Gartner

The CFO Report

Gartner answers top CFO challenges

3Q25

This edition's top CFO challenges

Challenge 1:

How can I avoid compromising future performance when cutting costs?

Challenge 2:

How do I provide outlook guidance on earnings calls amid economic uncertainty?

Challenge 3:

What does the finance function of the future look like?

Boost organizational resilience amid evolving risks

In an external environment with many fast-moving risks, CFOs must bolster the resilience of the enterprise and their finance function.

To do so, they need to pursue a smart balance of taking shorter-term mitigation steps now and sustaining transformational initiatives that will secure finance's future as an agile and insight-driven function.

CFOs can boost resilience using three key strategies:

1. Revisit cost optimization strategies to avoid common pitfalls.
2. Establish a transparent, ongoing dialogue with investors — without adding to the noise.
3. Maintain momentum on finance's technology-driven evolution.

Use this latest edition of **The CFO Report** to boost your organization's resilience in an environment of quickly evolving risks and opportunities.

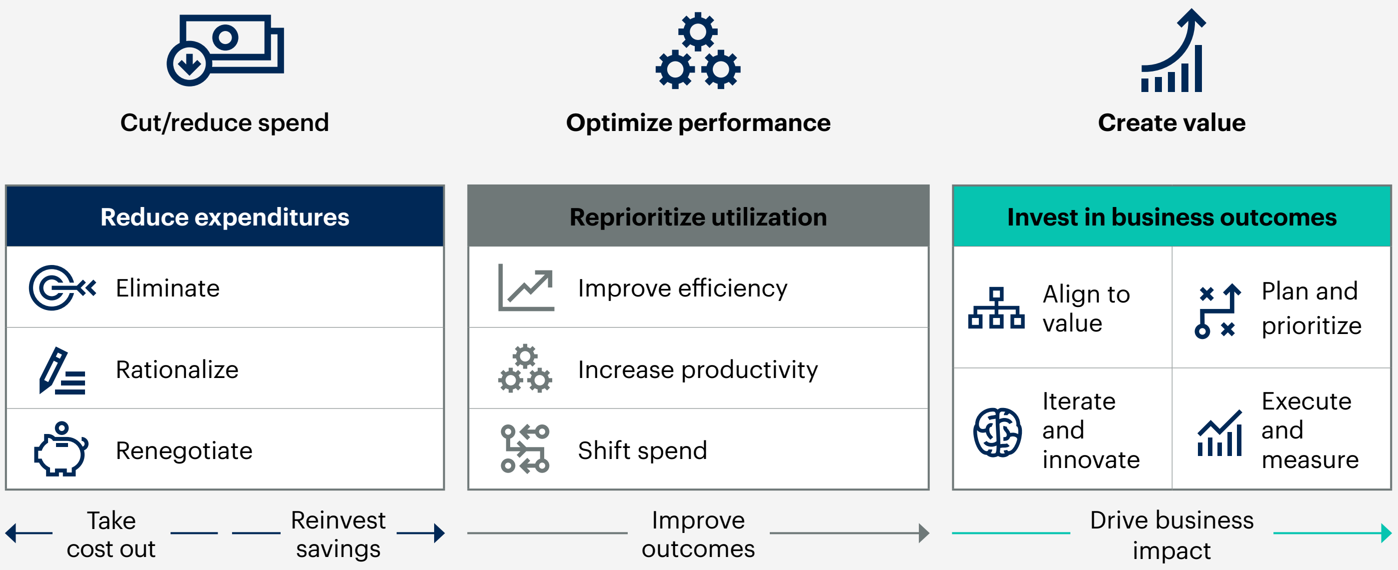
3 strategies for CFOs to boost resilience

Source: Gartner

How can I avoid compromising future performance when cutting costs?

Cost cutting is firmly back on the C-suite agenda. Almost 50% of CFOs Gartner polled in 2Q25 said they planned to reduce their organization’s spending. Meanwhile, one in four executives stated they would pause major projects due to uncertainty surrounding government spending, tariffs, and broader executive orders. However, as CFOs intensify cost-cutting efforts, they run risk of turning an organization’s growth potential into a hollowed-out shell of budget compliance.

