

ARTIFICIAL INTELLIGENCE: 5 USE CASES FOR FINANCE DEPARTMENTS



HOW TO IMPROVE FINANCIAL PERFORMANCE USING ARTIFICIAL INTELLIGENCE

Companies are increasingly embracing artificial intelligence (AI). It may yet be in its infancy, but AI is set to be a game changer within the digital industry, in the wake of Cloud computing and operational task automation.

Leading tech consultancy Gartner says that **50% of analytical software** will be using artificial intelligence within the next three to five years.

Whatever their sector, today all companies face a more competitive landscape. The challenges are driven by the speed of technological growth and the need for a more sophisticated understanding of customer behavior.

New technology has handed decision-makers new levers that empower a more dynamic customer engagement process to expose genuine value. It is no longer company size today that determines success. It's the ability to adapt and innovate. Finance Departments have always been the pacesetters for value creation. Today their influence has become ever more strategic, especially within the arena of customer relations. They're now charged with facilitating the discovery of routes to growth, managing the complexities and overseeing costs. In the face of these new challenges, fast adaptation quickly to digital technology and new growth model is of the essence.

So how is artificial intelligence providing this support framework? It offers an immediate 360° customer view bringing with it crucial competitive and productive gains. There's now a whole gamut of new opportunities for the taking. Such as the ability to drive performance, compare your performance to that of your competition, reduce churn rates and increase sales ...

By pulling together all customer data from company-wide information systems, the Finance Department has become transformed into business facilitator. It is now the partner of choice for the Sales Department. Company siloes are being swept away as it begins to work in a genuinely coordinated way. Customer relations management becomes everyone's responsibility and customer engagement is placed at the heart of company strategy.



COMMON USES CASES FOR ARTIFICIAL INTELLIGENCE

Artificial intelligence today can be employed to add value to the work of Finance Departments in many ways.



Artificial intelligence opens new unexpected perspectives to competitive businesses. Following on from the automation and development of internal collaboration via Cloud platforms, artificial intelligence algorithms have advanced to be now far more capable of dealing with the requirements of Big Data. AI technologies such as Machine Learning or Deep Learning offer autonomous learning based on analysis and data mining. They can now be harnessed to permit companies to better identify undiscovered sources of revenue, to personalize customer relations and to anticipate customer behavior. AI now means that companies can be proactive and to base their decisions on fact rather than intuition. But for this new intelligence to take its place at the heart of a business, the technology must be adapted to existing systems and managed properly.

Key buying decisions with artificial intelligence vendors:

▶▶ 1. Choose a software vendor who can offer a full suite of predictive services

Most customers start with a single use-case such as to boost cash generation. But, to benefit from all the predictive analytics opportunities available, a full suite customer engagement solution is essential so that its application can be rolled out across all company departments.

▶▶ 2. Build a business case to demonstrate the opportunities to gain

Run a feasibility analysis; carry out project planning and preparation; establish your KPIs and goals definition Many AI software publishers will assist you with the implementation of your new solution and advise you on routes to best possible ROI.

▶▶ 3. Choose a vendor on flexibility, trust and partnership for success

Initial project goals can be redefined to better meet the current structure's needs. This means it is critical that the AI solution you opt for is a flexible and configurable solution (e.g. you may need to add in new data sources). Most importantly, look for a vendor whom you can trust and who has a track record of success. Don't hesitate to take a look at use-cases and ask for other **customer testimonials!**

Want some advice?

Get in touch with one of our experts

Thinking of building in-house?

Make sure you read page 16 of the guide



Your market performance comparison

For the first time, those Finance Departments employing artificial intelligence are now able to make an objective evaluation of their performance, in terms of their payment delays and in how they are collaborating with the sales team by providing them with a sales negotiation framework. Finance Directors no longer need to base their decisions on past performance. They are now empowered to influence what happens ahead.

By means of predictive behavior scores, companies can now compare their customer relations with those of other suppliers. By integrating statistical analysis and predictive algorithms with past and current sales and financial customer data, they now have access to instant visibility over likely payment delays, with the refinement of likely negotiated predictive delay and anticipated payment delay. Predictive analysis now makes prospective analysis possible, right from the moment of sales to receipt of funds.

