

Insights from the Office of the CFO

Detailed analysis of Pigment's
annual survey of finance leaders

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Introduction



Jay Peir
Head of Strategy and
Interim CFO at Pigment

We are only midway through Q1, and already this year feels like a consequential one. AI is upon us. Geopolitics is shifting under our feet. New regulations are changing the way we work.

But for those of us in finance, change has become constant – sometimes it's hard to tell whether we're experiencing normal fluctuations in the status quo, or whether we really do live in a period of unusual turmoil.

To shed light on how the finance community is feeling, we commission an annual survey of finance leaders that examines performance over the past year, the outlook on the year to come, and opinions on key issues shaping the agenda. The data was collected from 2,500 full-time finance leaders based in the US, the UK, France, and Germany (more on the methodology at the end).

So what are the key themes emerging this year?

To pull out just a few headlines:

- **The risk landscape is varied and complex** – however, businesses are broadly more positive about the outlook compared to last year.
- **Finance continues to evolve**, with data and analytics playing an increasingly critical role. The growing skills gap presents a significant challenge which companies are trying to address.
- **Most companies are 2–3 years away from being able to truly leverage AI**, despite broad excitement and optimism. Those that do will have a real advantage.

Let's jump into the findings.

Part 1

Patterns in the sand

A retrospective on the past year








External risk

?

To what extent, if at all, were the following a risk to your company's performance in 2024?

Options: no threat, minor threat, moderate threat, major threat, critical threat.

- Artificial intelligence
- Economic downturn and inflation
- Environmental risks (eg. climate change and natural disasters)
- Geopolitics
- Changing regulations
- Market developments (eg. intensified competition)
- Cybersecurity

1st		Market developments
2nd		Cybersecurity
3rd		Geopolitical risks
4th		Economic downturn & inflation
5th		Changing regulations
6th		Artificial intelligence
7th		Environmental risks

The data shows that last year, risks to businesses were extremely varied – the margins between each risk were slim.

Market developments – meaning changes within a specific industry such as intensified competition – ranked first by a narrow margin.

Looking at the differences between regions:

- **German** respondents often show both high “minor threat” percentages and higher “critical” percentages, suggesting polarized views.
- **French** respondents frequently exhibit elevated “major” ratings, indicating a somewhat higher concern across categories.
- **UK-based** respondents sometimes lean slightly higher on “no threat,” but differences are not extreme.
- **The US** generally aligns closely with global averages.

Internal risk

?

To what extent, if at all, were the following a risk to your company's performance in 2024?

Options: no threat, minor threat, moderate threat, major threat, critical threat.

- Talent recruitment/retention
- Skills gap
- Lack of technology solutions
- Resistance to change
- Slow speed of decision
- Lack of collaboration between departments
- Poor data quality



While external risks can be difficult to contend with, the most challenging can often come from within. The internal risk landscape looked equally varied. Drilling down into the top three:

Lack of collaboration

Improving collaboration across the business should be a top priority, and the first place many should look is to their tech stack – a single source of truth and accessible, feature-rich software is the basis for effective collaboration.

