

Gartner for Finance

Top Priorities for Finance Leaders in 2021



Introduction



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Sixty-nine percent of board directors say that the effects of the COVID-19 pandemic are accelerating their digital business initiatives. CFOs must fund that acceleration while maintaining control over the organization's finances — even when operating conditions remain highly volatile.

This dual mandate was clear in the 2021 priorities cited by CFOs, controllers and heads of FP&A in Gartner year-end surveys. The resulting global, cross-industry analysis shows that CFOs and their subfunction leaders are squarely focused on digitalization imperatives, but also on improving the workings and outcomes of the function's core activities.

One obvious problem emerges: Most finance top priorities will take time and effort to accomplish. Many leaders agree that some — advanced data analytics being the standout — will take significantly more bandwidth and be difficult to tackle.

In this environment, CFOs clearly need to champion transformation efforts that focus on adding value. In some cases this means removing the drag these efforts currently place on the finance function so as to increase agility and responsiveness. More broadly, accelerated transformation will be achieved by optimizing the finance organization for efficiency and effectiveness.



Digitalization: The CFO mandate for 2021

CFOs face a dual challenge in 2021: Accelerate growth and digital initiatives and preserve or restore the organization's financial health.

Seven out of 10 board directors say the COVID-19 impact has already accelerated digital business initiatives.

That acceleration is designed to deliver continuous value and agile strategy-setting, real-time risk assessment and mitigation, better informed and faster decisions, and hyperautomation (any process that can be automated should be automated).

And this accelerated digitalization is sweeping both the finance function and the organization as a whole.

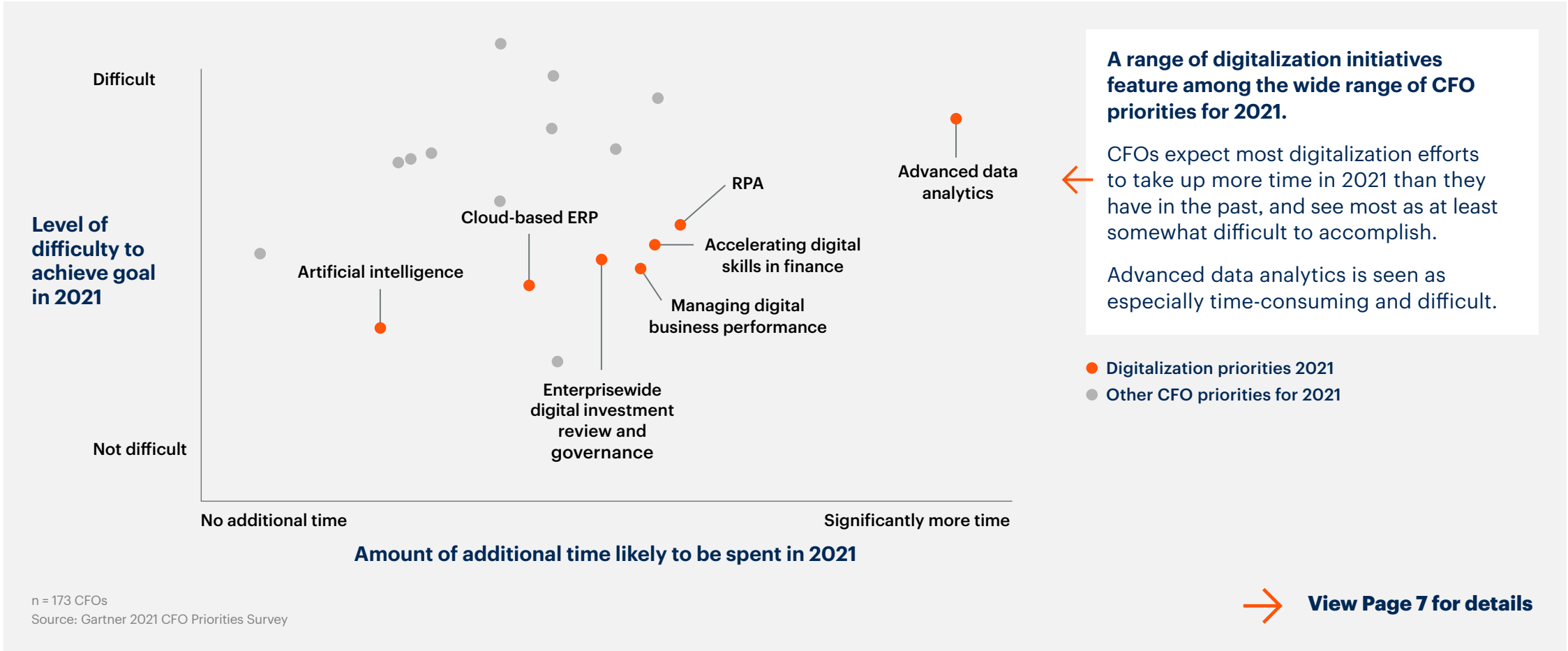
CFOs will need to reduce costs and fund growth

