



# How AI is Reshaping the Role of the Modern CFO

January 2025

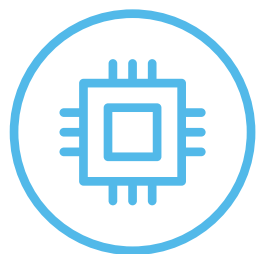




# Contents







# Introduction

Artificial Intelligence (AI) is revolutionising the role of the modern Chief Financial Officer (CFO), particularly in the telco industry, transforming CFOs into catalysts of rapid, scalable growth. With the power of advanced data insights, predictive analytics, and intelligent automation, AI is equipping CFOs to drive performance, operational excellence, and innovation at an unprecedented scale.

The global telco industry stands at the forefront of technological change, in part driven by the demand for seamless connectivity, improved networks and next-gen products and services, all powered by data-driven innovation.

As the industry grapples with navigating challenges such as declining average revenue per user (ARPU) and increasing competition from multiple adjacent industries, AI is emerging as a vital tool for optimising operations, empowering experiences of both customers and employees, transforming operators' products and services and strengthening strategic decision-making.

At the heart of this seismic shift is the CFO, whose role has expanded beyond mere financial oversight, into a critical force for driving AI transformation across the enterprise. Modern CFOs are increasingly taking a leading role in aligning AI investments with strategic business imperatives, optimising for long-term value creation and orchestrating a future, where data, intelligence, and innovation fuel enterprise growth.





# The CFO as a Strategic Leader in AI Transformation

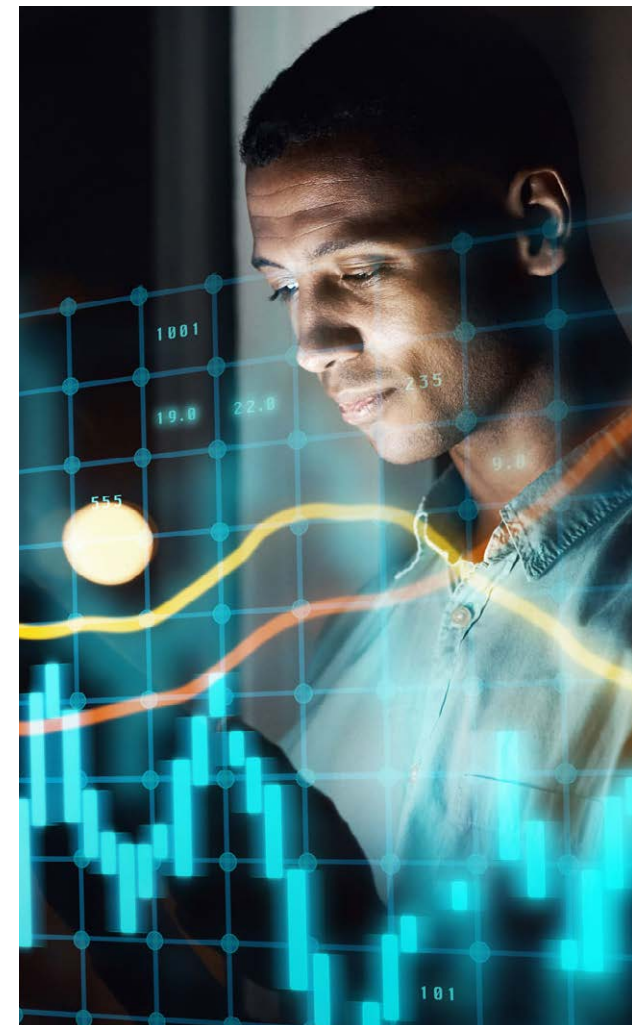
Historically, CFOs have primarily been responsible for managing budgets, ensuring regulatory compliance, and optimising financial reporting. But as we accelerate our transition towards an AI-first world, CFOs find themselves increasingly being tasked with doing more than just managing the bottom line – they are becoming key drivers of AI transformation initiatives, navigating their companies through the complexities of 5G deployments, improving intelligent customer experiences and leveraging innovative AI-powered services for optimised business performance.

