

Gartner®

# The CFO Report

Gartner answers top CFO challenges

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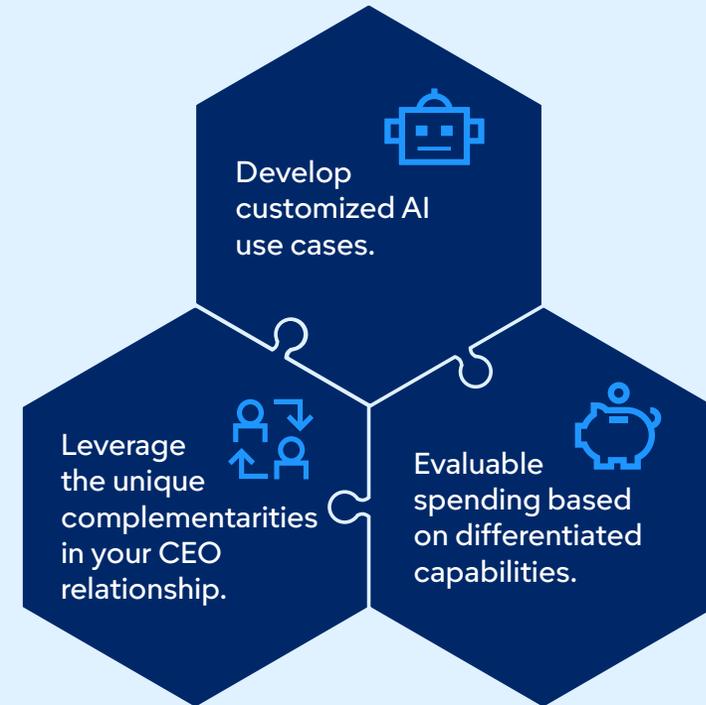


# Integrate differentiation into your 2026 decision-making process

To hit the ground running in 2026, it's not enough for CFOs to have clarity on their areas of competitive differentiation — they must also integrate that understanding into a variety of internal operations. Three key areas where CFOs can do so are AI use cases, their CEO relationship and cost.

**Use this edition of The CFO Report to enhance decision making in 2026 and strengthen your enterprise impact.**

## 3 ways CFOs can integrate competitive differentiation into decision-making processes



Source: Gartner

# What are the most impactful AI use cases for finance in 2026?

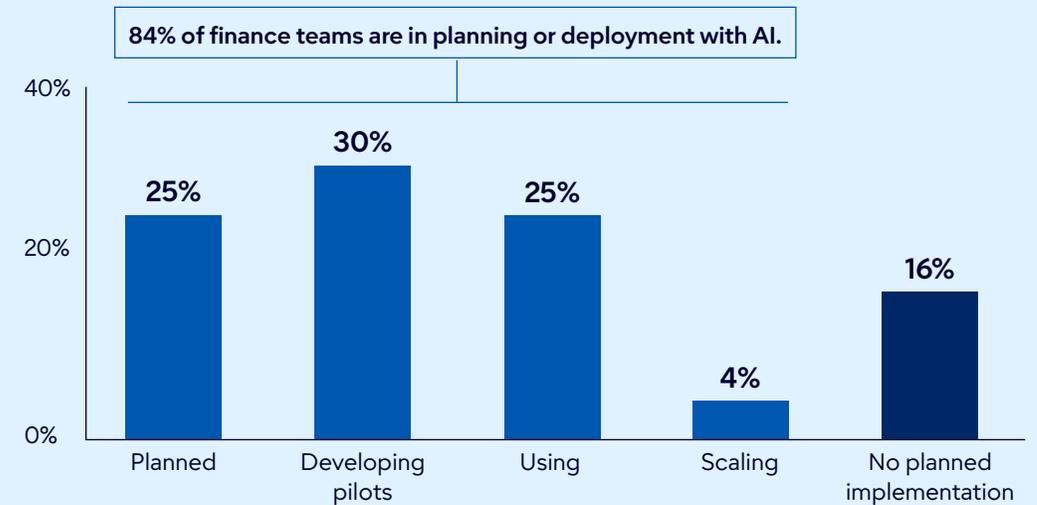
Fifty-nine percent of finance organizations report using AI, according to our 2025 Gartner AI in Finance Survey. That’s progress — but the figure is similar to the 58% who reported using AI in 2024, indicating that adoption has slowed.

One challenge finance organizations face in adopting AI: identifying the best use cases. If CFOs solely look externally for AI use cases, the result will be poor prioritization decisions because more of the drivers of AI investment success are organization-specific.

Instead, to maximize AI’s ROI, CFOs should push their finance teams to develop customized AI use cases that reflect their organization’s specific characteristics and needs.

