

Pigment

The State of FP&A 2024

Insights, advice, and opinion
from finance and FP&A leaders

Enter



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Executive summary

Today, CFOs and finance leaders form the strategic backbone of the organizations they serve, focused on setting direction and orchestrating lasting success. However, the modern finance leader often finds themselves in the middle of a push-and-pull, oscillating between being perceived as a traditional number cruncher as well as a strategic thought partner, all whilst living with the reality of being over-extended.

This offers them a series of contradictions. They are called upon to be risk-takers while guaranteeing consistent, successful outcomes. They are expected to make reliable predictions in a landscape where the only certainty is change. And they must attract and retain top talent, yet do so while often having to assign them time-consuming, repetitive tasks. These dissonant responsibilities can be challenging, but they are also a testament to the pivotal role a CFO plays in shaping an organization's future.

Executive summary

Here, technology has emerged as a potential solution. While many finance leaders are not yet ready to delegate all responsibilities to software products and platforms, these solutions can bring fresh perspectives and enable organizational collaboration. The true value of these advancements lies in their ability to shift CFO time allocation from nuts-and-bolts tasks to more strategic items.

Ultimately, technology has the potential to empower every member of a team, regardless of their role, to make informed, accurate decisions underpinned by sound strategic reasoning.

The collected research presented in this report highlights what CFOs and finance teams are looking to overcome, the current issues they are grappling with on a day-to-day basis, what they are excited about in relation to the future of their roles, and how they can excel in this new era of finance. By understanding these factors, finance leaders will not only meet – but redefine – the evolving expectations placed upon them, cementing their position as vital architects of their organization’s future.

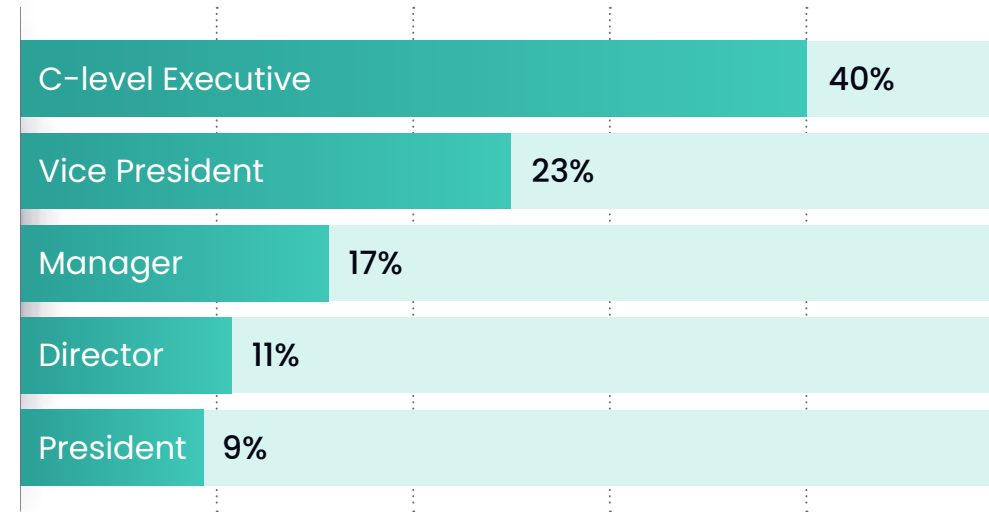
AJAY VASHEE, GENERAL PARTNER, IVP AND FORMER CFO AT DROPBOX

Research methodology

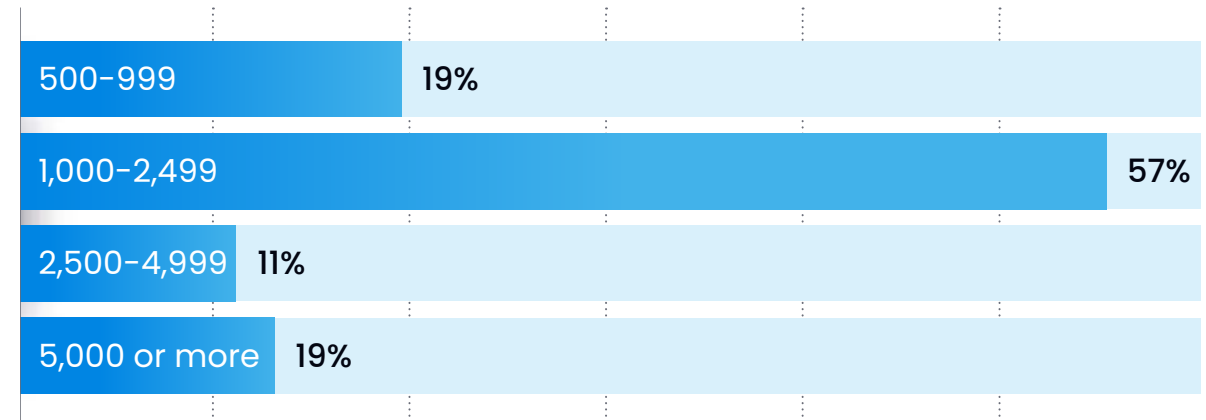
Research for this report was conducted by Pigment using an online survey among adults in the United States who are employed as in-house finance professionals with a manager title or above. All respondents were required to work at a firm with 500 employees or more with the data being collected between August 29 and September 11, 2023.

