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Unlocking AI transformation

Finance leaders map the future of AI in university operations

Insights from 30+ higher ed finance leaders

October 2025

Unlocking AI transformation: finance leaders map the future of AI in university operations

Insights from 30+ higher ed finance leaders

Published October 2025 by CollegeVine
Canopy Education, Inc., DBA CollegeVine,
www.collegevine.com

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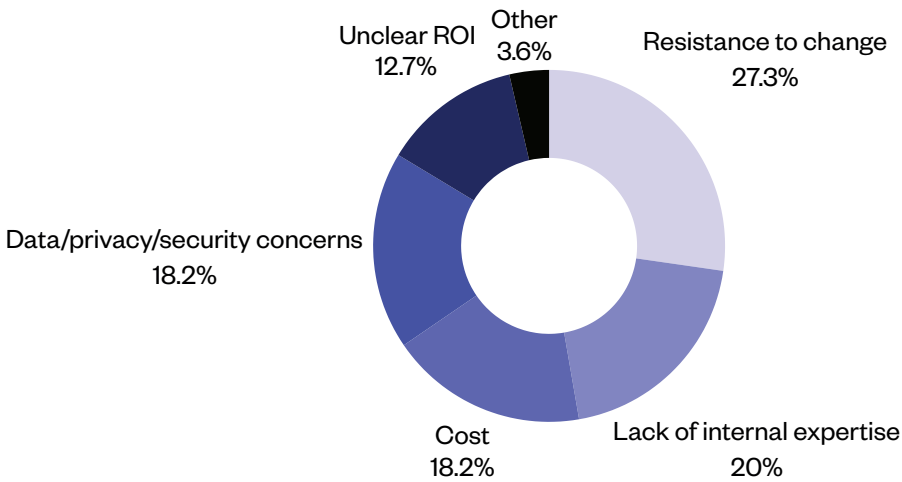
Executive summary

Higher education is at a pivotal moment for AI adoption, and finance leaders are poised to lead the transformation.

While **85% of business officers rated AI as critical to university operations** (≥8 out of 10 on a scale of AI importance), only **30% say their institutions have implemented AI so far**.

This implementation gap is driven mainly by organizational challenges, particularly **internal resistance to change**, which 75% of respondents cited as their top hurdle. Yet, most business officers remain optimistic that AI transformation can succeed with a practical, people-centered approach focused on communication, experimentation, and capacity-building. Overall, AI can enable transformative change across higher education operations, and finance leaders are optimistic about making it a reality.

Key barriers to AI adoption for institutions



Source: CollegeVine survey of CFOs conducted in 2025

Higher ed faces growing financial pressures that require innovation

1: External headwinds

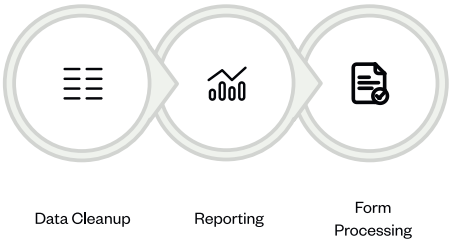
American higher education stands at a moment of profound transformation, driven by shifts in enrollment patterns, funding volatility, regulatory pressures, and evolving student expectations. Uncertainty in these areas can make planning complex, but many leaders see opportunities for innovation amid this change.

> Lack of support from state government and the changing relationship with the federal government puts schools serving rural and minority communities at risk. But **these challenges also push us to find smarter solutions with the resources we have**.
>
> A CFO at a small public college

2: Internal inefficiencies

Internally, universities across the U.S. face rising administrative costs. According to a 2023 digest of educational statistics by The National Center for Education Statistics, **administrative costs have increased 270% since 2002**.[1] Administrative costs also now account for nearly **a quarter of total spending**, according to Department of Education data.

In the 2025 Inside Higher Ed CBO Survey, among CBOs who anticipated their institution would be worse off financially in the coming year, "non-labor operating costs" and "labor costs" were the second-most frequently cited reasons why, behind concerns about federal funding. [2]



Persistent operational inefficiencies are the root cause of ballooning administrative costs. In our interviews, finance leaders pointed to manual, repetitive workflows (e.g., data cleanup, reporting, form processing) as major drains on staff capacity.

