



The Futureproof CFO: Building Resilience & Growth

The American Express CFO Survey 2024

Shifting to a future focus

What's Changed In a Year?

Shifting Priorities

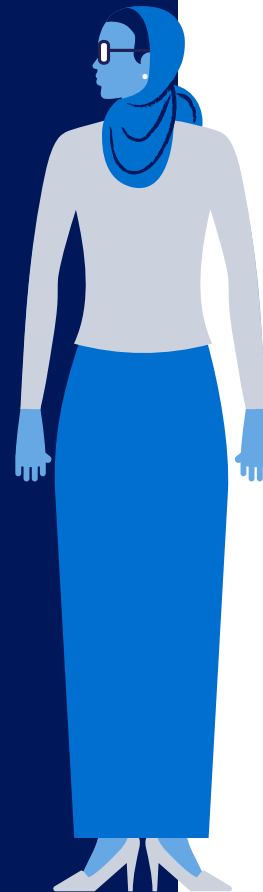
2023

1. Financial growth
2. Lowering costs & managing inflation
3. Increasing headcount & strategic hires

vs.

2024

1. Improving cash flow ↑
2. Digital transformation ↑
3. Financial growth & improving risk management ↓



Our 2024 CFO survey of global finance leaders shows the ongoing transformation of the CFO's responsibilities and priorities, with today's finance leaders embracing the potential of digitisation and technology to meet a growing need for efficiency, innovation and risk management.

This year's survey engaged more than 500 finance leaders from 12 countries across the globe, expanded from a European focus in 2023. Both surveys covered similar topic areas and this year's results reveal a clear shift in priorities for finance leaders.

In 2023, most CFOs (**89%**) said that their organisations would need to improve cost-cutting efforts, while **70%** acknowledged that job cuts were a real possibility. Much of the CFO's time and attention a year ago was taken up by economic uncertainty and associated risks. **70%** of survey respondents said the fear of an economic downturn was an important issue for their organisation.

This year, as fears of a global recession recede, CFOs are now mapping out longer-term paths towards growth and resilience. Not least because they still have to contend with the growing swirl around new technologies, changing financial regulations, increasing focus on sustainability, and the threat of other 'unknowns' that may impact their business in future.

81% 

of global CFOs say improving cash flow is strategically important for the year ahead

75% 

The other top strategic priorities for finance leaders are digital transformation (75%), revenue growth (68%) and improving risk management (67%)



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Central to addressing these challenges are the new top two priorities of improving cash flow and digital transformation.

Cash flow was among the key areas of concern for CFOs in 2023, but the underlying reasons for this have moved on – rather than focusing on risk avoidance and cost reduction, CFOs want to improve cash flow to fund growth and innovation in 2024. Digitisation, while part of the conversation last year, has now risen to the heart of the new CFO agenda. Respondents in this year's survey report that organisations are actively pushing for new digital services that will support automation and make use of new AI technologies. This includes digital and virtual payment services that will drive efficiency, reduce costs and provide insights to build more intelligent financial services in future.

Digital transformation and healthier cash flows can help CFOs build greater resilience in the face of both known and future unknown risks. Our 2023 survey highlighted the CFO's role as a risk manager and this focus has continued into 2024. Finance leaders are handling a broad range of risks, including fraud prevention, cyber security, and sustainability.

67% of finance leaders say their organisation will increase spending on risk management this year, and almost four in ten (37%) say their own responsibility for risk management is increasing.

One in three (33%) CFOs are already taking responsibility for geopolitical and economic risk modelling, and 30% expect this part of their job to increase in 2024 as companies try to predict future business conditions after several years of volatility.

This research is based on a survey of 513 senior financial decision-makers.

To learn more, see our methodology information on page 10.

Cash for Growth



81%

of CFOs say
improving cash
flow is strategically
important in the
year ahead



41%

of CFOs are focused on
improving margins to help
cash flow, compared to 37%
growing sales and 29%
improving payment systems

Our 2024 survey shows that **81%** of finance leaders expect to increase their focus on cash flow this year, ahead of revenue growth (**68%**). Only half (**51%**) of finance leaders identified reducing costs as a strategic priority this year.

This year's survey reveals renewed confidence and optimism, with **80%** of finance leaders feeling very or extremely confident that their organisation will meet its cash flow goals. There is some variation in confidence between regions and nations: it is highest in the US, where **87%** of CFOs are very or extremely confident about improving cash flow, but lowest in the UK, where just **39%** of finance leaders share the same level of confidence about hitting cash flow goals.

