Hitachi Solutions × **Microsoft**

AI-Accelerated Finance Transformation
Media and Advertising Organisations

Over the last few years, six key forces have been reshaping the Media & Advertising industry:

- ⊘ The growing diversity of consumers and their preferences
- ⊘ The explosion of content and category convergence
- ⊘ New technologies disrupting the media value chain
- ⊘ The heightened significance of social and environmental issues
- ⊘ The transformation of Media & Entertainment business models
- ⊘ Increasing regulatory scrutiny

These disruptive forces have introduced unpredictability into how the macro-environment and consumer attitudes, values, and behaviours will change, affecting content sets, distribution channels, and requiring companies to innovate and evolve.

To maintain a competitive edge, media and advertising companies must continuously adjust to a constantly evolving landscape. They need to source, pipeline, and analyse data points into meaningful metrics and trends that will guide decisions on the timing, location, and frequency of future investments.

Copilot is a vital enabler on the journey towards **Autonomous ERP**
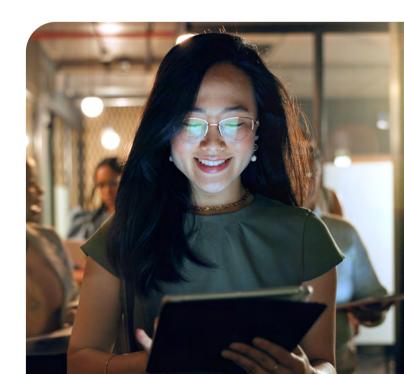
Copilot can:

- **Generate** actionable insight
- **Automate** execution of tasks
- **Create** high-quality output

Pay-when-paid process automation

Pay-when-paid processes in the media sector involve managing payments to suppliers or contractors based on when the business itself receives payment from its clients.
It is a delicate balance, ensuring that everyone gets compensated fairly while maintaining cash flow stability.

Copilot can assist businesses in the media sector with automating this process through:

- Assisting with setting up automated systems to track invoices. When a client payment is received, it can trigger the release of payments to suppliers or contractors. If a payment is delayed, Copilot can send reminders to both parties, ensuring timely settlements.

- Creating schedules for pay-when-paid transactions. For instance, if a media company receives payment within 30 days, Copilot can automatically release payments to suppliers after that period.

- Escalating issues by automatically notifying relevant stakeholders or adjusting payment timelines, in the event of delays.

- Designing automated approval workflows for pay-when-paid scenarios. When a project is completed, the system can automatically route invoices for approval.

- Ensuring that invoice payments are processed promptly based on the agreed-upon terms and automating communications to relevant parties to ensure compliance.

- Integrating with existing financial software, such as accounting or enterprise resource planning systems, to allow seamless data exchange between pay-when-paid processes and financial records.

Mitigating risks in Pay-when-paid processes

To help protect media organisations the risks associated with cashflow disruption, Copilot can:

- Analyse historical payment patterns and identify high-risk clients. If a client consistently delays payments, Copilot can adjust the pay-when-paid terms or implement stricter credit control measures.

- Send automated notifications to suppliers or contractors when payments are initiated to improve process transparency.

- Facilitate communication between parties, maintaining positive relationships in the event of delays or disputes.

- Identify bottlenecks and suggest improvements through analysis of payment cycles; for example, recommending renegotiating payment terms or diversifying revenue sources.

- Leverage data insights concerned with product analysis, business trends and working capital cycles to offer opportunities to further optimise processes.

Good data foundations are critical for automating the pay-when-paid process in the media and advertising industry. High-quality, accurate, and reliable data ensures efficient and timely payment processing, enhances financial management, and maintains strong relationships with suppliers and stakeholders. Conversely, poor data foundations can lead to errors, delays, non-compliance, and financial mismanagement, highlighting the importance of investing in a robust data strategy to maximize your investment in Copilot and Generative AI.

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Good Data Foundations

Setting Up Automated Systems to Track Invoices

- Accurate Tracking: Reliable data ensures that all invoices are accurately tracked and logged, reducing the risk of errors.

- Timely Payments: High-quality data helps ensure that payments to suppliers and contractors are released promptly upon receiving client payments.

Creating Schedules for Pay-When-Paid Transactions

- Reliable Scheduling: Good data allows for the creation of precise payment schedules, ensuring payments are made on time based on agreed terms.

- Predictability: Accurate data enables better forecasting and financial planning.

Escalating Issues Automatically

- Proactive Issue Resolution: Reliable data allows for timely identification and escalation of payment issues, ensuring prompt resolution.

- Stakeholder Confidence: High-quality data ensures that stakeholders are informed with accurate information, maintaining trust and transparency.

Designing Automated Approval Workflows

- Efficient Approvals: Accurate data enables seamless and efficient approval workflows, reducing bottlenecks.

- Accountability: Good data ensures clear accountability and traceability throughout the approval process.

