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Gartner for Finance

# Top Priorities for Finance Leaders in 2022

The Path to Autonomous Finance



“2022 will be a make-or-break year for CFOs when it comes to unlocking the value of AI, hyperautomation, digital skills, continuous processes and data management. CFOs who continue to drive toward the future of autonomous finance will unlock immense value for their organization in the years to come.”



**Alexander Bant**  
Chief of Research for CFOs, Gartner

## CFOs Will Dive Into Digital in 2022

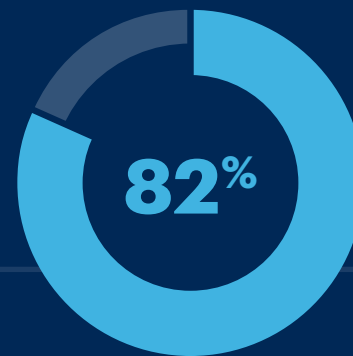
In mid-2020, 69% of boards of directors said they would accelerate their digital business initiatives in response to COVID-19 effects. By mid-2021, 64% said they had tried to significantly alter their enterprise to become more digital.

CFOs continue to grapple with how to turn investments for both the enterprise and finance function into digital wins for the organization. Accelerating digital investment in an environment of scarce and more costly inputs creates both significant opportunity and risks that CFOs must confront in 2022.

Gartner year-end surveys showed that CFOs, controllers and heads of financial planning and analysis (FP&A) are all focused on initiatives that will drive digital transformation. But more importantly than that, they are also laying critical groundwork for an autonomous future — one in which finance operations are increasingly driven by artificial intelligence and other technologies, reducing the need for human intervention.

### Digital Investments Outpacing Other Areas

Investment Change in Digital Capabilities: 2021 vs. 2020



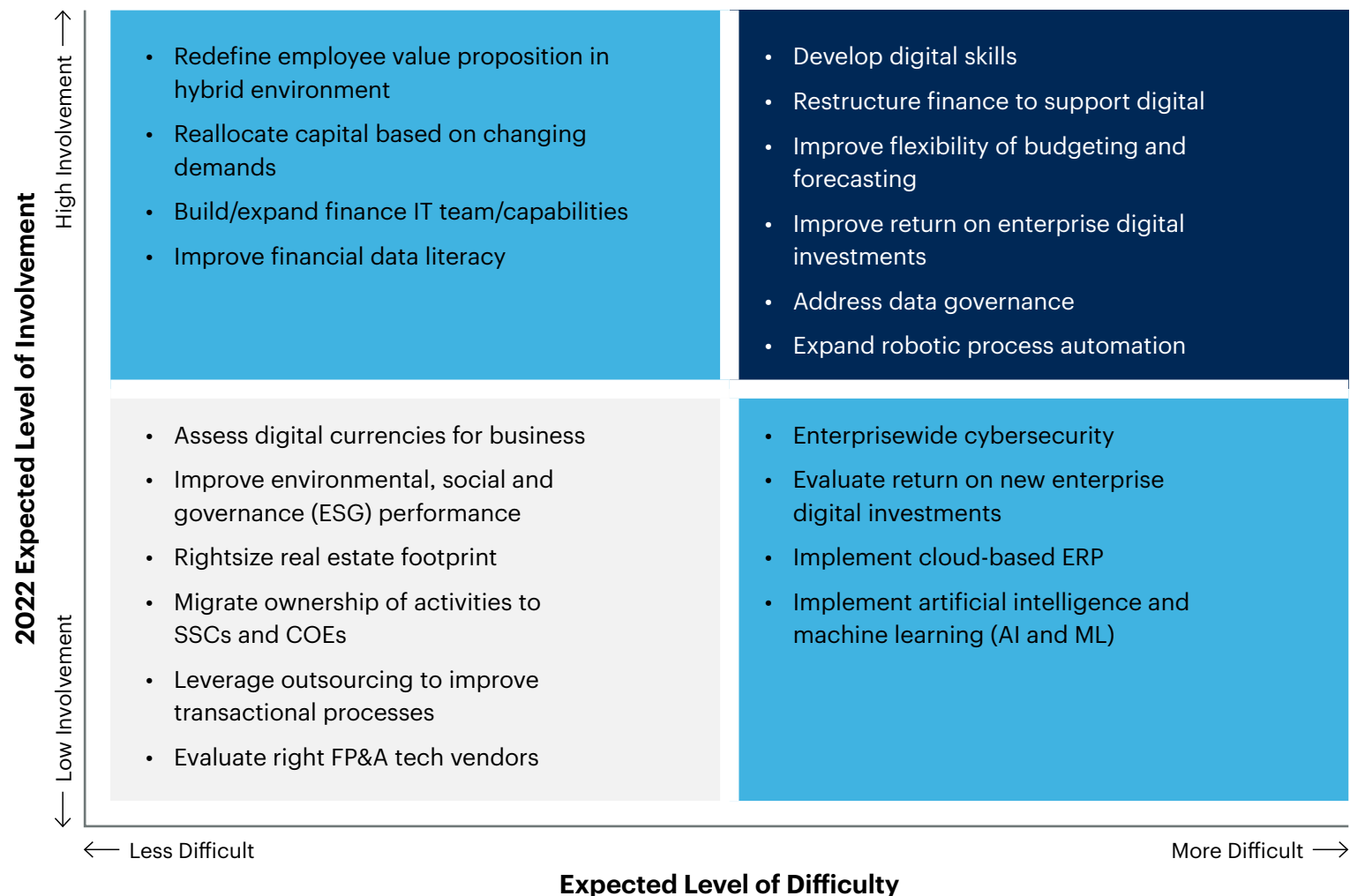
of CFOs report that their investments in digital are accelerating, exceeding investments in other areas such as talent, supply chain, business services or fixed assets.

