Leadership Vision for 2024

Top 5 Strategic Priorities for Chief Finance Officers

Gartner

Leadership Vision for Chief Financial Officers in 2024

CFOs are under pressure to drive productivity and accelerate transformation and they face many challenges — geopolitical, environmental and economic disruptions, workforce, emerging technology, cloud and generative AI (GenAI) challenges and risks. These issues and more are shaping how the best CFOs will reimagine their function to support new organizational priorities and the autonomous future of finance.

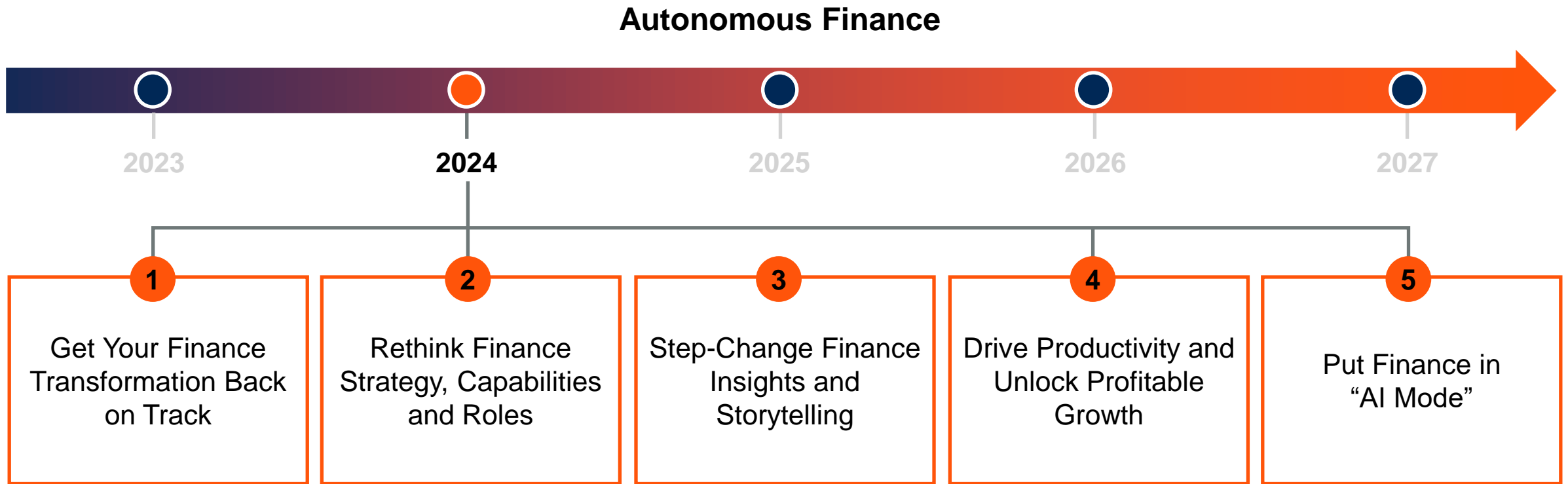In this context, CFOs' top recommended actions for 2024 should be:

- Getting finance transformation back on track
- Rethinking finance strategy, capabilities and roles
- Step-changing finance insights and storytelling
- Driving productivity and unlocking profitable growth
- Putting finance in "AI mode"

CFOs can use this research to stay ahead, seize opportunities and lead their teams toward a successful future.

Key questions addressed:

? What are the top corporate risks and senior leadership priorities?

? What is the path forward for autonomous finance transformation?

? What are recommended CFO actions to tackle the top challenges of 2024?

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2024 CFO Priorities for Autonomous Finance

Autonomous Finance

2023   **2024**   2025   2026   2027

1 Get Your Finance Transformation Back on Track

2 Rethink Finance Strategy, Capabilities and Roles

3 Step-Change Finance Insights and Storytelling

4 Drive Productivity and Unlock Profitable Growth

5 Put Finance in "AI Mode"

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What are the top corporate risks and senior leadership priorities?

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2024 Emerging Risk Universe Map
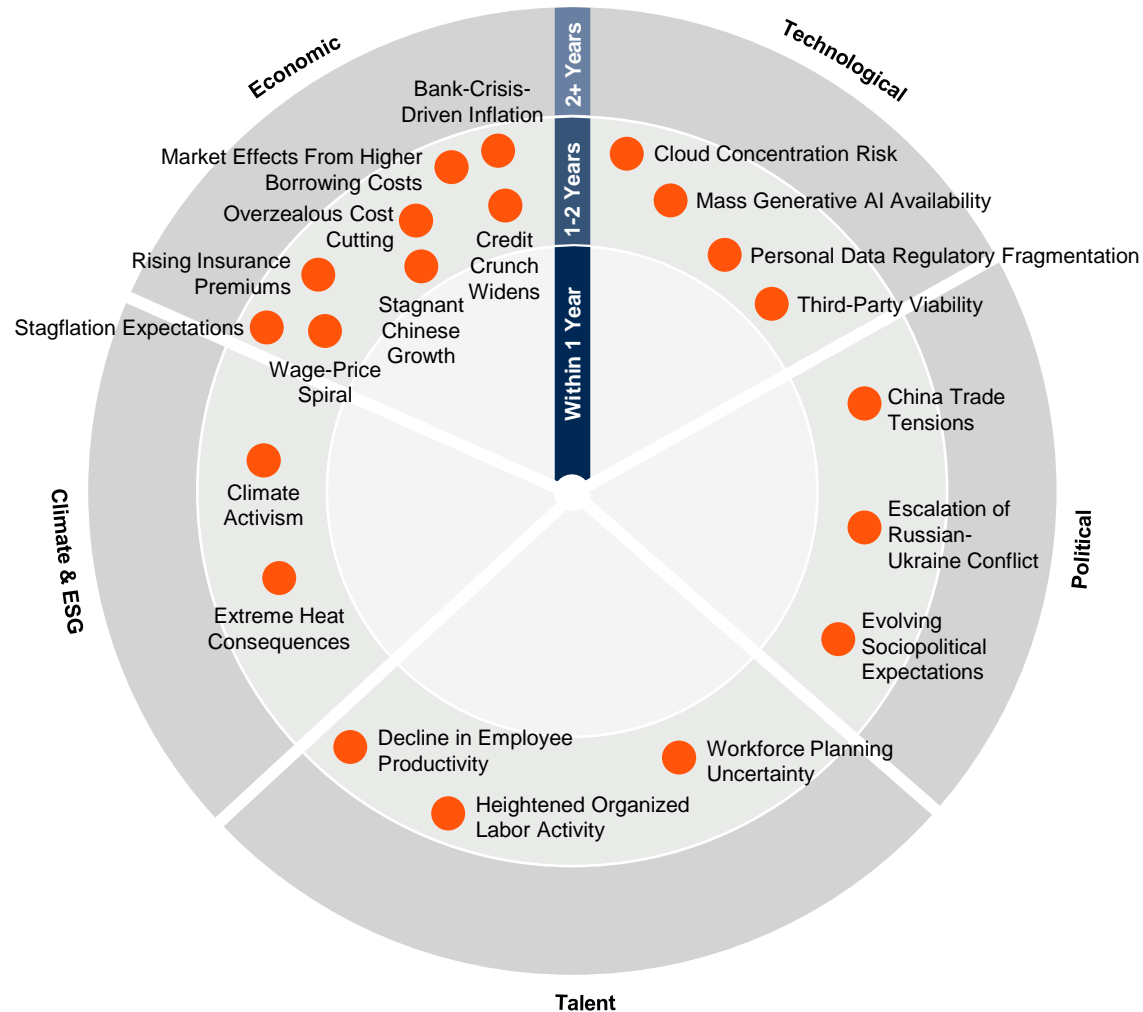
n = 294
Source: 3Q23 Gartner Emerging Risks Survey

