

5 ways in which cognitive can transform the finance function in 2016

Like a juggler doing what seems almost impossible, today's CFO has among the toughest roles in any business. Challenges range from volatile commodity prices and exchange rates to changing regulations across geographies. On the other hand, the finance function has to be extremely quick and deliver error-free insights. A technology-driven transformation is the new imperative for the CFO of today.

Cognitive computing—the best known example is IBM's Watson platform—can greatly improve a CFO's ability to make quick, yet deeply insightful decisions. Watson can process huge amounts of unstructured or structured data at incredible speeds and with a human-like ability to think and learn. It can synthesize insights to keep up with the pace of demands on finance departments. This can ensure the best possible financial visibility.

Here are **5 ways** in which Cognitive computing powered by IBM Watson can transform the role of the CFO:

1. CFOs can mitigate risk with Cognitive

Going far beyond traditional enterprise systems, Watson expands information sources to include any data, to offer immediate and predictive insights. From number crunching to grasping social conversations, regulatory reports, or even email attachments, Watson can do it all. A CFO can avert a potential supply chain disruption because Watson can predict the adverse impact of financial challenges faced by a supplier in another geography.



2. CFOs gain cognitive insights into customer preferences

Watson can boost sales efforts by helping CFOs identify the most profitable customers. For instance, cognitive computing can assess the insurance needs of a customer and help the sales organization upsell suitable products to the right customers. Retail and FMCG companies can also depend on cognitive computing to analyze customer preferences and predict emerging customer needs, thereby improving the footfall-to-conversion rate. CFOs can also work with CMOs to identify the likelihood of finding similar profitable customers in other geographies or demographics, thereby increasing the return on engagement.



3. CFOs can proactively prevent fraud through cognitive

Cognitive computing can provide real-time, anti-fraud capabilities to online merchants, banks, and payment services organizations. Watson can check every transaction anomaly through a wide range of built-in fraud detection, response and management features. By employing human-brain like ability to process data, Watson can stop fraud at source. Its specific anti-money laundering capabilities can prove a boon for securities exchanges and regulatory authorities.



4. CFOs gain predictive business insights through cognitive

Watson can recognize seemingly casual relationships between drivers and outcomes of business, offering predictive insights. Powered by embedded analytics, it can bring dark data to light. A retail sector CFO can rationalize costs by incorporating weather fluctuations to manage his inventory. What's more, the insights Watson provides can be accessed across multiple platforms and devices.



5. CFOs can deploy cognitive easily and cost-effectively

Watson can be easily deployed from the cloud and offered as a hosted service—specific to a department or the entire company. Consumption-based models can be provided and personalized for industry sectors. In healthcare, a services-based deployment can ensure an organization stays focused on saving lives without wasting time and resources on deployment. Hence CFOs can ensure that technology aligns perfectly with business results.



To know more about cognitive finance, email us at vashivsh@in.ibm.com