From here on, the Finance Director, provider of negotiation power, is positioned as the de facto business partner of the Sales Director. The Finance Department is now a significant chain link and value creator for the sales teams.

This new access to reliable and easy-to-use predictive models that can be instantly shared on the ground to make real-time decisions on customer data is the base of the new digital governance. The use of artificial intelligence to improve customer knowledge, revenue sources or cost reduction measures is no longer a question of choice. It is now a formidable strategic challenge for any company that does not want to fall by the wayside.

2,500,000

PREDICTIVE PAYMENT SCORES OF EUROPEAN COMPANIES ARE NOW AVAILABLE

A Forrester survey shows that **78% of senior managers** view the alignment of Sales and Finance as crucial, but **only 15% of them** believe that these two departments are currently working collaboratively towards a single goal.

IMMEDIATE BENEFITS

- ▶ Comparison of customer payment habits
- ▶ Prediction of customer behavior and the resulting impact on cash
- ▶ Strengthening of sales teams' negotiation power
- ▶ Anticipation of new revenue sources
- ▶ Cementing of priorities based on fact as opposed to opinion

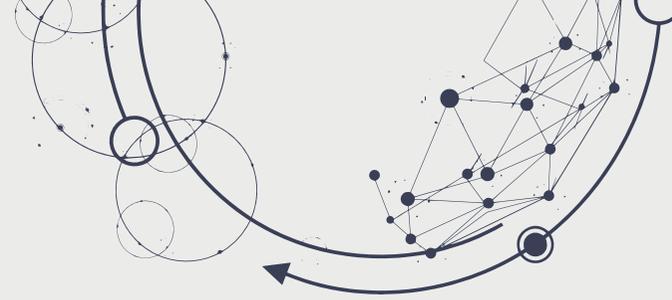
Cash flow Acceleration

Accenture states that the role of the Finance Director has now expanded to one that brings strategic value to a company. The logical consequence is that he should now take control of customer relations as opposed to only that of cash collection. Digital now means he is able to put forward the macro vision by providing the Sales Department with key information on customer behavior or by offering customers and instant communication channel.

Those Finance Departments who have undergone a successful digital transformation are already sharing real-time account information with the Sales Department and their customers. By means of an artificial platform, responsibilities are now clearly delineated and collaboration between Finance and Sales is automated. This creates an internal synergy that encourages interaction. Cash culture becomes real.

CRM data, ERP data, finance and credit insurance information are all integrated into a dedicated database, which is then analyzed and streamlined for each individual portfolio. Artificial intelligence pulls these different data sources together and automatically adapts the collection scenario to the company goals and payment behaviors. It makes for a trusted and full-scale support for the recovery process. Artificial intelligence takes care of all the interlinked digital activities, internal and external. It delivers an instant picture of the meaningful indicators such as the ageing balance, DSO, outstanding claims and overdue rates via clear dynamic dashboards.

Every user can now be one step ahead of an eventual or developing dispute case and react correctly to a critical situation. Everyone responsible for a customer portfolio gets improved visibility and is able to improve performance while reining in costs. Customers also appreciate a team-coordinated approach and recognize the professionalism shown by the intelligent company. Company digital transformation is both a performance lever and means of providing instant customer satisfaction.



Today only **2% of Finance Departments** are in a position to harness robotization to accelerate cash generation and improve performance. By 2020, however, **48% of Finance Directors** will have reached this point, according to PwC. How far have you got?

IMMEDIATE BENEFITS

- ▶ Digitalization of accounts receivables
- ▶ Instant prioritization of dunning actions
- ▶ Automation of on-the-ground collaboration
- ▶ Simplification of access to activity reports
- ▶ Increased productivity
- ▶ Acceleration of additional cash flow generation

Risk Prevention

Managing risks is the number one priority for Finance Directors, according to PwC.

