

Gartner®

The CFO Report

Gartner answers top CFO challenges



3Q26

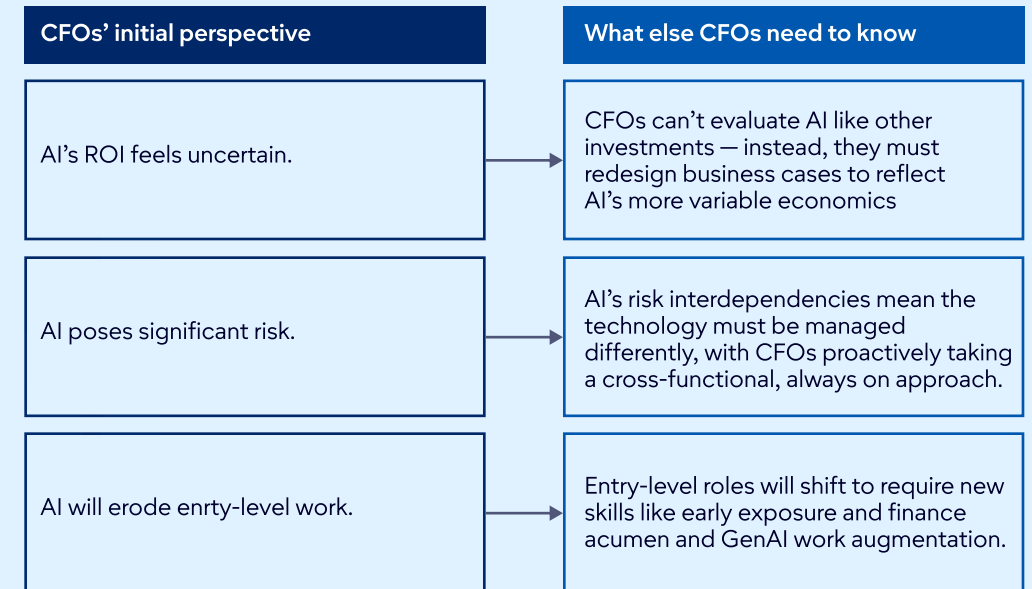
CFOs, recognize and address top AI concerns

CFOs have concerns about AI, yet uncertainty on how to address AI apprehensions often leads to inaction or ineffective action that hinders overall progress.

CFOs risk not only falling behind competitors, but also failing to meet CEOs' AI ambitions, which outpace CFOs' in both speed and scope.

Use this edition of the report to move beyond recognizing AI challenges to taking action against them.

3 AI challenges CFOs recognize – and what else they need to know



Source: Gartner

Which AI use cases should our organization pursue to maximize ROI?

As CFOs face pressure to achieve returns from AI, they're evaluating new AI investments to help support their organization's AI aims.

Yet CFOs' traditional methods of evaluating technology investments aren't right for AI:

- Digital investments' cost curves are consistent, with licensing, maintenance and renewal cycles following consistent patterns. AI has variable cost curves, because compute, data work and inference volumes expand and contract with real behavior.
- Digital investments follow predictable spend levels, whereas AI investments' spend levels are usage-driven.
- Digital investments mature through scheduled updates and depreciate over a clearly defined timeline – but with AI, performance decays without continuous reinvestment (for instance, to refresh data).

Digital and AI as two distinct economic systems

Digital investments

- **Stable cost curves:** Run rates remain steady because licensing, maintenance and renewal cycles follow consistent patterns.
- **Predictable spend levels:** Costs align to planned usage and known demand, enabling reliable multiyear budgeting.
- **Asset-like behavior:** Systems mature through scheduled upgrades and depreciate over clearly defined useful lives.

AI investments

- **Variable cost curves:** Compute, data work and inference volumes expand and contract with real behavior, creating cost volatility.
- **Usage-driven spend levels:** Costs scale with adoption, throughput and model complexity rather than with time.
- **Reinvestment-dependent behavior:** Performance decays without ongoing retraining, data refresh and tuning, requiring continuous reinvestment.