Average expected budgetary increase/decrease



n = Base sizes vary; excludes "don't know"
 Board directors were asked what budgetary changes they expected as a result of the COVID-19 impact.
 Source: Gartner View from the Board of Directors 2021

CFOs' digitalization priorities will take bandwidth and effort



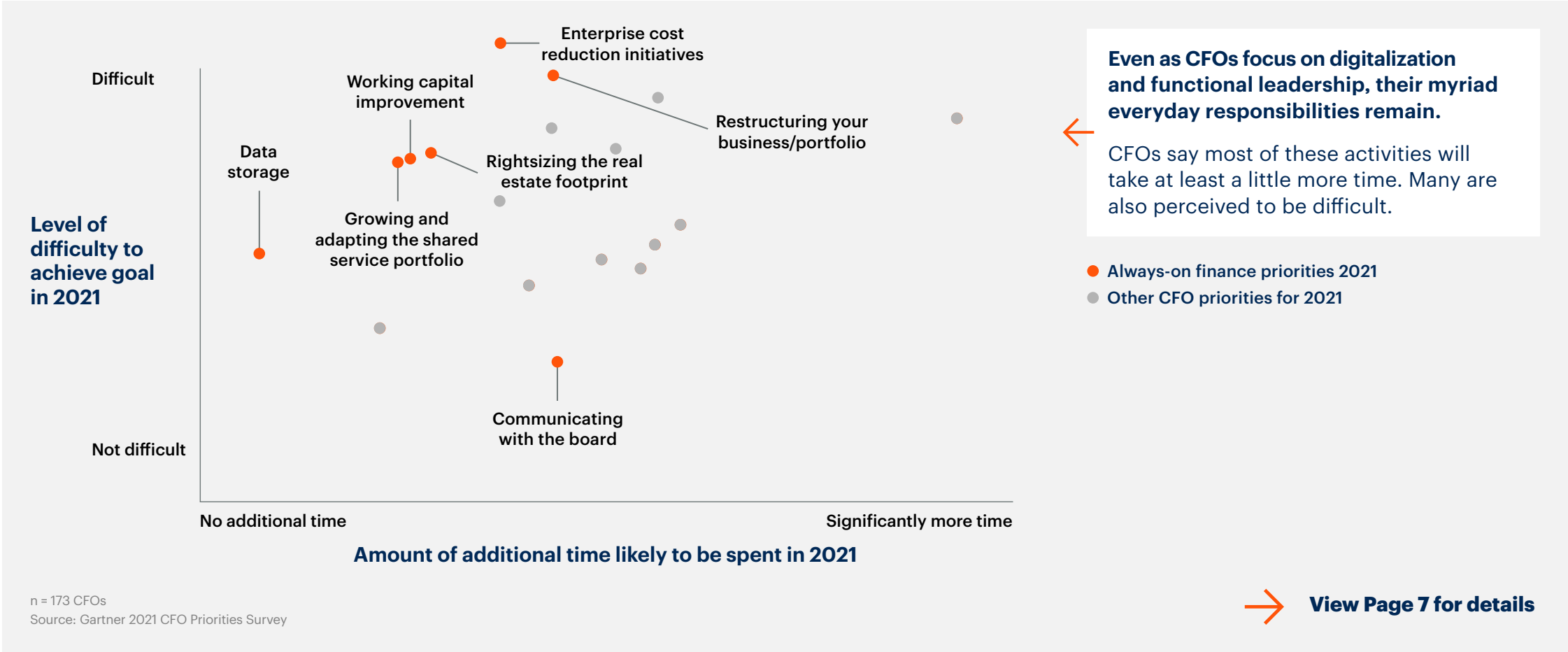
n = 173 CFOs
Source: Gartner 2021 CFO Priorities Survey