The Gartner 2025 cost optimization and resource flexibility framework



Source: Gartner

Revisit your cost optimization strategy to avoid common pitfalls to value creation

As the external environment evolves, CFOs must revisit their cost optimization strategy to ensure that it still serves their organization's needs and avoids common flawed assumptions that can hinder strategic cost optimization.

3 cost-cutting myths to avoid

"Across-the-board cuts are the fairest."

Not all expenses are created equal. CFOs shouldn't penalize the more efficient parts of the organization or erode important sources of value. Instead, they should preserve spending that creates strategic value and differentiates their organization from competitors, while ruthlessly reducing expenditure on factors that peers can easily emulate.

"We can reduce expenses at the margin."

Repeated marginal cost cuts have only a marginal impact and can fail to address possible structural inefficiencies at the heart of the organization. Real change requires big, bold moves — like forcing trade-offs among strategic objectives.

"Innovation can be paused for austerity."

Even if budgets are tight, innovation is not a dispensable luxury — it's an engine for competitive differentiation and sustained growth. To support innovation while conserving cash, CFOs can adopt tactics like milestone-based funding, releasing resources in batches to test the viability of critical assumptions.

Take action with Gartner support

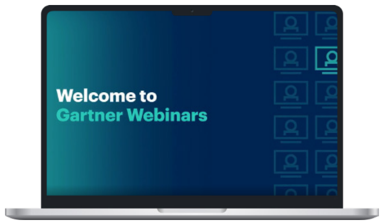
For more on cost optimization in 2025, read **How CFOs Can Build a Value-Driving Cost Management Program.**

Meet with your head of FP&A to understand their latest forecasts and how these projections might impact your cost optimization strategy.

Schedule a call with a Gartner expert to sense-check your cost optimization strategy in relation to the current external environment.

Dennis Gannon
VP Analyst

Watch **Executing in a Volatile Economy — Cost Optimization and Resource Flexibility,** an on-demand webinar that will help you balance immediate pressures with long-term strategic objectives.



How do I provide outlook guidance on earnings calls amid economic uncertainty?

When the external environment is evolving quickly, CFOs may find it difficult to effectively communicate their organization's plans and outlook to investors.

One major reason why: CFOs may lack certainty themselves, if a volatile environment renders their prior strategies out of date.

Many companies miss the mark when addressing this complicated challenge. Most share too little, too late. Meanwhile, organizations that can communicate without consideration for materiality often provide too much information, which only adds to the noise.

The investor communications spectrum

Information asymmetry

Management risks investor perception as helpless or evasive

Investor empowerment

Management reduces information asymmetry and is rewarded with investor trust and confidence

Noise amplification

Management risks investor perception as helpless or unfocused

Source: Gartner

Establish a transparent, ongoing dialogue with investors — without adding to the noise

CFOs must strike a balancing act in investor communications, and provide enough detail to empower investors without overwhelming them. Prepare for a successful earnings call at both publicly listed and privately owned companies using a three-step Gartner checklist:

1. Proactively drive market perception of your organization's vulnerabilities.

To do so, CFOs must go beyond simply providing the facts they're required to in order to comply with regulatory and legal requirements. They must also build investor confidence by elaborating on the impacts of risks on the business, as well as the organization's mitigation plans.

2. Articulate how your organization's competitive advantage boosts resilience.

CFOs should explain how their organization's business fundamentals (like product differentiation), financial brand and successful track record mitigating previous disruptions contribute to its resilience relative to peers. Fact-based, measurable evidence can add credibility here. Reiterating the organization's commitment to its long-term vision can also help.