Source: Gartner

Redesign business cases to reflect AI's more variable economics

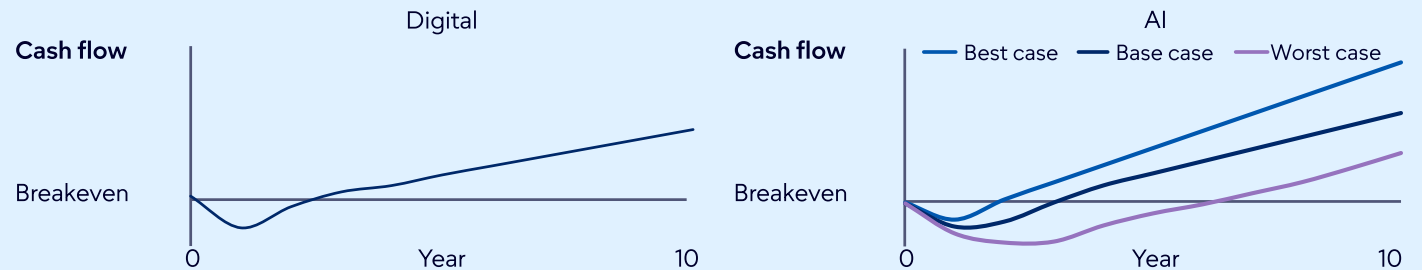
CFOs must redesign the way they evaluate business cases for AI investments to take these differences into account.

One example of how this difference should play out is in assessing ROI. CFOs can't use the deterministic ROI modeling in standard business cases they've used in the past for traditional digital investments. That's because while those investments follow predictable value paths, AI's path to impact is uncertain, performance-dependent and often nonlinear.

Instead, for AI investments, CFOs should require multiple value scenarios that vary based on accuracy thresholds, error rates or model performance improvements. They should also translate other sources of AI's value unpredictability — such as adoption uncertainty — into explicit business case evaluation requirements. This will provide them with more accurate models that reflect AI's true value trajectory.

Comparison of ROI for digital vs. AI investments

Illustrative



Business-case actions

- Replace point-estimate ROI with scenario ranges based on model performance and usage
- Build stage gates into the model with evidence required for expand, pause or stop decisions