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What Boards Are Prioritizing in 2024

Top 10 Strategic Business Priorities for 2024-2025 — YoY Percentage Change
Sum of Top 5, Coded Multiple Responses

▲ Increase   ▼ Decrease

Priority	Value	YoY Change
Digital Tech Initiatives (including technologies/IT)	58%	▼ -3%
Workforce (e.g., retention, training, hiring, etc.)	58%	▲ 4%
Business Expansion/Diversification	42%	▲ 18%
Risk Management	32%	▲ 85%
Financial (other than revenue or profit)	24%	▼ -3%
Mergers & Acquisitions	24%	▲ 32%
Profit Improvement	23%	▲ 28%
Cost Efficiency	22%	▲ 19%
ESG, Health and Sustainability	22%	▼ -1%
Customer (retention, engagement, acquisition, etc.)	22%	▲ 5%

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What Are CEOs Prioritizing for 2024?

CEO Strategic Business Priorities for 2023 and 2024 — Top 10
Summary of Top 3 Mentions, Coded Responses

Priority	Percentage
Growth	49%
Technology Related	34%
Workforce	32%
Corporate Action	31%
Financial	19%
Cost Management	14%
Products and Services	13%
Environmental Sustainability	12%
Customer	8%
Efficiency and Productivity	7%
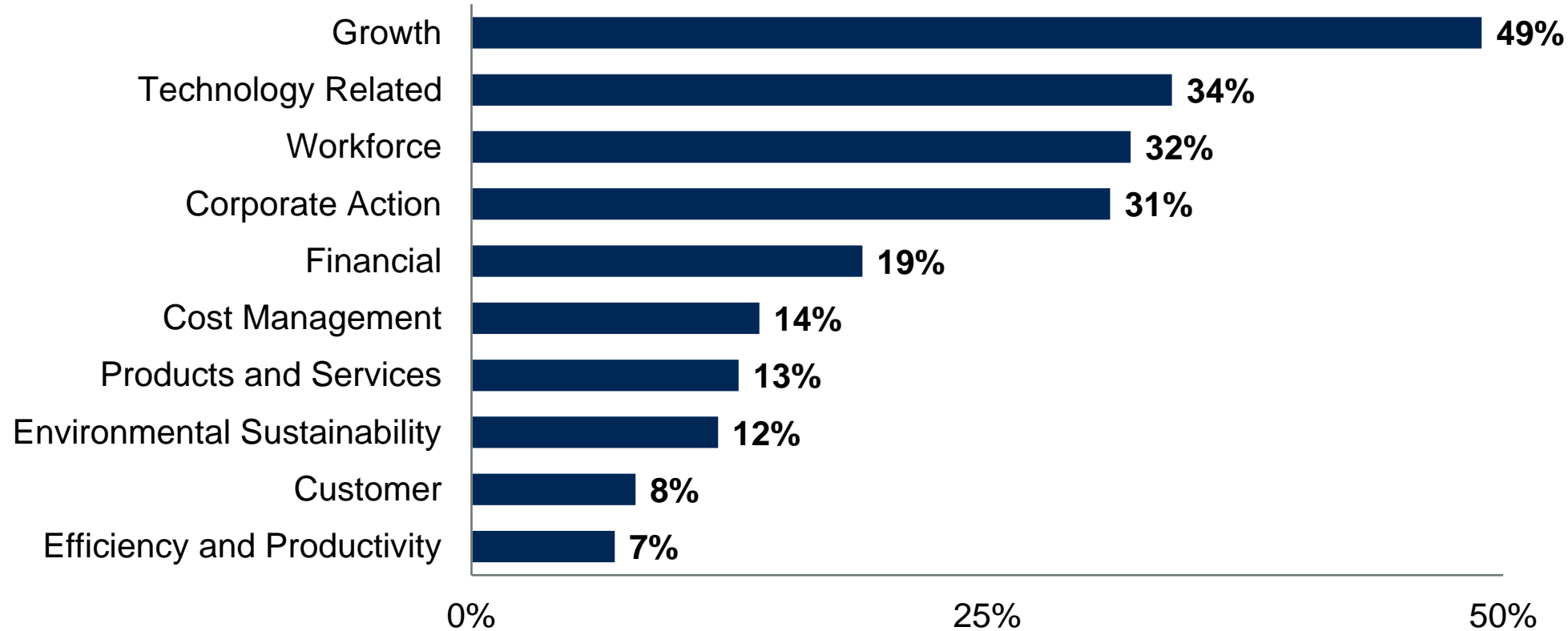
n = 422, all respondents
Q. To start, please tell us about your organization's top 5 strategic business priorities for the next two years (2023 and 2024).
Source: 2023 Gartner CEO and Senior Business Executive Survey

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What is the path forward for autonomous finance transformation?

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Current GenAI Enterprise Investments

