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

82% 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).

<table>
<thead>
<tr>
<th>Expected Level of Difficulty</th>
<th>High Involvement</th>
<th>Less Involvement</th>
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<tr>
<td>Redefine employee value proposition in hybrid environment</td>
<td>Develop digital skills</td>
<td>Enterprisewide cybersecurity</td>
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<td>Reallocate capital based on changing demands</td>
<td>Restructure finance to support digital</td>
<td>Evaluate return on new enterprise digital investments</td>
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<tr>
<td>Build/expand finance IT team/capabilities</td>
<td>Improve flexibility of budgeting and forecasting</td>
<td>Implement cloud-based ERP</td>
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<tr>
<td>Improve financial data literacy</td>
<td>Improve return on enterprise digital investments</td>
<td>Implement artificial intelligence and machine learning (AI and ML)</td>
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<td></td>
<td>Address data governance</td>
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<td></td>
<td>Expand robotic process automation</td>
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Elevate Finance’s Digital Skills

CFOs expect to continue building digital competencies across finance, with a full understanding of the knowledge, skills and abilities that constitute each competency.

Building these digital capabilities may feel daunting, especially for those finance functions that are early in their digital journeys.

CFOs must understand the emerging digital implementation “enablers” that will make digital implementation easier going forward.

Skills and capabilities priorities for 2022

Other CFO priorities for 2022

Level of Personal Involvement in 2022

Degree of Difficulty in 2022

Build/expand finance IT team/capabilities

Develop digital skills

Redefine employee value proposition in hybrid environment

Restructure finance to support digital

n = 114 CFOs
Source: Gartner 2022 CFO Priorities Survey

Click here for insights on building digital competencies across finance →
Top Priorities for Finance Leaders in 2022

Improve Flexibility With Budgeting and Forecasting

The global pandemic continues to accelerate the need for CFOs to reposition planning and budgeting for speed and relevance.

Success demands flexibility, agility and strategic thinking in planning and budgeting.

Technology will also be key as the finance function evolves through increased hyperautomation (see Page 11) to fully autonomous finance, where data and technology are integral to predictive insights (see Page 10).

Click here for more on flexible models for funding digital investments ➔

Update financial models to reflect business realities

Make full use of planning system capabilities

Redefine budgeting and forecasting context of AI and ML

Predictive analytics in forecasting

Build scenarios into planning through FP&A systems

Budgeting and forecasting priorities for 2022

Other CFO priorities for 2022

Level of Personal Involvement in 2022

Degree of Difficulty in 2022

Easy

Difficult

n = 114 CFOs
Source: Gartner 2022 FP&A Priorities Survey
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.
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.

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.

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

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

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

Click here for more on RPA and workflow automation
Prioritize Digital Investment Governance for a Higher Return

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

Source: Gartner
Invest in Predictive Insights for the Business

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.

Percent of CFOs

- 82%
  Expect to spend more time on advanced analytics technologies and tools (on finance)

- 78%
  Expect it to be difficult to achieve goals for advanced analytics technologies and tools

Source: Gartner

Click here for more on data and analytics in finance.
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:

1. Investor pressure for ESG outcomes
2. Labor market shortages and lack of digital skills across finance professionals
3. Blockchain use cases in accounting and auditing
4. Digital currency adoption, risks and regulations
5. Profit opportunities from the metaverse and emerging token economy
6. Cybersecurity strategy for autonomous operations

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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**U.S.:** 1 855 811 7593

**International:** +44 (0) 3330 607 044

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