## CFO Initiatives for 2022

CFOs are still exploring the uses of technology innovations and how they can benefit their business and function operations. Their top priorities (top right) are the digital initiatives in which CFOs expect to be most involved but which are more difficult.

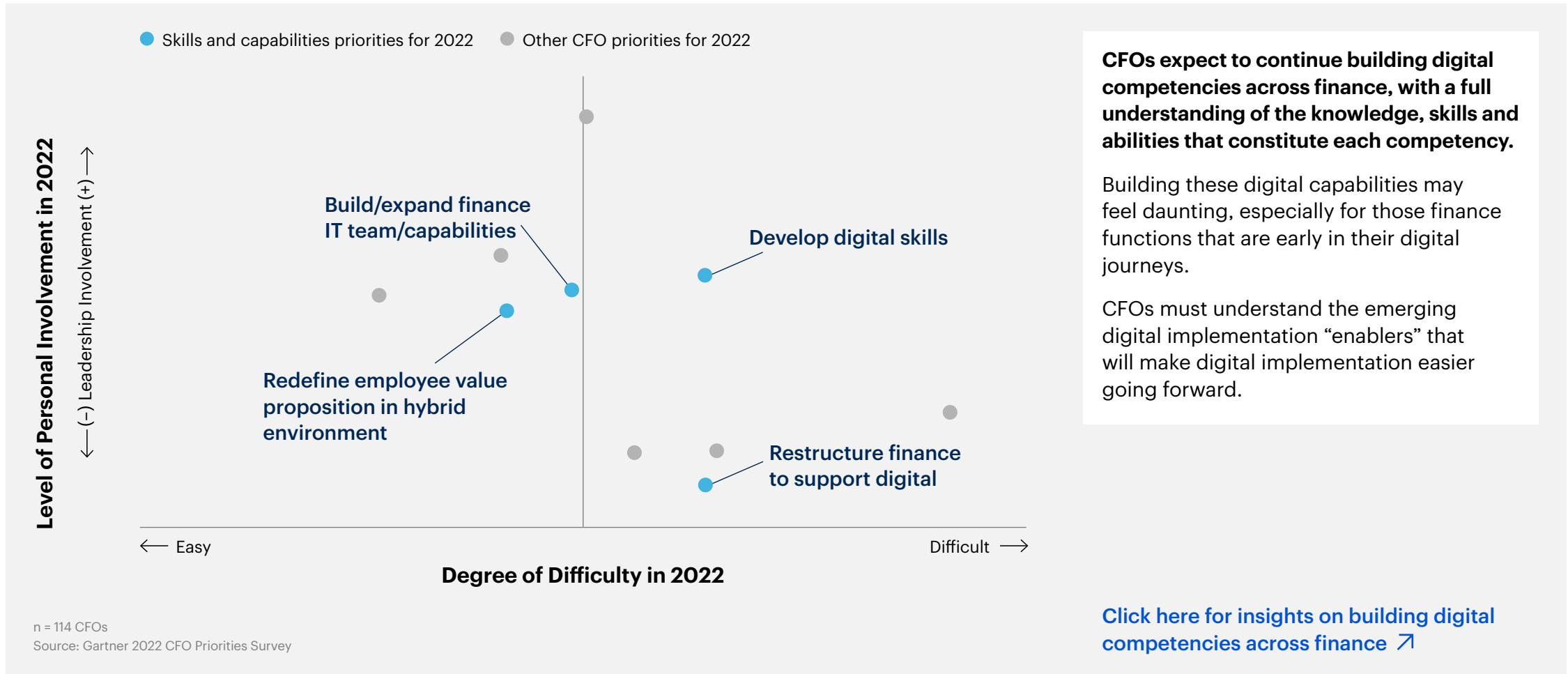
Some priorities pertain to the finance function itself, such as developing digital skills (see Page 5), and some to the role of finance in driving enterprise strategy, for example through more flexible budgeting and forecasting (see Page 6).