GenAI Investments Scaling Across Multiple Business Functions

45% multiple business functions

- Zero: 28%
- 1 Business Function: 27%
- 2 Business Functions: 18%
- 3 Business Functions: 5%
- More Than 3 Business Functions: 22%
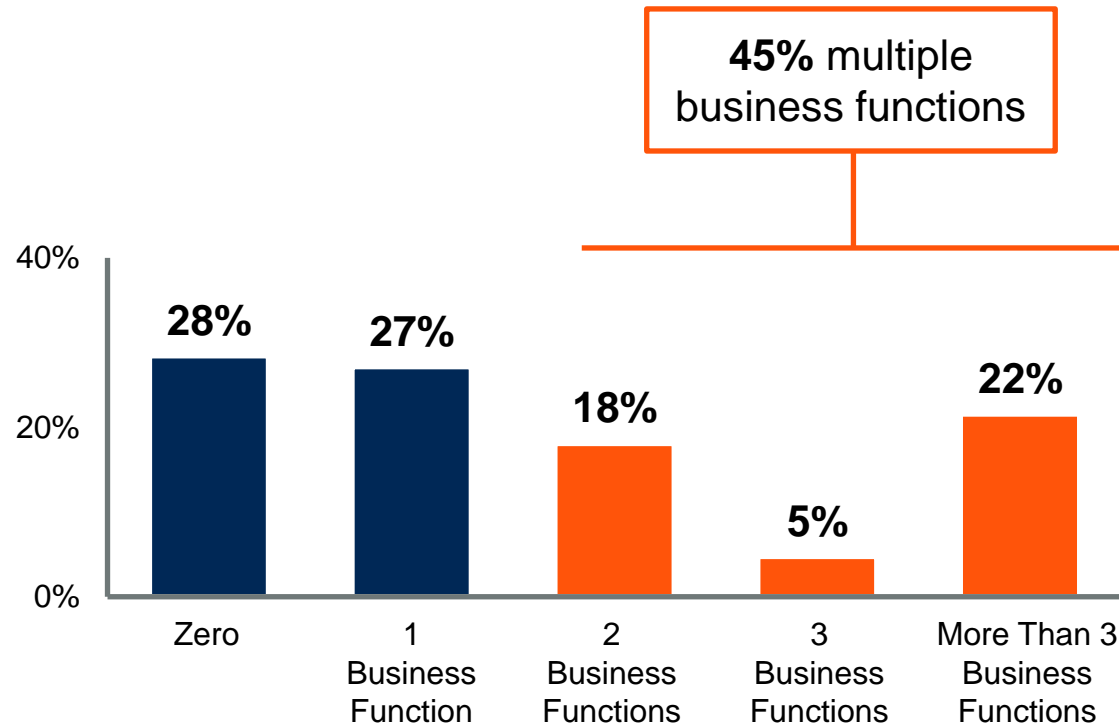
n = 1,419
Source: Generative AI Realities: Proactive Approaches for Quantifiable Business Results Webinar Poll (September 2023)

Enterprise Investments for GenAI Initiatives

- **55%** piloting or in production
- **+36% points** (since March/April 2023)

September 2023
March/April 2023

- Investigation (Exploration) Mode: 42% / 70%
- Piloting/Experimenting Mode: 45% / 15%
- Production Mode (Gone Live With GenAI Solutions): 10% / 4%
- None of the Above or Not Applicable: 3% / 10%
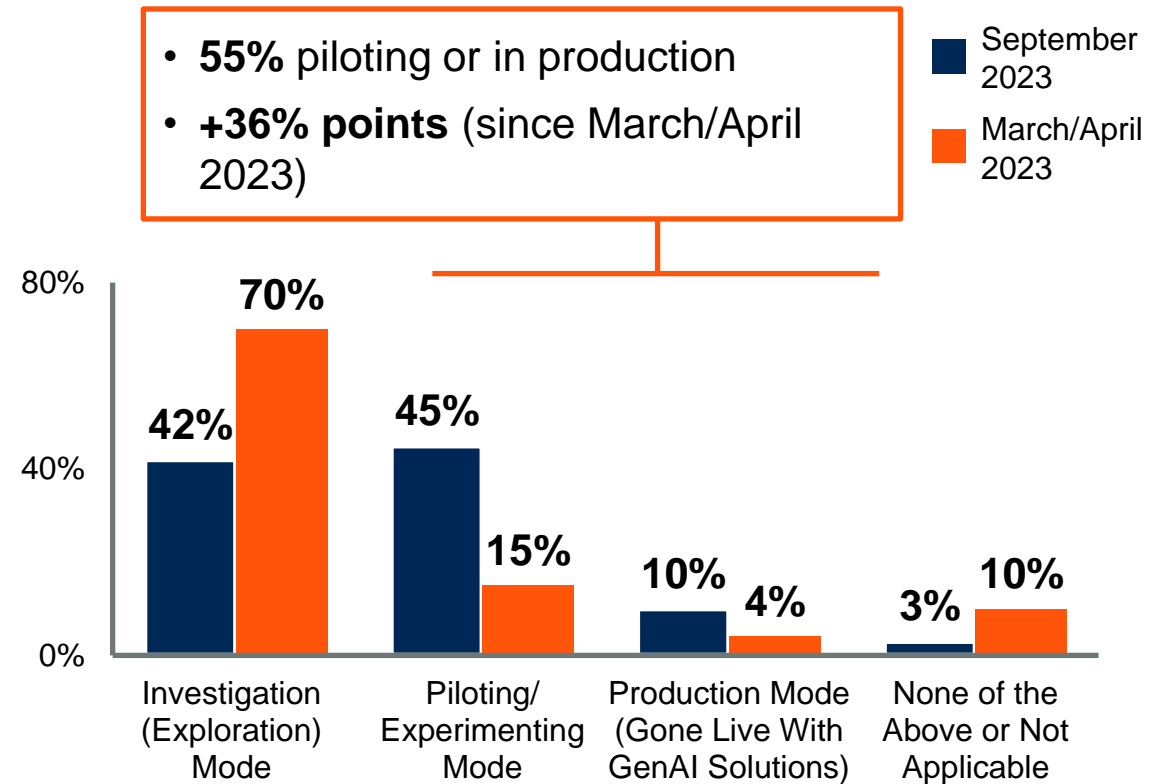
n = 1,419 (September); 2,544 (March and April)
Source: Generative AI Realities: Proactive Approaches for Quantifiable Business Results Webinar Poll (September 2023); Beyond the Hype: Enterprise Impact of ChatGPT and Generative AI Poll (March and April 2023)

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The Path Forward: Autonomous Finance

Autonomous Finance

An autonomous finance function isn't just automated, it's capable of delivering augmented real-time and predictive insights, effortless compliance and greater flexibility in financial strategy. However, it relies on self-learning software agents, and CFOs need a robust technology roadmap and a new mindset to effect this transformation.

Back-Office Use Case
- AI-enabled process mining algorithms capturing all variations and exceptions in P2P and O2C
- Virtual assistants processing transactions with machine customers and vendors

Middle-Office Use Case
- Blockchain enables an audit-ready continuous close
- Smart contracts enforce accounting controls and intercompany adjustments

Front-Office Use Case
- Machine learning (ML) identifies new variables to improve cash and investment forecasts
- Decision intelligence powering financially savvy tactical and operational decisions