Ensuring Prompt Invoice Payments and Compliance

- Timely Compliance: Good data ensures that payments are processed promptly according to agreed-upon terms, maintaining compliance.

Bad Data Foundations

Setting Up Automated Systems to Track Invoices

- ⊘ Errors and Discrepancies: Inaccurate or incomplete data can lead to tracking errors, causing delays in payment releases.

- ⊘ Inconsistent Records: Poor data quality can result in inconsistent invoice records, making it difficult to manage and reconcile payments.

Creating Schedules for Pay-When-Paid Transactions

- ⊘ Missed Payments: Inaccurate data can lead to missed payment schedules, damaging relationships with suppliers.

- ⊘ Financial Mismanagement: Poor data quality can result in poor financial planning and cash flow issues.
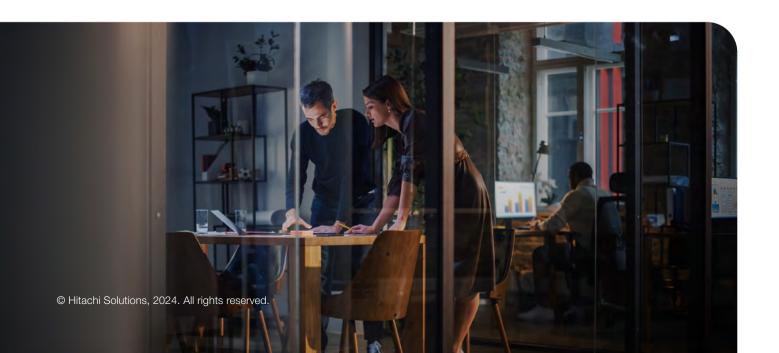
Escalating Issues Automatically

- ⊘ Delayed Escalations: Inaccurate data can delay the identification and escalation of issues, leading to prolonged payment delays.

- ⊘ Stakeholder Frustration: Poor data can lead to miscommunications and frustration among stakeholders.

Designing Automated Approval Workflows

- ⊘ Workflow Bottlenecks: Inaccurate data can cause delays and bottlenecks in the approval process, hindering timely payment processing.

- ⊘ Lack of Accountability: Poor data quality can result in unclear accountability and traceability, leading to confusion and errors.

Ensuring Prompt Invoice Payments and Compliance

- ⊘ Non-Compliance: Inaccurate or incomplete data can lead to non-compliance with payment terms, risking legal and financial repercussions.

Organisations that are looking to deploy AI-accelerated finance solutions must overcome numerous challenges:

User Readiness

The impact of integrating AI capabilities on roles and individuals within the organisation on processes and users must be considered. Are users knowledgeable about how to make best use of new technology and do they understand how their roles may need to change?

Regulatory Compliance

Copilot's actions could inadvertently violate data protection regulations (such as GDPR). Organisations must ensure compliance.

Data Structure and Solution Landscape

To make best use of Copilot and AI innovation in general, organisations need to have appropriate solutions, applications and data structures in place to provide a foundation of information for AI to work with.

Misuse or Misrepresentation

There's a risk of Copilot generating incorrect or misleading content. In the early days of AI deployment, human oversight is crucial to validate responses.

Data Security and Privacy

Copilot interacts with sensitive data within Microsoft Dynamics 365. Ensuring proper data hygiene and sensitivity labelling is critical. Organisations need to strike a balance between granting access to Copilot and safeguarding data.

Dependency on Copilot

Overreliance on Copilot without critical thinking could lead to misinformation or poor decision-making.

Overly Permissive Access

Copilot may have broader access than necessary. Robust access controls and permissions are essential to prevent unintended data exposure.

Integration Challenges

Integrating Copilot seamlessly into existing workflows and processes requires careful planning and change management.

What can Hitachi Solutions do?

- ⊘ Identify bite-size areas for implementation of AI-accelerated solutions. Enhancement of existing processes could represent immediate, easily achievable gains.

- ⊘ Assist with developing AI adoption roadmaps, to enable organisations to visualise and plan for longer term gains.

- ⊘ Assist with assessing readiness, planning change, educating, and managing adoption.

Copilot deployment activities could consist of:

Solution readiness

- ⊘ Business process analysis and re-definition.

- ⊘ Identifying and understanding business needs that can be enhanced through AI.

- ⊘ Mapping needs to functional areas of solution that can be enabled with Copilot and AI.

Technical readiness

- ⊘ Enabling Copilot and deploying foundational tools such as Project Ops, BPA, BPP.

- ⊘ Configuration of Copilot studio/copilot bots.

- ⊘ Licencing guidance.

- ⊘ Data structuring/re-structuring.

- ⊘ Security audit and reconfiguration.

User readiness

- ⊘ AI adoption readiness assessment.

- ⊘ Change messaging.

- ⊘ Direct education and functional training.

- ⊘ Adoption support.

- ⊘ Stakeholder management.

◎ **Hitachi Solutions**

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