The characteristics of the respondents included:

Job title:



Company Size – Defined by number of employees:

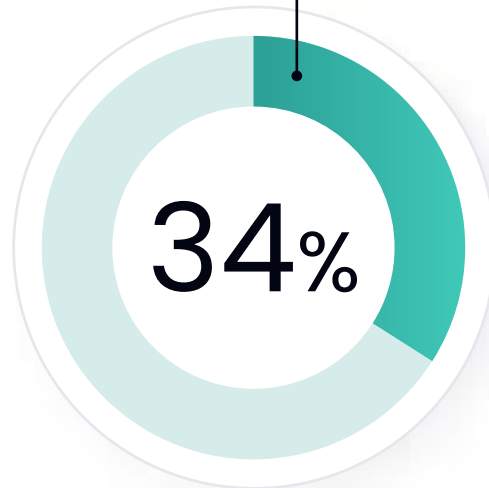


Key takeaways

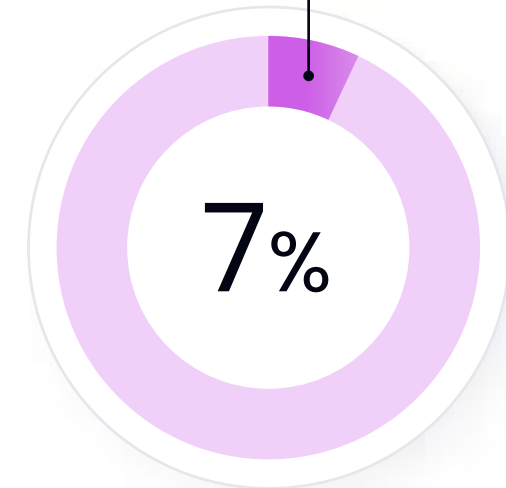
The key takeaways we found can be broken down into four main areas. These focused on:

1. Confident decision making

34% of finance leaders state they are now responsible for decision-making across the larger business.

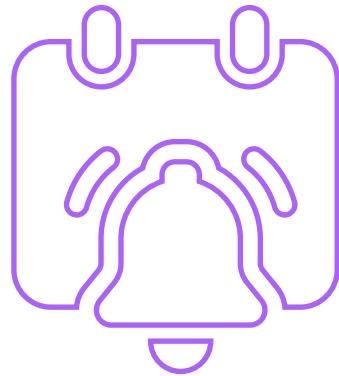


But only 7% of finance leaders are completely confident in their ability to make strategic decisions, plan accurately, mitigate risk posed by external threats, and steer their business through unpredictable events.



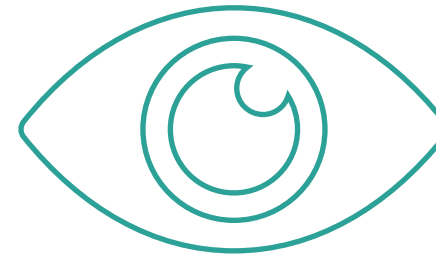
Key takeaways

2. Data and tools



89%

of finance leaders are making monthly decisions they know are based on inaccurate or incomplete data.



56%

of finance leaders have been asked to make decisions and forecast for departments over which they lack visibility.