Office of the CFO Use Case
- DeFi enables innovative options for raising capital and insuring against financial risk
- Natural language processing (NLP) enables better understanding of retail investor sentiment
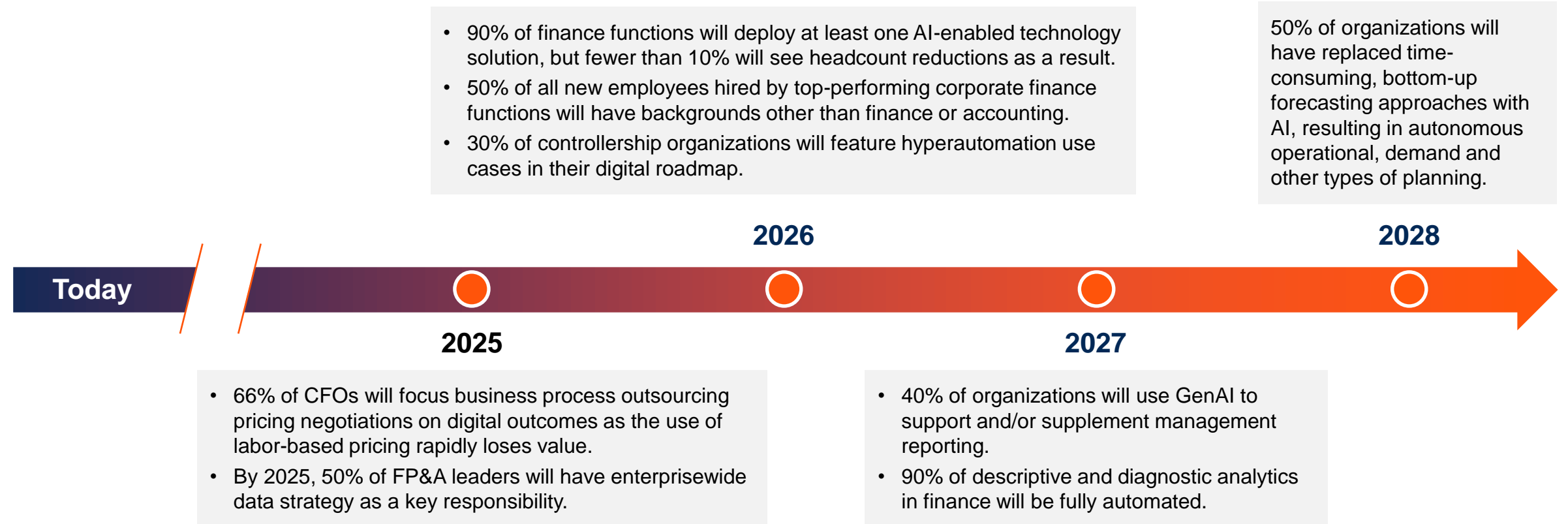
Source: Gartner

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Autonomous Finance Predictions

Strategic Planning Assumptions for Autonomous Finance

- 90% of finance functions will deploy at least one AI-enabled technology solution, but fewer than 10% will see headcount reductions as a result.
- 50% of all new employees hired by top-performing corporate finance functions will have backgrounds other than finance or accounting.
- 30% of controllership organizations will feature hyperautomation use cases in their digital roadmap.

50% of organizations will have replaced time-consuming, bottom-up forecasting approaches with AI, resulting in autonomous operational, demand and other types of planning.

2026

2028

Today

2025

2027

- 66% of CFOs will focus business process outsourcing pricing negotiations on digital outcomes as the use of labor-based pricing rapidly loses value.
- By 2025, 50% of FP&A leaders will have enterprisewide data strategy as a key responsibility.

- 40% of organizations will use GenAI to support and/or supplement management reporting.
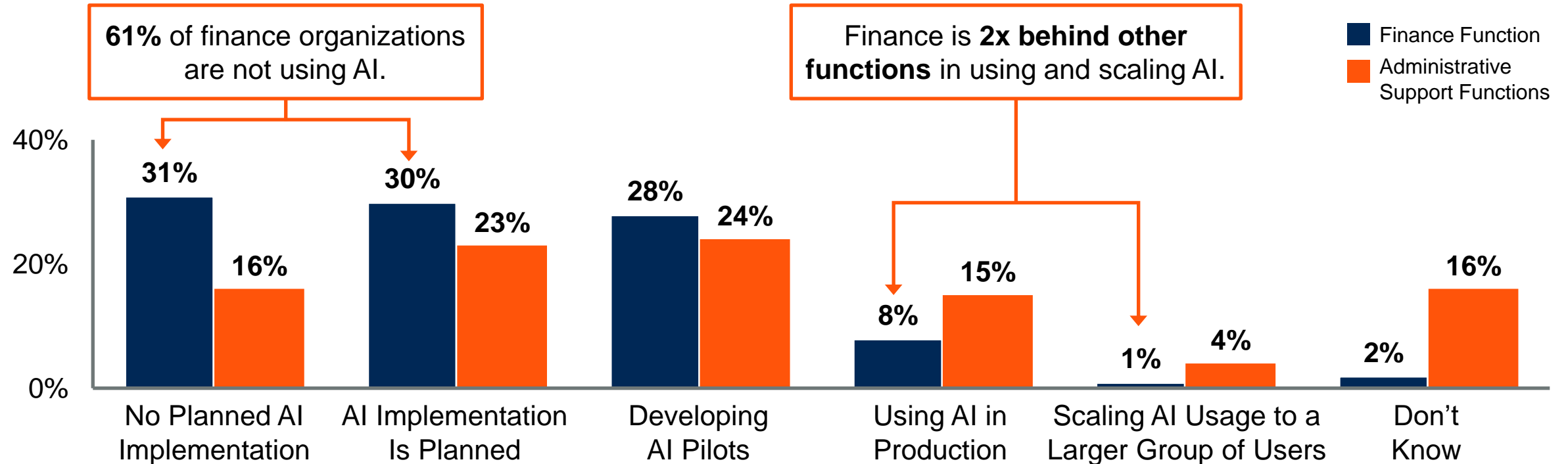- 90% of descriptive and diagnostic analytics in finance will be fully automated.

Source: Gartner

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AI Adoption in Finance vs. Other Functions

Finance's Current Level of AI Use
Percentage of Respondents

61% of finance organizations are not using AI.

Finance is **2x behind other functions** in using and scaling AI.

■ Finance Function
■ Administrative Support Functions

Level	Finance Function	Administrative Support Functions
No Planned AI Implementation	31%	16%
AI Implementation Is Planned	30%	23%
Developing AI Pilots	28%	24%
Using AI in Production	8%	15%
Scaling AI Usage to a Larger Group of Users	1%	4%
Don't Know	2%	16%

40%
20%
0%

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AI Investments Are Accelerating in the Near Term