These priorities will drive a range of actions (see examples on Pages 7 through 11).



Functional priority

# Elevate Finance’s Digital Skills





Action

# Tie Digital Initiatives to an Enterprisewide Strategy

## Digital business optimization

<p><b>1</b> <b>Improve existing revenue</b></p> <p>e.g., analytics to optimize price and increase spend</p>	<p><b>2</b> <b>Reduce costs</b></p> <p>e.g., automate to reduce costs</p>	<p><b>3</b> <b>Reduce SG&amp;A</b></p> <p>e.g., digital channels to optimize sales and marketing</p>	<p><b>4</b> <b>Improve employee productivity</b></p> <p>e.g., AI and RPA to take on more volume without increase in headcount</p>	<p><b>5</b> <b>Enhance customer experience</b></p> <p>e.g., digital channels to IoT to provide connected experiences</p>	<p><b>6</b> <b>Optimize inventory and yield</b></p> <p>e.g., analytics to better forecast and IoT to track inventory</p>	<p><b>7</b> <b>Optimize physical assets</b></p> <p>e.g., IoT to maximize uptime, life, yield and to reduce energy</p>	<p><b>8</b> <b>Optimize financial assets and cash</b></p> <p>e.g., analytics to better assess risk and raise yield</p>
<p>Increase revenue</p>	<p>Improve operating margin</p>		<p>Improve workforce</p>	<p>Improve customer experience</p>	<p>Increase asset utilization</p>		

Although digital spending has been accelerating, many CFOs are left wondering about the returns on these investments.

To realize returns from digital spending, CFOs must act less like passive reviewers of digital investment proposals and take on a more activist role.

This digital activism starts with teaching technology leaders exactly how digitalization drives business and financial outcomes and prioritize funding toward initiatives that move the dial on critical business KPIs.

[Click here for more on the CFO's role in setting digital strategy ↗](#)

AI = artificial intelligence; IoT = Internet of Things; RPA = robotic process automation; SG&A = selling, general and administrative  
Source: Gartner

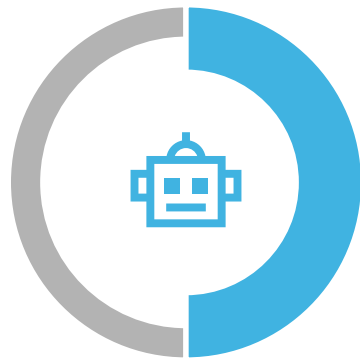
Action

## Build an AI-Driven Finance Organization

Although CFOs may have big ambitions to automate the finance function, progress has been slow.