## Most finance teams are moving ahead on AI — but very few are scaling

Use of AI in finance, 2025  
Percentage of respondents



n = 183

Q. Considering the following types of use cases for AI within your finance function (intelligent process automation, anomaly and error detection, analytics, operational assistance and augmentation, and other), please indicate the adoption stage for each type.

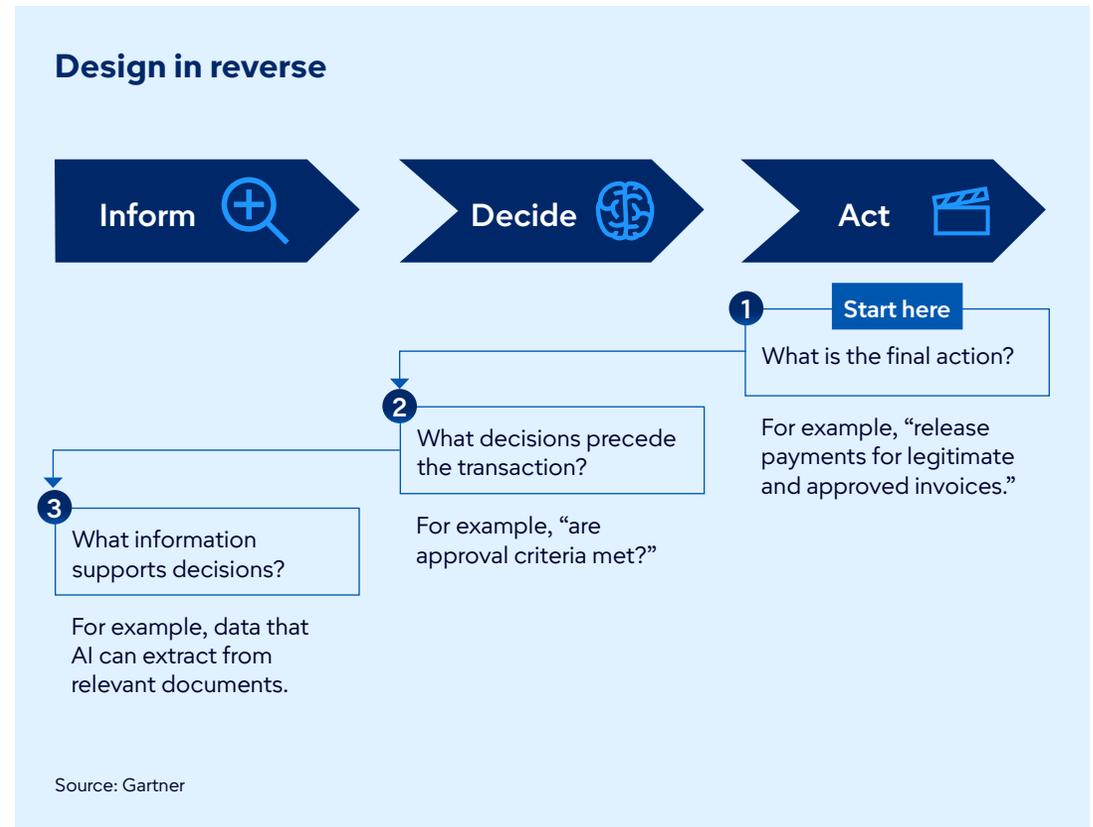
Source: 2025 Gartner AI in Finance Survey

# Develop customized AI use cases that reflect your org’s unique characteristics

The most effective AI use cases automate knowledge work unique to the organization. Start by mapping the three steps that comprise a knowledge workflow – that is, the flow of information and decisions that lead to a final outcome – to pinpoint the final action to automate. These steps are:

- **Inform:** Gather and analyze information
- **Decide:** Make decisions based on information
- **Act:** Execute actions based on decisions

Work backward to identify the decisions and data required to achieve the desired action to ensure AI supports measurable outcomes, such as accelerating invoice approvals or improving compliance checks. Customized use cases turn AI from a generic tool into a strategic differentiator.



# How clients develop AI use cases with Gartner support

Mission-critical priority: Drive growth and cost savings through high-value AI use cases

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Business leaders were demanding “AI everywhere,” from one of our CFO clients, but earlier automation efforts had only delivered time savings, not real financial impact. The CFO was skeptical about investing in new AI tools without a clear ROI and was wary of vendor hype and poor data quality. The CFO worked with us to pinpoint where AI could deliver measurable financial outcomes. Using the [Gartner AI Use Case Library](#), we helped the CFO focus on a use case that would deliver the most financial impact: AI-driven revenue leakage detection in the order-to-cash processes. Using Gartner frameworks and case studies, the CFO prioritized this initiative over generic automation projects.