CFOs also hope to drive functional improvement





n = 173 CFOs
Source: Gartner 2021 CFO Priorities Survey

Perennial CFO concerns still take time and effort



CFOs: How do you compare to your peers?

See where CFOs expect to spend time and effort in 2021

	Take same amount of time	Take more or significantly more time 	Somewhat or extremely difficult 	Not difficult
Advanced data analytics technologies and tools (in finance)	16%	82%	78%	22%
RPA and other workflow automation technologies (in finance)	30%	66%	56%	44%
Accelerating digital skills (in finance)	37%	60%	50%	50%
Enterprisewide digital investment review and governance	36%	56%	47%	53%
Bringing back the right costs to support growth	44%	55%	45%	55%
Staff engagement and retention	43%	54%	40%	60%
Improving employee performance in a new work environment	44%	51%	44%	56%
Redesigning the finance organizational structure	36%	51%	35%	65%
Cloud-based enterprise resource planning technologies	39%	49%	42%	58%
Restructuring your business/portfolio	45%	49%	42%	58%
Running enterprise cost reduction initiatives	38%	46%	44%	56%
Measuring, funding and managing digital business performance	50%	46%	36%	64%
Communicating with the board of directors	50%	45%	14%	86%
Artificial intelligence technologies (in finance)	52%	44%	59%	41%
Rightsizing the real estate footprint	46%	44%	30%	70%
Working capital improvement	45%	40%	35%	65%
Growing and adapting the shared service portfolio	50%	38%	34%	66%
Finance data storage and tools	58%	28%	25%	75%

Note: Percentages may not round up to 100% because some respondents answered "less time."
Source: Gartner

Data and analytics tops the digitalization agenda for finance leaders

Analytics has become a key driver of how value is created in most businesses. The rising importance of analytics has also revealed just how hard it is to get right.

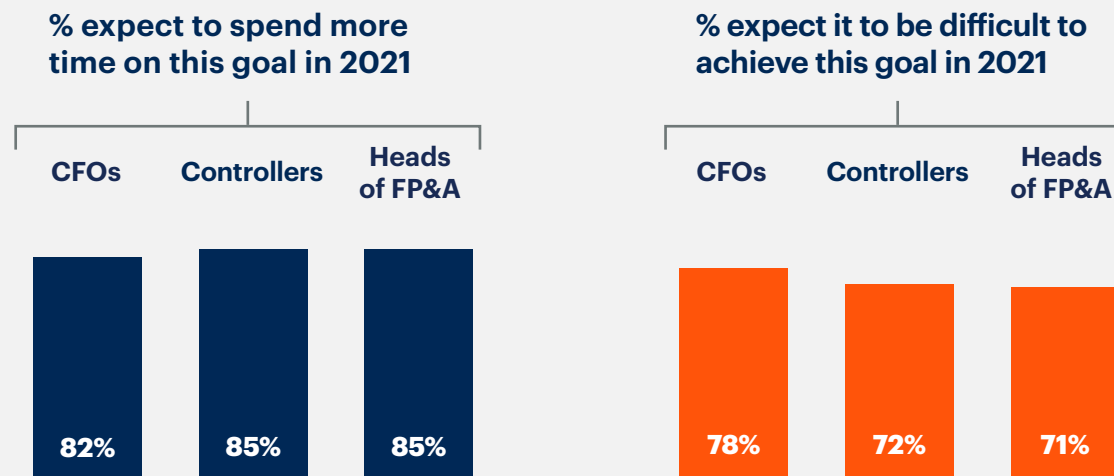
Finance analysts and decision makers are drowning in data and, as the complexity increases, they struggle to identify what data is most important and how best react to what the data says.