Q: "Thinking about your finance function over the next two years, how much do you anticipate your cost/effort allocated to deploying AI/ML will change?"
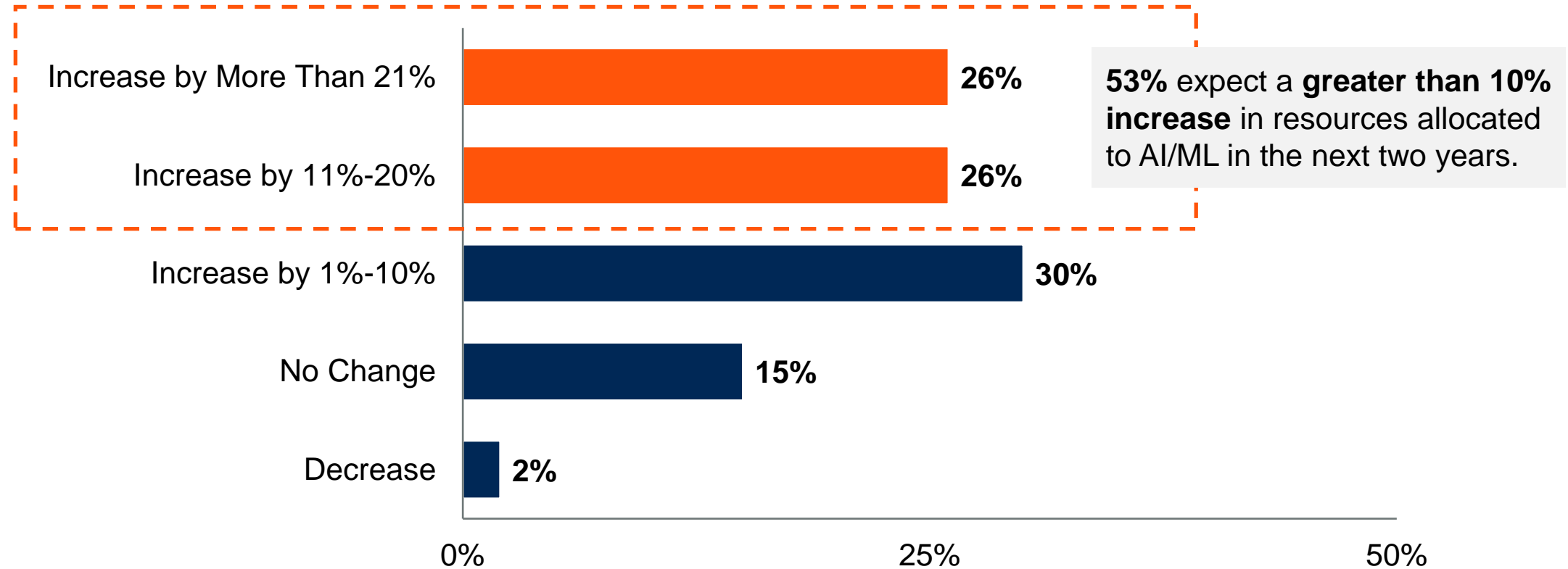
53% expect a **greater than 10% increase** in resources allocated to AI/ML in the next two years.

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Top GenAI Use Cases CFOs Are Exploring

Use Case	Description
Contract and Document Review	GenAI can scan contracts for errors and specific terms. Additional algorithms allow users to ask questions using natural language to get answers about terms and provisions. The same algorithms are used to summarize and categorize documents for sorting, review and retrieval.
Financial and Management Reporting Draft Creation	GenAI can compose first drafts of management analysis and discussion talking points, as well as financial footnotes that finance teams evaluate and refine.
Policy Interpretation	GenAI can review large collections of existing financial policies, like T&E policies, and provide initial recommendations for how those policies could be applied for finance teams to evaluate and refine.
Coding Assistance	GenAI can translate code from older coding languages, like COBOL, into more modern programming languages, like SQL, KnowledgeSQL and Python.
Forecast and Budget Variance Explanation	GenAI can provide explanations of forecast and budget variances for FP&A teams to use in business reviews, as well as further synthesize those trends and insights for executive and board consumption.

Source: Gartner

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What are the recommended CFO actions to tackle the top challenges of 2024?

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Action 1: Get Your Finance Transformation Back on Track

Gartner Recommendations:

1. **Ensure digital finance transformation success by setting clear expectations that all leaders should develop their team's digital delivery skills, as well as their personal proficiency at leading technology delivery initiatives.**

2. Incorporate change fatigue analysis into finance project plans and prioritize proactive employee rest to reduce change fatigue.

3. Select the optimal transformation team by evaluating three primary factors: (1) availability of internal expertise needed for transformation, (2) urgency for transformation and (3) the number of employees the organization can dedicate to transformation full time.

Likelihood of Achieving Digital Objectives by Involvement in Delivery
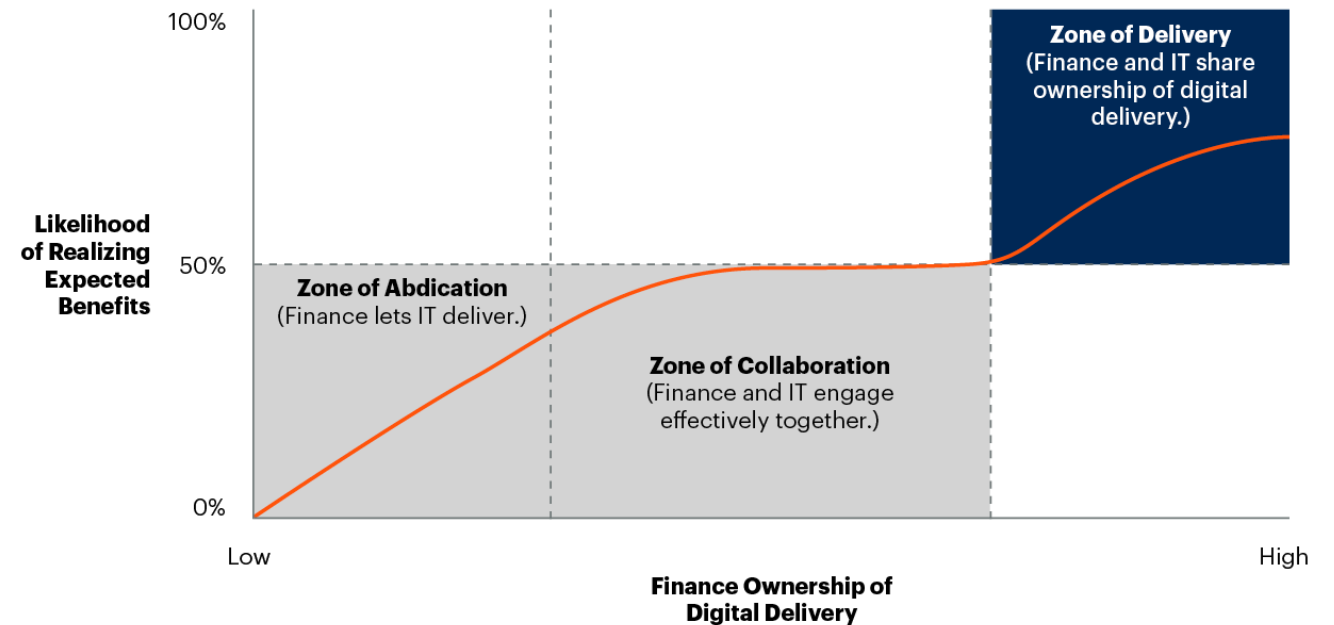
Chart: Y-axis "Likelihood of Realizing Expected Benefits" (0% to 100%). X-axis "Finance Ownership of Digital Delivery" (Low to High).