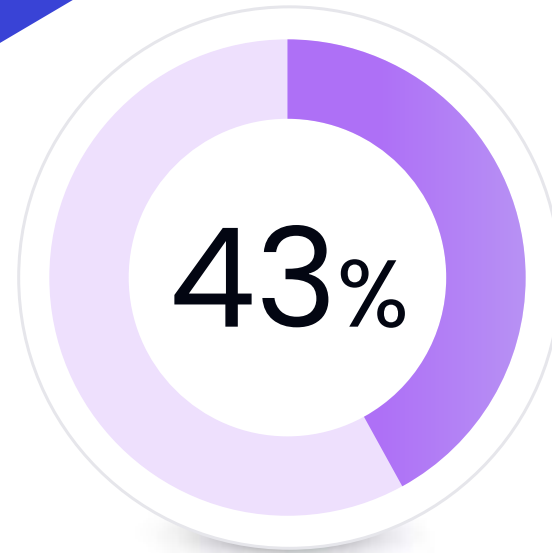


53%

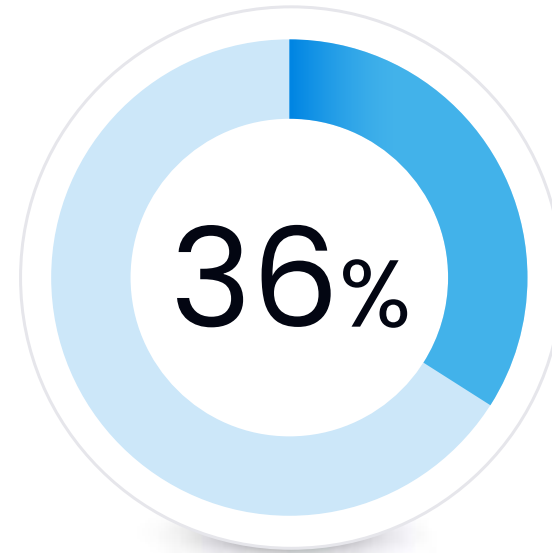
of finance leaders lack access to the right tools needed to conduct long-term growth planning.

Key takeaways

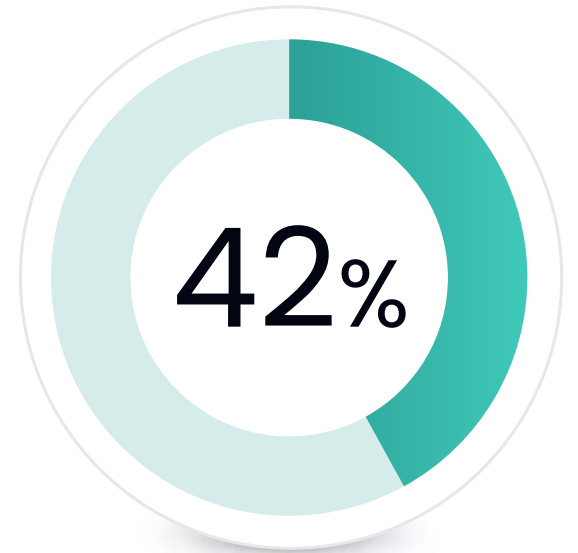
3. Talent impact



43% of finance leaders cannot invest in their team culture and worker happiness due to preoccupation with low-value tasks.



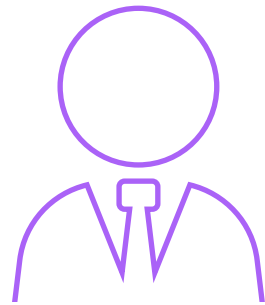
36% of younger finance professionals are looking forward to AI supporting or replacing routine tasks.



42% are deprioritizing “developing new capabilities and skills”, which directly impacts their ability to retain top talent.

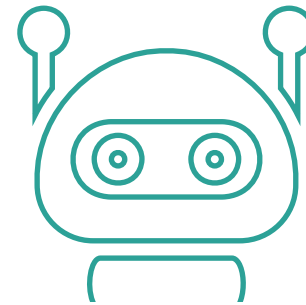
Key takeaways

4. Connecting process and people



92%

of finance leaders are seeing value from AI within their business but...



57%

are concerned that AI will eliminate their job. But the majority have a positive outlook, with...



67%

of finance leaders looking forward to the ways AI will revolutionize the world of finance.

The mounting expectations on the modern finance leader

Change is a constant

Finance roles are expected to naturally evolve and develop as time moves on, new technology is introduced, and as the competitive environment changes. However, this evolution is typically more gradual than it's been for the finance sector over the past few years, and we are now at an inflection point.

Nearly all finance leaders say the role of finance will continue to evolve in the coming five years and it's clear this means taking on more responsibilities rather than delegating them.

“ The Office of the CFO is at the intersection of everything a business does today... and that's evolved over the last decade.

