EXECUTIVE INSIGHTS

L.E.K. Consulting's 2024 Office of the CFO Survey

Chief financial officers (CFOs) play a critical role in helping their organizations navigate an increasingly complex business environment. From shifting market conditions to rapid technological advancements, CFOs must constantly adapt their strategies to drive financial success. To better understand the priorities and challenges facing CFOs today, L.E.K. Consulting conducted a comprehensive survey in 2024, engaging with more than 80 CFOs across multiple industries.

The survey findings showcase how CFOs are responding to these evolving pressures by focusing on strategic decision-making and embracing technology and operational efficiency. As organizations strive to optimize their financial performance, CFOs are at the forefront of driving change and implementing innovative solutions to achieve their goals.

As companies navigate this shifting landscape, CFOs must balance the need for efficiency and cost savings with the challenges of implementation and integration. By leveraging advanced technologies and partnering with experienced advisors, organizations can effectively support their financial goals and drive long-term success.

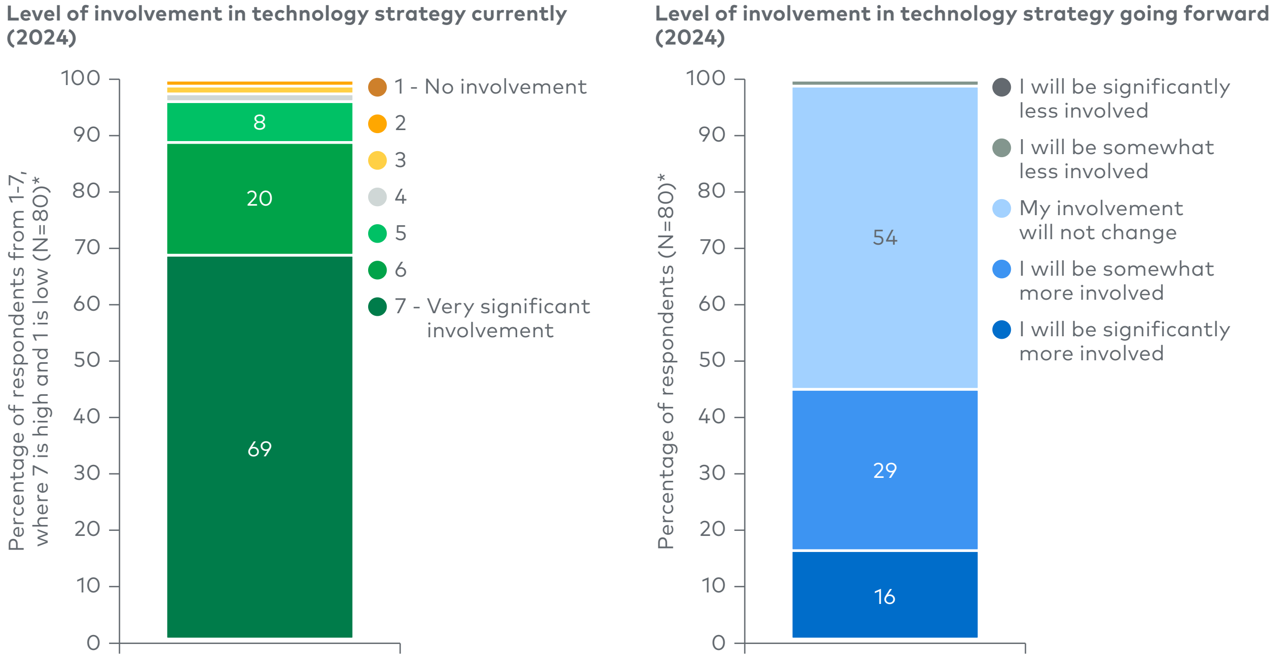
The expanding purview of CFOs

Our 2023 report[1] highlighted the expanding role of the CFO, with a growing focus on strategic decision-making and responsibilities beyond traditional finance. The report noted that the CFO's role was evolving from performing technical functions to encompassing strategic planning, capital allocation and value creation across the organization. This positions the CFO as a key strategic collaborator and thought leader alongside the CEO and board, influencing various departments, including human resources, sales and information technology (IT).

The 2024 survey findings confirm this trend's continued momentum, with CFOs increasingly involved in pricing, customer proposals, deal negotiations and contract signing. The survey results underscore the ongoing transformation of the role as CFOs take on more strategic responsibilities and drive value creation throughout the enterprise (see Figure 1).