Source: Gartner

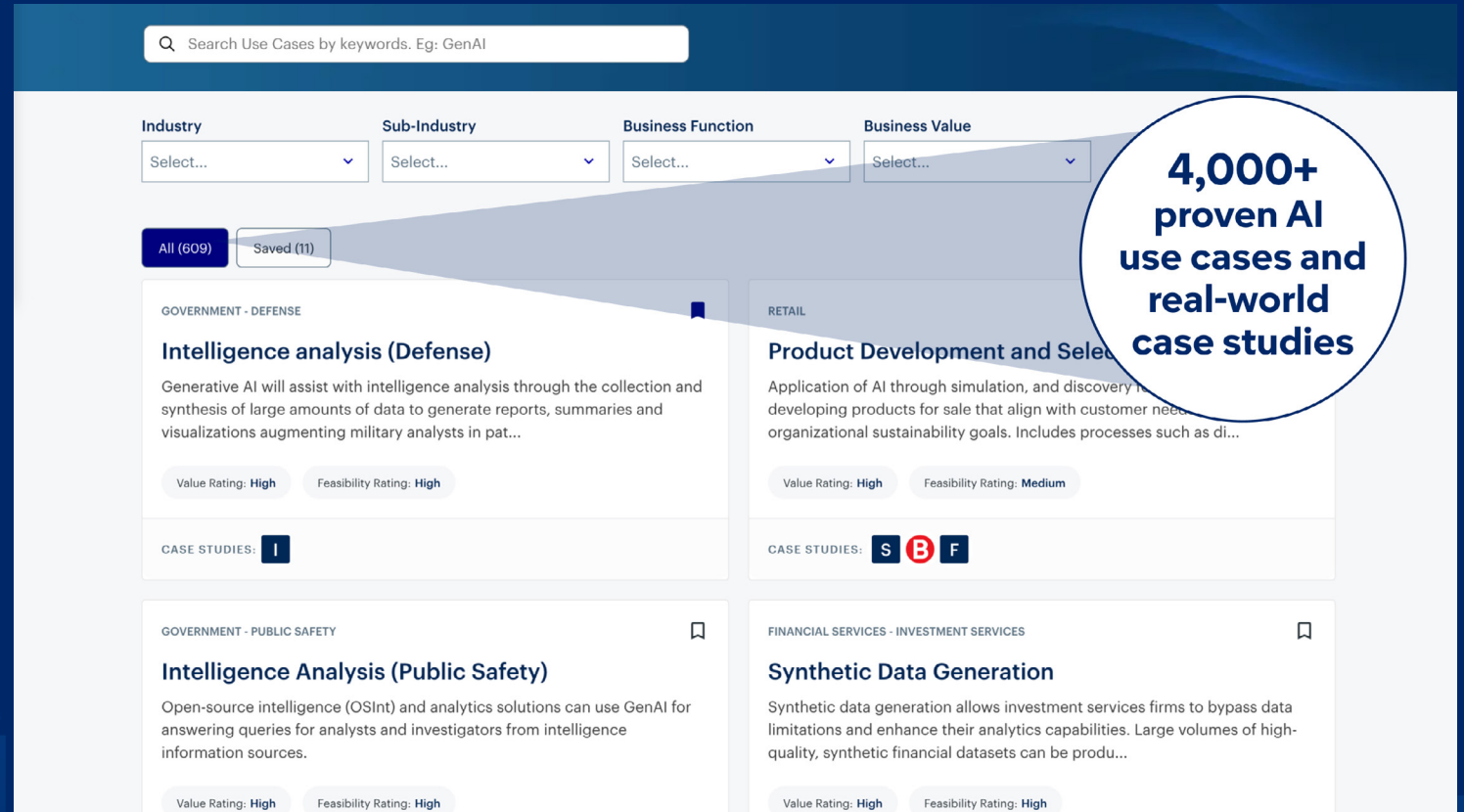
How clients determine AI use cases with Gartner support

Pinpoint high-impact AI opportunities with Gartner AI Use Case Insights

Explore, evaluate and prioritize 4,000+ proven AI use cases and real-world case studies tailored to your industry for stronger, faster AI outcomes. Discover AI opportunities tailored to your organization with:

- Extensive AI use cases by industry and function
- Built-in AI expertise and case studies
- AI prioritization framework

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The screenshot displays the Gartner AI Use Case Insights dashboard. At the top, there is a search bar with the placeholder text "Search Use Cases by keywords. Eg: GenAI". Below the search bar are four filter dropdown menus: "Industry", "Sub-Industry", "Business Function", and "Business Value", each with a "Select..." option. Below the filters are two buttons: "All (609)" and "Saved (11)". The main content area is a grid of case study cards. The first card is titled "Intelligence analysis (Defense)" under the category "GOVERNMENT - DEFENSE". It includes a description: "Generative AI will assist with intelligence analysis through the collection and synthesis of large amounts of data to generate reports, summaries and visualizations augmenting military analysts in pat...". It also shows "Value Rating: High" and "Feasibility Rating: High". Below the card is a "CASE STUDIES" section with a single icon. The second card is titled "Product Development and Selection" under the category "RETAIL". It includes a description: "Application of AI through simulation, and discovery in... developing products for sale that align with customer need... organizational sustainability goals. Includes processes such as di...". It shows "Value Rating: High" and "Feasibility Rating: Medium". Below the card is a "CASE STUDIES" section with three icons labeled "S", "B", and "F". The third card is titled "Intelligence Analysis (Public Safety)" under the category "GOVERNMENT - PUBLIC SAFETY". It includes a description: "Open-source intelligence (OSInt) and analytics solutions can use GenAI for answering queries for analysts and investigators from intelligence information sources." It shows "Value Rating: High" and "Feasibility Rating: High". The fourth card is titled "Synthetic Data Generation" under the category "FINANCIAL SERVICES - INVESTMENT SERVICES". It includes a description: "Synthetic data generation allows investment services firms to bypass data limitations and enhance their analytics capabilities. Large volumes of high-quality, synthetic financial datasets can be produ...". It shows "Value Rating: High" and "Feasibility Rating: High". A large blue circle with white text is overlaid on the right side of the dashboard, containing the text "4,000+ proven AI use cases and real-world case studies".