Talent recruitment/retention

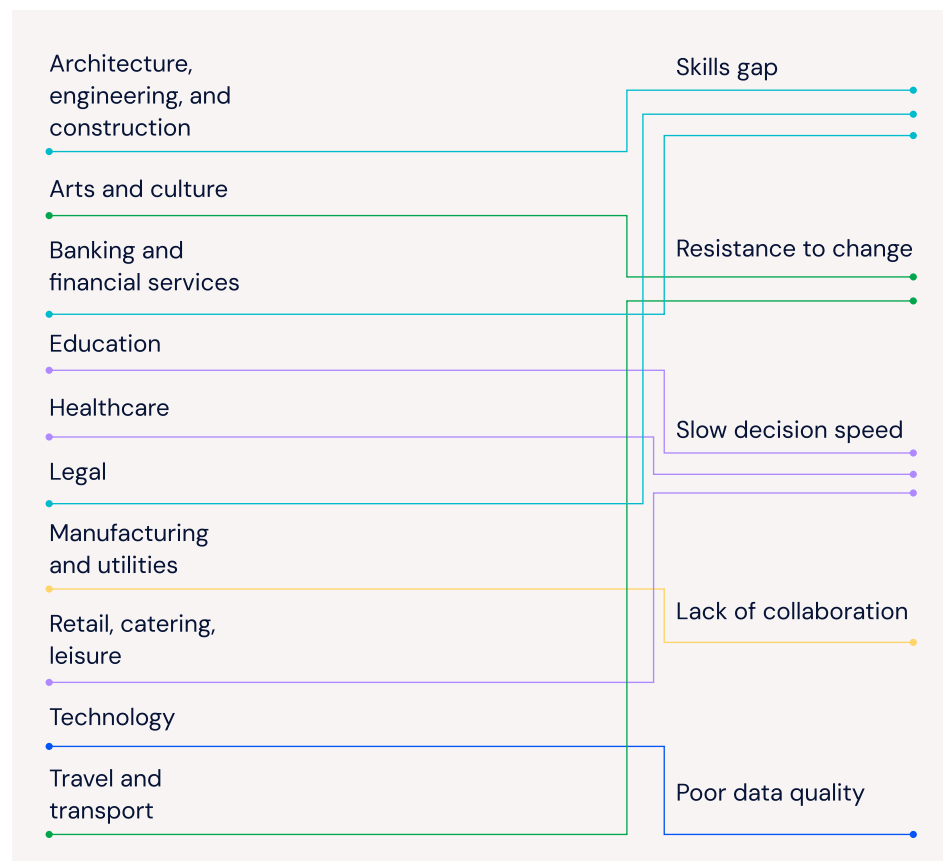
Finance talent is in high demand, with many departments struggling to source and retain the best employees. Most leaders we speak to bring up the shortage of data and analytics talent in particular as a barrier to leveling up decision-making.

Slow decision-making

Decision deadlock hurts many finance departments, and is often a direct consequence of not having real-time access to data and insights, along with poor collaboration.

All three risks form a self-reinforcing cycle: poor collaboration hampers decision-making, while talent shortages make resolving these challenges even harder. The outcome? Less agile and efficient finance teams, struggling to navigate the uncertainties of 2025.

Industry breakdown



Variance report

?

How would you rate your organization's performance in the following aspects?

Options: leader, mature, average, lacking

- Forecast accuracy
- Data management
- People management
- Innovation
- Business partnering
- Adapting to market changes
- Embracing new technology

BOTTOM 3 AREAS OF PERFORMANCE

1st



Business partnering

2nd



Innovation

3rd



Forecast accuracy

TOP 3 AREAS OF PERFORMANCE

1st



Embracing new technology

2nd



People management

3rd



Data management

Respondents were bullish on their own performance in 2024. The average result across categories was **76%** considered themselves a leader or mature, with just **24%** considering themselves average or lagging.

- **Larger companies** (particularly those with 15,000+ employees) report higher “leader” and “mature” percentages.
- **Regionally, Germany** presents as the most confident in their own performance (particularly in forecast accuracy and people management), the US follows close behind, and the UK and France trail.
- **Those at senior manager or director level** and above rate their organizations significantly higher across all categories – junior and middle managers less so.

Final straws

?

To what extent, if at all, do these factors contribute to attrition within your finance team?

- *Work-life balance*
- *Organizational culture or work environment*
- *Compensation*
- *Lack of training or professional development*
- *Inadequate technology and tools*
- *Business performance*
- *Location/remote working policies*

With talent recruitment a key internal risk, attrition is an area that demands attention. The top factors contributing to attrition within finance teams were compensation, lack of training or professional development, and overall business performance.

At manager level, respondents believe attrition in their team is driven by:

- Work-life balance
- Inadequate technology and tools
- Compensation

Director level and above believe it's driven by:

- Compensation
- Business performance
- Lack of training or professional development

Those in more senior positions seem to have a different point of view than their teams as the top drivers of attrition.

Of particular interest, inadequate technology and tools rank especially high for managers – those who interact most with their planning platform. This makes sense, as the tools employees use have become a key factor in attracting and retaining talent

...so what?



Jay Peir
Head of Strategy and
Interim CFO at Pigment

As finance professionals, what do we do with this information? Personally, some of the results in this section were no surprise, while others did challenge my expectations.

It came as no surprise to me that lack of collaboration and slow speed of decision ranked first as internal risks. Those are two of the core problems that we built Pigment to solve, so these are challenges I see across many organizations.