> Cashiers spend **up to 80% of their time** during the semester's start **answering repetitive parent questions** about payments. If we can automate these, we free staff for work that really needs their expertise.
>
> A finance leader at a mid-sized public university

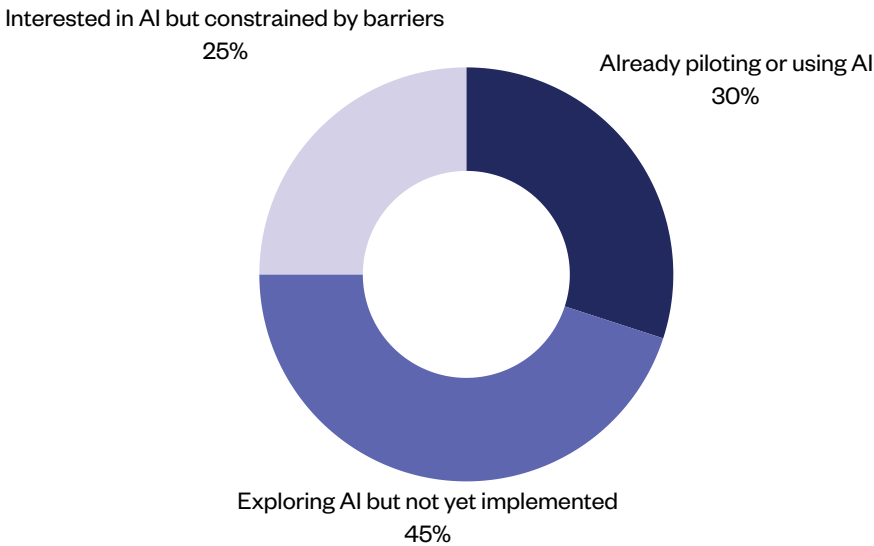
These inefficiencies are not fixed obstacles, but clear targets for innovation. In fact, many institutions are exploring AI transformation to do more with less and turn today's pressures into tomorrow's opportunities.

The AI implementation paradox: high value, low adoption

Given the headwinds above, higher ed leaders recognize the urgent need for innovation, particularly through AI.

But while interest is high, implementation is lagging. While 85% of finance leaders surveyed consider AI "critically important" for higher education, only 30% are currently piloting or using AI in operations. This gap is wider than other sectors, where AI adoption rates reach a more robust 78%.[3]

Current status of AI adoption for higher ed operations



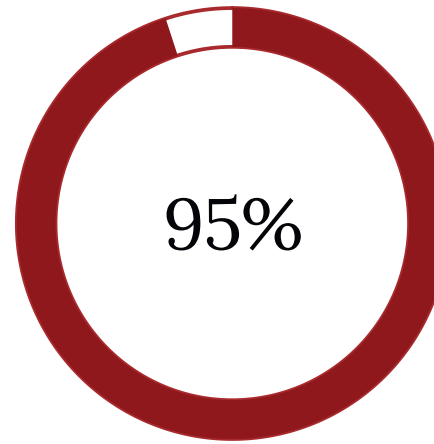
Source: survey conducted by CollegeVine in 2025.
"Which of the following best describes your institution's stance on AI adoption in operations across campus?"

The disconnect comes not from a lack of vision, but from unique characteristics of higher education: deliberative cultures and a deep sense of stewardship. In our interviews, finance leaders pointed to institutional cultures that prize deliberation over rapid iteration, as well as limited budgets for AI experimentation. In addition, universities face a vast landscape of possibilities on how to begin their AI implementation journey.

As one CFO put it, "We see the potential, but getting from seeing to doing is where we get stuck."

According to a 2025 **MIT report**, 95% of generative AI pilots in enterprises are failing to deliver measurable business impact. [4]

The primary reason for failure is **not the technology itself, but rather the implementation approach**.

