

eBook

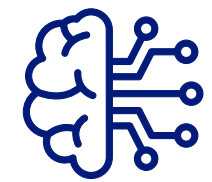
# THE STRATEGIC CFO: Rebuilding Confidence and Unlocking the Potential of AI

Coupa's second annual Strategic CFO survey reveals a widespread loss of confidence across finance leaders and investigates the tension between opportunities and apprehensions around artificial intelligence (AI).

Enter



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## CFOs in the Grip of Crippling Doubts

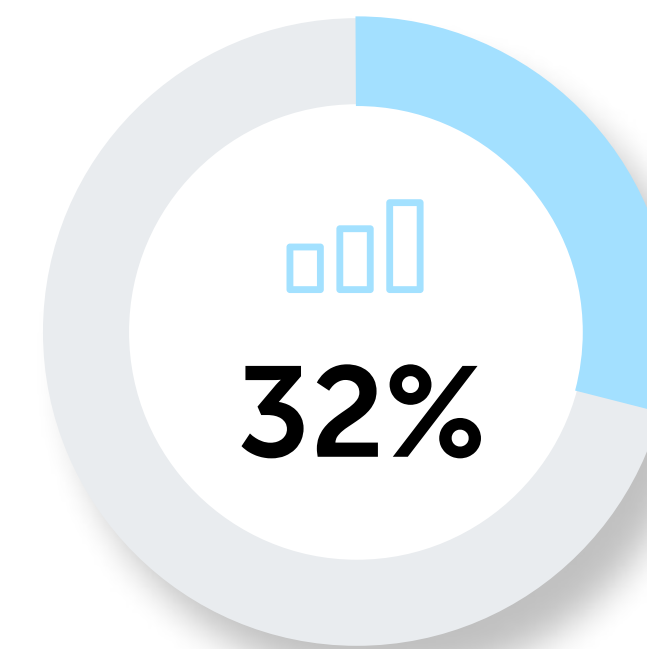
CFOs face a growing loss of confidence that risks the ability of their company to reach profitability and growth targets. They're not confident in the markets. They're not confident in technology, especially AI. They're not confident in all of their decisions, and some are not even confident in their own organizations.

**Nearly all (90%) of CFOs and finance leaders have concerns about hitting sales and revenue targets within the next 6-12 months. A majority (60%) are extremely or very concerned.**

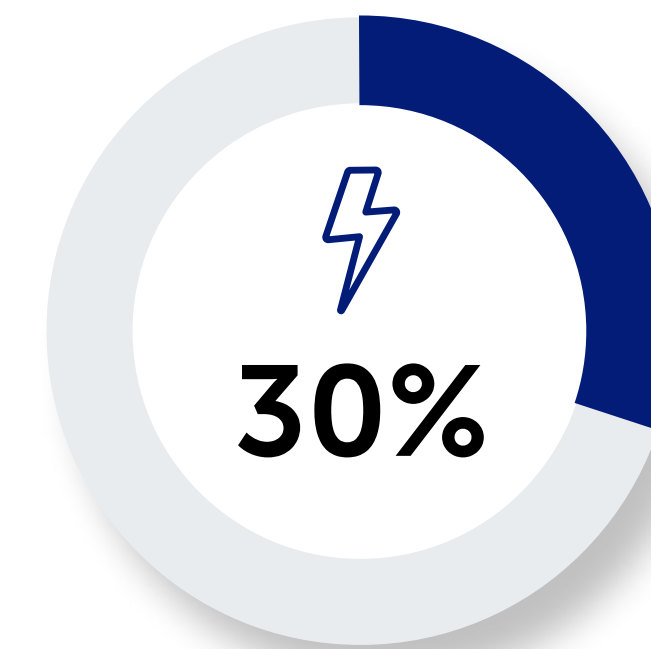
This concern level remains practically unchanged from last year, even though interest rates appear to be stabilizing and immediate concerns about a recession have, for now, subsided. With unpredictability the new norm, CFOs are skeptical of any potential signs of improvements.

Finance leaders say there are several external threats to their businesses this year.

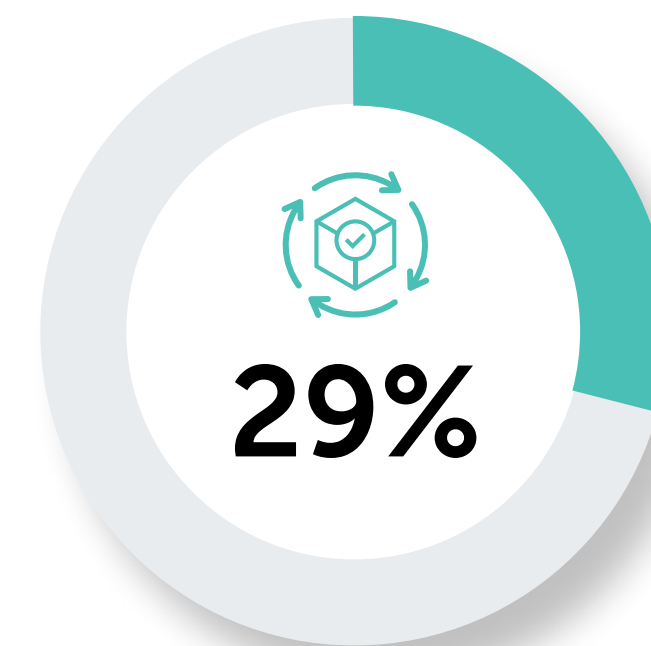
The responses reflect the percentage of CFOs who ranked the following options among their top three greatest external threats.