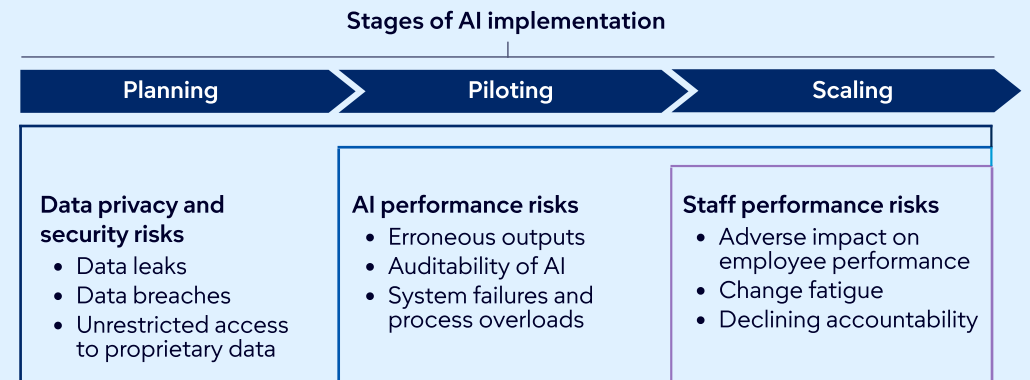
What should my role as CFO be in managing enterprise AI risks?

One reason why CFOs are right to be concerned about the risks AI poses: the current state of oversight. Consider, for instance, that 78% of non-executive directors believe board oversight of AI risks is inadequate.

For CFOs, the answer lies not in pulling back on AI investments, but in managing these risks differently.

CFOs' traditional approach to enterprise risk management (ERM) involves delegating risk management steps to functional experts, while a small ERM team supports with risk assessments and compliance checks. But AI doesn't fit neatly into these frameworks due to its cross-domain interdependencies. Neither is it sufficient to leave the control responsibility for AI to IT.