KEVIN RUBIN, CFO, ALTERYX



of finance leaders feel pressure to evolve their role beyond perceived number crunching and advise on business decisions ahead of time.

The mounting expectations on the modern finance leader

The 5 most common responses finance leaders had to the question, 'Since you started your career, how has the role of finance to a business evolved?'

1

Finance is responsible for decision-making across the larger business.

2

Finance is expected to provide organization-wide strategic guidance.

3

Finance is now asked to oversee areas like Environment, Social, and Corporate Governance (ESG), Diversity, Equity, and Inclusion as well as Sustainability initiatives.

4

It has become more technology driven.

5

Finance collaborates more with other departments.

The mounting expectations on the modern finance leader

New role, new responsibilities

Finance leaders are clearly being asked to take on more work. They are now expected to be a part of key business initiatives, whether that be mergers and acquisitions, or sustainability responsibilities.

The modern CFO's role is one that fits naturally with ESG leadership, especially given their focus on compliance and reporting, driving investments, and managing risks. As such they should be involved, if not leading, the conversations regarding how to tackle problems relating to efficiency, sustainability, and environmental impact.

In this ever-evolving landscape, it is paramount for finance professionals to adapt to these differing expectations regarding their role. Achieving this means equipping themselves with the tools, insights, and strategies necessary to maintain the agility, precision, and forward-thinking approach required in today's complex financial ecosystem.



68%

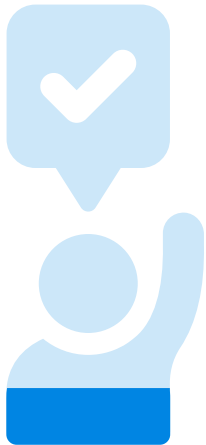
of finance leaders acknowledge that ESG has emerged as a focal point for their teams, demanding an allocation of valuable time and resources.

Nowadays it's a lot less spreadsheets and number crunching and a lot more strategy, decision making, and puzzle solving.

JEREMY STERN, SENIOR MANAGER,
STRATEGIC FINANCE, CLICKUP



The mounting expectations on the modern finance leader



7%

of finance leaders say they are completely confident in their ability to:

- > make strategic decisions
- > plan accurately
- > mitigate risk posted by external threats
- > steer their business through unpredictable events

Increasing expectations, decreasing confidence

As it currently stands, it is incredibly difficult to meet these growing expectations with many finance leaders expecting market conditions to get more challenging in the next year. This decrease in confidence is clearly universal.

To make matters more challenging, uncertain economic environments and competitive pressures are persistent external threats. The biggest threat identified by finance professionals is market developments, meaning finance leaders are required to meet internal expectations while also facing:

- > intensified competition
- > the fallout from the economic downturn
- > persisting inflation

Decision-making inertia

The need for confident leadership

A pervasive lack of confidence among finance leaders is, in part, attributed to the struggle to keep pace with the swiftly evolving nature of the role.

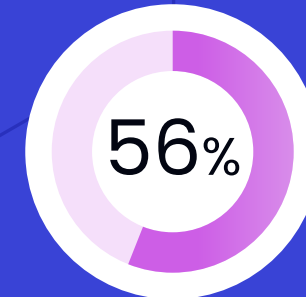
This uncertainty originates from a persistent lack of visibility into broader organization operations. Valuable data remains locked in silos, hindering a comprehensive understanding of a company's inner workings.

This doesn't help a key part of the finance leader's role: forecasting.

As a result, finance leaders find themselves grappling with fragmented insights, impeding their capacity to make accurate, well-informed, and timely decisions – all of which they know to be a cornerstone of their role.

Even in normal economic times our job is scenario planning. The ability to take a baseline and play through multiple different scenarios and get back to your executive team quickly with how that might impact their teams in the business as a whole is more important than ever.

SARAH RILEY, VP FINANCE & STRATEGY, DBT LABS



of finance leaders have been asked to make decisions and forecast around departments they don't have visibility into.



Decision-making inertia

No visibility, no accuracy, no long-term decisions being made

Presently, 60% of finance leaders only feel confident making decisions for the next quarter, while just 1 in 4 are confident making plans a year or more in advance. Time and time again, finance leaders are forced to make decisions with inaccurate, incomplete, or siloed data sets. And they are more than aware of this fact. After all, you wouldn't build a house without first securing the foundations. Yet, CFOs find themselves working without the core, foundational data needed to make informed decisions.