Rising interest rates



Rising energy prices



Supply chain disruption

Reluctantly, CFOs had to make tough choices last year, despite these macroeconomic factors being unpredictable and out of their control. While in Coupa's 2023 Strategic CFO Survey, more than four in five (86%) CFOs and finance leaders said layoffs were a last resort to cut costs, many inevitably had to do so.

**As a result, 78% say their organization still hasn't been able to recover fully.**

As they're working with smaller teams, CFOs face mounting pressures. They're expected to guarantee organizational growth, sustain profitability, and scale efficiently amid rising costs. Additionally, they must navigate the challenge of forecasting effectively despite the threat of disruptions and exhibit agility in responding to sudden changes. On top of these tall orders, finance leaders are tasked with providing clarity and direction to the wider organization and the board. This becomes particularly difficult due to the inherent lack of confidence in the macroeconomic environment and uncertainty surrounding the execution of end-of-year financial goals. However, CFOs hope to tackle these challenges by prioritizing new strategies this year.



## CFO Priorities in 2024



Top three strategic priorities in 2024

Pursue a liquidity event

33%

Innovate and improve products/services

32%

Increase investments in AI

29%



In the next 6-12 months, finance leaders plan to drive profitability by

Pursuing alternate revenue streams

36%

Increasing pricing of products/services sold

36%

Enforcing stricter spending rules and limits

35%



In the next 6-12 months, finance leaders say their organization will take several actions to drive growth by

Investing in AI technologies

45%

Expanding into new markets

44%

Investing in R&D

41%

Among strategic priorities this year, it's clear that many finance leaders see immense potential in AI, especially as a scaling solution. As some CFOs are now working with smaller headcounts, they hope to use AI to tackle more tactical tasks and free up teams for higher-value business activities. Although AI has the potential to transform business operations and decisions, CFOs are skeptical of the technology's security.

It's a difficult balancing act for today's CFOs. They need to have conviction in their decisions despite the unknowns around them. That's why finance leaders should act now to fortify their financial health, optimize their organization's operational efficiency, and lean into trusted AI-driven solutions to gain intelligent insights for better, more confident decisions.

Coupa's second annual Strategic CFO Survey of 500 CFOs and finance leaders across North America and Europe uncovers a widespread loss of CFO confidence and investigates the tension between opportunities and obstacles around AI. This report aims to equip finance leaders with the insights needed to navigate the year effectively while capitalizing on emerging opportunities.



## CFOs are AI Hungry, but Hesitant

CFOs and finance leaders are grappling with a contradicting reality. They're eager to use AI, but not confident in their ability to use it. Some don't trust the technology at all. Others are cautious about sharing their data with third parties for various reasons, including strict privacy laws such as Europe's General Data Protection Regulation (GDPR), India's Digital Personal Data Protection Act, the California Privacy Rights Act (CPRA), Brazil's General Data Protection Law (LGPD), and China's Personal Information Protection Law (PIPL). Beyond privacy and risks, CFOs are also aware that their data is a valuable asset so many are hesitant to turn it over to a third party to help train their AI.

Despite these apprehensions, many finance leaders are captivated by the potential of AI to transform their organizations. While nearly one in two (45%) plan to invest in AI to drive growth, 39% say their biggest obstacle will be keeping up with AI advancements. However, the dance with AI is already underway. 100% of finance leaders say they're currently using AI to cut costs and increase productivity across different business areas.

Finance leaders are currently using AI in the following:

AP automation  
31%

Procurement  
29%

Cash and liquidity management  
28%

Third-party risk management  
27%

Strategic sourcing  
26%

Regulatory compliance  
26%

Contract management  
26%

Direct spend management  
23%

In the next 6-12 months, finance leaders plan to make AI investments in the following:

AP automation  
34%

Procurement  
31%

Third-party risk management  
29%

Regulatory compliance  
28%

Contract management  
28%

Direct spend management  
28%

Cash and liquidity management  
27%

Strategic sourcing  
25%



While CFOs wrestle many of the same recurring challenges, such as slow manual processes, risk management, and compliance, AI technology is evolving the business landscape faster than ever.

**CFOs see AI as a scaling solution for many functions but fear it will also scale risks across their organization.**

To address the opportunities, challenges, and risks that come with AI, 100% say they will need to hire new talent. However, only 25% of CFOs reported attracting top talent in key strategic areas as a priority. The need to hire new talent for AI likely contributes to the looming doubts about their organization's use of AI and its strategy.

**Nearly all (89%) have concerns about their company's ability to implement its AI strategy. A majority (55%) are extremely or very concerned.**

This lack of confidence doesn't come as a surprise because 73% of CFOs and finance leaders report that they are never aligned with their CIO on their organization's strategic priorities. Despite doubts and potential tension amongst other company executives, finance leaders are eager to transform business operations with AI, specifically the potential of generative AI (GenAI).