Figure 1

Level of involvement in technology strategy currently and going forward (2024)



*Survey questions: How involved are you in your organization's technology strategy within the finance/accounting function? (Please use a scale of 1 to 7, where 1 means "no involvement" and 7 means "very significant involvement.") How do you expect your involvement in your organization's technology strategy within the finance/accounting function will change in 2024?
Note: CFOs are highly involved in technology strategy within finance and accounting
Source: L.E.K. survey, research and analysis

One CFO of a midsize company shared, "In my role, I oversee pricing for customer proposals and deals, and I sign all contracts. My responsibilities have extended well beyond traditional finance functions in both my current and former CFO roles."

Business units in an organization are increasingly focused on financial metrics, such as tracking profitability, and are leveraging business intelligence (BI) solutions. These financial data-driven approaches enable organizations to make better-informed decisions, adapt quickly and drive innovation. Marketing teams are using financial tools to understand the return on investment, while human resources departments utilize data to analyze employee turnover costs and training program effectiveness. This broadening scope not only enhances operational control but also aligns financial strategies more closely with corporate objectives, demonstrating the CFO's critical role in driving business success.

A finance leader in the telehealth sector noted, "As businesses grow and become more complex, the adoption of automation tools will inevitably increase. Companies may cut back on new tools, but they will not eliminate the key solutions that drive efficiency and help manage their operations' increasing complexity."

Achieving cost savings, efficiency and improved decision-making with third-party solutions

CFOs in this year's survey cited three key reasons for adopting third-party solutions: cost savings, streamlined operations for greater efficiency and enhanced decision-making capabilities with access to more accurate and comprehensive data.

Priority: Cost savings

In the short term, third-party solutions enable CFOs to drive cost savings by improving decision-making capabilities. For example, the CFO of a midsize marketing agency faced challenges with data aggregation after several acquisitions. By adopting a third-party treasury solution, the organization made faster and more-informed decisions and improved operational efficiency.

The marketing agency CFO explained, "It is less expensive for the organization to operate this way. We became faster, more accurate — and the technology enables better decision-making."

Another executive emphasized the importance of prioritizing profitable growth: "The market shifted, and we now need to prioritize profitable growth. I [send out a request for proposals] anytime we need to renew to reduce costs. These systems enable head count reduction, help reduce errors and enhance our credibility with the board."

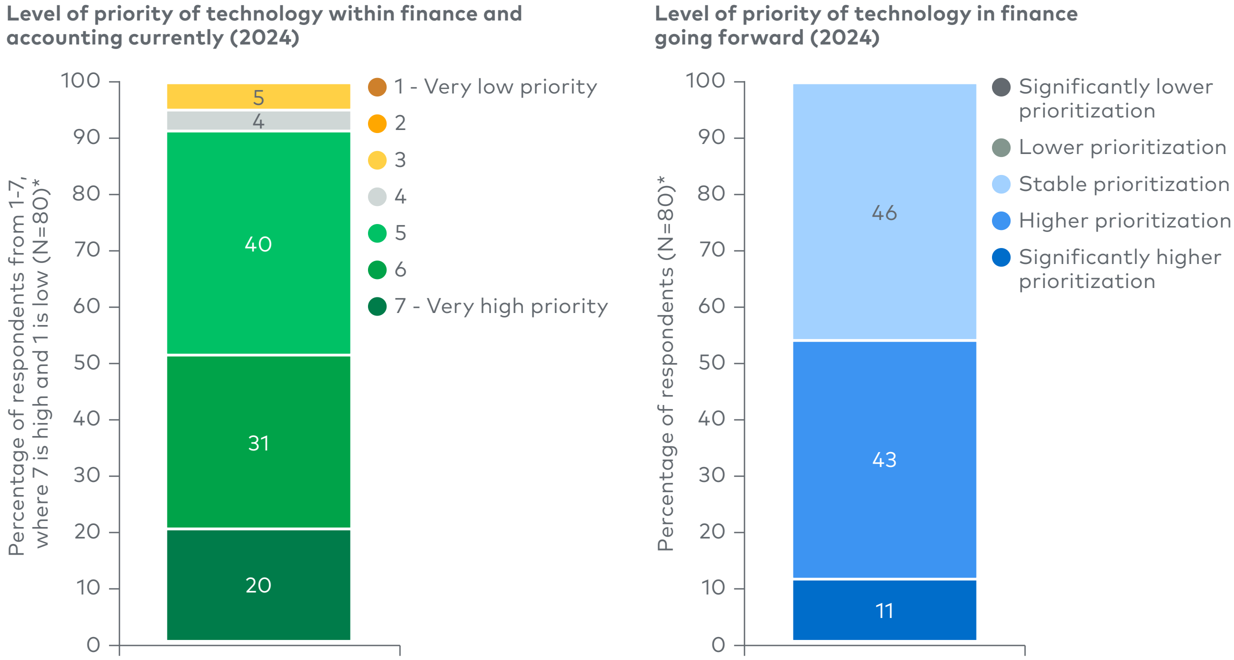
These examples illustrate how third-party solutions can help overcome data aggregation challenges and enable more-effective decision-making, ultimately leading to cost savings. By providing the necessary tools, visibility and control, these solutions empower CFOs to make informed decisions that drive efficiency and reduce operating expenses.