The finance leaders who can forge collaborative ways of working, while bringing people, processes, and data together will be the ones able to make more informed, timely decisions. Yet despite this requirement, leaders are being forced to rely on resources from other departments, financial analysts, and, even more damagingly – for one in four surveyed – their gut.

Amidst all the data and technological solutions modern finance leaders have to work with, the lack of one unified source of truth and the disparate, disconnected data sets means the majority are left overloaded with data, but starved of access to insights with real business value.



89%

of finance leaders are making decisions at least monthly that they know are based on inaccurate or incomplete data.



55%

of finance leaders lack the visibility into the basic business strategy and data needed to provide strong org-wide strategic guidance.

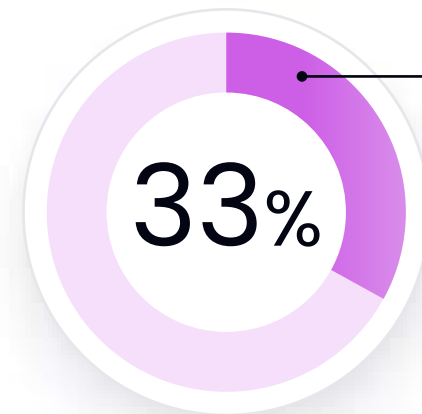
It's all connected

Without a single source of truth or a shared language that all employees can understand, finance leaders are faced with one more obstacle to informed, accurate decision-making.

By enabling data workflows between key technologies, finance departments gain a holistic view of business performance – and with that visibility comes a new world of insights and opportunity. Without it though, finance leaders are simply unable to see the broader organizational picture and are left to fill in the blanks themselves.

We have a role to help different parts of the organization speak to each other on a common playing field. ”

NICHOLAS BRITZ, VP FINANCE, INTERCOM

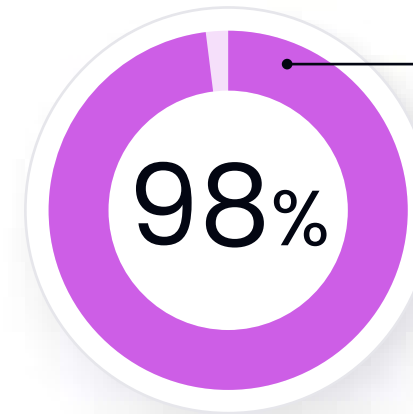


of finance leaders say departments not cross-collaborating on strategy holds their team back from being seen as more of a strategic advisor.

Decision-making inertia

No time for strategy

Long-term decisions are seen as important, but not urgent, meaning that finance leaders are looking to focus on only the most immediate of needs.



financial leaders are putting off important strategic work due to low-value tasks such as administration, data collection, or reporting.

What's keeping finance leaders from the work they want to be doing?

54%

of finance leaders spend most of their time doing work that doesn't add strategic value to the organization.

42%

are not developing capabilities and skills.

38%

are deprioritizing long-term growth planning.

25%

of leaders are putting off increasing revenue which is directly harming their companies bottom line.

Decision-making inertia

Predictably unpredictable

Finance leaders undoubtedly want to focus on high-level strategic decision-making; however, these responsibilities are the first thing to be sacrificed when unforeseen circumstances arise.

More than two-thirds of finance leaders want to spend more time translating numbers into actionable and timely insights that support more-informed decision-making. When these goals are supported by the next wave of innovative solutions, there's a new-found optimism surrounding utilizing the right solutions that can consolidate data into actionable insights.

In an era brimming with technological advancements and cutting-edge solutions, finance leaders don't need to grapple with mundane and repetitive data translation tasks. Technology can alleviate these problems, freeing finance leaders to focus on what truly matters – driving the business forward and installing a collaborative mindset into the wider company. However, at the heart of this is the critical need for strategic decision-making grounded in accurate, up-to-date data.

It's no surprise that finance leaders want to propel their business to new heights, and this ambition is within reach, so long as the data they are working with instills confidence in their decision making.



More than two-thirds of finance leaders want to spend more time translating numbers into actionable and timely insights that support more-informed decision-making.

The human impact of innovation

Transforming in a human way

Facing a myriad of disruptors, companies in every industry are making decisions aimed at remaining competitive in the market – mostly in relation to digitalization and the incorporation of new technologies.