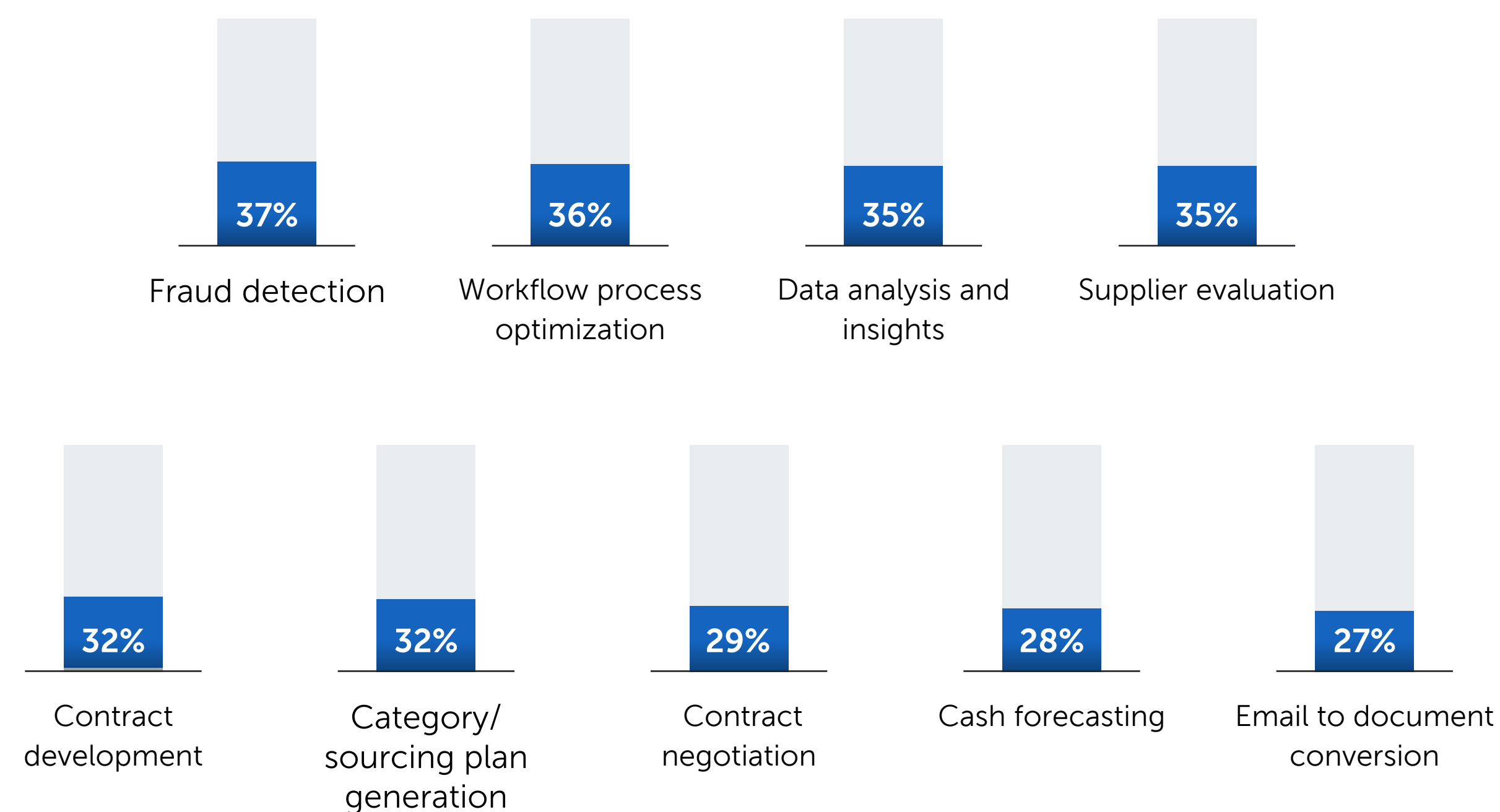


GenAI refers to a class of artificial intelligence algorithms that produce new and original data and content, such as text and images, by learning patterns from existing data. As it relates to finance, it's like having a highly sophisticated virtual assistant that can analyze vast amounts of financial data, identify patterns, and generate valuable reports, contracts, or documentation autonomously. This technology can streamline tasks like risk assessment, fraud detection, forecasting, and investment analysis, enabling faster decisions with greater accuracy.

100% of finance leaders believe generative AI can provide value to their organization.



## CFOs say GenAI will provide strategic advantages in the following areas:



This excitement around GenAI is not just about managing data and boosting efficiency, but it's also about the promise of gaining a predictive superpower to navigate the market, uncover hidden patterns, and make more informed decisions despite uncertainty.



# scale

*"The time to embrace AI is now. In today's dynamic market, those who leverage technology to gain foresight and optimize operations will stay ahead. It's not about replacing people with AI, but augmenting their capabilities and evolving alongside the technology."*

Josh Waldron, VP Finance  
& Accounting, Scale AI



## Takeaway:

Investing in AI is crucial for CFOs striving to enhance profitability, drive growth, and improve efficiency. However, the effectiveness of AI relies on trusted, high-quality data and a culture of continuous learning through strategic hiring, upskilling initiatives, and collaboration with AI experts on a strategic approach.