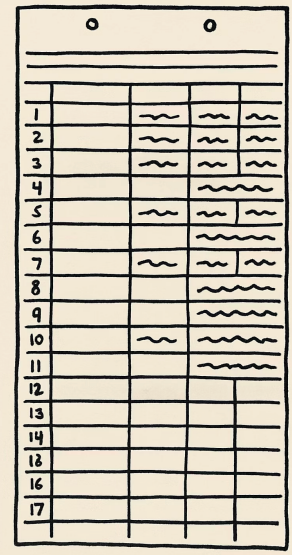


Generative AI pilots in enterprises failing to deliver business impact

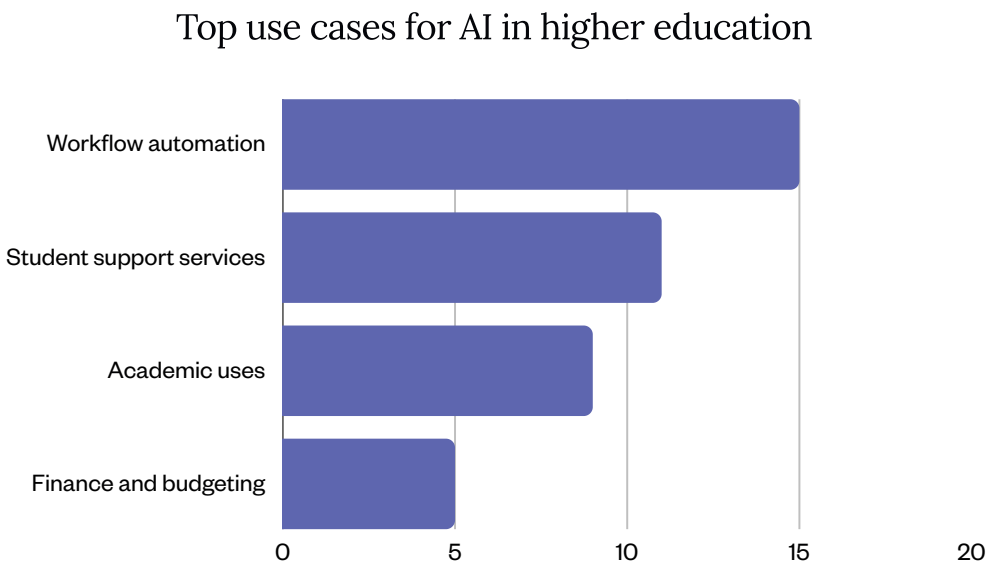
Unpacking the change management challenge

Higher ed staff value stability, shaped by the sector's long history and tradition. Many have seen past tech initiatives overpromise and underdeliver. Leaders now recognize that sustainable AI adoption requires collaborating with all staff as active participants rather than bystanders. Of equal importance is choosing an AI vendor well-versed in customizing solutions to each institution's unique culture and needs.

> It's like moving from columnar paper to Excel. If we lead the change, we can shape the outcome.
>
> VP of Finance at a community college



The manual work crisis: where AI can make immediate impact



Number of responses to a multiple choice question.
Source: CollegeVine survey conducted in 2025

Administrative automation: the clear winner

Administrative task automation is the most immediate opportunity for AI transformation, with a clear value proposition and measurable results. By automating manual workflows (e.g., responding to emails, handling payment inquiries, reconciling data), teams save time, reduce errors, and enhance service quality.

Additionally, because these automations build on existing processes, **institutions often observe immediate efficiency gains without the need for major organizational change.**

- Responding to emails
- Handling payment inquiries
- Reconciling data

Other real-world use cases

In our interviews, finance leaders cited several common key opportunities for AI transformation.

Student and parent inquiries

An AI agent that responds to commonly-asked questions can free staff for more complex issues, improving job satisfaction and service quality.

Data reconciliation and reporting

Finance teams report spending significant time extracting and cleaning data. AI could help automate tedious data-oriented tasks.

Form processing and approvals

An AVP at a state college system described working with "many forms and approvals, often causing delays and confusion." Other leaders cited similar challenges, suggesting that AI automation could reduce related bottlenecks.

Rather than deploying standalone AI tools, institutions benefit most from implementing a single, comprehensive AI platform that supports hyper-custom agents for different uses across campus.

Across industries, this unified “platform” approach for AI is rapidly becoming the standard. Instead of managing separate systems that don’t communicate, a seamless solution saves institutions significant time and money. An AI platform allows for early testing on low-risk use cases, simplifies implementation and the staff user experience, and eliminates the need for multiple troubleshooting efforts.

Implementation lessons from early adopters

The most effective way for universities to implement AI is to prioritize high-impact, low-risk projects and engage expert partners in the process.

As a CFO at a small private college summarized,

"Embrace AI, [but] hire experts, study carefully, and implement cautiously."