Common risks in each stage of AI implementation



Source: Gartner

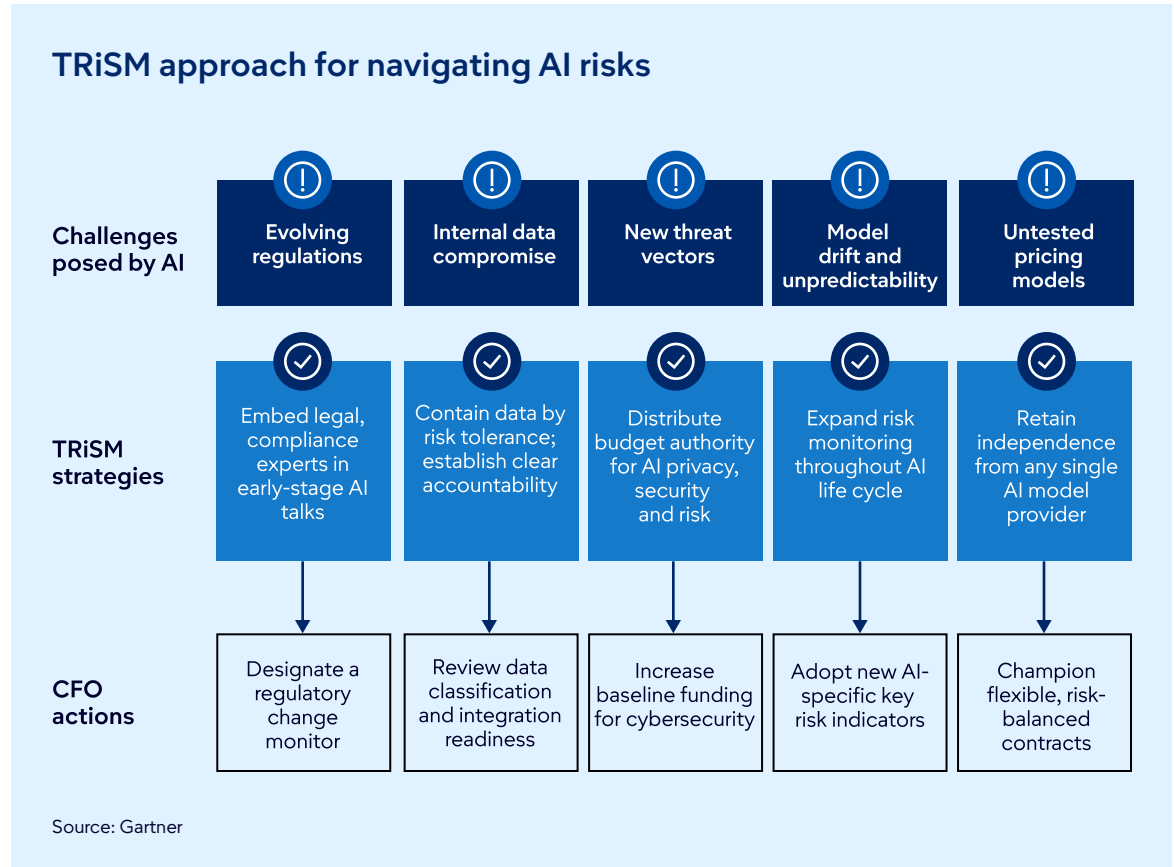
Take a cross-functional, always-on approach to AI risk

CFOs must make the case for a cross-functional, streamlined, always-on approach for AI risk management that balances risks and opportunities.

The industry standard for coordination of AI risk management extends it to include trust, risk and security management (AI TRiSM, for short), taking into account holistic, adaptive and interoperability aspects of the technology.

While CFOs shouldn't need to be deeply involved in all aspects of AI TRiSM, there are five areas where CFOs must step in to lead:

- Evolving regulation
- Internal data compromise
- New threat vectors
- Model drift and unpredictability
- Untested pricing models