# Blinded by Data Challenges and Paralyzed by Legacy Systems

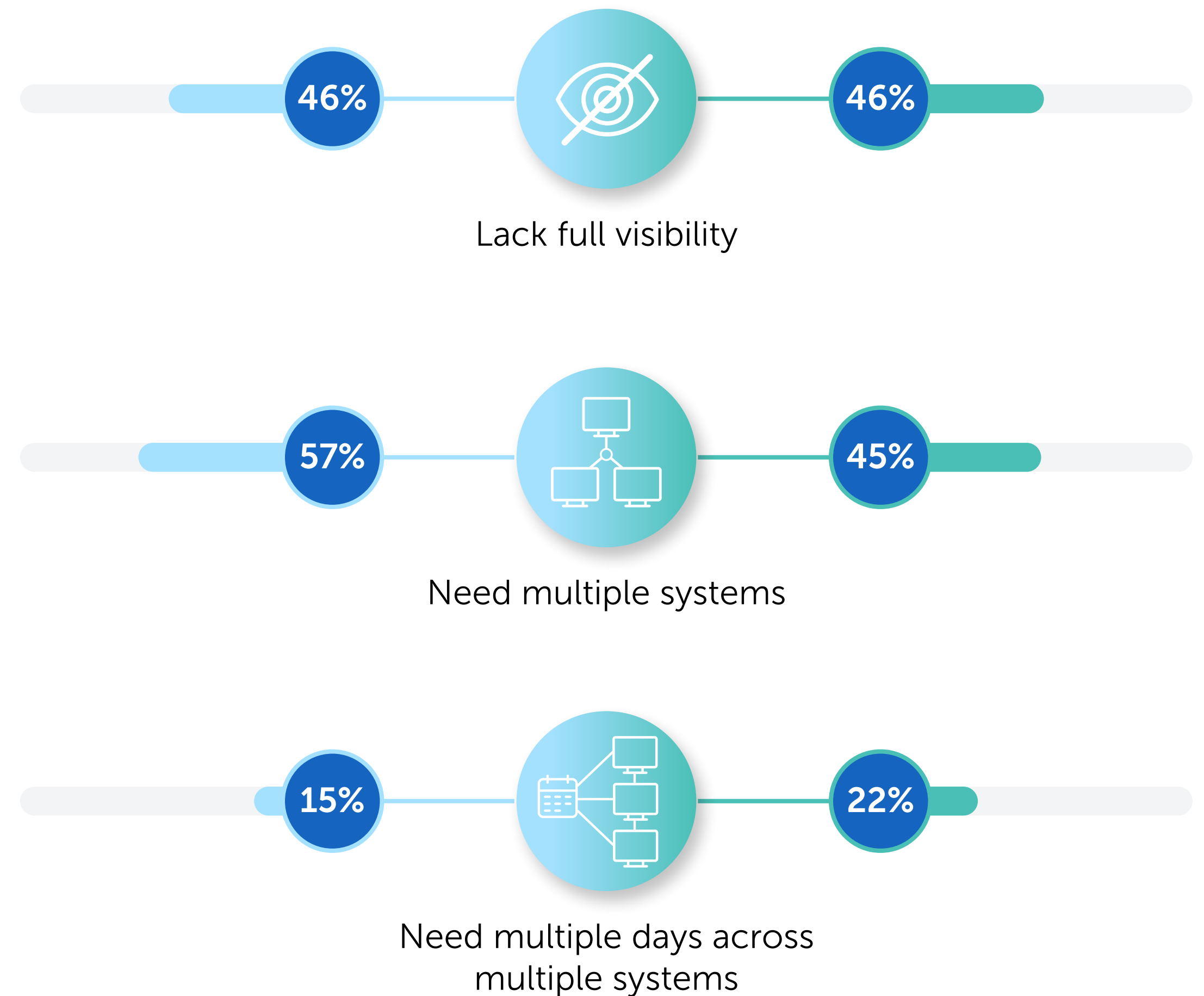
Imagine the CFO, the steward of financial clarity, blinded by the very data that's supposed to empower them. That's a reality for 43% of finance leaders who say they're unable to make informed decisions due to data challenges.

**Nearly one in two (46%) say they lack full visibility into financial data across the company while nearly half (45%) say they also need to log into multiple systems to access all of their company's data.**

Even worse, 22% say it takes multiple days across multiple systems to access it. Consequently, 40% of CFOs say their financial data is often outdated.