Artificial intelligence is a fundamental asset when it comes to integrating analysis of payment behavior and financial engagement for each account for improved anticipation of customer risk. With a single click, the Finance Director can go beyond a synthetic vision of customer risk to one that encompasses the risk spread across every company division, tailored to his own firm. He now has access to detailed, reliable and real-time data. His own resources are now less focused on reporting, collection and data analysis, and more on his clear overview of risk and the immediate use of these meaningful customer data recommendations.

For 41% of Finance and Administration Directors, this is key to a much-improved performance.

Machine Learning algorithms are now actually able to learn from customer past behavior to anticipate any upcoming dispute or late payment. Artificial intelligence will fine-tune dunning strategy and dispute management to the characteristics of the customer, his outstanding amount, risk level and payment behavior. This means Credit Manager and Credit Analyst roles have also altered. Now in a position to accurately judge risk associated with each new sale, they are able to maintain a sharp focus on the more at-risk clients, while managing the dunning process. Finance and Sales teams are also able to work in synergy, sharing credit information instantly for the end goal of improved reactivity and sales security.

Now the Finance Department can work with more confidence and speed. Safeguarding customer assets while also making available maximum cash has never been easier.

Where are you in terms of predictive analysis of the risks your activity covers?

Why not test out the power of artificial intelligence for yourself.

According to CFO.com, for **more than 70% of them** contributing to the company's decision-making process is a top priority in 2018. However, **90%** believe they need more financial and operational data to achieve that goal.

IMMEDIATE BENEFITS

- ▶ Complete overview of customer risk
- ▶ Detailed anticipation of critical risk evolution
- ▶ The ability to make decisions based on reliable and expansive customer data
- ▶ Instant sharing of your feedback on a customer with sales team member
- ▶ More durable customer relations via synergy of management of risk, disputes and recovery

Increasing turnover through upsell and cross-sell

Boosting turnover by improving customer engagement is a priority for today's highest performing companies. By capitalizing on the actual customer value, artificial intelligence is helping them to anticipate buyer intent and to open up cross-selling and other opportunities such as upsell.

Finance Directors are now in a position to be actively involved in business development through the use of customer data indicators that reveal unsuspected sales opportunities. Artificial intelligence is a real asset for value creation.

Factors to take into consideration for improved customer engagement:

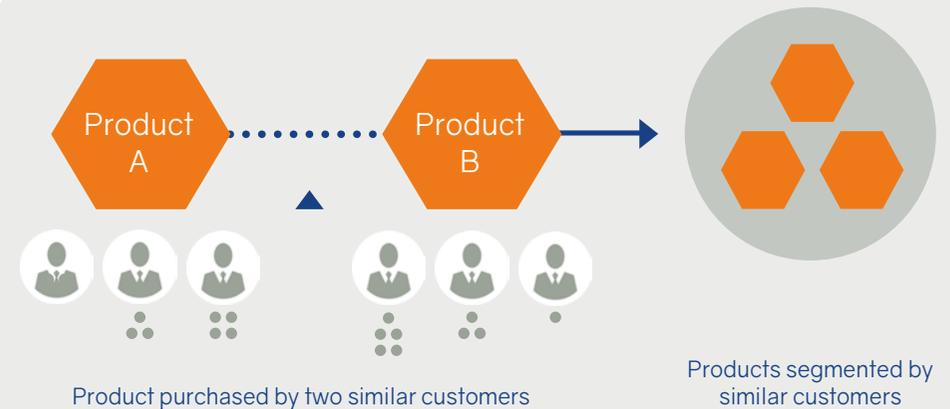
- ▶ What product or solution has the customer already bought?
- ▶ Should you prioritize further sales according to stock availability, profit margin or likelihood of purchase?
- ▶ Should you be applying other commercial criteria? Should you be excluding criteria?
- ▶ How do you convince the customer to buy more?

Once completed, predictive analysis delivered by artificial intelligence platforms can be synced with the Marketing Automation tool, CRM and ERP. Data and its analysis become crucial for the company, not only to explore new markets but also to develop sales, understand customer behavior and improve costs.

