

Demystifying AI and Agentic AI in Finance: From Hype to High-Impact Execution

FEI Daily | 12/4/2025

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Too many AI tools in finance are solutions in search of a problem. This article shows CFOs the real use cases – where AI and Agentic AI can deliver measurable impact on forecasting, reconciliations, reporting, and beyond.



Artificial Intelligence (AI) is no longer a futuristic concept—it's a present-day imperative. Yet, despite the buzz, a recent MIT report found that 95% of generative AI pilots are failing to deliver measurable impact on the P&L. For finance leaders, this signals a critical need to better understand

toward execution that drives real value.

Understanding AI and Agentic AI in Finance

- **AI** refers to systems that can learn, reason, and perform tasks traditionally requiring human intelligence—like forecasting, anomaly detection, and document summarization.
- **Agentic AI** goes a step further: these are autonomous agents that pursue goals independently, making decisions and taking actions without constant human oversight. In finance, this means agents that can reconcile accounts, model scenarios, or even redesign processes.

Five Pillars for Successful AI Adoption in Finance

To move from pilot to performance, leading organizations are anchoring their AI programs around five foundational pillars:

1. Strategic Alignment

- Tie AI initiatives directly to financial outcomes (e.g., cost reduction, forecasting accuracy).
- Prioritize high-impact use cases with executive sponsorship.

2. Data Foundation

- Ensure clean, structured, and governed data.
- Integrate financial, operational, and external data sources.

3. Talent & Change Management

- Upskill finance teams in AI literacy and model governance.
- Foster cross-functional collaboration and address cultural resistance.

4. Technology & Infrastructure

- Use scalable, cloud-based platforms integrated with ERP systems.

Processing (NLP), and Machine Learning (ML) for automation and reporting.

5. Governance & Return on Investment (ROI) Measurement

- Establish AI governance frameworks.
- Track KPIs like efficiency, accuracy, and decision quality.
- Scale iteratively from pilot to enterprise-wide deployment.

Transformation enabled by AI requires strong leaders who understand both underlying issues within business processes and possess a technology solution mindset, who can drive tactical adoption at scale across the lines of business, supported by clear execution framework as described above.

What ROI Really Means in AI for Finance

ROI in AI isn't just about headcount reduction—it's about **decision quality, speed, and strategic enablement**. For example:

- **Improved forecasting** may not reduce finance team size, but it can drive better business decisions, reduce inventory costs, and improve capital allocation.
- **Agentic AI** can reduce manual oversight, freeing up time for strategic analysis.

ROI should be measured across:

- **Efficiency gains** (e.g., time saved in reconciliations),
- **Accuracy improvements** (e.g., fewer errors in reporting), and
- **Strategic impact** (e.g., better scenario planning).

High-ROI Use Cases for AI and Agentic AI in Finance

1. Forecasting, Planning & Analysis					
Enhance baseline forecasts and simulate economic scenarios	✓				
Allow finance professionals to query models without needing data science expertise				✓	
Simulate variable impacts for quick scenario planning	✓				✓
Forecasts daily cash flow and alerts for risks or surpluses		✓			
Explain budget variances and recommend corrective actions in plain language				✓	
2. Reconciliations & Manual Journal Entries					
Identifies and resolves reconciliation issues autonomously					✓
Reduces manual journal entries and improves audit readiness					✓
Flags anomalies and learns from resolutions for improved accuracy			✓		
Automates accrual journal entries to streamline month-end					✓
Continuously reconcile intercompany balances across ledgers					✓
3. Reporting & Governance Documentation					
Compare regulations with internal policies to flag compliance gaps				✓	
Automate drafting of SEC filings, earnings releases, and desktop procedures				✓	
Generate board reports by combining results and strategic update.				✓	
Assess new regulations and draft guidance for finance leaders				✓	
Continuously updates policy documents to ensure ongoing compliance			✓		

Clean data and trace its lineage across systems			✓		
Supports creation of a “single source of truth” for financial data			✓		
Documents financial KPI lineage across systems for transparency			✓		
Analyzes data quality and flags compliance risks			✓		
Standardizes and validates financial data during M&A integration			✓		
5. Organizational Health & Process Optimization					
Reviews process documentation and costing data to identify automation opportunities				✓	
Suggests redesigns to reduce cost and improve efficiency				✓	
Benchmarks processes and recommends targeted improvements				✓	
Simulates change impacts to prioritize high-ROI initiatives		✓			
Links performance data with feedback to identify inefficiencies				✓	

Emerging Opportunities Few Are Talking About

While many finance teams focus on traditional use cases, consider these three under-leveraged areas with high potential:

1. Narrative Intelligence in Financial Reporting

- Use NLP to analyze tone, sentiment, and inconsistencies in earnings calls and disclosures.
- Detect early signals of risk or opportunity.

2. Digital Twins of Financial Models

- Simulate real-time outcomes and stress-test decisions.

- Enables dynamic scenario planning and faster pivots.

3. Low-Code AI for Finance Citizen Developers

- Empower finance professionals to build AI tools without coding.
- Democratizes innovation and reduces IT bottlenecks.

Final Thoughts

AI in finance is not a one-size-fits-all solution—it's a strategic capability that can be deployed across a spectrum of processes within a finance organization. Success depends on aligning technology with business goals, investing in data and talent, and embracing a mindset of continuous learning and adaptation. Whether you're a Fortune 100 CFO or a controller at a mid-sized firm, the opportunity is clear: **AI can transform finance from a reporting function into a strategic engine.**