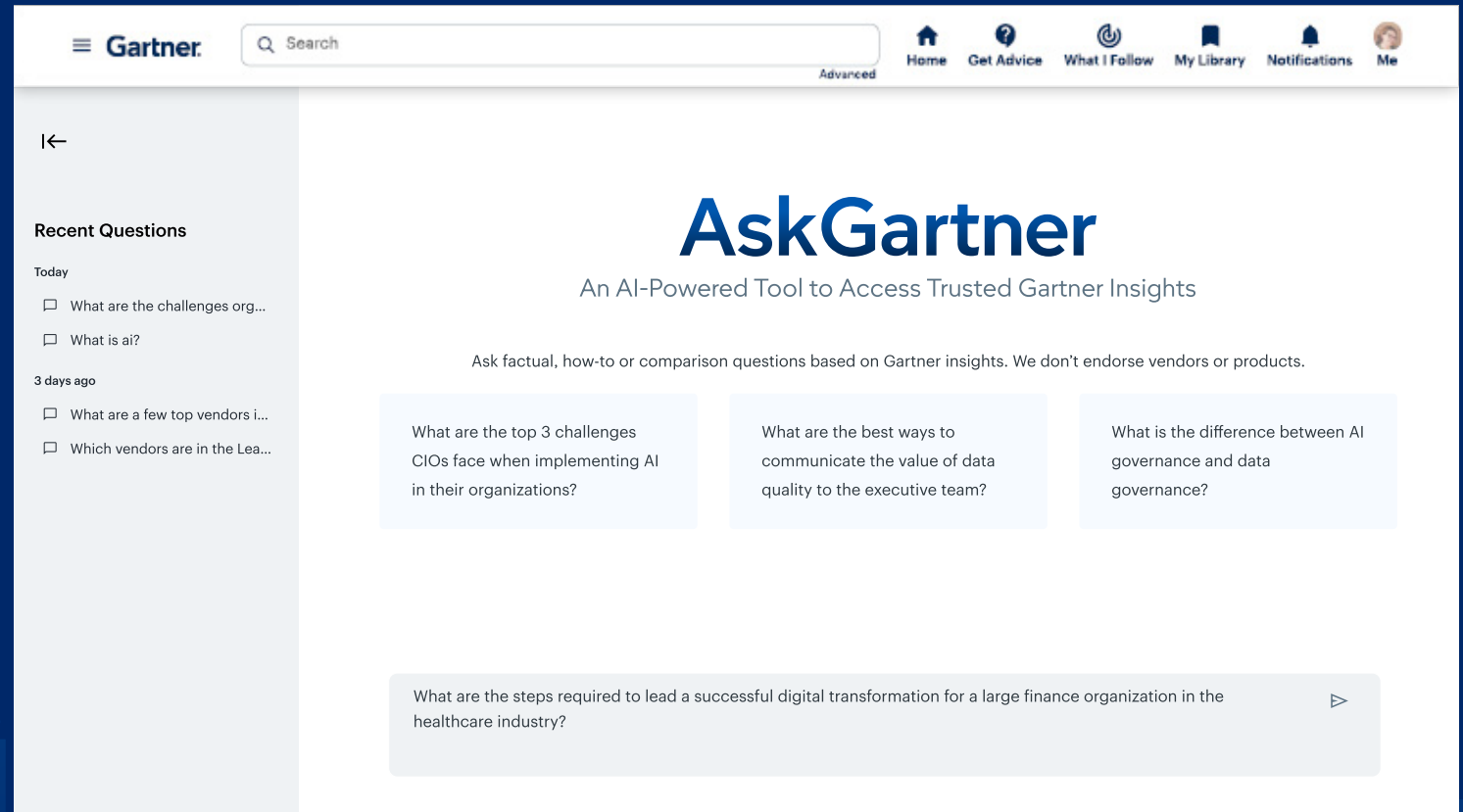


How clients manage AI risk with Gartner support

Leverage AskGartner to gain access to thousands of AI risk-related insights

AskGartner is the only AI-powered tool that gives you access to the proprietary Gartner insights trusted by C-Level executives and their teams. Get faster answers, tailored outputs and the confidence you need to take action in minutes.