Companies learning how to apply AI to their business objectives today will pull ahead of their competitors, carving out a performance gap that laggards may never be able to fill.

Prioritizing an AI program in finance now requires little upfront cost and eliminates the risk of falling behind competitors and becoming technologically obsolete when the function is fully autonomous.



**By 2023, 50% of large finance organizations will use AI to create short-term financial forecasts.**

Source: Gartner

### Gartner expects that by 2025 ...

The top skills sought for financial analysts will include advanced analytics (e.g., using AI and ML).

Finance organizations will shave 30% to 50% off the close cycle timeline by using AI to automate decision making.

  
**Exploratory**

- Determine how AI is applied to finance processes.
- Develop limited use cases that indicate effort and possible returns.



  
**Committed**

- Assign dedicated resources.
- Set expectations and KPIs.
- Extend usage across finance organization.



  
**Operational**

- Embed AI tasks in roles.
- Support is part of shared services.
- Staff efforts focus on scenario planning and reliable AI operations.





Source: Gartner

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



Action

# Prioritize Digital Investment Governance for a Higher Return

	<b>High \$ investment capital</b>		
High \$ risk Low uncertainty  <b>Traditional Investment</b>	 <ul style="list-style-type: none"> <li>• Business unit executive (or CFO) delegation</li> <li>• Business case review</li> </ul>	 <ul style="list-style-type: none"> <li>• CFO approval</li> <li>• Business case review</li> </ul>	High \$ risk High uncertainty  <b>New-to-Company Investment</b>
Low \$ risk Low uncertainty	 <ul style="list-style-type: none"> <li>• Function leader delegation</li> <li>• Portfolio review</li> </ul>	 <ul style="list-style-type: none"> <li>• Business unit executive (or CFO) delegation</li> <li>• Portfolio review</li> </ul>	Low \$ risk High uncertainty
	<b>Low \$ Investment Capital</b>		

Source: Gartner

Today's dynamic business models — incorporating more digital initiatives — require CFOs to inject more flexibility in investment governance than traditional, top-down models allow.

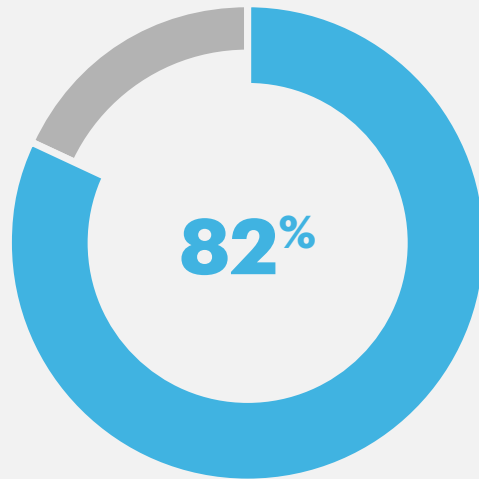
CFOs should establish business unit delegation of authority consisting of both material risk thresholds and strategic policy guidelines. By combining materiality and strategic guidelines, organizations can ensure an appropriate level of review, approval and monitoring is afforded to each proposal.

[Click here for more on dynamic approaches to investment governance](#) ↗

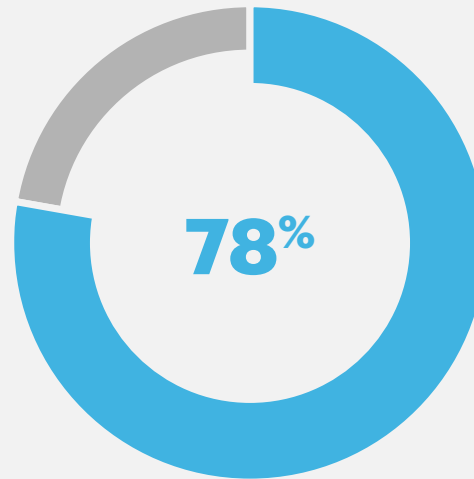
Action

## Invest in Predictive Insights for the Business

Percent of CFOs



**Expect to spend more time on advanced analytics technologies and tools (on finance)**



**Expect it to be difficult to achieve goals for advanced analytics technologies and tools**

More than 80% of CFOs are expected to increase their time-spend on advanced analytic technologies and tools that the finance function can use to provide more forward-looking and predictive insights to the business.