I found it particularly interesting that managers and directors perceive the main drivers of attrition differently. That's definitely something I'll be working with my colleagues in HR to investigate this year, as understanding it is crucial. High attrition is a killer and severely impacts morale, speed, innovation, and overall resilience.



Part 2

Reading the forecast

Predictions for the year to come

Things can only get better

?

Do you expect market conditions to get more favorable or more challenging in the next year?

There's plenty to smile about here: **77% think market conditions are going to improve next year**. The most optimistic country is the US (80%), followed by Germany (79%), the UK (77%), followed by France (66%).

There are **no industries** where the majority think conditions will get worse.

Hey big spender

?

In 2025, how much do you anticipate you will raise/reduce budgets for the following areas?

- People
- Tooling for the company
- Financial planning technology
- Training
- Sustainability/ESG initiatives

Broken down by industry, these are the biggest areas of investment:



Architecture, engineering, and construction: sustainability/ESG (↑19%)



Arts and culture: training (↑30%)



Education: training (↑21%)



Banking and financial services: training (↑25%)



Healthcare: sustainability/ESG (↑23%)



Manufacturing and utilities: people (↑27%)



Retail, catering, leisure: people (↑28%)



Technology: financial planning technology (↑11%)



Travel and transport: training (↑23%)

What's keeping you up at night?

?

To what extent do you anticipate the following being a risk to your company's performance in 2025?

Options: no threat, minor threat, moderate threat, major threat, critical threat.

- Artificial intelligence
- Economic downturn and inflation
- Environmental risks (eg. climate change and natural disasters)
- Geopolitics
- Changing regulations
- Market developments (eg. intensified competition)
- Cybersecurity



But by no means is anyone relaxed.

The risk landscape this year is similar to 2024 in that it's varied, with a very mixed response from respondents – but these values are all around **10% higher** than those around the risks from last year.

- **Regionally, Germany** reported consistently lower ratings indicating German respondents feel more insulated from these risks or view them as less urgent.
- **The UK** (and sometimes **France**) show heightened concern across most external risks, while **the US** typically sits near the global midpoint.

“

Our own research echoes these sentiments, with the finance function citing, "economic uncertainty" followed by "staffing and recruitment issues" as having significant negative impact expected in 2025.

Organizations with solid data and analytics foundations repeatedly demonstrate the best ability to mitigate these external forces, regardless of whether they are driven by market developments, health concerns, geopolitical issues, or regulatory changes.



Howard Dresner
Founder and Chief Research Officer at
Dresner Advisory

Forecast fog begins to lift

?

How far into the future do you feel confident making business plans?

- Next month
- Next quarter
- Next six months
- Next year
- Next two years



Globally, only 20% of businesses feel confident about business plans they make more than 6 months out, and only 10% feel confident making plans for the next 2 years and beyond.

But confidence in planning for the next quarter or 6 months has gone up – perhaps suggesting a shift towards more medium term planning as companies begin to move away from traditional annual budgeting.

And while the numbers are still low, confidence in planning long term (beyond two years) has tripled compared to last year, which could suggest that some businesses are regaining some sense of long-term confidence. We'll be keeping an eye on how this progresses over the coming year.



Whenever there's a change, such as COVID, interest rates and the flux of that... In those times of change, people look for reliability.

They want to know that when something is stated by the CFO and the CEO on an earnings call or at a private board meeting that they can trust it.






Rob Bernshteyn
General Partner,
ICONIQ Growth

Barriers to progress

?

Out of the following, which factors are holding the finance function back from doing strategic work for the business?

- *Spending too much time on reactive vs. proactive decisions*
- *Spending too much time on low-value tasks*
- *Inability to easily build scenarios and run forecasts*
- *Lack of access to the right data to make strategic decisions*
- *Cannot collaborate effectively with other departments*
- *Data silos across the organization*
- *Skills/competency gap*
- *Lack of technology*

1st		Being reactive vs. proactive
2nd		Inability to easily conduct scenarios or make forecasts
3rd		Low-value tasks

The top three responses to this question were the same issues identified in last year's report, which should be a wake-up call for finance departments: the biggest problems we have are all realistically low-hanging fruit for well-executed digital transformation projects.

...so what?