This balanced approach addresses legitimate concerns while acknowledging the potential of strategic, expert-guided AI implementation.

Start small, build momentum
Piloting AI in low-risk areas allows institutions to learn and iterate without jeopardizing core operations. One finance leader described how their community college "initially implemented AI to reduce time required to complete clerical tasks". They saw immediate benefits, which helped build team support for expanded AI use.

Lead with buy-in
To successfully implement AI at a higher ed institution, leaders must invert the traditional process for adopting technology. Rather than driving technical integration and following with change management, leaders described starting with organizational understanding. It is important to demonstrate that AI will support rather than replace staff and free up time for more fulfilling work.

Involve the whole organization
AI implementation should be a cross-functional process involving teams such as finance, IT, legal, admissions, student affairs, and more. This collaborative approach builds both collective knowledge and organizational buy-in.

Strategies to build long-term AI readiness

Higher education leaders can drive their institution's long-term readiness for AI by investing in both deeper internal understanding of AI and partnerships with qualified external experts.

Foster continuous learning

AI technology evolves rapidly, so teams that embrace ongoing adaptation will be better prepared for implementation. Leaders can encourage frequent, open discussion among staff about developments in AI.

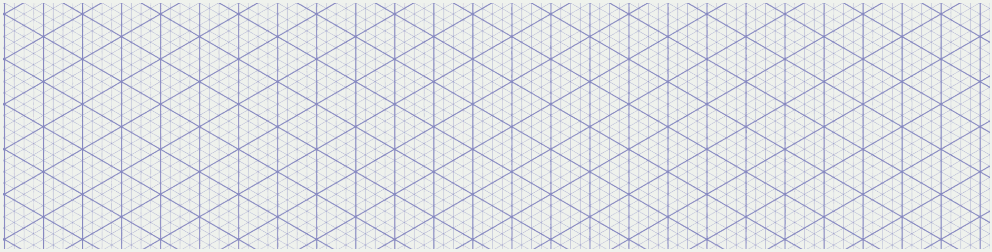
Choose an expert partner

Institutions should seek out vendors who are not only equipped with deep AI knowledge but are also committed to ongoing education and organizational change management. The best partners demonstrate a track record of working in higher education, offer clear implementation plans, and prioritize collaboration with campus stakeholders at every step. Look for vendors who can provide long-term support over simply delivering a point solution.

Conclusion

The path forward for higher education institutions requires balancing immediate challenges with the need for bold innovation. CFOs and VPs of Finance across institutions recognize that AI adoption is necessary for institutions to navigate today's changing landscape.

Successful implementation depends on a people-centered, iterative approach that involves the whole organization. Institutions will benefit most from AI partners who provide more than technology, but also offer education, ongoing support, and skilled change management. With informed investment, institutions can harness AI to unlock near-term efficiency gains and cost savings. In the long term, AI presents a necessary opportunity for transformative growth and innovation across the higher education industry.

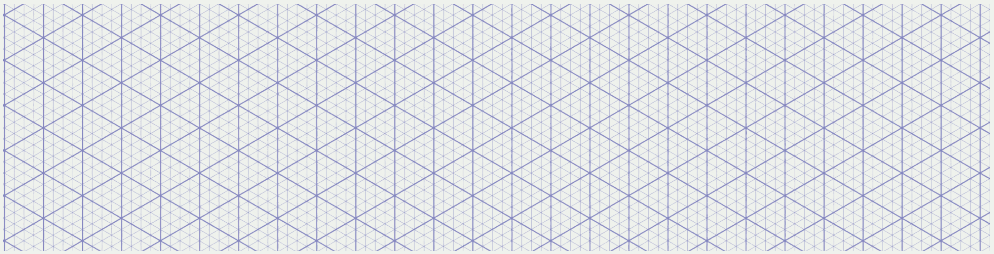


Methodology

The insights in this report are based on an online survey conducted by CollegeVine in August 2025.

The 23 respondents included CFOs and VPs of Finance at colleges and universities nationwide. The survey contained both quantitative multiple-choice questions and qualitative free-response questions.

Additionally, insights are sourced from interviews with 10 higher ed finance leaders conducted by CollegeVine at the NACUBO Annual Conference in July 2025. Survey and interview participation was voluntary, and all perspectives are reported anonymously.



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