Priority: Streamlined operations for efficiency

CFOs have identified digital strategy within finance and accounting capabilities as critical to their roles. Adopting the right tools is essential for boosting efficiency, reducing costs and achieving financial success. The 2024 survey reveals that most CFOs consider technology integration within their departments a top priority (see Figure 2).

Figure 2

Level of priority of technology within finance and accounting currently and going forward (2024)

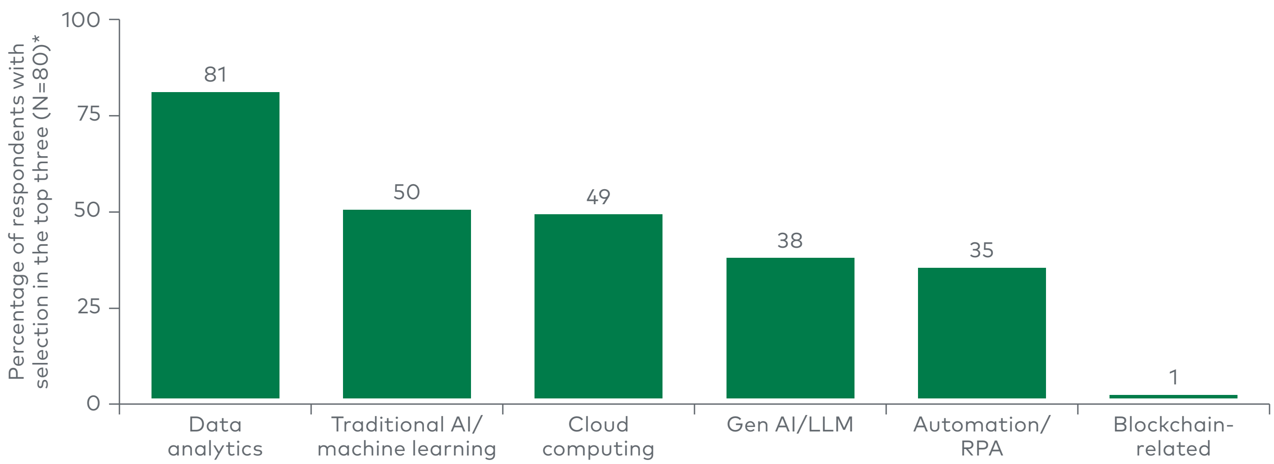


*Survey questions: How is technology typically prioritized within your organization's finance/accounting function? How do you expect the prioritization of technology within your organization's finance/accounting function will change in 2024?
Note: CFOs indicate that technology within finance and accounting is already a priority, and about half say that priority of these solutions will increase in 2024
Source: L.E.K. survey, research and analysis

Moreover, CFOs recognize the transformative potential of various technologies in shaping their organizations over the next three years (see Figure 3).

Figure 3

Technologies that will most significantly impact organizations over the next three years (2024)



*Survey question: Which of the following technologies/trends will most significantly impact your organization over the next three years? (Select up to three, in order of significance.)
Note: AI=artificial intelligence; Gen AI=generative artificial intelligence; LLM=large language model; RPA=robotic process automation; data analytics is expected to be the most impactful technology by a wide margin, followed by traditional AI/machine learning and cloud computing
Source: L.E.K. survey, research and analysis

The survey results demonstrate that data analytics, or BI, is the most impactful technology, with 81% of respondents citing it as the technology that will most influence their business in the next three years. Traditional artificial intelligence (AI)/machine learning and cloud computing follow closely, with 50% and 49% of respondents, respectively, recognizing their transformative potential.

A CFO from a market research firm shared their experience: "We hired some software engineers to create a [BI] tool. They integrated the tool with Workday and Salesforce and made a dashboard that is published daily. We can pull on this for each sector, geography and service offering. You can look at the closed deals and at the chances of deals closing, allowing for enhanced forecasting."

An executive in the healthcare technology sector noted, "We were not leveraging AI technology, but now we are. This came about because we were looking at the growth in staffing and costs. Sometimes the growth in expense can have you look to see if there is a better way to do something."

These examples demonstrate how data analytics and AI/machine learning are being leveraged by CFOs to drive efficiency within their organizations. The focus on streamlining operations and improving efficiency is not limited to specific industries or company sizes, with CFOs of small and midsize firms prioritizing areas such as payroll and budgeting/forecasting to streamline processes, improve automation and reduce costs.