Analytics and business intelligence platforms will shift from delivering capabilities that primarily help analysts manually explore data to those that actively steer analysts to the most significant insights, as determined by the data available.

Finance will need to expand analytical capabilities, roles and processes and help business stakeholders to understand, interpret and use financial data to make sound operational decisions.

[Click here for more on data and analytics in finance](#)

Priority: Advanced data analytics technologies and tools in finance



n = 173 CFOs; 79 controllers; 48 heads of FP&A
 Source: Gartner 2021 CFO, Controller and FP&A Priorities Surveys

RPA and workflow automation remain key

Process automation has brought speed, efficiency and cost optimization to finance. Given these benefits, the use of robotic process automation (RPA), the de facto automation choice for finance teams, has grown exponentially.

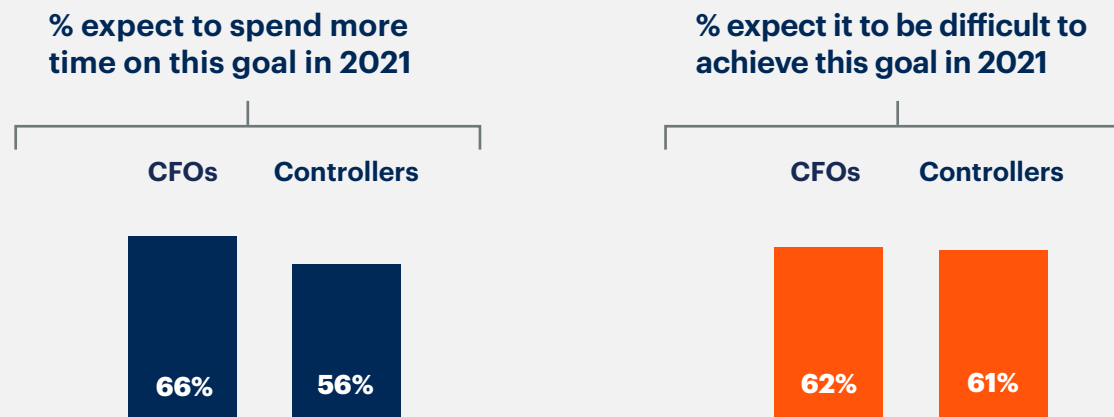
RPA's adoption is driven by its ubiquity, efficiency, relative speed of deployment and cost savings, but it doesn't easily scale across the organization.

To reap the benefits of automation and drive significant results, CFOs now need to focus on additional technologies (including chatbots, artificial intelligence and machine learning) that cover increasingly complex, dynamic processes requiring human judgment.

Automating complex processes can enable CFOs to identify new value-adding services such as dynamically forecasting long-term real estate value or predicting pricing based on consumer behavior.

➔ [Click here for more on RPA and workflow automation](#)

Priority: RPA and other workflow automation



n = 173 CFOs; 79 controllers; 48 heads of FP&A
Source: Gartner 2021 CFO, Controller and FP&A Priorities Surveys

CFOs want more digital upskilling in finance

Developing digital skills is a prerequisite, as organizations — and finance functions — accelerate digitalization, but upskilling finance teams may be harder than it first appears.