With Gartner expert guidance, we helped him design a “human-in-the-loop” operating model to address audit and risk concerns, and set clear KPIs: margin recovery, headcount containment and revenue recapture. [Gartner BuySmart analysis](#) helped the CFO cut through marketing hype in their vendor selection process and within 18 months, the company recovered over \$40M in margin without adding finance staff and established a repeatable model for future AI investments.

# How do I manage conflict with my CEO?

Three-quarters of CFOs rank their relationship with their CEO as the executive-level relationship that is most important to achieving their objectives – ahead of the board and heads of business units, according to the 2025 Gartner Annual Chief Financial Officer Survey.

At the same time, the CFO-CEO relationship is under strain. Economic uncertainty and rapid technological change amplify pressure on both roles, escalating minor disagreements to major conflicts. While alignment with the CEO is critical in this situation, CFOs shouldn't run from disagreements with them. Instead, the most effective CFOs transform destructive conflict into constructive tension by harnessing the unique, complementary qualities in their relationship.

## 4 drivers of interpersonal tension



Source: Gartner

# Cultivate constructive tension in your CEO relationship

Effective CFOs harness the unique interplay of strengths between themselves and their CEO. Start by reflecting on the drivers of tension — power dynamics, conflict types, leadership profiles and social styles. Once a CFO has determined how these elements play out in their relationship with their CEO, they should consider whether they recognize their CEO in one of the three common archetypes of difficult CEOs (see figure at right).

While CFOs should avoid reducing their CEO to a stereotype, these archetypes can quickly guide CFOs in identifying the best ways to manage this relationship. For instance, to harness productive tension with a command-and-control CEO, CFOs should subtly direct their CEO’s focus toward areas where their strong convictions and self-confidence are complementary to their own and other C-suite leaders’ strengths.

## 3 common archetypes of “difficult” CEOs

	 <b>The impractical optimist</b>	 <b>The change skeptic</b> (Often a former CFO and/or relatively new external hire)	 <b>The command-and-control CEO</b>
<b>Common characteristics</b>	<ul style="list-style-type: none"> <li>• Full of ideas but short on firm answers</li> <li>• Disdain for agendas, formal process and other structure</li> </ul>	<ul style="list-style-type: none"> <li>• Short views on how the CFO and others should lead</li> <li>• Frequently interjects in functional decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Excludes other CxOs from decision making, which may take place in informal settings</li> <li>• Strictly gatekeeps access to the board</li> </ul>
<b>Power distance orientation</b>	Relatively low	High	Very high
<b>Likely conflict type</b>	Task	Status or task	Status
<b>Sees themselves as</b>	<ul style="list-style-type: none"> <li>• Visionary</li> <li>• Disruptor</li> </ul>	<ul style="list-style-type: none"> <li>• Protector</li> <li>• Processor</li> </ul>	<ul style="list-style-type: none"> <li>• Strategist</li> <li>• Coach</li> </ul>

Source: Gartner

# How clients cultivate a successful CEO relationship with Gartner support

Mission-critical priority: Foster a better CEO-CFO relationship by clearly demonstrating finance's strategic value