Telco CFOs around the globe, are harnessing the power of AI to revolutionise decision-making, fusing financial health with bold, forward-thinking, growth strategies, optimising financial operational excellence and transforming business performance.

AI has empowered CFOs to move beyond traditional financial management and take on a more strategic role across the enterprise, that of business value realisation driver.

As telcos continue to diversify their service offerings, CFOs are taking a leading role in defining new business models, leveraging AI to gain sustainable competitive advantage. AI is not only enhancing strategic decision-making capabilities, but it's also positioning CFOs as central figures in guiding their organisations through the complexities of the digital age.

From reimagining Financial Planning and Analysis (FP&A) through real-time insights, to strengthening risk management and fraud detection, AI is empowering CFOs to safeguard, steer and optimise their organisations. Moreover, equipped with AI-driven tools, CFOs are driving financial operational efficiency, optimising cash flow, and creating new avenues for revenue growth, reshaping their role into that of a key driver of business value as well as next-gen organisational capabilities.







# Reimagining Financial Planning and Analysis (FP&A) with AI

AI's potential to revolutionise FP&A functions across telco operators, on any continent, is becoming increasingly evident. By equipping CFOs with real-time, data-driven insights, AI is making a significant impact, transforming this strategic function into a powerhouse of predictive intelligence, enabling more effective decision-making.

With the infusion of AI, CFOs are now able to quickly evaluate different scenarios, leading to more accurate forecasts and more informed business decisions, enhancing financial outcomes, and driving more precise strategic planning, across their organisations.

A US-based telco operator recently transformed its financial planning operation by embracing AI, empowering the operator to enhance the accuracy of its capital expenditure forecasts.

The telco giant used AI to analyse vast swaths of historical data, market trends, and external economic factors to predict future financial scenarios with increased accuracy and scale.

As a result, it improved the precision of its Capex forecasting by over 20%, allowing the company to better allocate billions of dollars earmarked for 5G infrastructure investment. This significantly reduced the risk of underinvestment in critical areas, while preventing over-allocation in lower-priority projects.