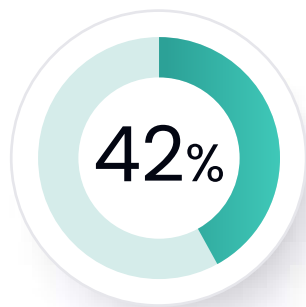
Digitalization, standardization, and automation will be critical as businesses focus on solving these aforementioned problems in innovative, lasting ways. Many CFOs are investing in technologies like cloud, AI, and analytics to drive growth, but the human impact of augmenting the workforce with these solutions cannot be overstated.

Anyone from across a business, irrelevant of skills or background, needs to be able quickly unlock insights with a unified view of the data that matters. This not only supports growth and profitability targets, but also acts as a cornerstone for ensuring everyone across a company can make the best decisions and feel satisfied in their work.

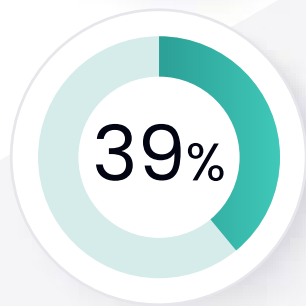


The number one thing financial leaders are putting off in favor of low-value tasks is investing in their team culture and worker happiness.

The human impact of innovation



of CFOs are being forced to divert their attention away from investment in skill building.



are having to put business problem-solving to one side too.

The role of people in an increasingly digital world

Demand is high for individuals with broad skill sets. Having this right mix of skills within a team helps CFOs drive growth goals, perform more accurate analysis and scenario planning, and increase enterprise efficiency and effectiveness.

While technology is not an outright substitute for workplace culture, it does offer people the opportunity to upskill, learn and evolve their roles: key for both office morale and bottom-line productivity. However, this concept is one that is often easily pushed to the side amidst more immediate challenges.

By investing in the right technology, work and output not only becomes more accurate and productive, but also enjoyable and engaging for both experienced personnel and new joiners.

The human impact of innovation

Drive employee satisfaction through AI and automation

While finance teams are being asked to take on more than ever, their resources are not increasing. Striking the balance between automation and an organization's most important asset — its people — is key for the future of finance.

The concept of "doing more with less" is not about burdening an already stretched workforce. It's about amplifying human capabilities with the power of automation, empowering everyone to propel the business forward.

Artificial intelligence (AI) and automation can now reshape roles to align with strategic objectives, liberating precious time for finance teams, enabling them to direct their efforts toward activities that drive tangible business value.

As finance professionals seek more ways to work smarter, not harder, low code automation tools remove IT barriers. Empowered with automation and AI, people are more connected, collaborative, and ready to tackle the most strategic or creative work.

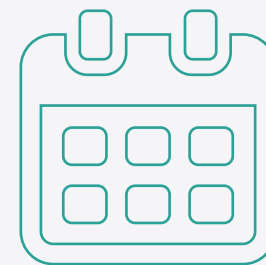
Yet herein lies a contradiction; with CFOs seemingly unable to work on implementing long-term strategies, how can they also prioritize a culture of innovation and growth?

Right tool for the job



76%

of finance leaders say access to the right tech is critical for the finance team to achieve their key goals and...

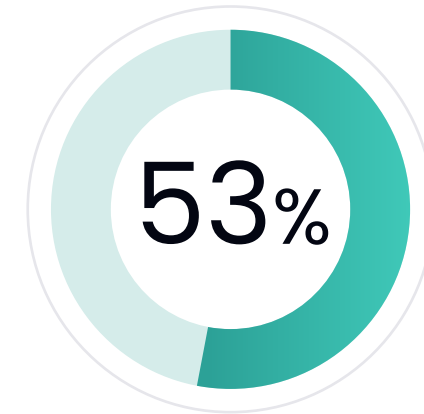


68%

of finance leaders expect their company to increase their investment in tech tools for financial planning over the next twelve months.

The human impact of innovation

But what are the fundamental traits they want from technological solutions moving forward?



Yet despite this clear desire for innovative solutions, most finance leaders currently lack access to them with **53% stating outright that they do not have the requisite tools needed to conduct long-term growth planning.**

Organizations are on the cusp of positive change with increased investments expected next year, however, for many, it cannot come soon enough.

When asked ‘What is the most important benefit a financial planning tool can offer you?’, here are the 10 most common responses:

- 1 It integrates with my business, to create a single source of truth for real-time data reporting
- 2 It allows us to collaborate easily with other departments
- 3 Provides scenario planning and roadmap development features
- 4 It's flexible and adaptable
- 5 Stakeholders outside of finance feel comfortable using the tool
- 6 It's intuitive and easy to use
- 7 Automates routine tasks
- 8 Simplifies information
- 9 It's a tool I know and trust
- 10 It has enterprise-grade security features

The future of finance

Thrive in challenging times

Despite emerging labor shortages and economic challenges, an abundance of new technologies has opened the door for financial teams to continue to expand and instill a collaborative mentality into broader company operations.