- **Zone of Abdication** (Finance lets IT deliver.)
- **Zone of Collaboration** (Finance and IT engage effectively together.)
- **Zone of Delivery** (Finance and IT share ownership of digital delivery.)

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Action 2: Rethink Finance Strategy, Capabilities and Roles

Gartner Recommendations:

1. **Document the organization's finance capabilities aligned to the business strategy. Then, align each finance capability as core, differentiated or innovative, and build a capability model that highlights the gaps between the current and future state of each capability.**

2. Break down established functions that no longer serve operational goals and build or elevate new subfunctions, such as finance IT, that address strategic priorities and support finance's target level of future automation.

3. Redefine business partnership roles to specialize in a particular operational decision type rather than be a business generalist for a particular stakeholder.

The Three Layers of Composable Technology Architecture
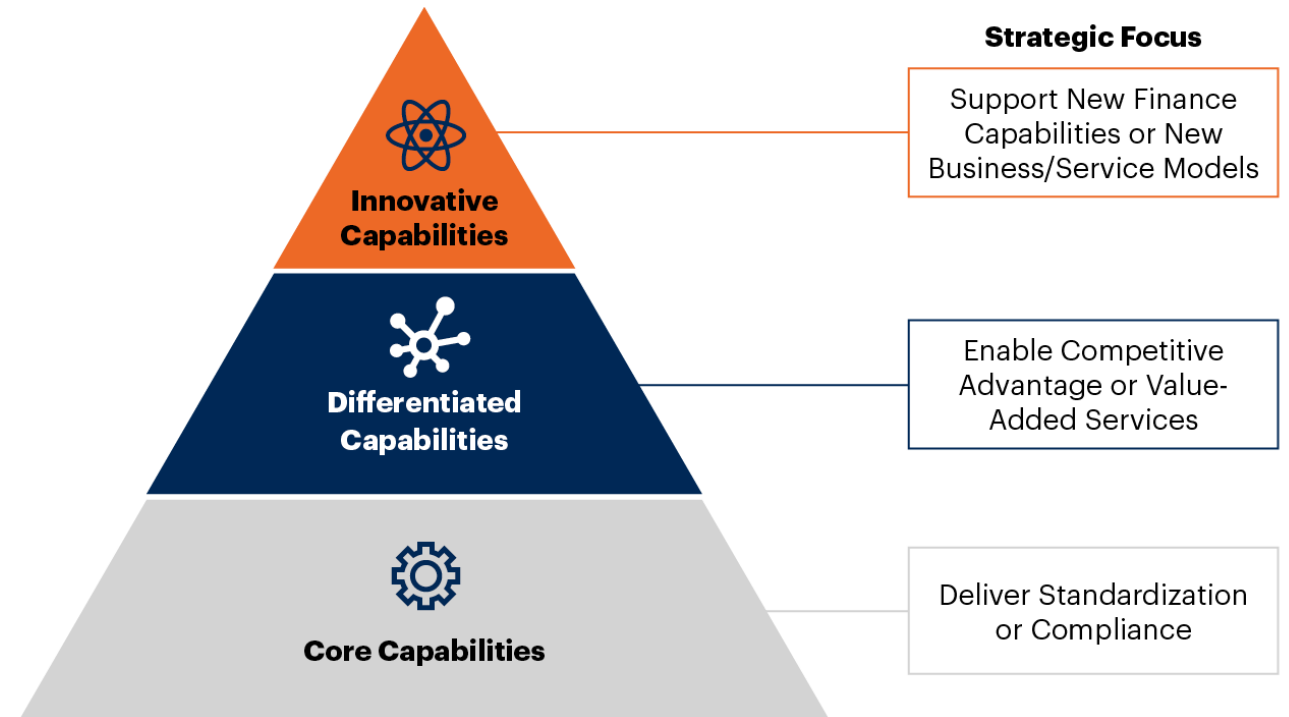
Strategic Focus

- Innovative Capabilities — Support New Finance Capabilities or New Business/Service Models
- Differentiated Capabilities — Enable Competitive Advantage or Value-Added Services
- Core Capabilities — Deliver Standardization or Compliance

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Action 3: Step-Change Finance Insights and Storytelling

Gartner Recommendations:

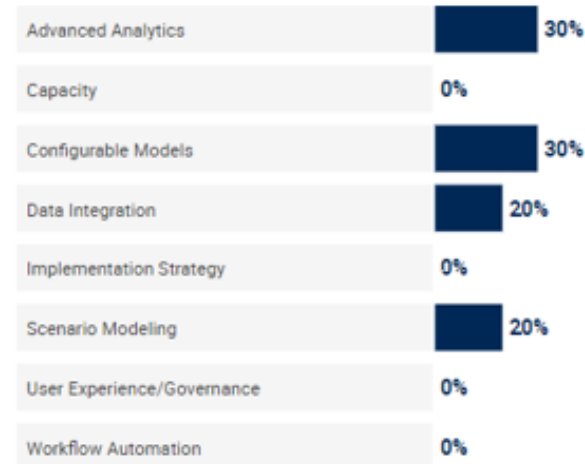1. **Unlock better insights and stories by choosing FP&A technology vendors that are the best fit for your advanced analytic needs, models, data integration and scenario modeling.**

2. Develop data-driven stories that explain department performance by including descriptive, diagnostic and prescriptive storytelling elements.

3. Invest in sourcing and developing the five digital competencies that allow teams to unlock speed and quality of insights from AI, machine learning (ML), robotic process automation (RPA) and natural language processing (NLP).

Improved Operational Visibility and Management

This use case focuses on the organization's primary goal of improving operational visibility and management through the use of financial planning software.