To achieve these objectives, CFOs are looking to automate key functions across various areas. While automation needs can vary widely depending on the organization, some frequently mentioned areas in our survey include:

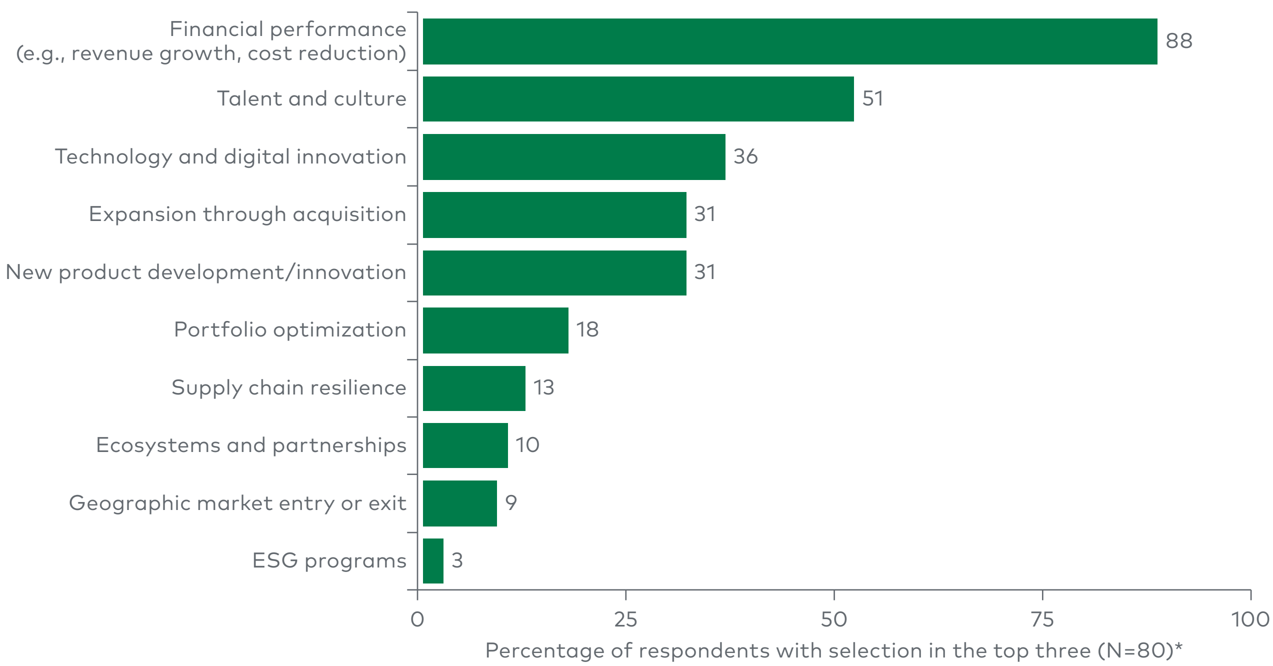
Solution area	Customer size/relevant industry	Key benefits
Accounts payable (AP) automation	Large organizations with extensive vendor networks	• Automates data entry and approval workflows • Reduces costs and errors • Enhances supplier relations and compliance
Accounts receivable (AR) and financial forecasting	Public companies and highly leveraged companies	• Improves cash flow predictability • Informs strategic decision-making • Prevents inefficient cash utilization
Accounting and tax automation	All companies, especially public companies	• Ensures data accuracy and timeliness • Maintains tax compliance and lowers risk • Provides analytics for smarter decisions
Workforce management	Companies with many hourly workers (e.g., call centers, retail)	• Streamlines scheduling and time tracking • Optimizes productivity and efficiency • Manages labor costs effectively

CFOs seek to automate key functions tailored to their company size and industry. For large organizations with extensive vendor networks, accounts payable (AP) automation streamlines workflows and reduces costs. Public and highly leveraged companies benefit from accounts receivable (AR) and financial forecasting solutions that improve cash flow predictability and decision-making. Accounting and tax automation ensures compliance and provides analytics for companies of all sizes. And workforce management solutions optimize productivity and manage labor costs for businesses with large hourly workforces.

Priority: Enhanced decision-making

As CFOs expand their roles beyond traditional financial management, adopting tools and technologies that provide insights and facilitate decision-making becomes essential. Business units across the organization rely heavily on financial data to inform strategic choices, emphasizing the need for comprehensive, real-time information. In today's fast-paced business environment, decisions must be made more quickly than ever before, putting pressure on CFOs to leverage technology solutions that can streamline data analysis and provide actionable insights (see Figure 4).