Accessible, understandable, actionable

AI, in particular generative AI, lowers the barrier to entry and makes planning more accessible. It has the potential to democratize financial information so that anyone can interrogate the data in the ways that are most helpful to them.

However, AI is not a catchall solution to existing problems, but it does add tangible benefits to existing ways of operating, offering real value to an entire organization.

“The office of the CFO is also a lot more involved in the operations of the day to day business. CFOs are also becoming COOs themselves... Now the finance team can partner with various members of the executive team giving them real-time insights into how we're performing financially so they can make informed decisions.

BRAD FLOORING, VP FINANCE, FP&A,
SNOWFLAKE

The future of finance

When asked 'Where is your business gaining the most value from AI?' finance leaders provided some interesting reactions:

44% claim it allows leaders from non-finance departments to easily use tools without any specialist training

31% state it is the ease and convenience of using plain language searches

36% say it can bring more people from outside of finance into the planning process

29% believe it is the time savings it generates

The ability to leverage these advanced technologies is going to require organizations to go through and pay attention to the quality and the structure of their data. It's critically important that you understand that if you're expecting to deploy some of these advanced technologies that you can't do it with dirty data. ”

KEVIN RUBIN, CFO, ALTERYX

A common theme seems to be emerging: a belief that one of AI's key benefits will be democratizing access to tools and data.

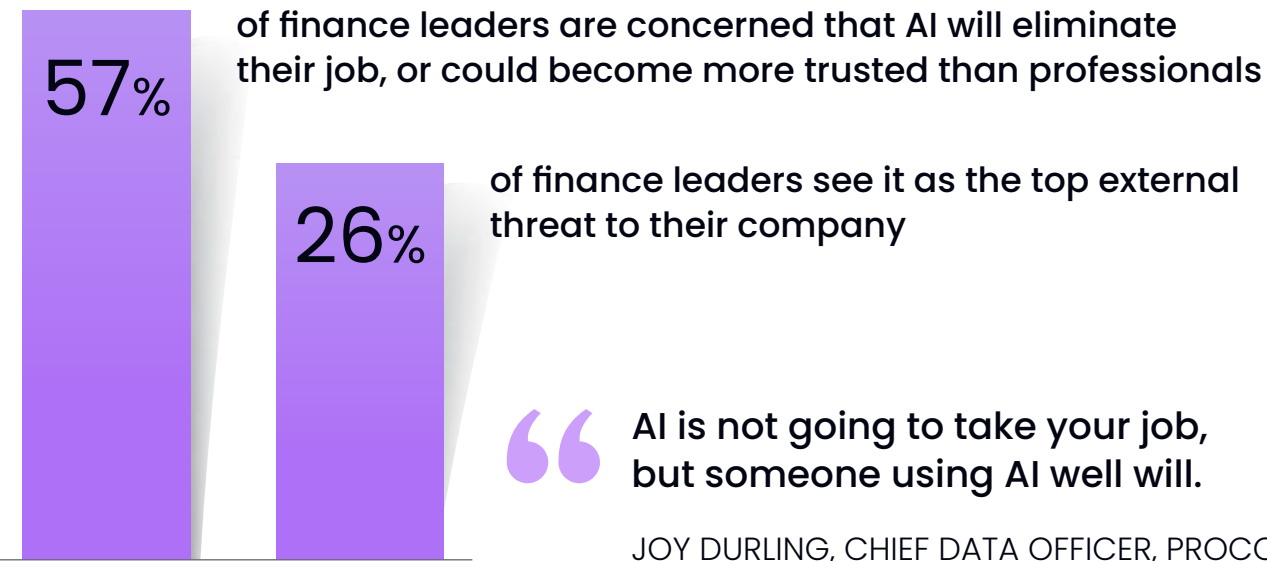
Feature-rich AI platforms combined with unified data lower the barrier to entry for finance and non-finance teams, making data accessible, applicable, and understandable to all.

Anyone – even those without specialist skills or training – can ask a question in a natural language, access the right information, and use a platform with confidence.