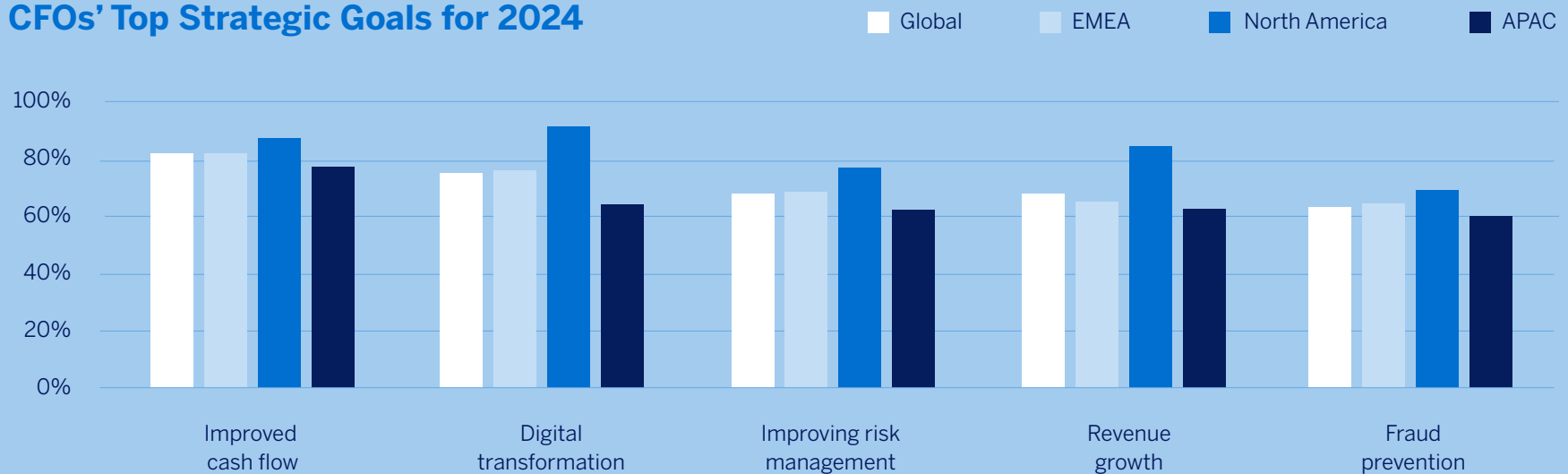
Among CFOs naming cash flow as a strategic priority for 2024, improving margins (**41%**) is the most popular tactic for achieving this goal, followed by growing sales (**37%**). In another sign that the cost-cutting emphasis of 2023 has given way to a focus on technology and innovation, just **24%** are looking to reduce expenses to help cash flow, while **29%** are hoping to improve payment systems.

Alongside increasing cash flow, **64%** of finance leaders report a growing focus on increasing working capital in 2024. The most popular approach to this need is through increased use of automation (**37%**), while one-third (**33%**) of CFOs are also planning to refinance assets this year to improve working capital.

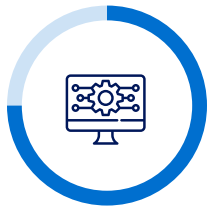
Rather than cutting costs, finance leaders want to improve margins and grow sales. In 2023 investment priorities centred on recruitment (**51%**) and marketing (**55%**), while this year CFOs are focused on investment in new product development (**48%**) and technology (**47%**).



CFOs' Top Strategic Goals for 2024



The CFO's digital imperative



75%

of CFOs say digital transformation is strategic priority



50%

expect to take on more responsibility for digital



34%

said they are also under pressure to adopt AI technologies

Our 2024 CFO survey reveals the extent to which digital transformation rose up the corporate agenda in the past year. In our 2023 survey, finance leaders were most concerned with reducing costs and streamlining the workforce as they sought to balance risk with rewards. Today, while cash flow remains a top priority, cost-cutting and efficiency measures have fallen behind the need to accelerate digital transformation in the finance function and beyond.

Three-quarters (**75%**) of the finance leaders we spoke to say that digital transformation is gaining momentum in strategic importance this year. This is driven by pressure to adopt innovative technologies such as AI, and financial leaders' recognition that technology is vital for the delivery of automation, efficiency and improved cash flow. Our survey shows that **29%** of CFOs plan to improve cash flow by improving their organisations' payment systems, while **36%** plan to increase automation in their organisation.

Almost half (**47%**) of organisations plan to increase technology spending in the year ahead, making this the top priority after new product development. However, our survey reveals some stark regional and national differences in attitudes towards digital transformation. For example, **77%** of CFOs in North America say they expect to increase technology spending this year, while only **42%** in Asia-Pacific and **40%** in Europe, the Middle East and Africa (EMEA) said the same.

This is despite **77%** of finance leaders in EMEA and **65%** in Asia-Pacific saying they expect the strategic importance of digital transformation to increase in the coming year. Meanwhile, more than nine of ten (**92%**) North American CFOs said it was a top priority for their organisation. Drilling down from the regional perspective, some of the more interesting national variations in attitudes to digital transformation can be seen opposite.