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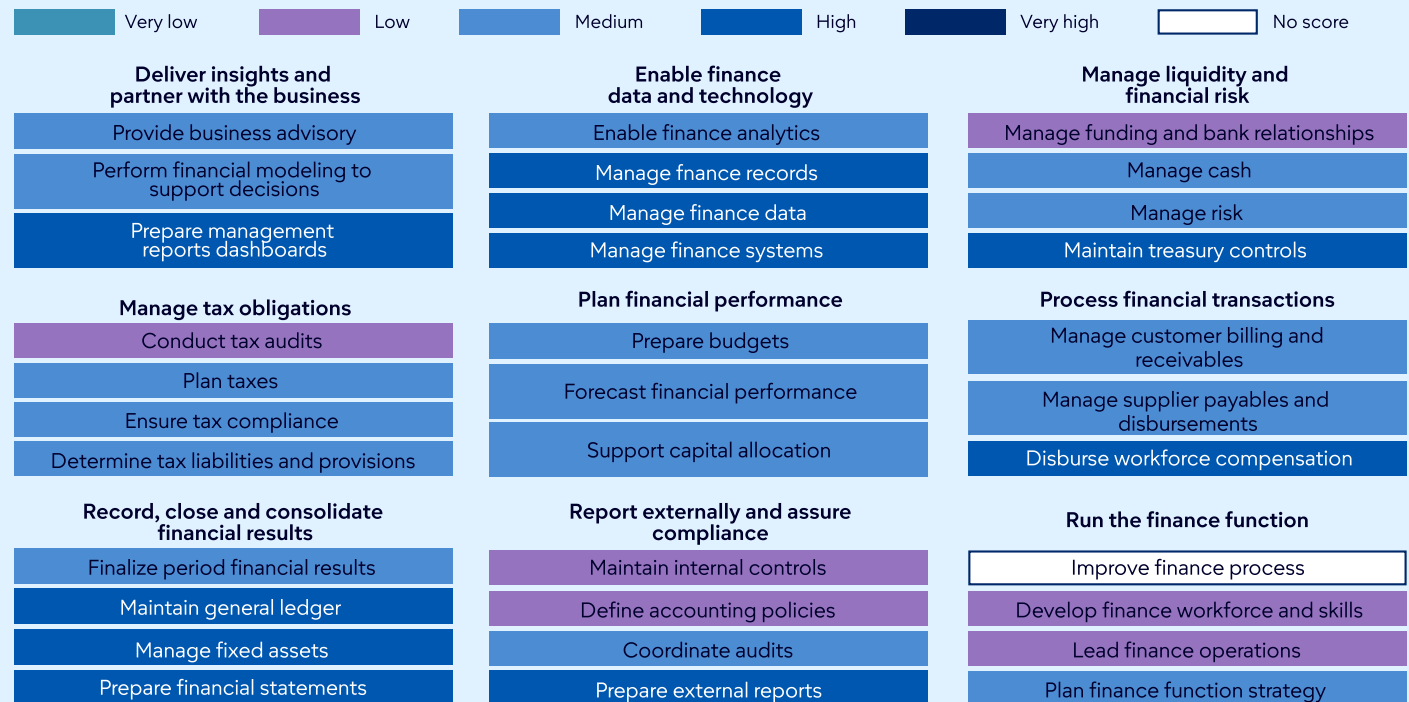
How is AI changing the skill set for entry-level finance employees?

CFOs are concerned that automating entry-level tasks could fundamentally disrupt their talent pipeline, leaving them short of staff with the skills they need. CFOs are correct that entry-level finance roles are fundamentally changing, but to understand how these roles will evolve, CFOs must learn where AI can remove effort from finance activities.

Overall, the extent to which tasks are susceptible to automation is uneven across finance: only 18.2% of tasks associated with functional leadership, for instance, are automatable compared to 92.9% of tasks associated with enabling finance data and technology.

Understanding where processes will still require human oversight and judgment can help CFOs plan where to invest in AI and where to focus finance employees' time.

AI susceptibility by finance business capacity



Source: Gartner






Require a blend of financial expertise, strategic thinking and technology competencies as entry-level finance roles evolve

While business and finance acumen is a longstanding key finance competency, CFOs must intentionally develop this earlier on in junior employees to retain critical knowledge while building a pipeline of future leaders.

Insight generation and critical thinking are important to develop in particular in entry-level employees whose workloads will soon be heavily automated.

Of course, technology-related competencies will be foundational to ensure employees make the most of new technologies in a rapidly evolving finance function. Specifically, finance employees will need GenAI work augmentation, business technology capabilities, coding acumen and algorithm bias detection to effectively use AI tools — and pressure-test their output.