The future of finance

The impact of AI

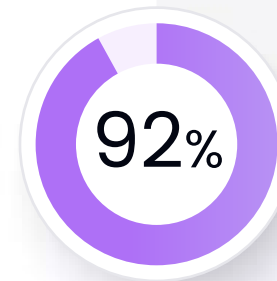
The full impact of AI remains unknown, but the fact that it will permanently reshape the finance industry is undeniable. However, here perception can cloud judgment.



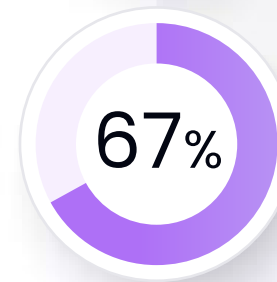
“ AI is not going to take your job, but someone using AI well will.

JOY DURLING, CHIEF DATA OFFICER, PROCORE

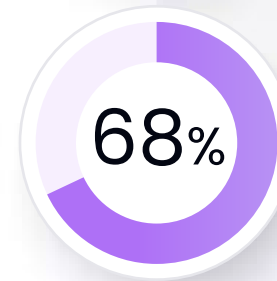
Yet, despite these perceptions:



of finance leaders are seeing value from AI within their business



of finance leaders look forward to the ways AI will revolutionize the world of finance



would already consider input from AI in making a business decision or recommendation

The future of finance

So, if the common barriers to AI-powered technology in the finance industry can be overcome, finance leaders stand to reap the benefits, including but not limited to:



huge reductions
in administrative
work



increased
scenario planning
capabilities



greater
collaboration with
other departments



the
democratization
of information



the ability to think
creatively and more
strategically, consistently

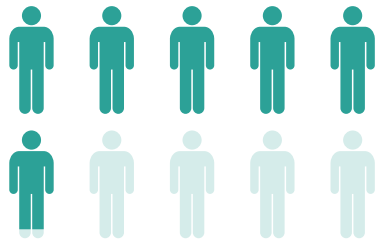
For CFOs, the promise of AI-powered technology in finance offers a tantalizing opportunity. Overcoming the typical hurdles presents the potential for a transformative shift, granting finance leaders access to an array of invaluable advantages.

By democratizing critical information, and enabling strategic thinking, CFOs can facilitate an industry where finance is agile, innovative, and strategically aligned with broader organizational targets.

The future of finance

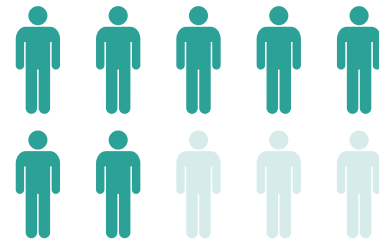
The exuberance of youth

Finance leaders agree AI-driven disruption is coming. And the ones who perhaps understand this most presciently are the future generations of CFOs and finance leaders.



59%

of finance leaders say AI will disrupt the financial industry.



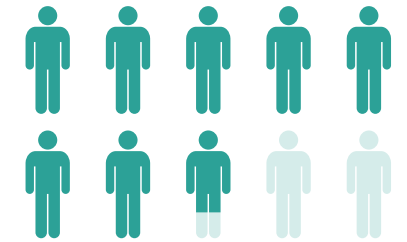
70%

of younger finance workers fully trust AI-generated financial advice and forecasting recommendations.



75%

of this younger demographic would also consider input from AI in making a business decision or recommendation, compared to just 59% from older demographics.



78%

of younger finance professionals look forward to the ways AI will revolutionize the world of finance.

More than just expecting it though, these future finance leaders are excited to use AI as well as other innovative and generative technologies.

Conclusion: People, processes and solutions

Finance leaders are being pulled in myriad directions, preventing them from doing the work they want to do, which is also the work that has the greatest value to a business.

In the fast-paced and competitive world of financial services, companies that invest in digital solutions stand a greater chance at growing their business and standing out from their competitors. AI is part of the solution by bringing people together and removing many inefficient processes, but it is not a panacea.

By embracing and investing in digital solutions, businesses will be in the best position to exceed client expectations, maximize team productivity, and achieve ambitious business goals. But the critical point is having the right people, working collaboratively with the right data, with established processes in place to bring these together, efficiently.

Learn more about Pigment at
www.gopigment.com

Pigment

Pigment is a business planning platform. By bringing together people, data and processes into an intuitive, adaptable, integrated platform, teams can quickly build trusted strategic and operational business plans to drive growth, react to change and future-proof their business. Industry-leading companies like Klarna, Figma, Airtable, PVH and Webhelp trust Pigment every day, allowing them to make confident and accurate decisions. **Learn more at www.gopigment.com**