Figure 4
Top strategic priorities for 2024



*Survey question: In your role, what do you consider to be your top strategic priorities for 2024?
Note: ESG=environmental, social and governance; financial performance is clearly top of mind for CFOs, followed by talent and technology
Source: L.E.K. survey, research and analysis

Example: A survey respondent noted that they are leveraging advanced analytics and machine learning within IT and legal processes to improve decision-making, particularly for contract approvals and evaluating new technology solutions. By integrating these technologies, the CFO can gain deeper insights into vendor performance, enabling more strategic decisions on which partnerships to pursue and where to optimize resources. This approach not only enhances efficiency but also ensures that the company is making data-driven decisions that align with broader strategic goals.

By leveraging third-party solutions, CFOs can achieve cost savings, streamline operations for greater efficiency and enhance decision-making capabilities. These benefits are crucial in the current rapidly changing business conditions, where quick, informed decisions can mean the difference between success and failure.

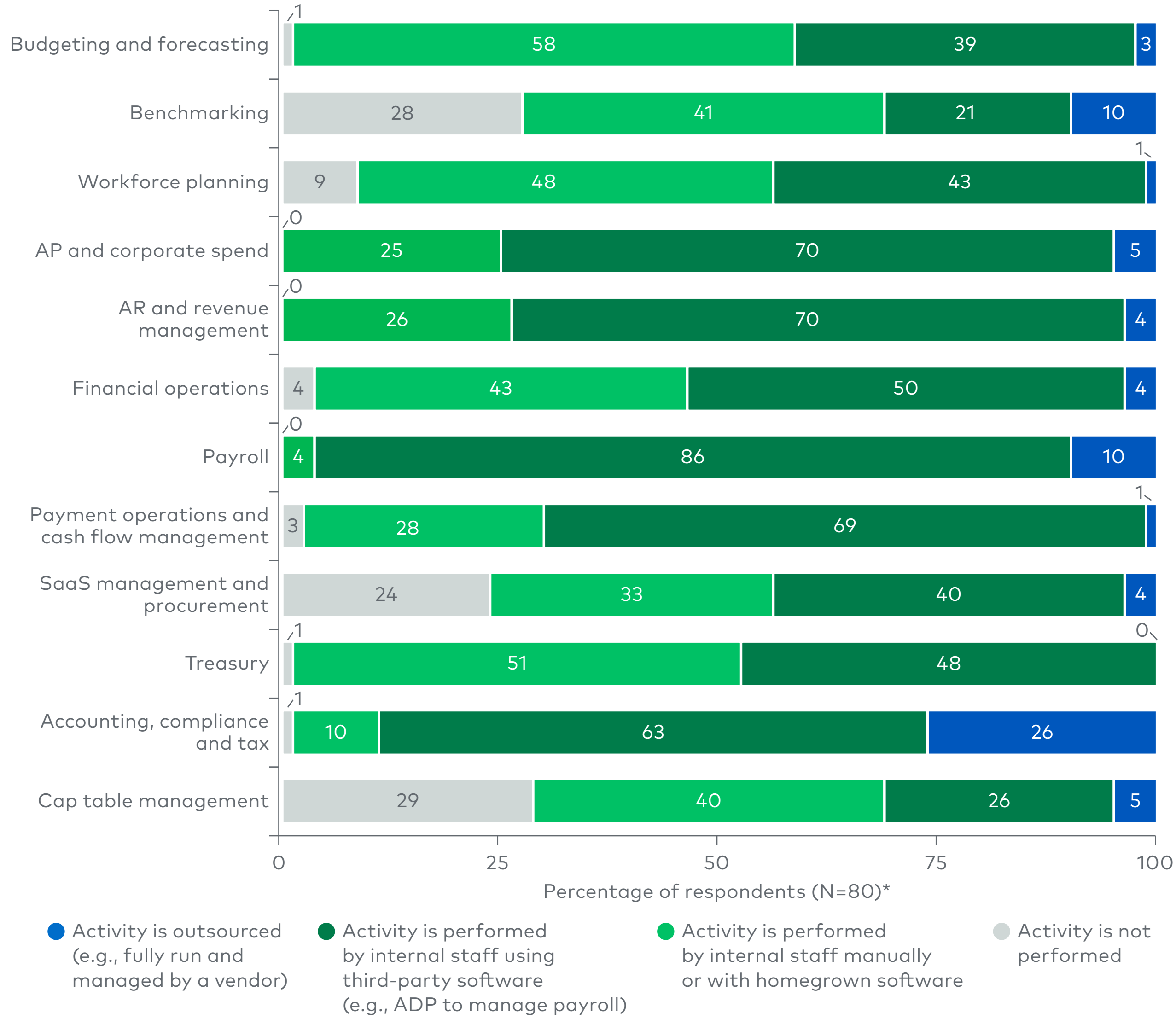
Technology adoption strategies based on organization size

The adoption of tech solutions differs by the size and nature of the company. Small companies are typically earlier in their technology solution adoption journey, as budget constraints and IT capabilities limit early adoption. As companies grow, technology becomes crucial to scalability as operations become more complex.