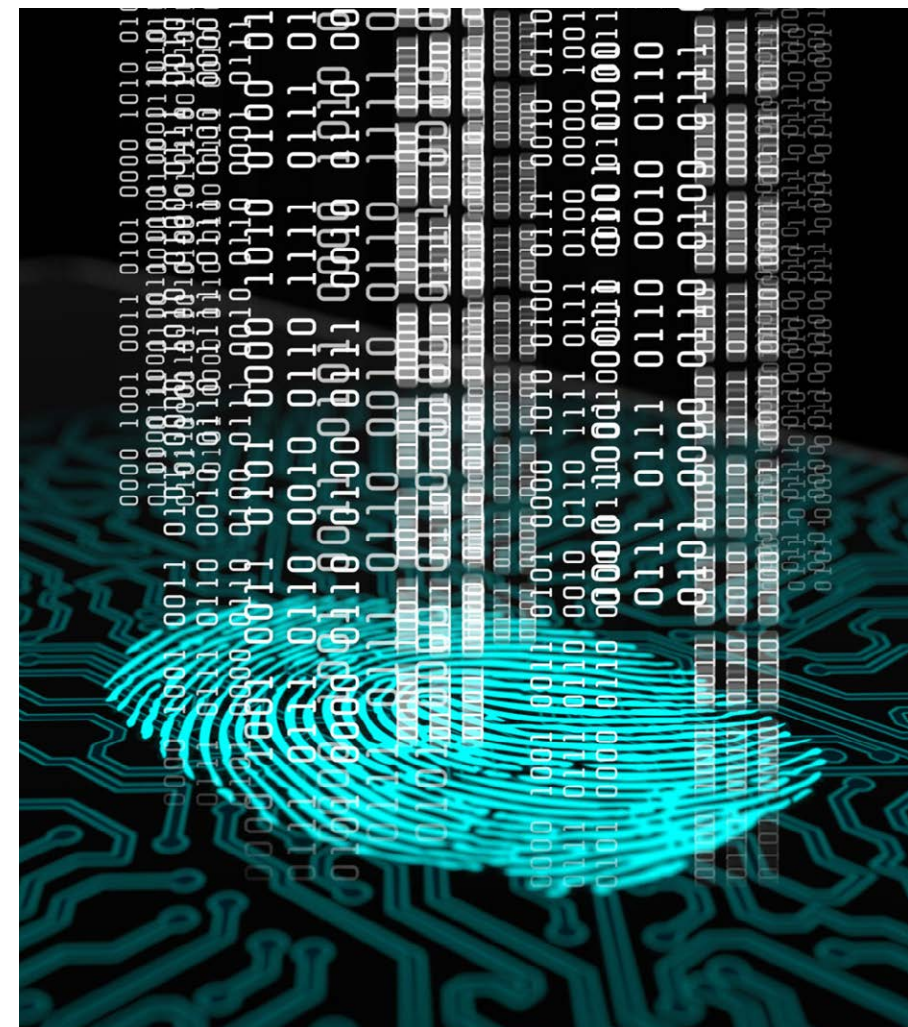
# Risk management and fraud detection

Increasingly sophisticated fraud continues to plague telco operators globally, impacting revenues, operations as well as customer experience and trust. Operators are often forced to spend millions countering various forms of fraud, which includes subscription fraud, SIM swap fraud as well as roaming and billing fraud. AI is increasingly becoming a game-changer for operators when it comes to successfully combating fraud.

By increasingly leveraging AI to rapidly analyse massive datasets, detect anomalies, monitor trends in real-time and recommend next-best actions, operators are able to more effectively defend against increasingly sophisticated fraud schemes.

In 2023, a leading UK-based operator implemented an intelligent fraud detection solution across its operations. It was able to analyse over five billion transactions per day to detect irregular patterns that could indicate fraudulent activity. This allowed the operator to discover and counter fraud effectively, improving their fraud detection rate by nearly 45% within six months, and preventing financial losses equivalent to £125 million annually.

It is clear that AI's ability to process vast amounts of data in real-time is rapidly becoming indispensable in safeguarding the financial health of telco operators globally.







# AI-driven cash flow optimisation

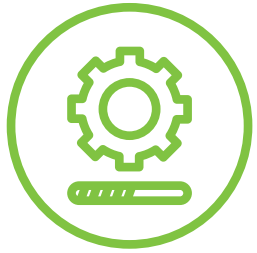
Effective cash flow management is crucial for telco operators, especially given the industry's capital-intensive nature. AI is empowering CFOs to optimise cash flow through more accurate demand forecasting, improved working capital management, and better investment decisions, often supported by scaled scenario planning.

In 2023, a leading European operator took the step of implementing an AI-powered cash flow optimisation solution geared at improving its liquidity management.

Using AI to predict future cash needs and optimise working capital, the operator was able to improve its cash conversion cycle in a matter of days, freeing up over £500 million in working capital, which was then able to be reinvested into other mission critical projects.

By optimising cash flow utilising AI, the operator was able to reduce its reliance on external financing, saving the company an estimated £50 million (US\$ 63.4M) in interest costs over 12 months.