Top competencies everyone in finance should develop today

	1.  Business and finance acumen	2.  GenAI work augmentation	3.  Insight generation and critical thinking	4.  Business technology capabilities	5.  Coding acumen algorithm bias detection
Key competencies					
Key risks	<ul style="list-style-type: none"> • Rise of nonfinance roles • Junior roles exposed to complexity earlier on 	<ul style="list-style-type: none"> • Stalled projects and inability to link GenAI usage to specific business outcomes 	<ul style="list-style-type: none"> • Overreliance on GenAI • Deskilling in human judgment and critical thinking 	<ul style="list-style-type: none"> • Low technology adoption leading to inability to fully leverage AI solutions 	<ul style="list-style-type: none"> • Inability to comply with AI reporting requirements and validate AI outputs
Starter actions	<ul style="list-style-type: none"> ✓ Identify roles overly focused on process execution or risk mitigation 	<ul style="list-style-type: none"> ✓ Provide easy guidance for writing prompts and expand GenAI experimentation 	<ul style="list-style-type: none"> ✓ Establish foundational data storytelling skills among all finance staff via hands-on engagement 	<ul style="list-style-type: none"> ✓ Create a community of practice and treat technology as a continuous development 	<ul style="list-style-type: none"> ✓ Build foundational Python skills across the function
	<ul style="list-style-type: none"> ✓ Encourage employees to interview stakeholders and participate in job shadowing to understand the business 	<ul style="list-style-type: none"> ✓ Identify and create standardized templates for the most important context areas 	<ul style="list-style-type: none"> ✓ Host regular simulations where employees solve real-world business problems 	<ul style="list-style-type: none"> ✓ Provide regular best practice workshops and demonstrations of existing and emerging technologies 	<ul style="list-style-type: none"> ✓ Develop an AI playbook to specify when to use human judgment and set review procedures for AI workflows





Source: Gartner

How clients develop AI skills with Gartner support

Use the Gartner Finance AI Roadmap on a Page to build and communicate your finance AI strategy.

Developing a finance AI roadmap is essential for CFOs to align the finance function's goals with the broader enterprise strategy and ensure effective execution. This tool enables CFOs to drive the creation of an actionable roadmap to help deliver and sustain business value from their AI investments.

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	Year 1				Year 2				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Foundation and quick wins			Scale and optimization				Innovation and leadership	
 Culture and leadership	LT education sessions	Develop AI champions	Initial AI awareness campaign	Set up AI community of practice	Identify AI adoption metrics	Integrate AI adoption into performance reviews	Leadership development on cross-functional collaboration	Speaking and thought leadership opportunities	
	Appoint AI leader	Create change management plan	Complete and execute change management plan				Establish AI readiness monitoring		
 Strategy and governance	Set up AI council	Build initial AI portfolio	Create compliance framework	Create AI policy review process	Establish AI model support and monitoring		Set up ethics board	Take leadership role in AI standard setting organizations	
	Define risk and impact assessment methodology			Define value measurement and funding model	Implement FinOps practices for AI cost management			Develop strategic vendor management	Advocate for initiatives to address AI's societal impact
 Skills and organization	Conduct an AI literacy assessment	Launch AI literacy program	Establish AI operating model	Develop AI resourcing plan	Create AI finance learning academy	Create an AI center of excellence		Foster key external partnerships	
	Develop AI training curriculum	Incorporate skills dev into performance reviews	Provide learning opportunities through AI pilots		Review roles and redesign jobs			Monitor and refine training program	
 Software and data	Assess AI data readiness		Implement AI readiness plan	Integrate AI into finance tech roadmap	Define target data architecture for AI		Establish AI model governance	Extend external data capabilities	
	Establish build vs. buy framework	Set up a sandbox AI environment	Develop shared assets	Develop AI support model	Integrate finance AI data requirements into enterprise data governance framework			Develop finance AI innovation lab	

Source: Gartner

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