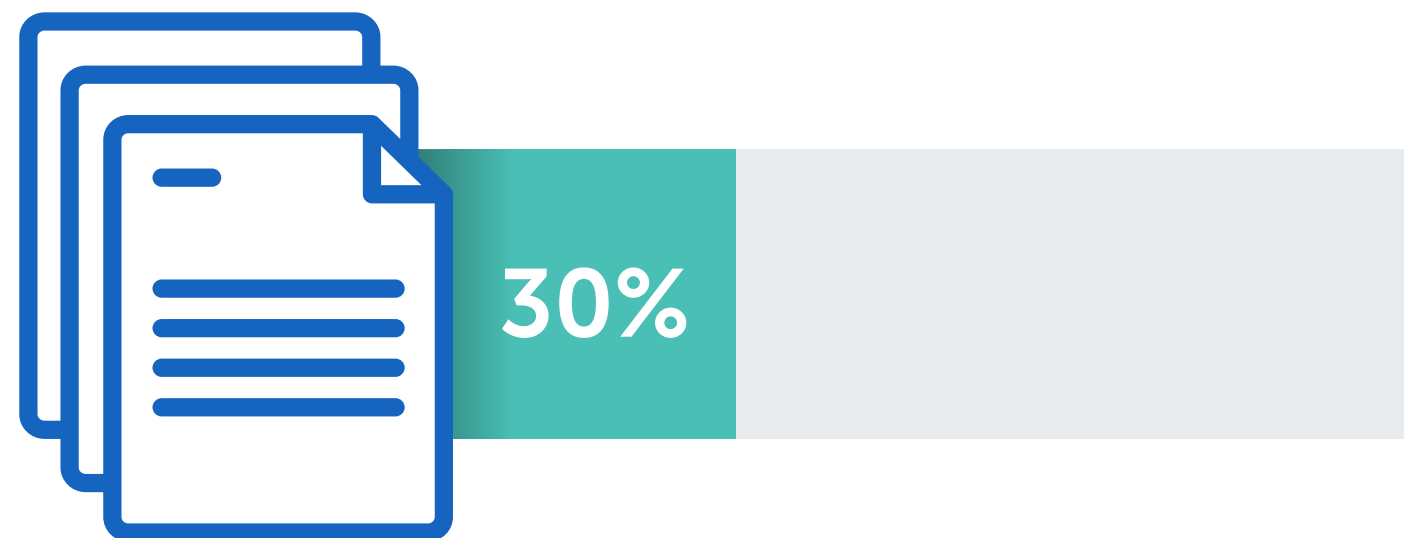
CFOs Accessing Financial Data in 2023\*

CFOs Accessing Financial Data in 2024



Despite the need to respond to disruptions more frequently, the percentage of CFOs who lack full visibility into their financial data remains unchanged from last year. Although more finance leaders are using fewer siloed systems to access data in 2024, there's a 7% increase in finance leaders needing multiple days to access their data across multiple systems. This trend is moving in the opposite direction of what's needed for financial agility.

**Meanwhile, 30% of finance leaders say their financial processes are still manual this year, further limiting visibility and control of data.**



As CFOs navigate murky waters with this skewed view, some are also paralyzed by the limitations of their current systems, leaving them defenseless when confronted with abrupt changes.

**38% report using outdated systems and 31% struggle with a complex tech stack, which they say are the biggest hurdles preventing digital transformations in their organizations.**



*"In today's digital supply economy, the volume and complexity of financial data continues to grow exponentially. Without the right platform and technologies, viewing this data and extracting meaningful insights in a timely manner remains a significant challenge that can be detrimental to an organization's performance. Given the complexity of the macroeconomic climate and today's dynamic and uncertain supplier relationships, it's critical CFOs embrace AI-driven analytics to respond faster to disruption, uncover opportunities, and use data and AI to increase operating leverage for their business. That's how strategic CFOs will ensure they're making the most informed, profitable decisions to fuel their organization's growth amidst a continuously changing environment."*

Kevin Burns, CFO, Coupa



To gain clarity and control over financial data, digitization and automation are imperative. Finance leaders are now turning to AI to leverage better insights and analysis. 31% of CFOs say they already use AI in AP automation, 29% use AI in procurement, and 28% use AI in cash and liquidity management.

## Takeaway:

To make informed, confident decisions, finance leaders need full visibility and control of data connected on a unified platform to prevent data silos. As CFOs increasingly turn to AI-driven platforms and technology as a trusted advisor, effective recommendations rely on real-time, accurate data.



# Compounding Compliance Complications Escalate Risk Management

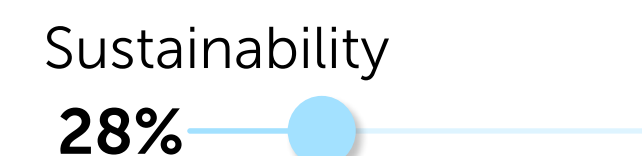
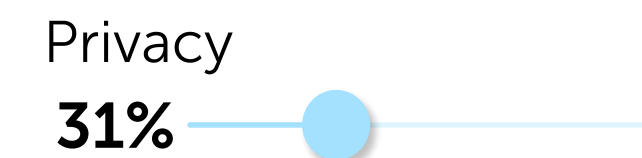
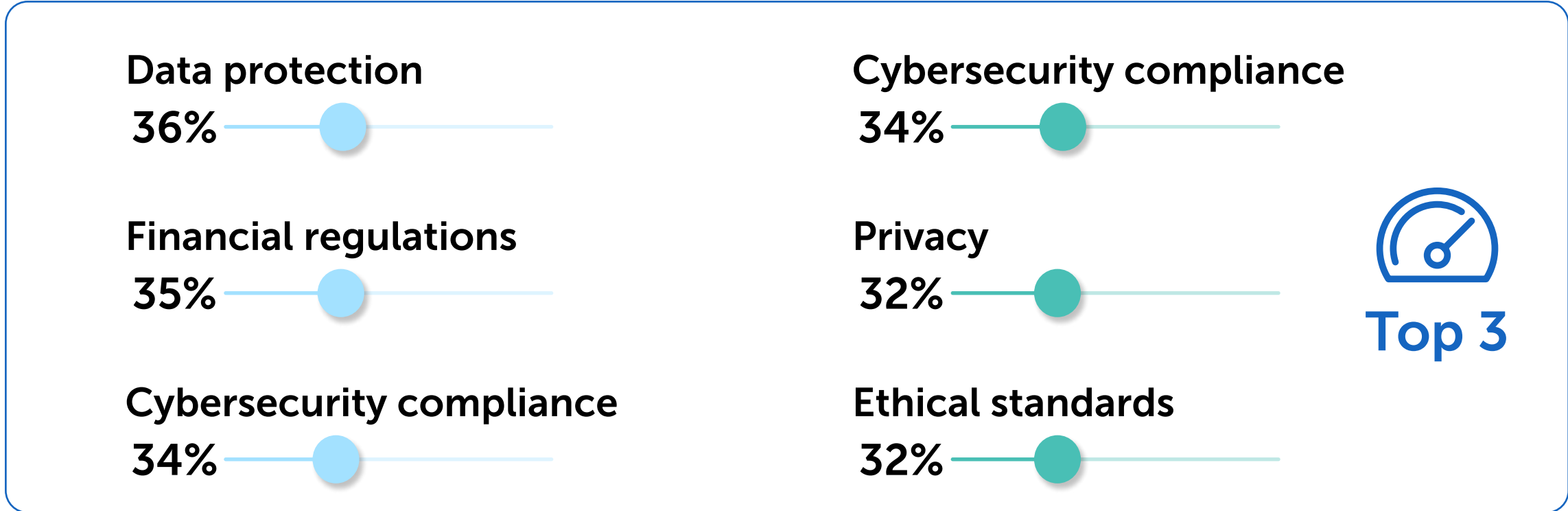
To comply with regulations and minimize risks, CFOs need to be able to manage current data and maintain organization in their systems. This struggle is exacerbated by issues such as limited visibility, manual processes, and reliance on outdated systems.