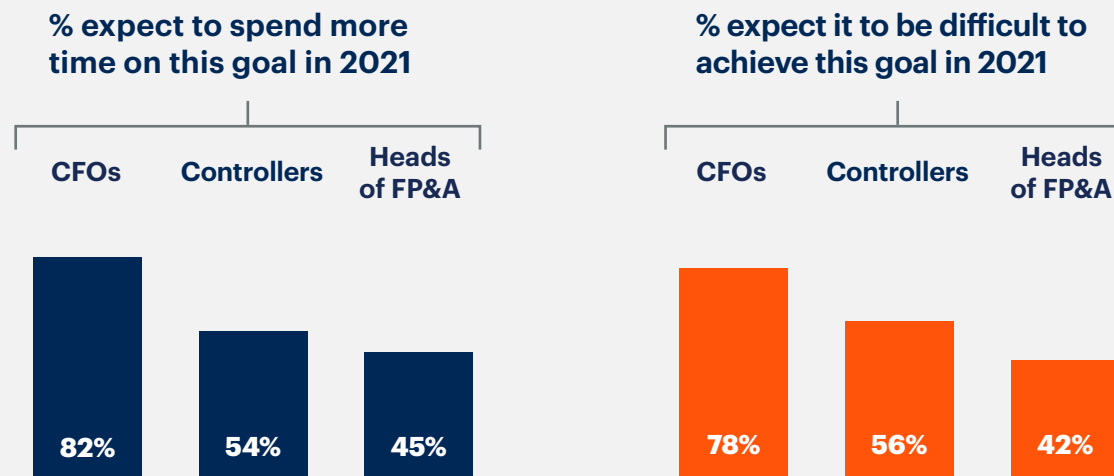
Traditional development approaches, such as classroom-based training and formal course work, rarely keep pace with the digital technology evolution — and don't allow employees to immediately practice and apply the skills.

The first step for finance leaders is to identify relevant digital skills, especially those specific to employees' daily workflows.

Gartner research shows that five digital competencies are key, and applicable to back-, middle- and front-office finance work. They are technological literacy, digital translation, digital learning and development, digital bias management and digital ambition.

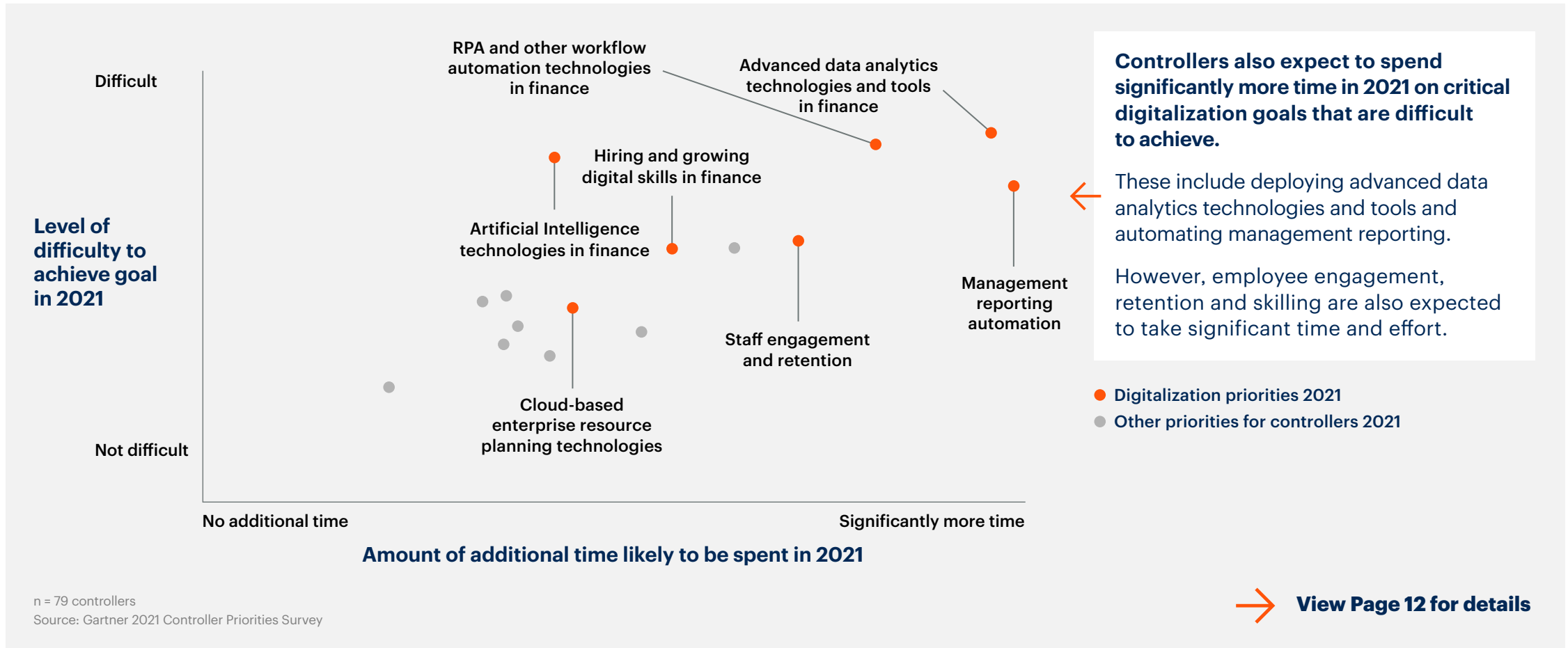
➔ [Click here for more on accelerating digital skills in finance](#)