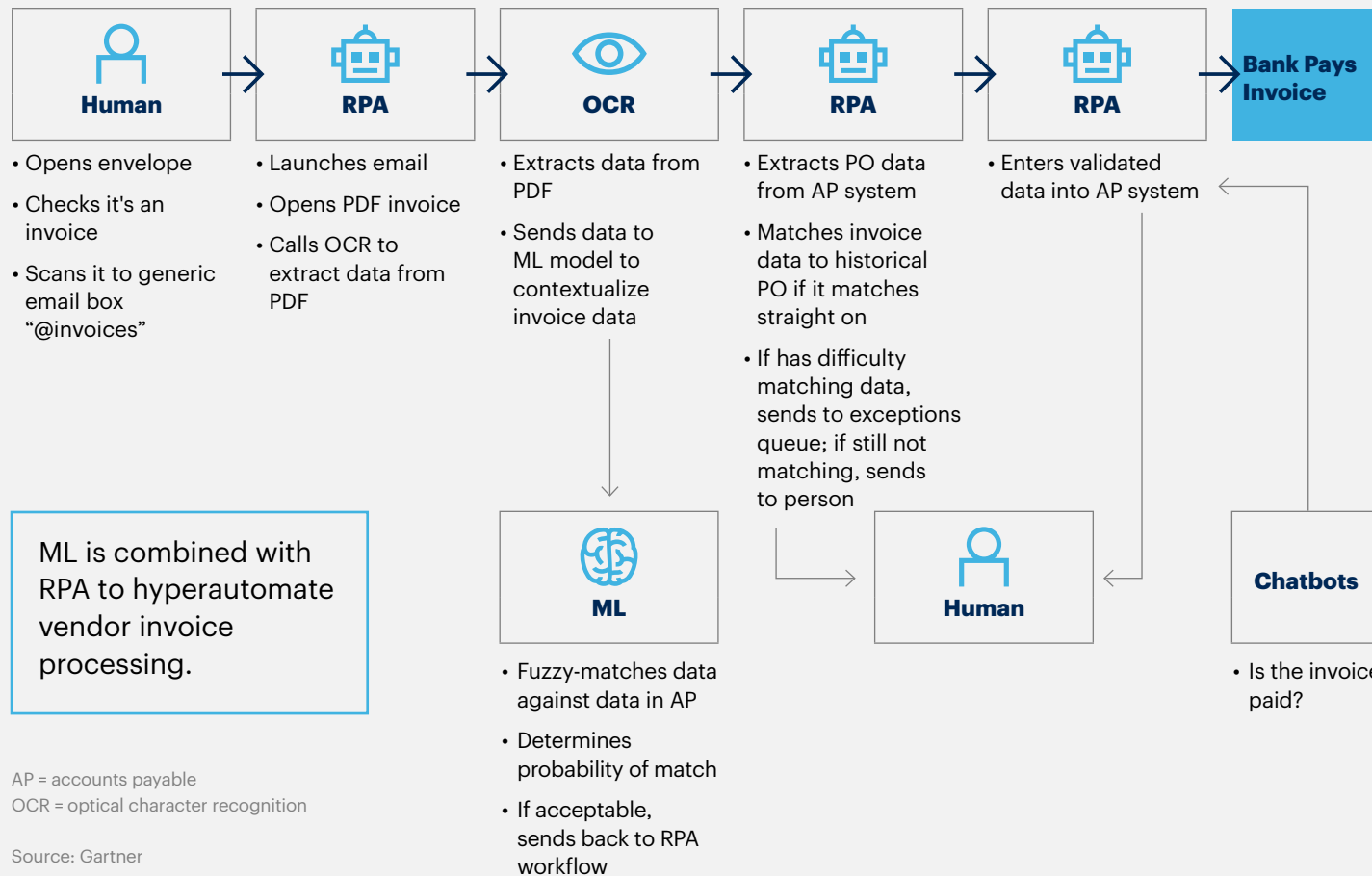
However, CFOs must separate hype from reality in analytics by gaining a holistic understanding of the underlying innovation trends and the capabilities required for success.

