

# Financial Executives International (FEI) Madison Chapter

**“Making Cents of Making Sense”  
The financial executive challenge  
in the age of AI / genAI**

Adam J. Bock, MBA, PhD  
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# Financial executives, cash in!

Generative AI is poised to revolutionize the financial landscape, empowering executives with unprecedented insights and efficiency. Imagine a world where AI automates mundane tasks like data entry and report generation, freeing you to focus on strategic decision-making and client relationships. Leverage AI to identify emerging market trends, personalize client portfolios, and mitigate risks with greater precision.



# RIP, CFO

The rise of generative AI casts a long shadow over the future of financial executives. AI's rapid advancement threatens to automate core financial functions, potentially rendering human expertise irrelevant. The question is not whether you can adapt, but whether there is anything to adapt to. The pace of AI development may outstrip any human effort to keep pace. The skills you honed over years could become obsolete overnight.



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<https://g.co/gemini/share/1b893e10e441>

# Does Adam have a clue?

Definitely not an AI engineer :)

Some coding...

Innovation and strategy expert

Helping numerous corporate clients with genAI adoption

Launched a genAI SaaS venture in 2024 (which failed)

Maybe I can help you explore your next steps and some important questions to ask

INNOVATION  
<https://doi.org/10.1080/14479338.2020.1769482>

 **Routledge**  
Taylor & Francis Group

ARTICLE

 OPEN ACCESS  Check for updates

## A simulation-based approach to business model design and organizational Change

Adam J. Bock<sup>a</sup>, Massimo Warglien<sup>b</sup> and Gerard George<sup>c</sup>

<sup>a</sup>University of Wisconsin, Wisconsin School of Business, 975 University Avenue, Madison, WI, USA; <sup>b</sup>Ca' Foscari University of Venice, Advanced School of Economics, Venice, Italy; <sup>c</sup>Lee Kong Chian School of Business, Singapore Management University, Singapore, Singapore

### ABSTRACT

While several practice-based approaches of business model design suggest ways to create new business models, there is limited understanding of why and how business models change. This exploratory study employs neural network analysis to simulate business model design and business model change. We conceptualise business model design as a schema of the organisation's critical resources, transactions and value proposition. Elements of the schema are connected in a simple neural network. The network evolves based on a constraint satisfaction network until it converges to a stable state of a coherent business model. An in-depth case study of an entrepreneurial venture provides a real-world example to test the analytical framework. Using data from the case study, we run multiple simulations of business model design and business model change. The results suggest that business model change can be understood as a form of constraint satisfaction, linking managerial cognition with business model change. The simulation approach also helps identify possible, but unrealized business models. This novel approach paves the way for new research and practice in business model design and change.

### ARTICLE HISTORY

Received 9 February 2020  
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### KEYWORDS

Business model; cognition; design; neural network; simulation

# Poll 1: How much are you using genAI?

- Pretty much for everything
- Daily as needed
- Weekly when I think of it
- Monthly? I really just got started
- Not yet
- I'll never use genAI!



If you'd like, later we can discuss what AI/genAI actually is...

<https://www.cloudskillsboost.google/paths/118>

Google Cloud Skills Boost



# Beginner: Introduction to Generative AI Learning Path

# How human are financial decisions, anyway?

“Every investor must decide the trade-off he or she is willing to make between eating well and sleeping well.”

- Burton Malkiel, nobel-prize winning economist and author of *A Random Walk Down Wall Street*

But AI doesn't eat or sleep, and it's already here...

“61% of Gen Z use AI to help manage their finances and investments.”

- [BMO Survey: More Than a Third of Americans Using AI to Manage Finances](#)

# AI in finance

## Complex and evolving challenges

- Access to and analysis of radically larger datasets
- Constantly updating tools and capabilities
- Utilization of more sophisticated statistical modeling frameworks (e.g. confidence intervals for expected returns)
- Increasing use of “black box” systems that can’t be fully explained or even understood

# So, what does genAI predict?



# Gemini

<https://g.co/gemini/share/0e6ea20194ee>

# Automation of Routine Tasks

- **Data Entry & Processing:** AI can automate data entry, invoice processing, and basic accounting tasks, freeing up time for more strategic work.
- **Report Generation:** GenAI can draft reports, summarize financial data, and even create presentations, enhancing efficiency and freeing up time for analysis.
- **Regulatory Compliance:** AI can help monitor and ensure compliance with complex regulations, reducing the risk of fines and penalties.

# Enhanced Decision-Making

- **Predictive Analytics:** AI algorithms can analyze vast datasets to identify trends, forecast future performance, and assess risk more accurately.
- **Scenario Planning:** GenAI can help explore various "what-if" scenarios, enabling better-informed strategic and financial decisions.
- **Personalized Insights:** AI can tailor financial advice and recommendations to individual clients or investors based on their unique needs and circumstances.

# Improved Risk Management

- **Fraud Detection:** AI can identify and flag suspicious transactions, helping to prevent and mitigate fraud.
- **Credit Risk Assessment:** AI can assess creditworthiness more accurately, reducing the risk of loan defaults.
- **Market Risk Analysis:** AI can analyze market trends and identify potential risks, enabling proactive risk mitigation strategies.