Priority: Accelerate digital skills in finance



n = 173 CFOs; 79 controllers; 48 heads of FP&A
 Source: Gartner 2021 CFO, Controller and FP&A Priorities Surveys



Controllers are broadly aligned with CFOs' digitalization priorities



n = 79 controllers
Source: Gartner 2021 Controller Priorities Survey

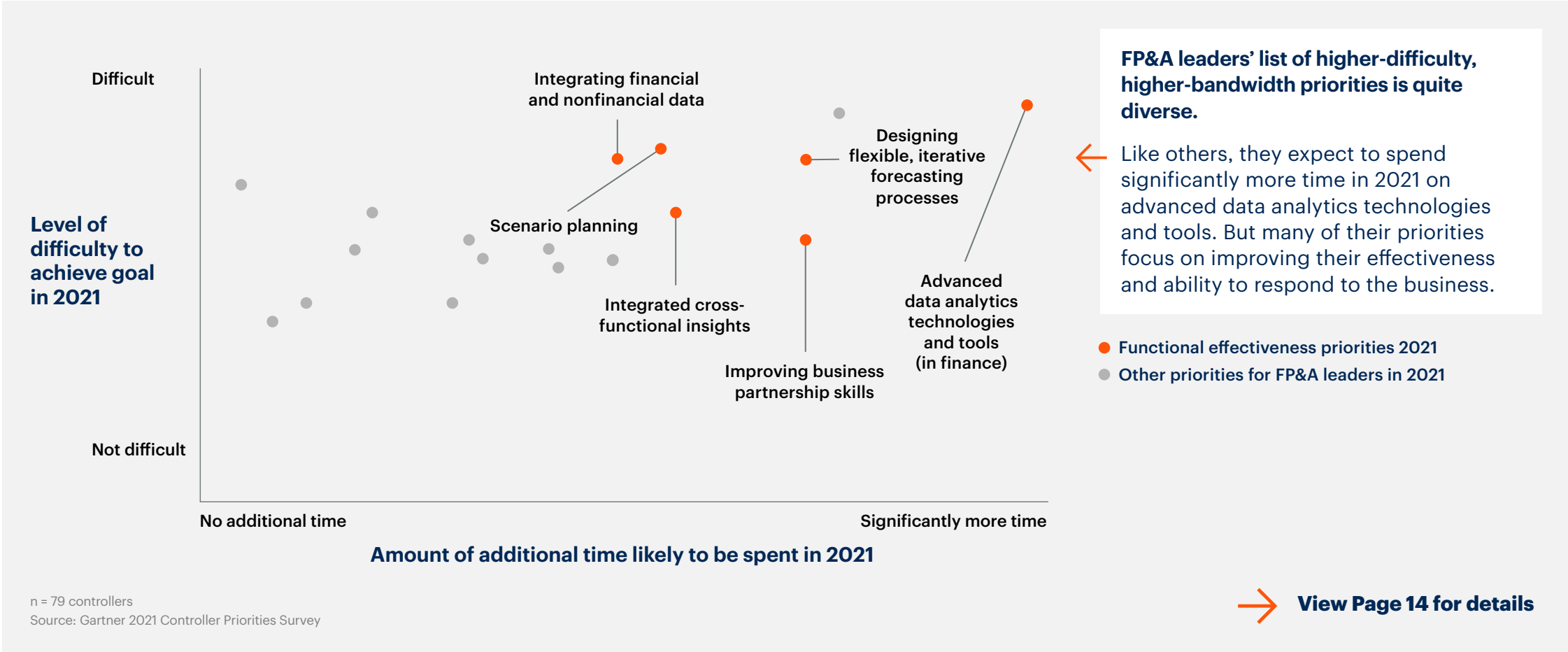
Controllers: How do you compare to your peers?

