Finance Top Initiatives in 2020
for midsize company CFOs

CFO's top 5 initiatives to prioritize

- Metrics and management reporting
- Finance technology optimization
- Finance organization strategy and structure
- Planning and budgeting
- Cost structure

n = 92 organizations with less than $1 billion in annual revenue
Source: Gartner Finance 2020 Agenda Poll

CFO's top problems to solve by key initiative

Top problem related to cost structure: Low appetite for rightsizing cost structure

| % of clients rating ‘important’ or ‘extremely important’ | 77% |
| % of clients rating ‘high confidence’ or ‘extremely high confidence’ in solving | 18% |
| Delta | 59% |

n = 22 Source: Gartner Finance 2020 Agenda Poll

Top problem related to metrics and management reporting: Insufficient forward-looking information in management reports

| % of clients rating ‘important’ or ‘extremely important’ | 76% |
| % of clients rating ‘high confidence’ or ‘extremely high confidence’ in solving | 52% |
| Delta | 24% |

n = 25 Source: Gartner Finance 2020 Agenda Poll

Key findings

- Seventy-seven percent of CFOs cite the lack of interest in rightsizing cost structure as a top challenge, but only 18% are confident in their ability to solve for it — a delta of 59%.

- CFOs identify metrics and management reporting as a top priority for 2020.

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CFO’s top problems to solve by key initiative (contd.)

Top problem related to finance technology optimization:
Current technology needs are not aligned with future success

- % of clients rating ‘important’ or ‘extremely important’: 65%
- % of clients rating ‘high confidence’ or ‘extremely high confidence’ in solving: 35%
  - Delta = 30%

n = 25 Source: Gartner Finance 2020 Agenda Poll

Top problem related to finance organization strategy and structure:
Organization structure limits responsiveness to changing business needs

- % of clients rating ‘important’ or ‘extremely important’: 52%
- % of clients rating ‘high confidence’ or ‘extremely high confidence’ in solving: 32%
  - Delta = 20%

n = 25 Source: Gartner Finance 2020 Agenda Poll

Top problem related to planning and budgeting:
Inefficient long-range financial planning process

- % of clients rating ‘important’ or ‘extremely important’: 43%
- % of clients rating ‘high confidence’ or ‘extremely high confidence’ in solving: 14%
  - Delta = 26%

n = 23 Source: Gartner Finance 2020 Agenda Poll

Gartner Insight: Pursue scale, not scope, in the cost structure

CFOs of efficient growth companies (those that have achieved successive years of cost productivity, long-term revenue growth and short-term margin expansion) don’t merely dare to be adequate in managing overhead costs. They restructure the cost base to drive efficient growth.

More specifically, these CFOs build scale in the cost structure with focused growth bets, simple product and service lines, and dense operational and customer footprints that together drive higher operating leverage from a focused fixed cost base.

These CFOs institutionalize the realization that not all growth is created equal. What looks attractive from a top-line perspective can erode competitive advantage in some cases and entrench an advantage in others. They also work to avoid scope “creep” that occurs when business leaders — perhaps pursuing short-term targets or diversification plans — favor new growth ideas that add scope and erode operating margins.

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