"As you get bigger, the cash audit process gets harder without an automated system. Also, on the contract system, we have a lot of contracts out there, and renewal periods come up at different times. We don't want to miss key dates," explained one CFO.

Expanding the use of technology supports a more sustainable growth trajectory and ensures that the company can adapt quickly to changing business demands and customer expectations. When small companies adopt technology, they focus on the most critical and impactful areas of their business and look for solutions that are easier to implement and use (see Figure 5).

Figure 5
Organizations' current approach to performing finance/accounting activities (2024)

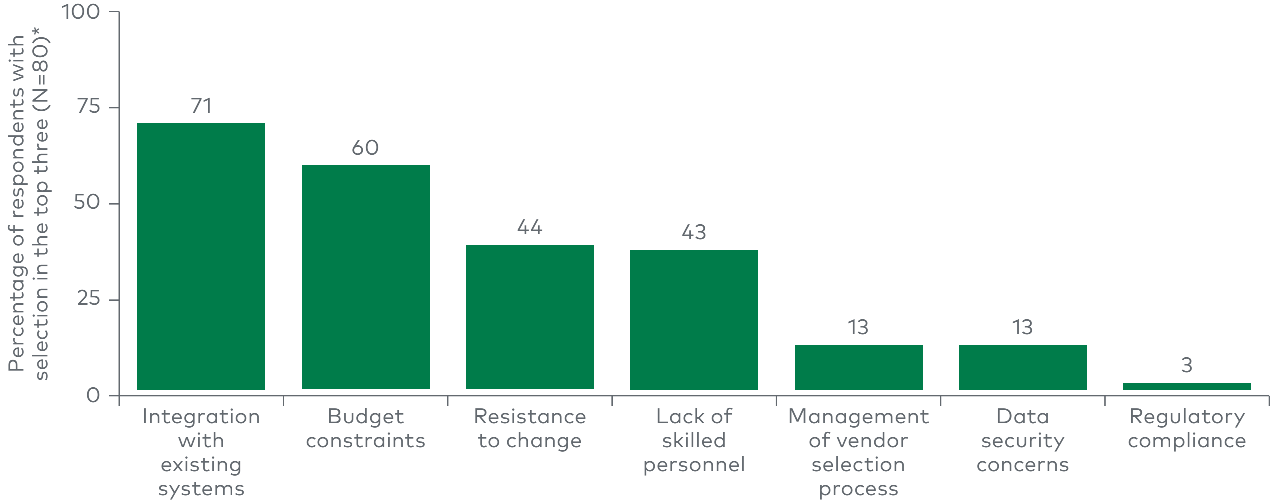


*Survey question: What is your organization's current approach to performing each finance/accounting activity listed below?
Note: AP=accounts payable; AR=accounts receivable; SaaS=software-as-a-service; most finance and accounting activities are performed internally, either with third-party software or internal tools; outsourcing is uncommon
Source: L.E.K. survey, research and analysis

Larger organizations have a more sophisticated tech stack. However, even large organizations face barriers such as difficulty integrating with existing systems, budget constraints and resistance to change among the employee base. With a more-established tech stack, larger organizations are more cautious about adopting new tools (see Figure 6).

The CFO of a growing fintech platform observed, "It is a lot harder to adopt a new solution at a large company. There are more users. There is more complexity to implement. Stakes are higher."

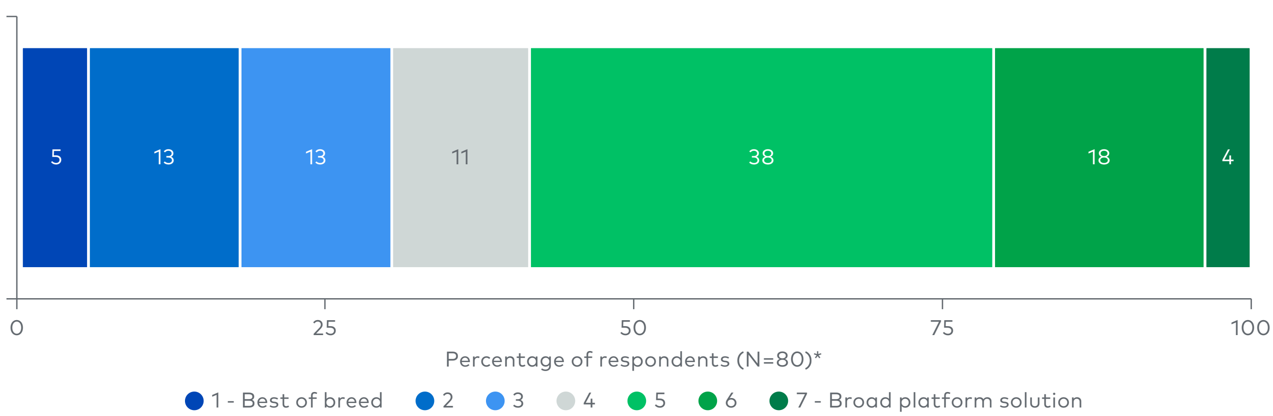
Figure 6
Barriers when implementing new third-party finance/accounting software (2024)