See where controllers expect to spend time and effort in 2021

	Take same amount of time	Take more or significantly more time 	Somewhat or extremely difficult 	Not difficult
Advanced data analytics technologies and tools (in finance)	15%	85%	72%	28%
Artificial Intelligence technologies (in finance)	24%	75%	54%	46%
RPA and other workflow automation technologies (in finance)	35%	62%	61%	39%
Finance data storage and tools (in finance)	36%	60%	47%	53%
Cloud-based ERP technologies	41%	54%	46%	54%
Migrating activities to shared services	39%	49%	35%	65%
Growing and adapting the shared service portfolio	42%	48%	32%	68%
Hiring and growing digital skills (in finance)	46%	43%	25%	75%
Management reporting automation	45%	41%	34%	66%
Continuous accounting	58%	38%	58%	42%
Streamlining the close process	53%	37%	38%	62%
Building efficiencies in accounts receivable and accounts payable	54%	37%	32%	68%
Staff engagement and retention	62%	35%	34%	66%
Working capital improvement	65%	26%	19%	81%



Note: Percentages may not round up to 100% because some respondents answered "less time."
Source: Gartner

FP&A leaders focus on efficiency and effectiveness



FP&A leaders: How do you compare to your peers?

See where FP&A leaders expect to spend time and effort in 2021

	Take same amount of time	Take more or significantly more time 	Somewhat or extremely difficult 	Not difficult
Advanced data analytics technologies and tools (in finance)	13%	85%	71%	29%
Self-service business intelligence and reporting	23%	75%	65%	35%
Improving business partnership skills	26%	74%	46%	54%
Designing flexible, iterative forecasting processes	29%	71%	63%	38%
Scenario planning	28%	66%	65%	35%
Integrated cross-functional insights	40%	60%	50%	50%
Building or expanding the FP&A function	26%	59%	44%	56%
Selecting KPIs for new business and operational processes	34%	55%	40%	60%
Integrating financial and nonfinancial data	46%	52%	52%	48%
Staff engagement and retention	49%	51%	42%	58%
Accelerating digital skills (in finance)	53%	45%	42%	58%
Increasing rigor of the budget processes	43%	45%	35%	65%
Enhancing the cash forecast	57%	36%	35%	65%
Cloud-based enterprise resource planning technologies	55%	34%	44%	56%
Building specialized analysis teams (e.g., centers of excellence)	62%	32%	44%	56%
Finance data storage and tools (in finance)	60%	29%	29%	71%
Working capital improvement	68%	28%	31%	69%
Artificial intelligence technologies (in finance)	69%	23%	44%	56%

Note: Percentages may not round up to 100% because some respondents answered "less time."
Source: Gartner

About Gartner Top Priorities for Finance Leaders in 2021

The top priorities are derived from the Gartner 2021 Priorities Surveys of CFOs, Controllers and Heads of FP&A.

Respondents:



173

Chief financial officers



79

Controllers



48

Heads of FP&A

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