# New Skill Sets & Roles

- **Data Analysis & Interpretation:** Financial executives will need to develop strong data analysis and interpretation skills to effectively leverage AI-powered insights.
- **AI & Technology Expertise:** Understanding AI technologies, their limitations, and their ethical implications will be crucial.
- **Strategic Thinking & Innovation:** As AI automates routine tasks, the focus will shift towards strategic thinking, innovation, and developing new business models.

# Case: Analysis & Report Writing

<i>Ledger Account</i>	<i>Current Month Actual</i>	<i>Current Month Budget</i>	<i>YTD Actual</i>	<i>YTD Budget</i>
Expense Ledger Accounts	159,800	170,174	1,008,285	1,026,860
Salaries	157,275	169,989	990,460	1,020,890
Salaries - Awards	0	0	10,462	0
Travel Expense	(422)	0	491	900
Associate Devt Expense	1,127	0	4,208	2,500
Association Dues	0	0	325	310
Printing & Stationery	450	0	650	1,150
Voice Communications	120	185	439	1,110
Software	1,250	0	1,250	0

Please draft a one-half page report summarizing the following budget variance information. Please identify specific items to address in the short-term as well as any issues that the cost center manager should keep in mind when creating next year's budget.

# Gemini output (6 seconds):

## Key Findings:

- **Salaries:** YTD actual is slightly below budget (-3.03%). However, monthly actual exceeded budget by 7.48%. This warrants investigation into potential one-time or seasonal cost increases.
- **Travel Expense:** There was significant under-spending compared to the budget, both monthly and YTD. Analyze if planned travel initiatives were not implemented or if cost-saving measures were adopted. This information can be valuable when determining next year's budget.
- **Associate Development Expense:** Both monthly and YTD actuals are significantly below budget. The cost center manager should review training and development plans and assess if additional resources are needed.
- **Other Expenses:** There were minor variances in Association Dues, Printing & Stationery, and Voice Communications. These variances are not significant enough to require immediate action but should be monitored for consistency.
- **Software:** A one-time software purchase was made this month, causing the actual spending to exceed the budget. This should be accounted for when reviewing the YTD figures.

# Gemini output:

## Short-term Actions:

- Investigate the reasons behind the higher than budgeted monthly salary expense.
- Analyze the under-spending in travel and determine if adjustments are needed for the remaining months.
- Review and potentially adjust the Associate Development budget to reflect actual spending and future plans.

## Considerations for Next Year's Budget:

- Re-evaluate the budget for travel expenses based on actual needs and potential cost-saving opportunities.
- Determine if the Associate Development budget requires an increase to support planned training initiatives.
- Review the need for one-time software purchases and factor those into the overall budget.

# Did Gemini get the “right answer?”

# Did Gemini get the “right answer?”

Adam thinks that’s the wrong question.

Maybe this one:

As a financial executive, are you better off investing 30 seconds in getting that information?

# It's not just the financial analysis and decisions...

## AI/genAI systems...

- will influence channel options and selection
- will moderate content at the user level
- will mediate interactive engagement
- will provide meta-context
- will, over time, become more-trusted and, eventually, almost invisible

# Cui bono?



- Self-reinforcing scale for customization
- The role of agents and “companions” owned by for-profit companies
- Beware free riders and the tragedy of the commons
- Systems, and resulting use, will **always** be driven by monetization and return requirements (until we’re done with capitalism)

# Gemini is optimistic...

“AI and genAI will significantly enhance the efficiency and effectiveness of financial operations.

Financial executives will need to adapt and develop new skills to thrive in this evolving landscape.

The role of financial executives will shift from performing routine tasks to overseeing AI systems, interpreting insights, and making strategic decisions.”

# Adam's opinion?

Maybe change “will” to “may” and recognize that the only way to come to grips with AI / genAI, as with any innovation, is to explore it for yourself.

# Adam, can't you be more helpful?

If it were me (and it already has been me supporting the launch of a genAI SaaS fintech venture) ...

# Experiment!

Obtain the maximum amount of  
*actionable information*  
about  
stakeholder needs and value creation  
with the minimum amount of  
time, money, and effort.



15

very simple

SCIENCE  
EXPERIMENTS

using items you have  
right now!



# Feedback and A/B testing

## Feedback:

- Use genAI in process
- Ask stakeholders to respond
  - Consumers, producers, partners
  - Quick / simple / qual/quant

## A/B testing:

- 2 processes, one with genAI, one without
- Assess process and results
  - Explicit and implicit

# Be intrapreneurial :)

“Failure” is an inherent component of effective innovation processes

When uncertainty is high, the cost (time) of “perfect” information is prohibitive

Quick, cheap experiments are likely better than “research” for making progress (ask me about the dice game, if we have time)

# Thank you

“No humans or genAI engines were harmed in the making of this talk.”

- Adam J. Bock

“Gemini may display inaccurate info... so double-check its responses.”

- Google Gemini disclaimer



**Adam J. Bock, MBA, PhD**

**[www.linkedin.com/in/adamjbock](http://www.linkedin.com/in/adamjbock)**