Jay Peir
Head of Strategy and
Interim CFO at Pigment

Again, I'm surprised and I'm not surprised.

I'm pleased to see that confidence in planning up to 6 months out has seen a dramatic rise: improving forecasting and scenario planning capabilities is the best way for companies to operate in a volatile environment.

Finance continues to struggle with being reactive and working on low-value tasks, reflecting a broader trend: growing responsibilities are weighing on the office of finance, but routine tasks hold us back from higher-value work.

I think starting this year, we're going to see AI come of age and take on a greater role in finance. Gartner has advocated for a new working model for finance known as capability diffusion, which guides the development of the AI-powered features we're bringing to Pigment.



Part 3

The 800lb gorilla

The impact of AI so far

Untapped potential

?

Where do you see AI adding the most value to your business?

- Increasing collaboration between departments
- Improved decision-making speed
- Increased productivity
- Improved decision-making accuracy
- Improved access to data
- Improving our bottom line
- Better data analysis
- Time savings

1st



Increasing collaboration between departments

2nd



Improved decision-making speed

3rd



Increased productivity

Finance leaders see collaboration, decision-making speed, and raw productivity as the main potential benefits for AI – no big surprises here.

To drill down into the data – directors and above place greater emphasis on **improving the bottom line** (28%) compared to managers (19%), which aligns with their strategic focus and role responsibilities.

While it's a key value add for all, **improved decision-making accuracy** is also more critical for leaders (29%) than for managers (22%), potentially reflecting their responsibility for higher stakes decisions that have a wider business impact.

These value propositions line up with my own personal experience with AI: it can amplify the impact of every team member, accelerating tasks for technical users while democratizing access to insights for those that are less technical.

“

The ability to sit in a management team meeting as a CFO and dynamically ask for scenario analysis... These are the types of things that generative AI is built for, particularly when it sits on top of a really rich data store.



Rob Bernshteyn
General Partner,
ICONIQ Growth

Trust exercise

?

Would you consider input from AI in making a business decision or recommendation?

We saw high overall agreement with this sentiment (**72%, up from 68% last year**) which reflects increasing confidence in AI as a technology that can enhance decision-making.

We saw lower agreement among businesses of **15,000 or more (60%)** – which may be a symptom of lower confidence in their data management capabilities compared to smaller businesses.

Indeed, respondents from large businesses consistently scored lower on trust, optimism, and perceived benefits of AI, with agreement rates often trailing **10–20% behind** other groups.






This perhaps reflects the challenges of scaling AI solutions in large, complex environments where change is often harder and takes longer to implement.

The hurdles ahead

?

Which of the following do you believe are the biggest barriers to maximizing AI value in your organization?

- Security concerns
- Difficulty integrating AI into existing systems
- Data quality issues
- Trust in the data
- Insufficient strategic vision for how AI should be utilized within the finance function
- Lack of skilled talent
- Ethical concerns
- High costs

1st		Security concerns
2nd		Difficulty integrating AI into existing systems
3rd		Data quality issues
4th		Lack of skilled talent
5th		Insufficient strategic vision

Respondents were split on this question, with only razor-thin margins separating the results. The key takeaway is that while enthusiasm is high, significant effort is still needed to overcome these challenges.

?

Have you avoided using AI solutions at work out of concern for how your company's data is used?

Last year, 53% agreed.

This year, it's up to 60%, and concern among leaders is even higher (68%), perhaps because they're more aware of the risks associated with AI including data, privacy, security, compliance, and ethical use.

Given how ubiquitous AI is becoming in our personal lives, there is a shadow IT risk that leaders should be aware of. We all need to be working on governance around AI, because people are going to use it, with or without IT approval.

Action plans

?

Which of the below does your organization currently implement or would consider implementing as part of your AI strategy?

- Retraining staff
- Investment/higher budgets for IT infrastructure
- Hiring specific AI talent
- Adoption of AI tools within existing solutions/platforms



Retraining staff

82% have already implemented or plan to implement retraining initiatives, indicating how important it is for businesses – unsurprising, given the majority of respondents were concerned about an AI skill gap.

51% of leaders are planning to implement vs. 36% of managers – difference likely due to senior leaders being more involved in strategic initiatives around AI implementation and workforce training.