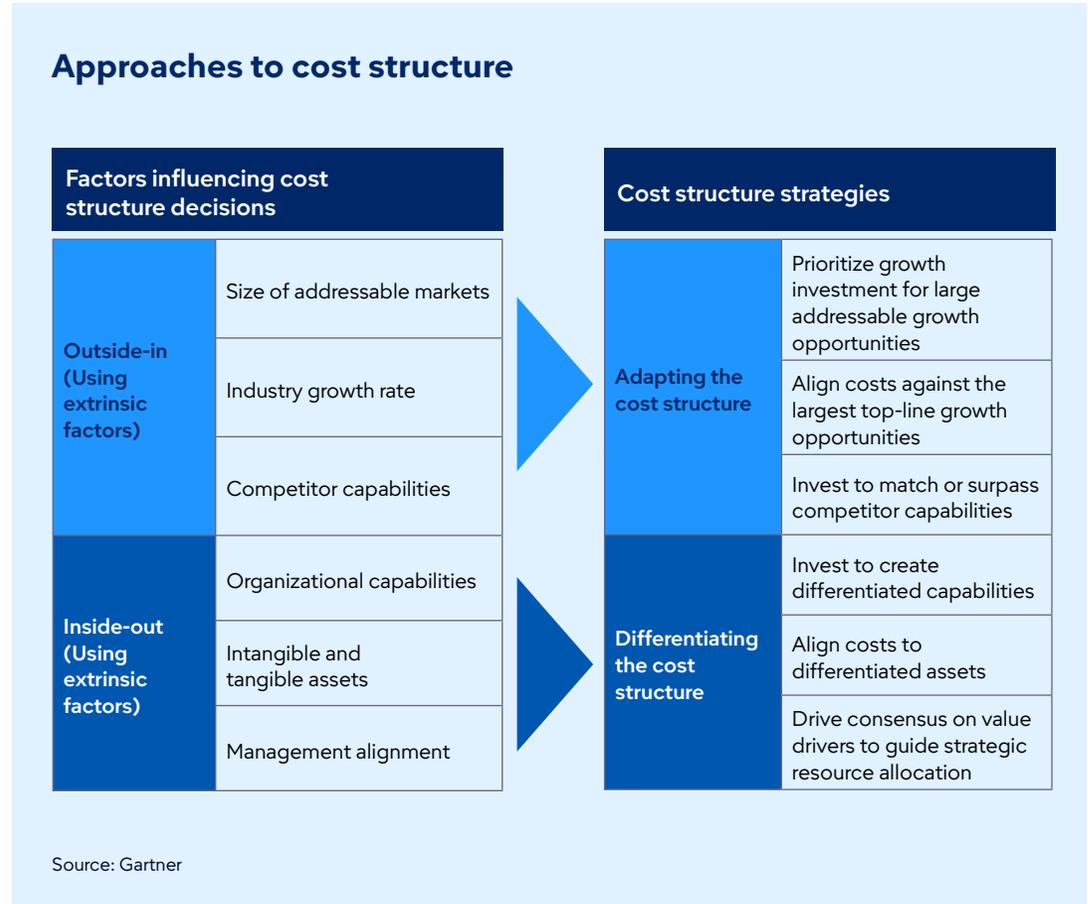
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One of our clients, the CFO of a global SaaS provider, was finding himself in tension with his CEO after receiving increased pressure to accelerate AI-driven efficiency while still supporting growth investments. The CFO often found himself challenged in executive meetings, with the CEO impatient for progress and questioning why finance wasn't moving fast enough. The dynamic made it difficult for the CFO to position finance as a strategic partner, rather than just a cost gatekeeper.

Using the [Finance 2030 Framework](#), I began working with the CFO to improve alignment with the CEO and help him demonstrate how finance could drive value creation through analytics and AI — not just cost control. We also collaborated on a [Strategy-on-a-Page Toolkit](#) that visually connected finance priorities with the CEO's strategic goals, making it easy for board-level discussions. Over the following months, the CFO used these tools in executive meetings to shift perceptions of finance within the company. I continue to support the CFO as he strengthens finance's strategic partnership with the CEO and drives alignment on key priorities.

# How should I prioritize costs to optimize while maintaining growth?

Cost optimization tops CFO priorities for 2026, yet most organizations rely on outdated structures that fail to support growth. A traditional, “outside-in” approach relies on external factors, like competitor capabilities or size of addressable markets, but this reactive method doesn’t hold up in volatile markets. The challenge is to evaluate spending through an internal lens — prioritizing investments that reinforce what makes your organization different.



# Evaluate spending based on its support for differentiated capabilities

CFOs should adopt an “inside-out” approach to cost optimization, categorizing expenses based on their role in sustaining unique capabilities. This method directs resources toward areas that competitors can’t easily replicate — such as proprietary processes or brand equity — while trimming costs that don’t drive advantage. An inside-out approach to cost structure results in up to 42% higher long-term value, but the majority of organizations are missing out on these proven benefits, with only about 20% of CFOs currently differentiating their cost structures.

## A value-oriented cost structure

Illustrative



Cost bucket	Differentiating costs	Enabling costs	Commoditizing costs
Definition	Unique costs (in application or ownership) that create a point of differentiation	Costs that directly support mission-critical operational outcomes	Costs any competitor can incur
Return behavior			
Goal	<b>Maximize</b> Spend up to productive limits, separate from competitors	<b>Satisfice</b> Spend only as much as necessary to achieve threshold of performance	<b>Minimize</b> Spend as little as possible

Source: Gartner

# How clients achieve cost differentiation with Gartner support

## Mission-critical priority: Achieve cost savings through a differentiated cost structure

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The CFO of a multi-billion-dollar specialty manufacturer was under intense board pressure to deliver 4% to 6% structural cost savings in a volatile environment marked by tariff swings, inflation and slowing growth. Traditional cost-cutting levers had already been exhausted, and the board was demanding credible, sustainable savings while still protecting the company's strategic capabilities.

We used the [Gartner Differentiating vs. Commoditizing Cost Framework](#) to align leaders around which costs to protect and which to target for reduction. I supported the CFO in deploying Gartner standardized proposal templates, which raised the bar for business cases by requiring clear financial impact and risk trade-offs.

Gartner benchmarks gave the CFO external validation to challenge internal assumptions and focus on true structural gaps. As a result, the CFO delivered 3% to 5% structural cost reduction over two years without undermining growth or differentiation. More importantly, he shifted executive perception — moving from being seen as a reactive cost enforcer to a strategic architect of the company's operating model.

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