3. Enhance the depth, effectiveness and reach of your narrative with digital tools like AI.

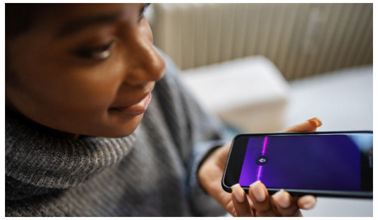
For instance, CFOs can use GenAI to analyze large volumes of publicly available information to understand market trends and inform the insights they share with investors. Using these tools can improve efficiency, as well as the intelligence and precision of investor communications.

Take action with Gartner support

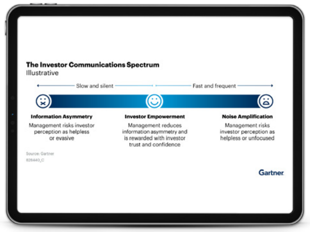
Schedule a call with a Gartner expert to pressure-test your planned investor messaging and to understand how your peers are thinking about challenges in communicating with investors.

Sean Kumar
Senior Director Analyst

Ask your head of investor relations to begin piloting one new way to use AI to save time as you prepare for your next earnings call.



Gartner clients can read **How CFOs Should Engage Investors During Uncertainty** for more on finding the right balance of investor communications in today's environment.



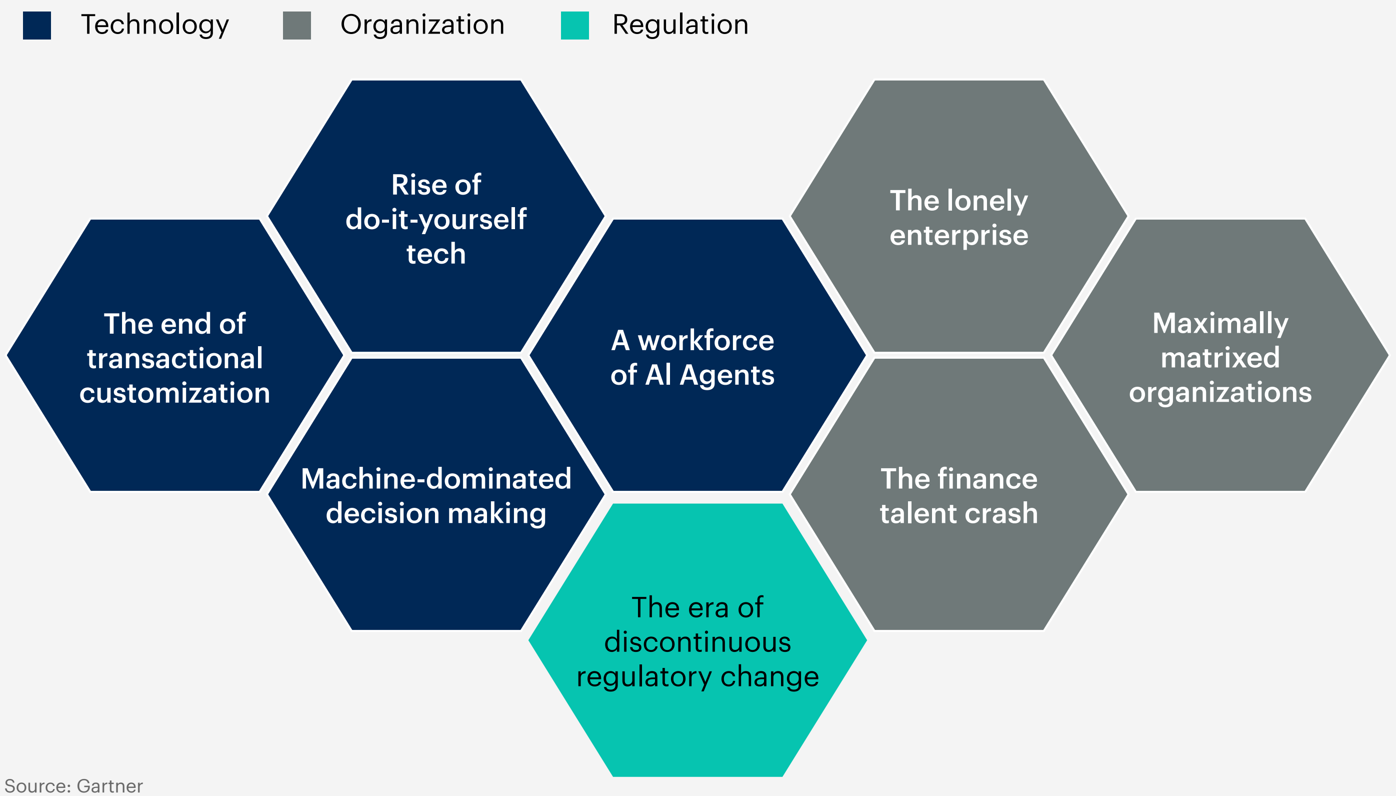
Attend an upcoming **Gartner CFO & Finance Executive Conference** for in-person networking and sessions like "Mastering Investor Communication: CFO Strategies for Clarity and Confidence in Uncertain Times."