Investment/higher budgets for IT infrastructure

The majority of respondents have either implemented (36%) or plan to implement (46%) higher budgets for IT infrastructure as part of their AI strategy – but this number reduces as you move up in terms of company size.

Given larger organizations acknowledge they're slower at adapting to change, they should put higher priority on IT initiatives to avoid losing ground to hungry, more nimble competitors.



Hiring specific AI talent

As well as training existing staff, 81% of organizations have either hired specific AI talent already or plan to do so. Likely due to the fact that for many areas related to AI specialised skills like data science may be required.



Adoption of AI tools within existing solutions/platforms

Adoption rates are high overall, with 82% of respondents either having implemented (36%) or planning to implement (46%) AI tools in existing platforms.

The advantage of this approach is that it doesn't necessarily require specific AI talent, but it's dependent on the specific capabilities of the vendors you work with.



Over the last two years, many companies have tried themselves to apply GenAI and AI capabilities to business planning and decision-making. What they have found is that it is incredibly difficult to find success when AI is not embedded directly into their software suite.

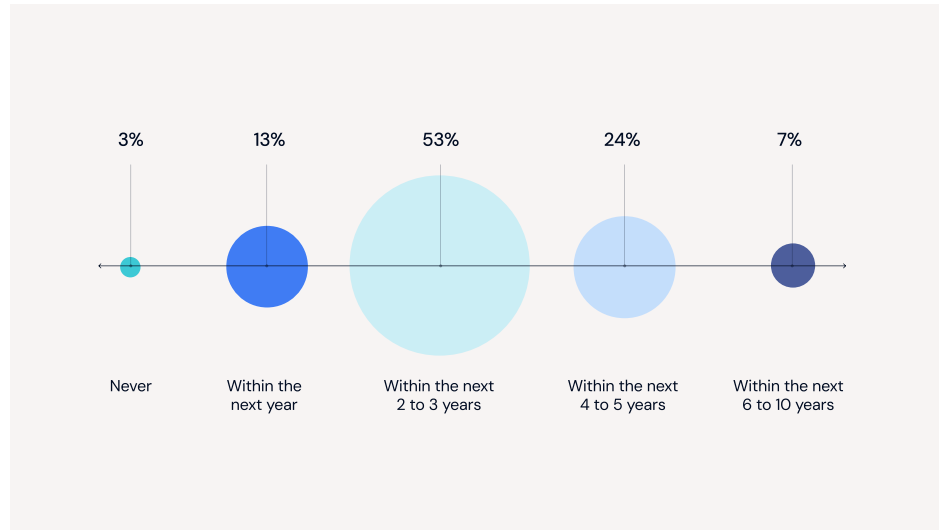


Eléonore Crespo
co-CEO and co-founder,
Pigment

Are we there yet?

?

When, if ever, do you expect your organization to be fully equipped to maximize the value from AI investments?



Companies aren't ready yet, but they're well on their way. **2-3 years** seems to be the sweet spot where most think they'll be **aiming for (54%)**. Only **13%** think they'll be ready within a year.

There does seem to be a disconnect between levels of management: **managers are less optimistic about the 2-3 year timeline (46%)** compared to **directors and above (58%)**.

It's probably time for some honest conversations about the barriers that might exist on a more micro level.

“

Finance teams face extraordinary challenges when it comes to planning in today's climate, but we've seen real improvements in agility where teams are employing AI in their planning processes.



Paul Albert,
Partner and Business Finance Lead,
Deloitte

...so what?



Jay Peir
Head of Strategy and
Interim CFO at Pigment

My main piece of advice to other finance leaders regarding AI is to keep yourself up to date – because it moves fast.

Pigment's own AI functionality launched in 2024 but we're already working towards much loftier goals than we were previously, with our product team now focused on building a team of AI planning agents. Agents enable AI to take on more complex roles autonomously, and will mark a major step forward in delivering on the promise of AI .

For most organizations, building a team focused on AI is of increasing importance. If you're not already exploring what's possible with AI, now is a great time to start.

I recently spoke to OpenAI's Laura Modiano, who heads up their work with startups in EMEA, about practical steps organizations can take to dip their toes into the AI waters. Read a summary [here](#).



