

How CFOs can drive business impact and sustainability through AIoT



As India's retail industry continues to expand and embrace technological innovations, Chief Financial Officers (CFOs) are playing a crucial role. Traditionally focused on financial management, today's Indian retail CFOs are taking on broader responsibilities. They ensure that technology investments, especially in Artificial Intelligence of Things (AIoT), align with both financial health and sustainability goals. Their strategic influence is essential in shaping AIoT projects, making sure these initiatives lead to operational efficiency, innovation, and long-term success. They are now the key enablers of Digital Transformation of retail operations.



HAPS Dhillon,
GM & BU Head
Carrier Abound

In the Indian retail sector, vast multi-site operations and complex supply chains present unique challenges. AIoT solutions offer capabilities such as real-time insights, predictive analytics, and automation, that can help significantly reduce costs and improve operational efficiency across stores and distribution networks. However, technology solutions alone are not enough to achieve target goals. CFOs must balance leveraging innovations with financial feasibility. They play a key role in approving AIoT investments, ensuring these projects deliver immediate returns while also supporting the organization's long-term growth and sustainability in today's competitive retail market.

At the Retail CFO Summit 2024, organized by the Retailers Association of India, **HAPS Dhillon, GM & BU Head Carrier Abound**, moderated a roundtable discussion that focused on how CFOs can leverage AIoT to drive business impact and sustainability. The session brought together insights from Indian retail CFOs, who shared their experiences on how AIoT projects can enhance efficiency while addressing sustainability goals. The discussion revealed three key takeaways. These takeaways highlighted how CFOs can enable AIoT initiatives, ensuring they deliver measurable benefits to both the bottom line and the broader sustainability agenda. This focus on sustainability is becoming increasingly important for India's retail industry.

1. The Enduring Relevance of AIoT

During the session, CFOs emphasized that AIoT is no longer seen as a fleeting trend but a strategic imperative for long-term competitiveness. Retail businesses must adopt AIoT to improve operations and align with the sector's demand for efficiency and precision. AIoT's ability to collect, analyze real-time data from a network of connected devices and enable actions based on the analysis, makes it a critical tool for driving operational excellence. The participating CFOs recognized the need to lead AIoT initiatives by integrating these technologies into core operations, rather than relegating them to peripheral projects.

A CFO's role is to ensure that AIoT investments align with both financial performance and broader strategic goals, such as customer experience improvement, better inventory management, and operational efficiencies. As **VP - Finance, of a renowned QSR operator** highlighted, "While AIoT is essential for us to achieve sustainability at an organization level, AIoT offers multifold benefits such as energy efficiency, real-time visibility into store operations, shortened supply chain, reduced wastage and ensures policy compliance. In the QSR space, customer experience is paramount. AIoT helps deliver customer experience while reducing costs and streamlining operations."

2. The Need for a Holistic Business Case

A significant insight from the discussion was the necessity of building a strong business case to validate the success of AIoT projects within the retail sector. Opinions varied among CFOs, a few reported the lack of ROI from such initiatives, others acknowledged that AIoT does yield financial benefits, but only in the immediate time after their implementation. CFOs agreed that, to justify investments, the business case must extend beyond short-term financial gains, providing a holistic view that includes both financial and organizational impacts.

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Anand Agarwal,
CFO, V-Mart Retail Ltd.



They stressed the importance of demonstrating the tangible value of AIoT, such as cost savings, energy efficiency, and improved asset utilization, as key to securing buy-in from stakeholders. However, they also emphasized the need to highlight intangible benefits, including enhanced brand value through sustainability initiatives, future-proofing the business against regulatory changes, and improved decision-making. **Anand Agarwal, CFO, V-Mart Retail Ltd.** shared, "It's not enough to present the financials alone. We need to look at the bigger picture – how AIoT affects operational efficiency, improvement in footfalls, and improvement in customer experience. A proof of concept and a pilot at a reasonable cost ensures that all stakeholders see the value. Hence there should be a business case not just in terms of cost savings but in terms of proving efficiencies in other aspects of business."

The CFOs concurred that service providers should assist businesses in preparing robust business cases that include relevant KPIs, as they possess the expertise needed to make AIoT projects successful. Ensuring project success should be a shared responsibility between businesses and service providers.

3. The Importance of Measurability

The CFOs stressed the importance of evaluating both tangible and intangible benefits of AIoT investments. Retailers, especially those with multi-site portfolios, often face challenges in justifying large technology investments. **Pramod Dangaich, CFO, Infiniti Retail Ltd.** highlighted, "While AIoT certainly offers tangible benefits, we cannot afford to ignore the intangible benefits. For instance, sustainability is a proven outcome of implementing such projects. It is crucial to establish clear Key Performance Indicators (KPIs) for these initiatives. Understanding the baseline metrics is essential if we aim to realize the full benefits of these projects. Additionally, selecting the right service provider who can partner with us throughout this journey is vital for ensuring project success."

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CFOs concurred that a narrow focus on only immediate financial returns could undermine the broader benefits that AIoT offers. For instance, energy savings through AIoT are measurable and provide direct cost benefits. However, other outcomes—such as increased employee productivity, minimized unplanned downtime via predictive maintenance, and improved customer experiences—offer significant, albeit harder-to-quantify, intangible value.

While these benefits may be challenging to measure, CFOs argued that they are critical for justifying long-term investments. They also pointed out that service providers should assist in creating metrics for quantifying these intangible benefits, leveraging their expertise to support CFOs in these initiatives. A key concern expressed was the need for clear and measurable outcomes for AIoT projects. The CFOs highlighted that it's not just about measuring financial ROI; it's also about tracking operational improvements, reductions in carbon footprint, and customer satisfaction.

By establishing clear KPIs from the outset, CFOs can hold teams accountable, ensuring that AIoT implementations meet both financial and non-financial expectations. This transparency is crucial for optimizing AIoT systems and maximizing their impact over time.

Conclusion: CFOs leading the charge on adopting AIoT for retail store operations

The roundtable discussion underscored the crucial role CFOs play in driving AIoT initiatives within the retail sector. A significant takeaway was the necessity for CFOs to collaborate closely with AIoT service providers and relevant teams within their organizations, to evaluate the business case. These cases must clearly demonstrate both the tangible and intangible benefits of AIoT, including financial returns, operational efficiencies, and contribution to achieving sustainability targets. A well-structured business case, can help CFOs better understand the full value of AIoT projects, facilitating their approval and alignment with organizational goals. It also helps with measuring the success of the projects as well, leading to better engagements between service provider and retailer and encouraging new use cases to be explored.

As retail businesses continue to evolve, it is imperative for CFOs to champion the adoption of AIoT technologies to improve business efficiency and drive future growth. By taking an active leadership role, CFOs can leverage insights from service providers to support their decision-making processes and advocate for transformative initiatives within their organizations. CFOs do not have to navigate this journey alone; by partnering with capable service providers, they can enhance their ability to achieve strategic objectives and maximize the impact of AIoT investments on retail operations.

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The Retailers Association of India (RAI) plays a vital role in supporting CFOs and retail leaders by:

- Facilitating industry discussions on emerging trends such as AIoT, sustainability, and digital transformation.
- Providing a platform for collaboration between retailers, technology providers, and financial leaders.
- Offering thought leadership content, case studies, and industry reports to guide strategic decision-making.

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We invite retail CFOs and industry leaders to share their experiences and challenges in adopting AIoT. Reach out to us for collaboration opportunities, thought leadership discussions, or to participate in future industry summits.

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Together, let's shape the future of retail through AI-driven transformation!

About Carrier Abound

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