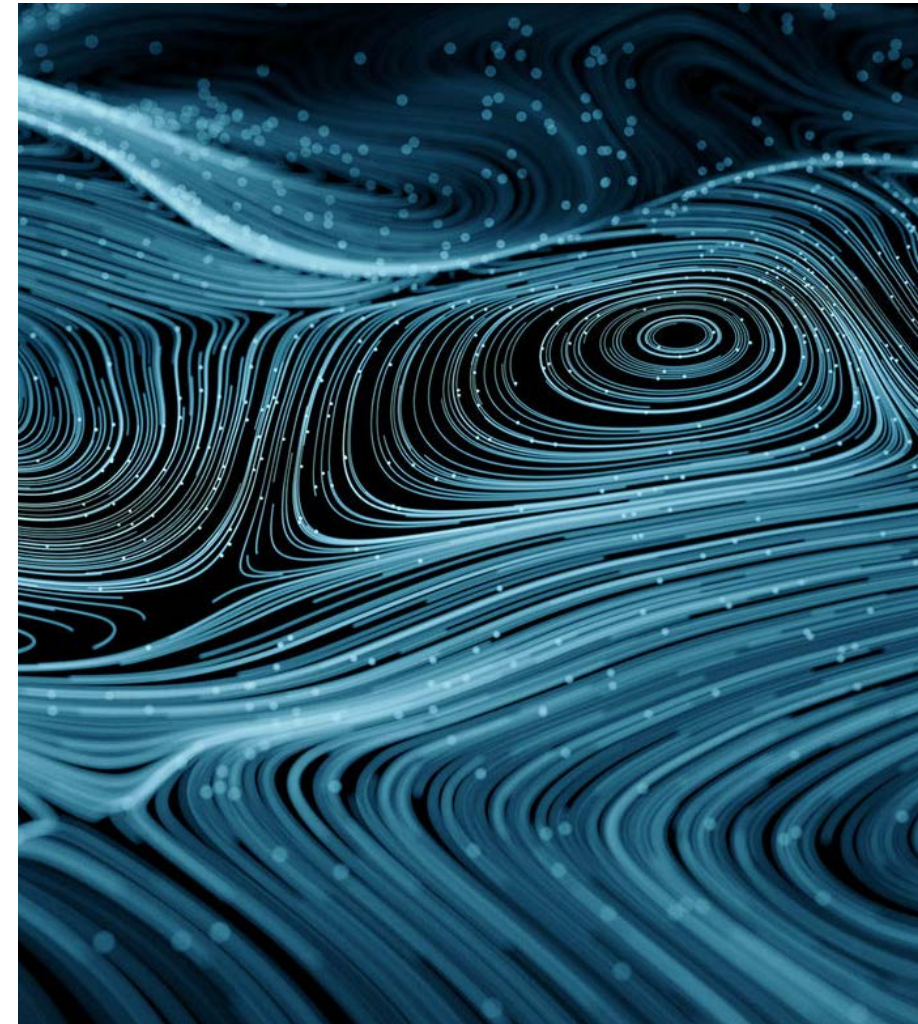


# AI-enhanced operational efficiency

It is perhaps in optimising operational efficiencies, where AI truly excels the most and CFOs are certainly taking serious notice. AI-powered automation is readily being adopted by CFOs to help streamline back-office financial operations and automate routine, repetitive finance tasks.

AI-driven automation tools are considerably reducing the need for manual interventions in areas like invoicing, expense management, and payroll processing, leading to significant cost savings and increased productivity across the entire enterprise.

Recently, one of Asia's largest telco operators, deployed AI-powered automation tools to streamline its financial operations. By automating its expense management and payroll processing systems, the operator was able to reduce its operational costs by nearly 15%, saving the company approximately SGD 250 million annually (US\$ 186,5M).







# AI-driven revenue growth

It's not only in optimising operational efficiencies where AI is making huge differences for CFOs, but also in identifying new revenue streams, analysing large swaths of customer data for hyper-personalisation, predicting churn, creating next-gen services, and even recommending tactical pricing strategies.

By engaging AI at every step of the revenue value chain, operators are able to adopt a data-driven approach to how they tailor more personalised value propositions to their customers, maximising customer lifetime value.

In 2023, a US-based telco operator adopted such an approach, by implementing an AI-driven customer analytics platform, which enabled it to offer hyper-personalised services to its subscribers.

By using AI to analyse subscriber consumption patterns and predict possible subscriber churn, the operator was able to reduce churn by 10%, retaining more than one million subscribers as a result. By knowing how to effectively position hyper-personalised premium services to target subscribers, more than US\$1 billion in additional annual revenue was able to be generated, depicting the strategic impact AI can have on revenue growth.





# Conclusion

In today's evolving telco landscape, CFOs find themselves playing an increasingly pivotal role in steering their organisations through AI transformation initiatives. Harnessing AI-powered tools to streamline financial operations and optimise investment strategies, CFOs are able to accelerate revenue growth, mitigate business risk more optimally and improve operational efficiency across the enterprise.

CFOs who embrace AI today could find themselves at the forefront of influencing the trajectory of the telco industry itself. By leveraging AI in their operations and decision-making processes, modern CFOs have the opportunity to become strategic business value accelerators, scaling impact and success in a rapidly evolving market.

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