Capabilities and Weightings [CUSTOMIZE]

Capability	Weighting
Advanced Analytics	30%
Capacity	0%
Configurable Models	30%
Data Integration	20%
Implementation Strategy	0%
Scenario Modeling	20%
User Experience/Governance	0%
Workflow Automation	0%

Product Scores — Sort by score
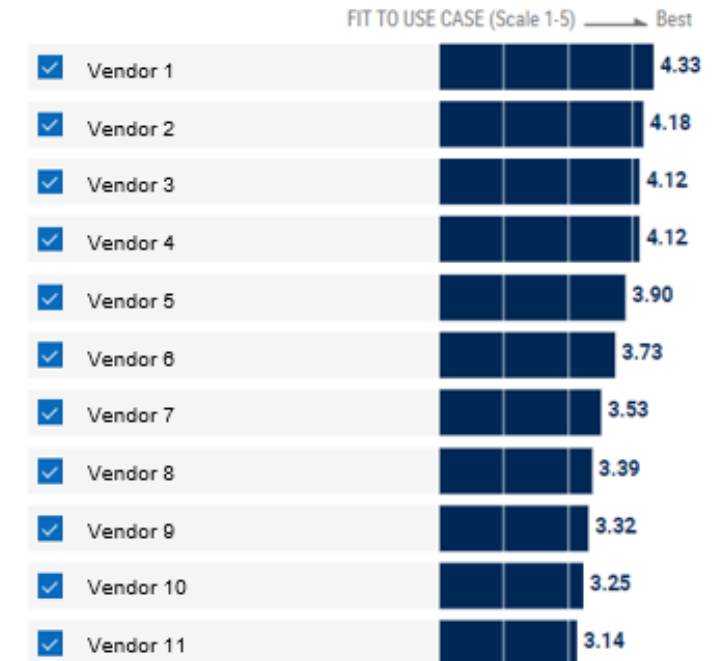
FIT TO USE CASE (Scale 1-5) — Best

Vendor	Score
Vendor 1	4.33
Vendor 2	4.18
Vendor 3	4.12
Vendor 4	4.12
Vendor 5	3.90
Vendor 6	3.73
Vendor 7	3.53
Vendor 8	3.39
Vendor 9	3.32
Vendor 10	3.25
Vendor 11	3.14

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Action 4: Drive Productivity and Unlock Profitable Growth

Gartner Recommendations:

1. **Embrace cost differentiation, capital activism and digital cohesion as prerequisites for all decision making.**

2. Design finance capital allocation processes and policies to remove "growth anchors" and unlock large profitable growth that increases enterprise value.

3. Apply three best practices in cost management during slowing growth: (1) reallocate funding from low- to high-potential investments, (2) fund growth investments using a cost savings winbacks mechanism and (3) use unallocated funds for as-needed growth investment support.

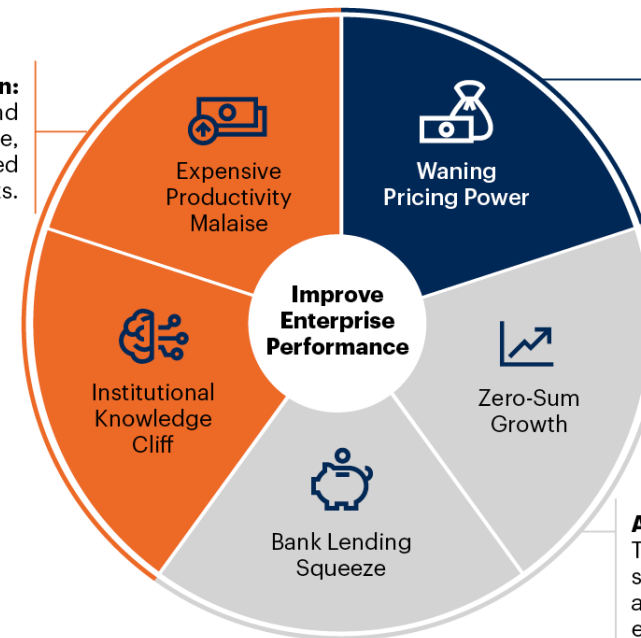## CFOs Should Use Three Strategies to Minimize Economic Headwinds

Drive Digital Cohesion: As productivity drags and tech continues to accelerate, do this to tap into unrealized digital benefits.

Leverage Differentiators: Under increasing constraints, do this for pricing decisions and supply chain optimization to outperform competitors.

Adopt a Capital Activist Posture: To seize market share and secure scarce capital, embody a "nothing is sacred" mindset to ensure resources flow to highest-value areas.

Diagram segments: Expensive Productivity Malaise, Waning Pricing Power, Zero-Sum Growth, Bank Lending Squeeze, Institutional Knowledge Cliff — Improve Enterprise Performance (center)

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Action 5: Put Finance in "AI Mode"

Gartner Recommendations:

1. **Create a comprehensive AI strategy for finance that ensures you hire AI-specific talent, use AI-embedded software, experiment broadly and select analytical leaders to successfully implement AI.**

2. Build a data science competency directly within finance. Pursue a balanced approach of teaching basic data science to existing staff and hiring professional data scientists with formal training.

3. Explore the AI-enabled capabilities of business automation platforms and intelligent applications by placing AI at the forefront of all vendor discussions pertaining to current and new technologies.

Creating an AI-Leading Finance Organization
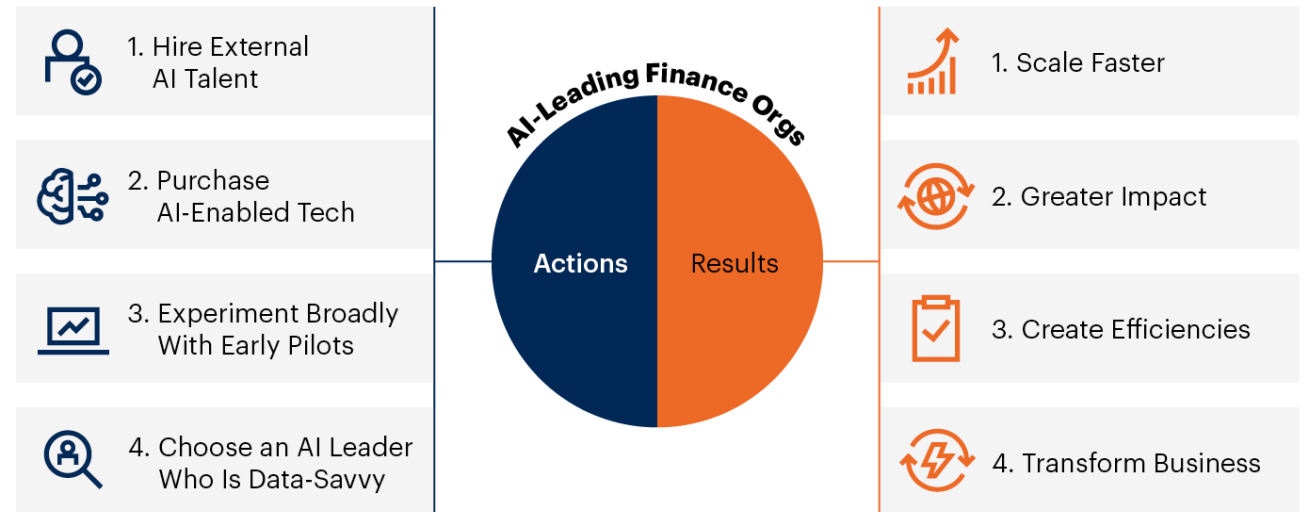
AI-Leading Finance Orgs

| Actions | Results |

1. Hire External AI Talent

2. Purchase AI-Enabled Tech

3. Experiment Broadly With Early Pilots

4. Choose an AI Leader Who Is Data-Savvy

1. Scale Faster

2. Greater Impact

3. Create Efficiencies

4. Transform Business

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Get Started With Resources for Gartner Clients