Alarmingly, a unanimous lack of confidence exists among finance leaders regarding their organization's ability to maintain compliance standards, and it's not just in one regulatory aspect of the company.



Finance leaders have widespread doubts about their company maintaining compliance in the following areas:

Finance leaders say their organizations are prioritizing compliance in the following areas:



Despite compliance being a prime concern and priority, finance leaders are not confident in their organization's ability to maintain it, predominantly in data protection (36%), financial regulations (35%), and cybersecurity compliance (34%). Their doubts are likely compounded by the evolving regulation landscape, with new compliance requirements such as UK SOX and e-invoicing mandates in Europe. These uncertainties have major implications. Failing to comply and leaving a company vulnerable to risks, like data breaches, have the largest potential to destroy an organization's reputation.

**Given top strategic priorities this year, there are even higher stakes, with most CFOs reporting that they plan to pursue a liquidity event, such as an initial public offering (IPO) or merger and acquisition (M&A).**

These events require regular audit preparation but this can be challenging without the ability to instantly pull and create accurate, up-to-date reports.

Based on responses, CFOs see AI as a potential solution to compliance risks and challenges. In the next 6-12 months, 29% of finance leaders plan to invest in AI solutions for third-party risk management, and 28% plan to make AI investments in regulatory compliance.





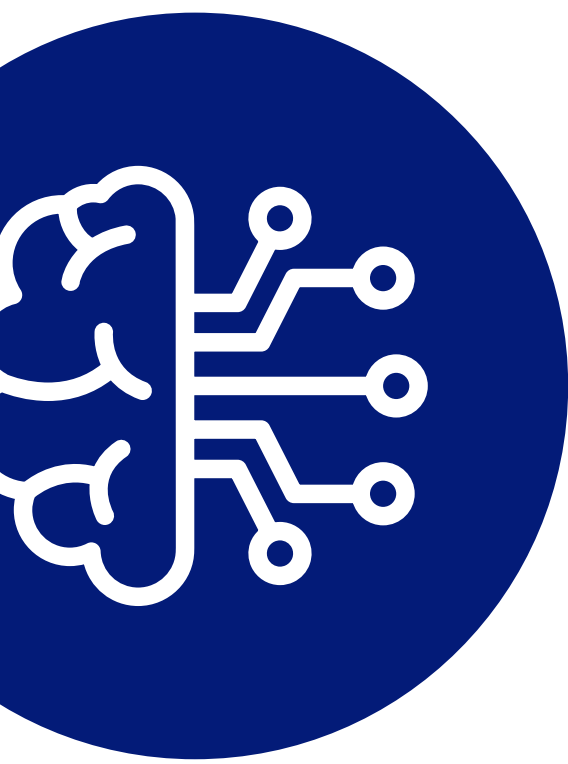
*"To keep up with the dynamic regulatory landscape, CFOs must be proactive in mitigating fraud risks and managing compliance challenges. It's crucial that CFOs prioritize AI-driven solutions to gain the agility and precision needed to stay compliant and steer around risk while managing capital for durable growth. Embracing these technologies isn't just about driving efficiency; it's about safeguarding your organization's reputation and long-term viability."*

Kevin Burns, CFO, Coupa



## Takeaway:

Prioritizing and upholding compliance is essential for sustaining operations, maintaining an organization's supply chain, and ensuring audit readiness. Proactively approaching compliance using an integrated platform with AI capabilities allows finance leaders to be prepared, even for the unexpected. It enables them to easily run audits, quickly pull reports, minimize fraud risks, and detect potential security risks early.