Global CFO attitudes to digital transformation



| | |
|---|---|
|  US | 89% confident in hitting goals |
|  Mexico | 86% expect strategic importance to increase |
|  India | 78% expect to take on more responsibility for it |
|  Singapore | 78% expect to take on more responsibility for it |
|  Japan | 61% feel pressured to implement it |
|  Hong Kong | 59% expect strategic importance to increase |
|  Spain | 53% facing pressure to adopt AI |
|  Germany | 46% unconfident about adapting to it |
|  Australia | 40% confident in hitting goals |
|  France | 40% feel pressured to implement it |
|  Italy | 38% say staff resistance is biggest barrier |
|  UK | 37% confident in hitting goals |

Making payments digital



40%

of CFOs believe that digital payments will be strategically important to their organisation in 2024



53%

of finance leaders expect to increase investment in payment gateways this year, to support digital payments



59%

say that virtual payments will increase in importance in the year ahead

The acceleration of digital transformation means that organisations are embracing digitised payments that will drive efficiency and deliver the strategic goal of improved cash flow.

Our survey shows that **29%** of finance leaders plan to improve cash flow by improving their organisation's payment systems, while 36% plan to increase automation within their organisation.

In the next 12 months, **40%** of CFOs say that digital payments will be important to their business, a figure that rises to **62%** in India and 59% in Spain. In particular, the survey reveals growing interest in virtual payments, with **59%** of finance leaders saying they will be important in the year ahead. CFOs are also interested in exploring the potential of payment gateways (**53%**) and, to a lesser extent, eCheques (**15%**).



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The growing interest in digital payment services is certainly part of a broader interest in digital transformation, but also can be explained by a growing focus on security and fraud. Only half (**50%**) of the CFOs polled said they are very or extremely confident that their organisation will meet its fraud prevention goals in the next 12 months, which perhaps explains why **64%** of finance leaders expect the strategic importance of fraud prevention to increase this year. More than half (**57%**) of global CFOs say they expect to invest in additional security and control payment services in the year ahead.

Digital payments also offer the potential of increased transparency and real-time insights that will help CFOs make better-informed decisions for their organisation. One in five finance leaders (**21%**) say that a lack of internal data is a challenge that prevents reaching strategic goals. Additionally, CFOs say their performance is likely to be measured by KPIs around cash flow (**37%**) and growth (**45%**) this year – meaning having access to high-quality data insights around payments and revenue is essential.



Over two-thirds (64%) of CFOs polled expect the strategic importance of fraud prevention to increase this year.

Conclusion:

Building resilience through technology

As CFOs navigate a world of known and unknown risks, there are clear challenges ahead. For example, embracing new digital technologies may offer the path to achieving strategic goals like improved efficiency and cash flow. But finance leaders recognise that successful digital transformation will require them overcoming both internal resistance (**27%**) and skill shortages within their teams (**29%**).

They must also embrace personal growth: when asked about the strategic challenges they would feel least confident adapting to, greater digital transformation in areas such as workflow automation was most feared, at **39%**. Compare this to just **31%** feeling concerned about undertaking more geopolitical and economic risk planning, and only **26%** concerned about their ability to collaborate with other areas like IT.

Finding the right partner is critical to the success of CFOs and finance teams, and that is where American Express can help. **Our suite of corporate solutions can help you:**

- Optimise cash flow
- Increase efficiency
- Gain security and control
- Expand access to capital
- Maximise cost savings

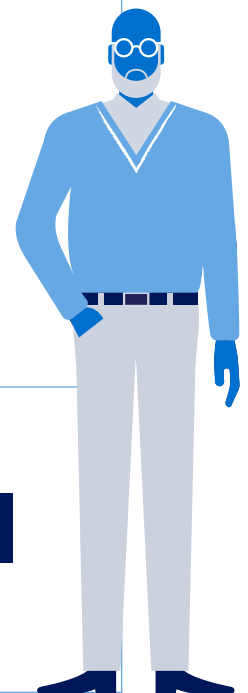
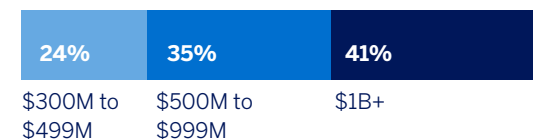
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Methodology

This research is based on a survey of 513 senior finance executives working in large global organisations. 60% of those polled had a C-suite role, while 40% described their job as EVP, SVP or VP. The survey polled finance leaders from a range of industries, including finance, leisure, education, communications, entertainment, research & development, construction, retail and manufacturing.



Respondents by revenue size:





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