*Survey question: What are the most significant barriers or challenges your organization faces when implementing new third-party finance/accounting software, if any? (Select up to three, in order of significance.)
Note: Integration with existing systems and budget constraints are the two largest barriers to adopting new third-party finance/accounting software
Source: L.E.K. survey, research and analysis

When evaluating new solutions, CFOs in large organizations carefully consider the challenges and benefits of each option. They may choose comprehensive platform solutions that integrate multiple functions and offer scalability, or they may opt for targeted point solutions designed for specific use cases and a limited number of users. The choice between platform and point solutions depends on factors such as the organization's existing tech stack, its budget and the level of complexity in its financial operations (see Figure 7).

Figure 7
Preference for a broad platform solution or best-of-breed solution (2024)



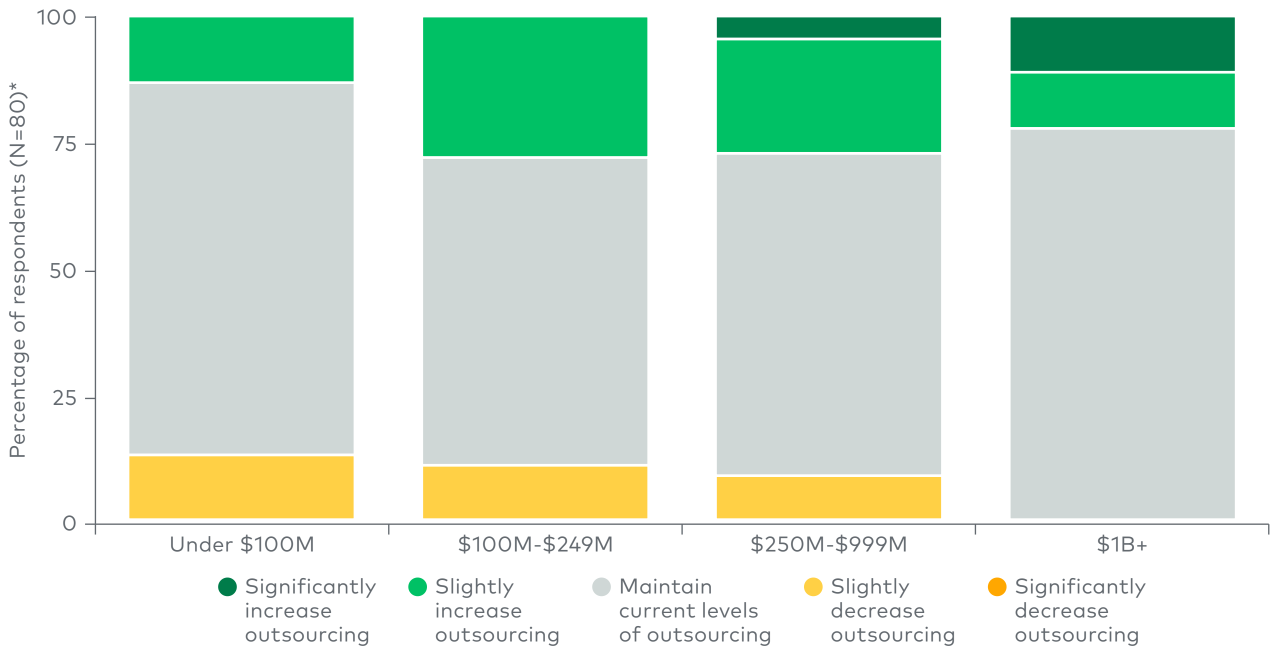
*Survey question: When evaluating third-party software solutions, to what degree do you prefer a best-of-breed approach vs. a broader platform solution?
Note: CFOs surveyed prefer comprehensive platform solutions over best-of-breed point solutions for their finance and accounting software needs, reflecting a need to manage complexities and control costs
Source: L.E.K. survey, research and analysis

A former executive of a Fortune 300 utility company confirmed this preference: "Platform solutions are preferred over point solutions because point solutions enable software sprawl, which drags efficiency down and increases costs. It also enables silos. Platforms are cheaper overall and better integrate teams."