Priority 1 — Get Your Finance Transformation Back on Track

- Successful Finance Transformation Requires CFOs to Lead Technology Delivery

- Reduce Change Fatigue and Increase Engagement for Finance Employees

- 4 Common Archetypes of Finance Transformation Teams

Priority 2 — Rethink Finance Strategy, Capabilities and Roles

- Leverage a Finance Capability Model to Guide Your Composable Technology Journey

- Predicts 2023: Organizing Roles for Autonomous Finance

- Business Partnering Through a Decision Expert Model Drives Financially Sound Operational Decisions

Priority 3 — Step-Change Finance Insights and Storytelling

- Critical Capabilities for Financial Planning Software

- The 5 Digital Competencies Every FP&A Team Needs

- Use Data Storytelling to Explain Department Performance

Priority 4 — Drive Productivity and Unlock Profitable Growth

- 5 Challenges CFOs Must Navigate to Grow Earnings Amid Economic Headwinds

- How CFOs Can Avoid Starving Growth Investments During Cost-Cutting

Priority 5 — Put Finance in "AI Mode"

- 4 AI Implementation Lessons From Leading AI Finance Organizations

- The Emerging Standards for AI in Finance

- The Current State of AI Use Within Finance: 2023 Insights

Get Advice

1. Schedule an inquiry with a Gartner expert.
2. Seek peer perspectives by asking them a question directly.

For information, please contact your Gartner representative.

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Gartner Finance Conference and Other Support

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2024 CFO & Finance Executive Conferences

Autonomous Finance: Driving Transformation to Unlock Enterprise Value

Higher rates. Challenged growth. Scarce labor. Cost pressure. Security threats. And the scramble for AI use cases. The current conditions are driving an enterprise focus on productivity across all assets to unlock resources for investment and growth, putting finance in the spotlight again in 2024. To help your organization navigate these challenges with confidence, your finance leadership team must rapidly evolve, transform and redefine its data, process, technologies, staff capabilities and organizational models.

CFO: Improve the ROI of Finance and Enterprise Transformation

The CFO role is expanding faster than ever and challenging leaders to shift their time, attention and focus to new threats and opportunities across the enterprise. In this track, CFOs will gain insight on best practices for driving growth while managing enterprise risks, productivity and digital transformation. Within the function, CFOs must also continue to drive transformation across their budgeting and planning, analytics, data, technology roadmaps, staff and org models. We will share the latest data, insights and best practices needed to lead these transformation efforts from a position of strength and confidence.

FP&A: Enhance Planning by Putting Finance in "AI-Mode"

The business needs faster, relevant and declarative data to navigate current risks and opportunities on the horizon. In this track, FP&A leaders will learn how to rapidly supplement and enhance their planning, analytics and data to support enterprise needs. This track will also have a heavy emphasis placed on the risks, opportunities and roadmaps needed to explore and pilot AI across FP&A to forever change the scope and impact of the function.

Controller: Faster. Leaner. And More Accurate.

Controllers are under pressure to drive a faster close, reduce errors and step-change the speed of key processes. All while dramatically retooling their teams and reducing the cost of the function in the midst of a talent shortage. In this track, controllers will explore the future of the controllership function and learn how key technologies like robotic process automation (RPA), machine learning (ML) and AI can accelerate productivity improvements.

Finance Transformation: Investing Wisely to Deliver Results in a Resource-Constrained Environment

Gartner forecasts that only 30% of finance teams will successfully meet their transformation objectives by 2026. What can you as a leader do to change this outlook, control your success and elevate your role? In this track, finance transformation leaders will gain key insights into transformation success factors, explore new operating models, discover emerging technology opportunities, build cohesive roadmaps for staff and technology, and confidently manage change.

- **Gartner CFO & Finance Executive Conference:** 26 – 27 February 2024 | Sydney, Australia
- **Gartner CFO & Finance Executive Conference:** 20 – 21 May 2024 | National Harbor, MD, U.S.
- **Gartner CFO & Finance Executive Conference:** 11 – 12 September 2024 | London, U.K.

Source: Gartner

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Gartner Finance Support for CFOs

Finance Organization Transformation

CFO Personal Effectiveness

Gartner for Finance

Finance Function Strategy
- Vision, mission, strategic plan
- Future of finance
- Finance service models
- Maturity & budget benchmarks

Finance Function Org Design
- Org models & structures
- Org design evolution for digital
- Sub function activity scope
- Centralization vs. decentralization

Transformation Leadership
- Strategy & team design
- Planning & sequencing
- Buy-in & change management
- Governance & project management

CFO Role & Leadership Effectiveness
- Differentiators of effective CFOs
- Time allocation & delegation
- New to role CFO
- Leadership bench & succession

Board, Investor & Stakeholder Comms
- Board engagement & reporting
- Investor relations
- Cross-functional stakeholder management
- Emerging issue education

Finance Technology

Finance Technology Strategy
- Tech maturity & roadmap
- AI strategy, roadmap & use cases
- ERP upgrades & optimization
- Chart of accounts redesign

Finance Technology Selection & Deployment
- Technology markets
- Vendor landscape & capabilities
- Tech deployment planning & change management

Gartner Priorities Navigator™
for Chief Financial Officers

2024

Enterprise Growth Strategy
- CFOs' role in enterprise performance
- Financial strategy
- Efficient growth
- Strategic planning

Capital Allocation
- Funding strategies
- Internal capital deployment
- Investment evaluation & governance
- Resource tradeoffs & flexibility

Enterprise Growth and Cost

Finance Talent Strategy
- Employee value proposition
- Role design
- Finance competencies (including digital & AI skills)
- Finance staffing plan

Finance Talent Management
- Upskilling (incl. digital & AI skills)
- Staff engagement
- Career pathing
- Hiring & retention strategy

Data Strategy & Management
- Data readiness for AI
- MDM & data governance
- Data infrastructures (e.g., lakes)
- Data integration
- Data culture & literacy

Metrics, Analytics & Reporting
- Metrics, KPIs, drivers
- Management reporting
- Dashboards & storytelling
- Advanced analytics & AI approaches

Planning, Budgeting & Forecasting Processes
- Planning (incl. scenario & integrated planning)
- Budgeting (incl. ZBB)
- Forecasting (incl. rolling)
- Use of AI in financial planning

Cost Management
- Cost benchmarking
- Cost to growth alignment
- Cost reduction tactics
- Cost allocation

Finance Talent

Finance Data and Analytics

Finance Processes

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Actionable, objective insight

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

Client Story

Accelerating Finance's Digital Transformation

Learn how a CFO leveraged Gartner support to accelerate transformation.

Watch Now

Guide

The CFO's Playbook for Improving Digital ROI

Drive digital investment success and increase CIO-CFO alignment.

Download Now

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Gartner for Finance

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