Part 4

Like a rolling stone

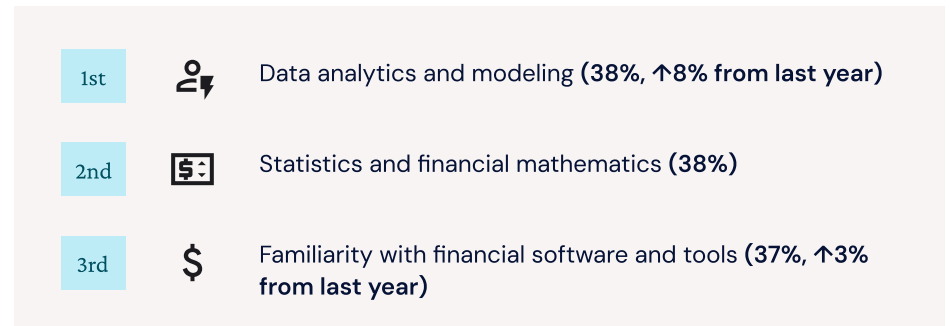
How finance is changing as a profession

The skills paying bills in 2025

?

What skills, if any, are most important for finance professionals to have today?

- Data analytics and financial modeling
- Statistics and financial mathematics
- Familiarity with financial software and tools
- Collaboration with the business
- Understanding of macro and microeconomics
- Communication and storytelling skills



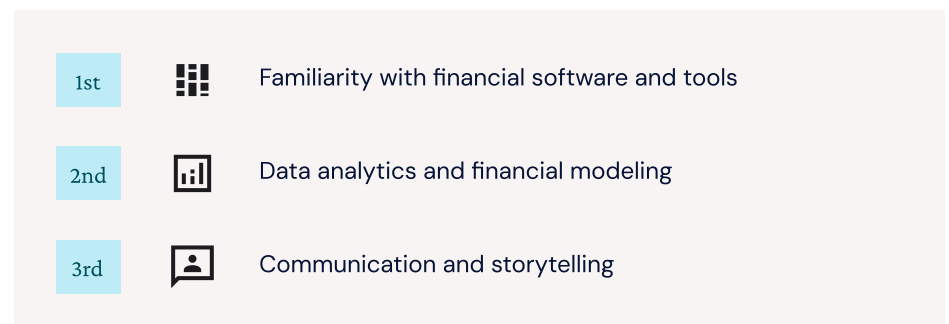
Data analytics and financial modelling as well as familiarity with financial software and tools are increasingly valuable skills, and good focus areas for anyone working in finance.

The increases this year reflect the fact that finance is moving into an increasingly strategic role, requiring more in-depth interpretation of data.

Conspicuous absences

?

What, if anything, are the top skills gaps you currently have within your finance team?



The top two line up with the most important skills from the previous question, highlighting the growing need for data-savvy finance teams. While concerning, this presents a significant opportunity for those who are already skilled or who are willing to learn.

Communication and storytelling have become essential skills in modern finance. The role now extends beyond numbers, with finance professionals increasingly expected to contribute to strategic projects.

Our survey also asked what respondents consider the top responsibility of finance teams is, and the answer was **ensuring alignment with other departments** – another area where communication is paramount.

Other observations from the data include:

- **A quarter (26%) highlighted a gap related to AI skills** which suggests it's not being seen as critical compared to other areas but it's still emerging as a gap people are aware of.
- This could be due to a number of reasons – but **likely because teams are still in the early stages of AI adoption** and still haven't fully integrated AI into their financial teams/processes yet.
- When asked, directors and above feel more of **a need to upskill** whereas junior managers don't see their own skill gap being an issue.
- **Understanding of macro and microeconomics** is a higher priority for larger organizations (15,000+ employees) possibly due to these companies being impacted more heavily by broader market conditions.
- Macroeconomics plays a more **significant role in senior leadership decision-making**, as the company navigates broader market conditions.

“

In FP&A our job should be to produce clear, actionable insights from robust data. And then think about how we can communicate it - because most of the time the multi-function team is not as comfortable with numbers.



Swati Bagri
FP&A Manager,
The Kraft Heinz Company

What's your 5-year plan?

?

To what extent, if at all, do you see these responsibilities becoming more or less important for finance teams over the next 5 years?