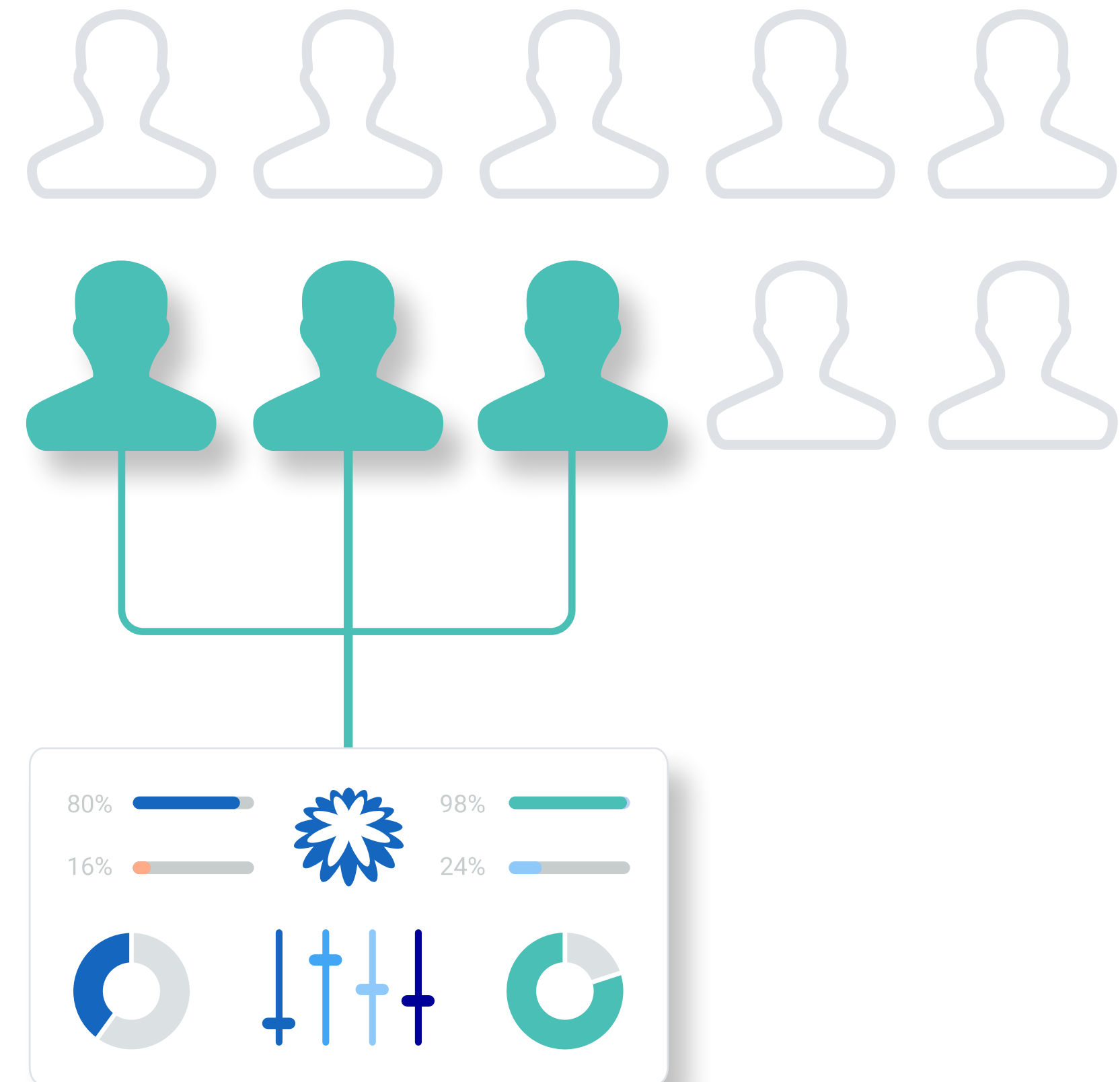


## Combat Market Uncertainties with an AI-Driven Platform

Only 30% of finance leaders can access financial data instantly in a single system. In today's macroeconomic environment, that visibility is the bare minimum required. Without comprehensive visibility and control of data, CFOs are forced to respond to issues after it's too late, and consequently they make less confident, uninformed decisions. Additionally, this limits their ability to take advantage of market movements, acquisitions, and other business growth opportunities. In this regard, visibility is critical to an organization's survival and success.

To gain comprehensive visibility and transition from reactive to proactive, digitization and automation are essential. An overwhelming 93% of finance leaders agreed\*, saying more automation would help their company better respond to macroeconomic uncertainties, yet many still haven't done so despite the ongoing challenges this year.

Only three in ten finance leaders can access financial data instantly in a single system.





**The urgency for this visibility through digital transformation is emphasized by 90% of finance leaders expressing concerns about the consequences of not investing in a comprehensive spend platform.**

More than half (51%) are extremely or very concerned, saying they fear being left behind. After all, every informed decision relies on having the full picture of an organization's current data.

With Coupa's AI-driven platform, finance leaders gain comprehensive data visibility by unifying the organization's supply chain, inventory management, contracts, procurement, invoicing, and automated payments in one place. The easy-to-use platform boosts user adoption, enabling more collaboration for smarter decisions across the entire team and organization. Through automation and AI, our platform acts as a CFO's trusted co-pilot. It guides finance leaders through uncertainties by leveraging real-time data and taking the guesswork out of decisions. With over \$5 trillion in proprietary transactional data, the automated platform provides intelligent insights and recommendations to drive real growth and smart operations.

Gain confidence with Coupa's AI-driven platform that's trusted by more than 3,000 global organizations and 10 million suppliers around the world.



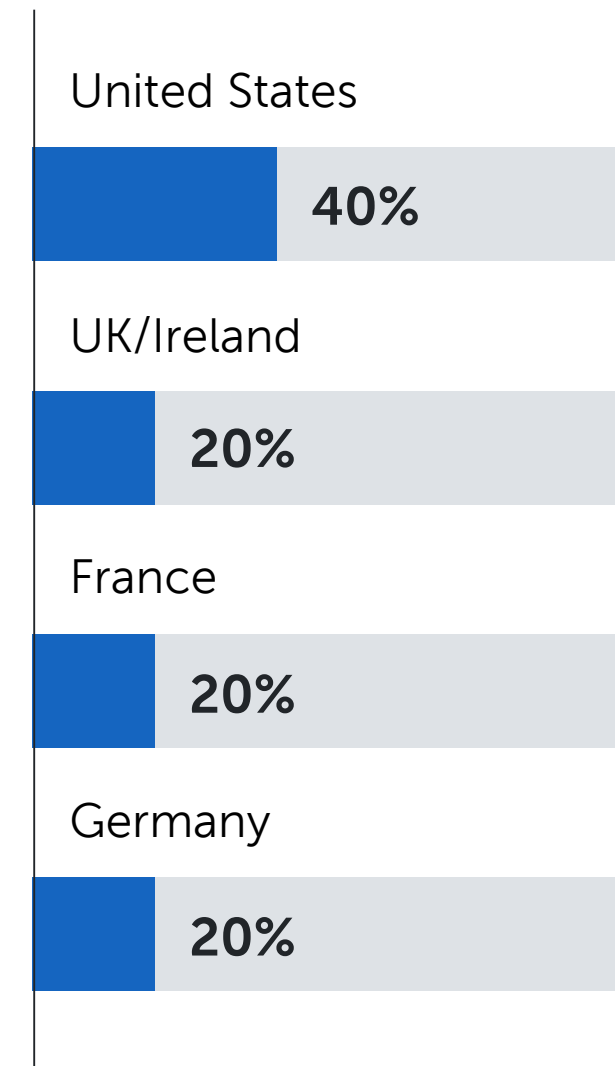
**Boost operational visibility, mitigate risks, and leverage intelligent insights.**