What does the finance function of the future look like?

Many executives think tight budgets call for a shift from bold, forward-looking investments to the pragmatic demands of survival. This perspective is profoundly shortsighted.

To boost resilience, CFOs can't only focus on mitigating today's risks. They also need to make sure they don't lose sight of their longer-term priority of transforming the finance function. Understanding finance's future can help guide difficult decisions today, like which technology and talent investments to prioritize.

8 forces reshaping finance in 2030



Source: Gartner

Maintain momentum on finance's technology-driven evolution

Eight forces will reshape finance over the next five years (see figure on previous page). CFOs should prepare their employees — and their finance leadership team — for these changes, developing a vision and a talent strategy that supports the finance function of 2030. Here are three forces that CFOs should be especially attuned to:

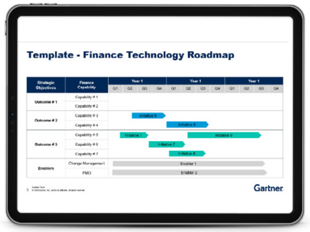
A workforce of AI agents. AI agents will be co-workers to human employees and will be each other's co-workers and supervisors as well. This means autonomous AI agents will take on many tasks that employees currently perform.

The finance talent crash. The availability of finance talent will decline significantly by 2030, as experienced employees retire while the inflow of newly trained finance professionals slows. To protect against this threat, CFOs will need to hire technology talent, which will be more abundant than traditional finance talent and can help the function transform and automate.

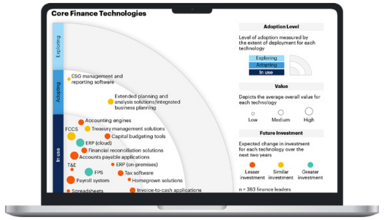
The era of discontinuous regulatory change. Changes in regulations will become increasingly difficult to predict in advance. As a result, gains in efficiency from technology will be undermined by the capacity needed to respond to these shifts.

Take action with Gartner support

Ask your finance transformation leader to update you on your finance function’s technology roadmap and how they plan to ensure execution success amid uncertainty.



Download the **2025 Finance Technology Bullseye Report** for more details on popular and emerging finance technologies.



Schedule a call with a Gartner Executive Partner — a former CFO — to discuss how you can best prepare your function to adapt to the changes that will reshape it by 2030.

Chandra McCormack
CFO Executive Partner

Gartner clients can read **Finance 2030: 8 Forces That Will Reshape Finance** to learn more about the shifts that will change how finance operates or is organized over the next five years.

Actionable, objective insight

Position your organization for success. Explore these additional complimentary resources and tools for finance leaders:

Tool
Digital Finance Score
Measure your function's performance across eight objectives and develop an action plan to improve.

Learn More

Assessment
CFO Management Persona
Take this 3-minute assessment to better calibrate your schedule for the current season of your career.

Get Started

Webinar
Join an Expert Deep Dive
Explore upcoming and on-demand CFO webinars hosted by Gartner analysts.

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