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

Source: Gartner

Action

# Invest in Digital Technologies to Improve Processes



Finance leaders are expected to invest in digital technologies, fast.

One way this is happening is using digital technologies to hyperautomate finance processes — in other words, combining RPA with other technologies.

This allows finance teams to improve multiple end-to-end processes by combining different technologies for process improvements.

[Click here for more about digital technology use cases in finance](#)

## Driving 10 Critical Strategy Shifts for Digital Success

Finance leaders who pursue the 2022 priorities effectively will make much-needed progress toward autonomous finance. These digital strategies are needed to position the function and organization to capture opportunity at speed and scale going forward.

### Digital Enterprise Strategy

- 1 Apply an enterprisewide digital strategy, not a siloed approach.
- 2 Move beyond traditional, rigid funding models to flexible resource allocation.
- 3 Use metrics to assess digital initiatives' value across their life cycle, as opposed to by project.
- 4 Fix systemic data governance and literacy issues across the business.
- 5 Make sure investment prioritizes technology vendors suited for rapid digital scaling.

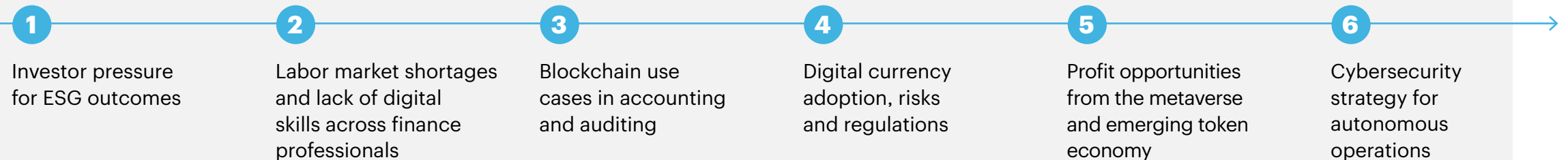
### Digital Finance Strategy

- 6 Pursue hyperautomation; don't only invest in RPA.
- 7 Pursue predictive analytics in finance now; don't wait for AI technology to mature.
- 8 Accurately diagnose the size of finance's digital skills gap (it may be bigger than you think).
- 9 Don't hesitate to use cloud migration to standardize and upgrade processes.
- 10 Adequately invest in a finance IT team.

## What CFOs Should Be Watching Beyond 2022

From a digital standpoint, CFOs are still playing catch-up. The world is moving beyond digitally enabled toward fully autonomous. In 2022, this will become even more ubiquitous. Think: more spoken smartphone commands, self-driving electric vehicles, online orders shipped proactively, sponsored advertising based on machine-generated preferences, and played games in the metaverse. Meanwhile, finance is still only exploring where, when and how technology innovations can benefit the business and function operations.

There are six themes Gartner is monitoring closely that will help CFOs continue to invest appropriately to enhance their competitive advantage in the quarters and years to come:



Now is the time to work with your organization to leap forward and make progress on digital strategy.



### About Gartner Top Priorities for Finance Leaders in 2022

The top priorities are derived from the Gartner 2022 Priorities Surveys of CFOs, Heads of FP&A and Accounting Leaders.

Respondents:

**114**  
chief financial  
officers

**80**  
controllers

**100**  
heads  
of FP&A

### About Gartner for Finance Leaders

Throughout 2022, Gartner experts will continue to explore the latest trends and best practices associated with the critical priorities facing finance leaders. Position yourself and your organization to thrive.

# Actionable, objective insight

Explore these additional complimentary resources and tools for finance leaders:

#### Webinar

### The Gartner 2022 Finance Digital Plans & Priorities

Watch our experts review our 2022 Finance Priorities survey results.

#### Research

### Top Strategic Technology Trends for Finance

Identify nine key technology trends to optimize finance operations.

#### Conference

### Gartner CFO & Finance Executive Conference 2022

Join us for this unique event dedicated for CFO and finance leaders.

#### Insights

### Gartner for Finance

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[gartner.com/en/finance](https://gartner.com/en/finance)

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