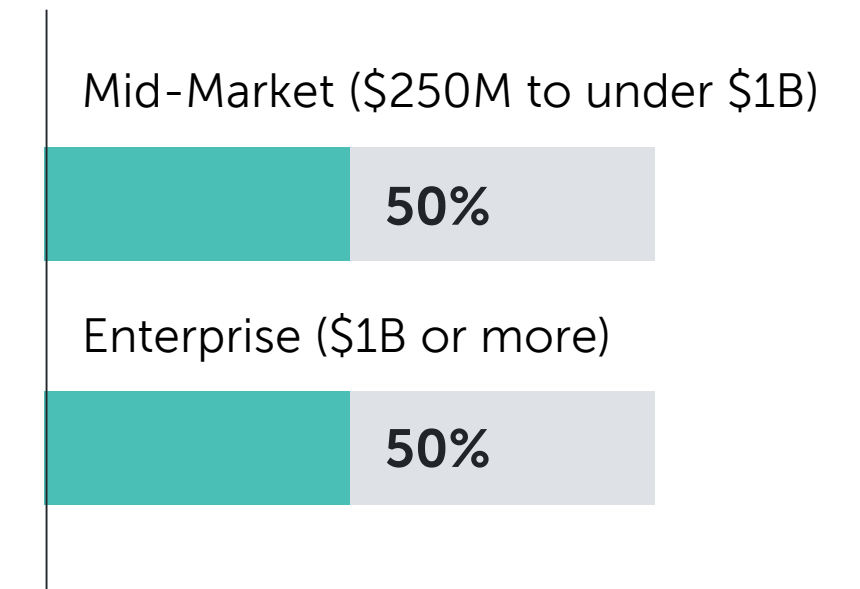
# Research Methodology

Coupa Clarity reports provide unique data and insights to help business leaders make smarter decisions to fuel growth, drive efficiency and productivity, and improve performance. This survey was conducted among 500 CFOs and finance leaders in the US, UK, Ireland, France, and Germany. The survey was carried out online with an email invitation between November and December 2023 by Wakefield Research on behalf of Coupa.

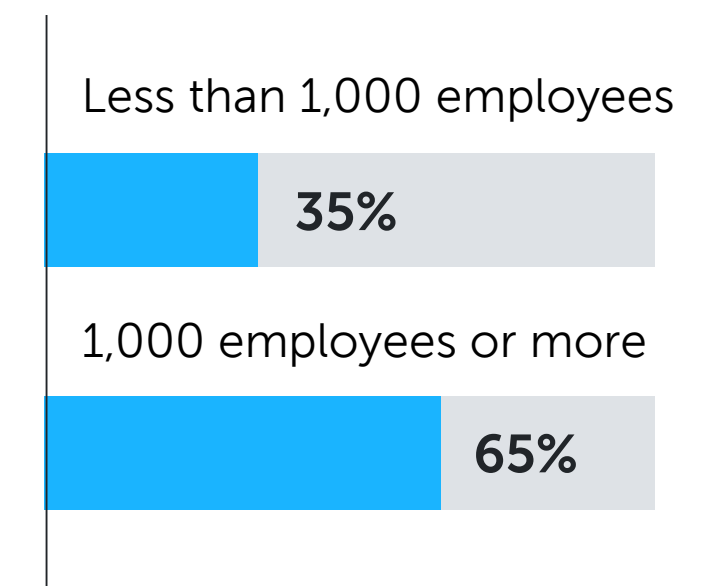
## Market:



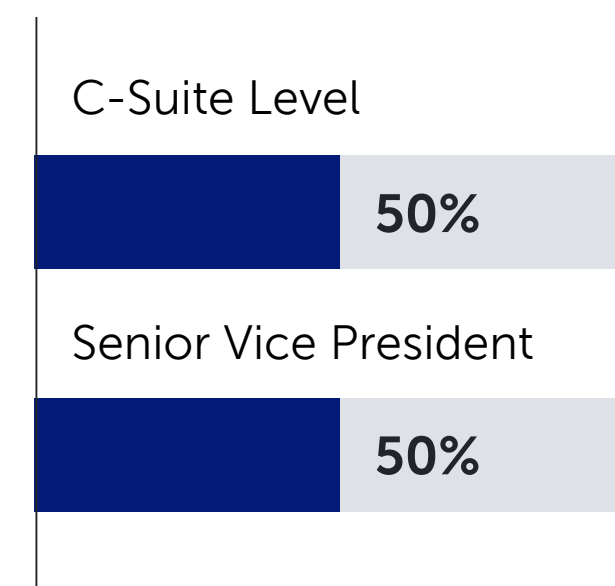
## Revenue:



## Company Size:



## Job Title:





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