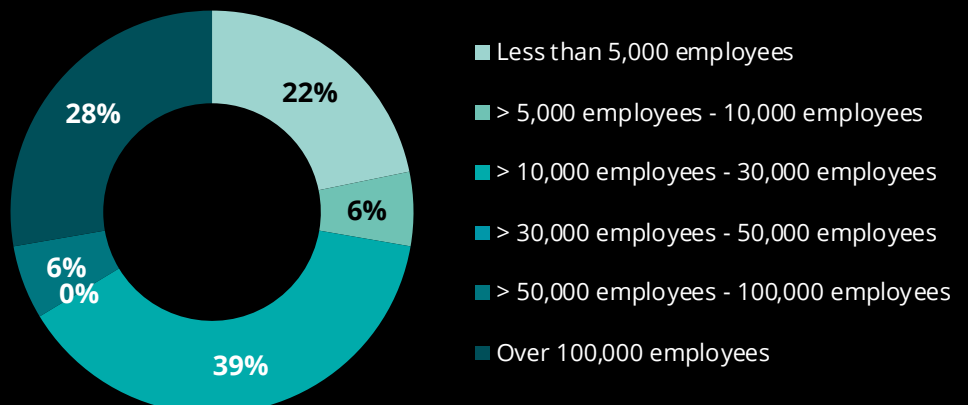
07.
Contacts and authors

If you would like to participate in our next survey and/or would like to discuss the results, please do not hesitate to contact us.

For additional insights on the future of Finance, please refer to our Crunch Time series.

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