Technology adoption and service providers

In addition to technology adoption, CFOs consider various strategies to achieve efficiency and cost savings. The approach varies depending on the organization's size, resources and specific needs (see Figure 8).

Figure 8
Plans for outsourcing finance/accounting functions (2024)



*Survey question: Does your organization plan to increase, decrease or maintain its level of outsourced services in 2024 (vs. 2023)? As a reminder, "outsourced services" refers to audit, tax, consulting, cost reduction, risk management, etc.
Note: Most companies, regardless of size, plan to maintain current levels of technology investment and partnerships in 2024
Source: L.E.K. survey, research and analysis

As Figure 8 shows, most companies, regardless of size, plan to maintain their current levels of technology investment and strategic partnerships in 2024. This suggests a stable approach to leveraging technology and services across businesses. However, when looking deeper into the trends and perspectives of CFOs, a more nuanced picture emerges.

Companies of all sizes leverage a mix of internal capabilities and external expertise to address their specific needs and fill capability gaps. The balance between these approaches often evolves as organizations grow and their requirements change.

One finance leader shared, "As we've grown, our approach to technology and service providers has evolved. We continuously evaluate our needs and adjust our strategy to maintain control, efficiency and access to specialized expertise."

This highlights how companies adapt their strategies as they develop internal capabilities and face new challenges. The use of external partners and services is often dynamic, changing based on the organization's current needs and growth stage.

Ultimately, the decision to develop internal solutions or leverage external expertise depends on a combination of factors, including company size, available resources and the specific capability being considered. CFOs must carefully weigh the costs and benefits while considering the long-term impact on their organization's control, efficiency and revenue-generating activities.

Supporting the OCFO solution ecosystem

The evolving role of the CFO drives demand for sophisticated technology solutions, presenting significant opportunities in the outsourced CFO (OCFO) space. L.E.K. is uniquely positioned to support key stakeholders in this ecosystem. For investors, we provide in-depth market analyses and insights into emerging trends. For vendors, we help identify new market opportunities, optimize product portfolios and develop targeted go-to-market strategies.

Our expertise in analyzing customer adoption trends and understanding CFO needs enables both investors and vendors to make data-driven decisions in this rapidly evolving landscape. By supporting innovation and growth in the OCFO solution ecosystem, we ultimately help CFOs access the tools and insights they need in order to excel in their expanding roles.

For more in-depth insights from our 2024 report or to learn how we can support your strategic objectives, please contact **technology@lek.com**.

Endnote

[1]LEK.com, "Office of the CFO: The Evolving Platform Solutions Landscape and Its Implications." https://www.lek.com/insights/tmt/us/ei/office-cfo-evolving-platform-solutions-landscape-and-its-implications

About the Authors

Gigi Wong
Gigi Wong is a Managing Director and Partner in L.E.K. Consulting's San Francisco office and a leader in the Technology, Media, and Telecom (TMT) and Financial Services practices. Gigi has experience in strategy and due diligence engagements for financial services and technology businesses in accounting/OCFO, insurance, payments, banking, wealth management and others. Her expertise includes growth strategy, market assessments, operating model design, organizational structure, competitive intelligence assessment and new vertical market identification.

Devin Ko
Devin Ko is an Engagement Manager in L.E.K. Consulting's Los Angeles office and a member of the Technology practice. Devin brings extensive experience across enterprise technology with a particular focus on fintech. He advises technology companies and their investors on a range of critical issues, including long-term growth strategies, new market entry, customer segmentation and M&A.

Stanley Li
Stanley Li is an Engagement Manager in L.E.K. Consulting's New York office and a member of the Consumer practice. Stanley has extensive experience at the intersection of consumer and financial services, across the travel and leisure, OCFO, consumer banking, payments, and insurance sectors. He advises clients on a broad range of strategic topics, including growth strategy, customer go-to-market strategy, business model innovation, digital strategy and M&A.

About L.E.K. Consulting
We're L.E.K. Consulting, a global strategy consultancy working with business leaders to seize competitive advantage and amplify growth. Our insights are catalysts that reshape the trajectory of our clients' businesses, uncovering opportunities and empowering them to master their moments of truth. Since 1983, our worldwide practice — spanning the Americas, Asia-Pacific and Europe — has guided leaders across all industries from global corporations to emerging entrepreneurial businesses and private equity investors. Looking for more? Visit **www.lek.com**.