- Strategic decision making
- Data analytics and forecasting
- Cost management and efficiency improvements
- Aligning with other departments in the business
- Risk management
- ESG, sustainability, DEI initiatives
- Regulatory compliance

1st



Cost management and efficiency

2nd



Aligning with other departments in the business

3rd



Risk management

The top three most important skills for the next three years are illustrated above – but the data says different things depending on the size of the company you work in.

Those that work in large enterprises (15,000+), are focused on:

- Risk management
- Regulatory compliance
- Aligning with other departments in the business

Large organizations are more exposed to risks including global market fluctuations, regulatory changes, and other external factors. They must also comply with a wider range of regulations. And then inevitably as they scale and have more people, the need for cross-functional alignment becomes more important.

Companies of less than 5,000 employees:

- Cost management and efficiency
- Strategic forecasting
- Aligning with other departments in the business

Cost management and efficiency is crucial for smaller businesses working on tighter budgets and margins, and strategic forecasting might be a more valued trait at faster moving, more agile companies.

...so what?



Jay Peir
Head of Strategy and
Interim CFO at Pigment

Professional development should be a 2025 focus for literally everyone working in finance. The business-as-usual work we do is growing and changing in nature, and AI is opening up whole new roles (finance data scientist, for example) that demand entirely new skillsets.

And this doesn't apply to just you, reader. Personal development is, of course, a focus. But finance leaders must also be aware that their employees need to feel like they're working somewhere that works for them too.

All of this is reflected in the fact that training budgets are the single area that's seen the biggest increase for 2025 – an encouraging sign. But leaders should also consider that their employees expect to work with technology that enables them to do rewarding, strategic work – which means it needs to accelerate the pace at which they can complete lower-value tasks.

Until next time

That's all for this year's report – check back in next year for more insights and advice. In the meantime, here's a list of articles and resources that we think you might find interesting:

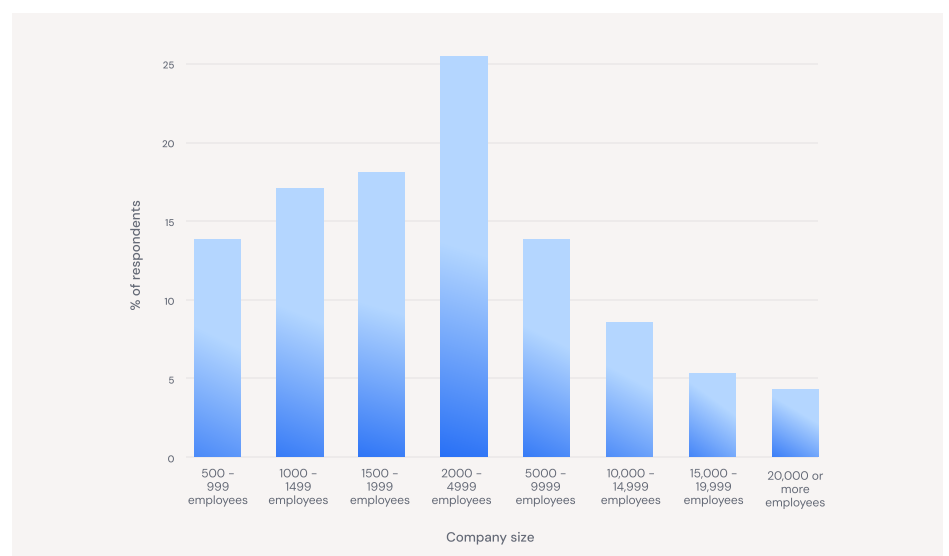
- [AI in business planning blog series](#)
- [Five traits organizations at the forefront of AI in finance have in common](#)
- [Why capability diffusion is the way forward for stretched business planning teams](#)
- [2024 Gartner® Magic Quadrant™ for Financial Planning Software](#)
- [The Total Economic Impact™ Of Pigment](#)

And of course, if you're interested to learn more about Pigment, [book a demo today.](#)

The data

Data was collected on behalf of Pigment in December 2024, from 2,500 full-time finance leaders who work in firms with 500 or more employees (full breakdown below).

1,000 respondents were from the USA, with 500 each coming from the UK, Germany, and France.



About Pigment

Pigment is the business planning and performance platform built for the age of AI.

Industry leading companies including Block, Unilever, ServiceNow and more use Pigment every day.

To learn more, visit <https://www.pigment.com/>