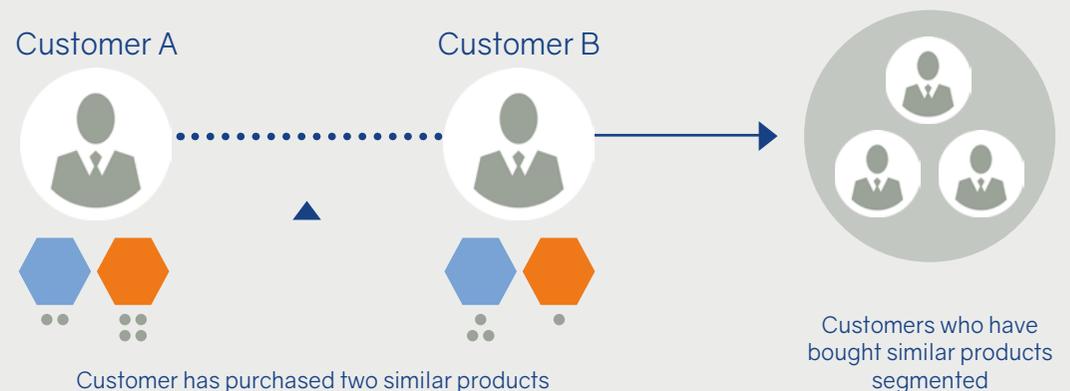
And you, do you know precisely and accurately the value of your customers?

Numerous algorithms can calculate product recommendations for you based on various models. The two main approaches are based on the product or the user.

THE PRODUCT-BASED APPROACH



THE USER-BASED APPROACH



Reduce Customer Attrition through Churn Rate Analysis

Whether your focus is sale of complex services or products, sales will be what drive your company. So knowing how to predict the moment your customer is not satisfied so that you can take remedial measures is the challenge. Your company needs to know its buyers, the value that they mean for you and their likelihood to want to continue their relationship with you.

Machine Learning algorithms, powered by artificial intelligence, are the route to identifying and making best use of valuable customer data to develop an attrition-busting strategy whose results can be gleaned before it is even put in place. It's a reliable and timely support mechanism for which your knowledge of customer experience is fundamental and within which your better understanding of each account can yield strategic results.

Finance Directors have now become the true drivers of company value by enabling growth through artificial intelligence and their now more strategic role. Does that sound like you?

IMMEDIATE BENEFITS



Optimize retention costs

Once those at-risk customers are identified, indicators such as Customer Lifetime Value enable you to determine which accounts you should target in line with the customer's future value.



Exploit internal and external data

Internal data from your ERP, CRM or Customer Service department can be integrated to create loyalty models. When they are combined with external data points such as financial or social media information, they enable you to refine the relevance of your predicted outcomes.



Benefit from foresight over your customer relations

Results analysis via modeling helps your company to understand cancellation motives and shows the actions you can instantly take to reduce cancellation rates.



A 2% increase in customer retention has the same effect as decreasing costs by 10%.

Leading on the edge of Chaos, Emmet Murphy & Mark Murphy



ABOUT SIDETRADE

The highest performing companies have already opted to go the artificial intelligence route and observed a **43% increase of their performance** according to Forrester.

We are seeing first-hand why Predictive is such a hot topic, with the financial gains being made by those who are leading the pack. Exciting times lie ahead!

Sidetrade (EURONEXT GROWTH: ALBFR.PA) is the most compelling AI Software Company shaping the future of Customer Engagement and empowering Marketing, Sales and Finance people to grow sales and accelerate cash.

Seamlessly integrated with existing CRM and ERP, Sidetrade leverages Artificial Intelligence to disclose untapped new business opportunities, increase upsell, reduce churn, predict customer payments and accelerate cash flow generation. Over 1,500 companies, of all sizes and sectors, in 80 countries, employ AI Sidetrade solutions for sustainable growth.

Sidetrade enables a new level of collaboration between Marketing, Sales, Finance, and Customer Service teams to accurately evaluate, predict and increase customer performance and secure competitive advantage.

With its Artificial Intelligence platform, Sidetrade uses predictive data science to take the guesswork out of the customer relationship.

The advanced use of machine learning and human collaboration empowers businesses to proactively improve operational effectiveness of the end-to-end customer cycle via smart sales prospecting, streamlined cash collection and case management processes.



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