

The CFO Agenda 2025

Focus on efficiency, innovation and sustainability

BARC research study

Research sponsored by:



Table of Contents

Executive Summary 4

Survey Results 6

Recommendations..... 11

Methodology 13

BARC Company Profile 15

 About BARC.....16

Sponsor Profile..... 17

 About Lucanet18

Foreword

The corporate finance function is in the midst of fundamental change. In an era of global uncertainty, increasing regulatory requirements, and technological innovation, CFOs and their teams are challenged to redefine their role. At the same time, there are tremendous opportunities for increased efficiency, better-informed decisions and sustainable growth – if the right course is set.

Our research sheds light on the factors that will have the greatest impact on the finance function in companies today and in the coming years. It examines the challenges facing finance departments and how companies can position themselves for the future. We show how CFOs and their teams are responding to these challenges and what actions and investments they are planning, from improving internal processes and enhancing analytical capabilities to deploying modern software solutions and technologies.

The key questions addressed in this study are:

- What are the key drivers of corporate finance today and in the future?
- What are the challenges facing the finance function?
- What actions and approaches are companies taking to improve?
- Where are companies planning to invest in software and technology in the future?

The continued digitalization of the finance function requires companies to focus their attention on answering questions such as “How can technologies such as AI and analytics be used profitably in our business?” At the same time, it is important to focus on new regulatory requirements such as ESG reporting, as well as issues like risk management and talent attractiveness – issues that will increasingly determine the competitiveness and resilience of companies in the future.

We hope this study will inspire you to become an active participant in the transformation of your company's finance function. Use the findings to embrace change as an opportunity and position your organization for the future – more efficiently, more innovatively and more sustainably.

I wish you an inspiring read!



Dr. Christian Fuchs
January 2025

Executive Summary



Executive Summary



Challenging times demand the full attention of finance departments and CFOs. In addition to the constant need to expand technical expertise and

evaluate new technological approaches for their own companies, regulatory issues are driving new demands. CFOs and their teams need to be open to

change in order to make the finance function more cost-conscious and resource efficient. The results of this study can be summarized in three hot spots:

1

Hot Spot – Finance departments and CFOs operating in challenging times

Finance departments are facing significant challenges. New requirements such as the value-adding use of AI, compliance with sustainability and ESG reporting requirements, and an increased focus on risk to ensure liquidity and security are demanding the full attention of CFOs. Rising costs and the efficient use of resources are at the forefront of efforts to make effective investments to ensure business performance and future growth. Growth and competitiveness are critical factors for companies to survive in the global marketplace. Looking to the future, it is important for finance departments and CFOs to be forward-thinking and open to change. Driving the digitalization of the finance function, but also building additional skills and capabilities (e.g., in areas such as AI, analytics and data management) will be key competitive factors.

2

Hot Spot – Efficiency and skills development as competitive factors

In many areas of finance, a large proportion of time and resources is still spent on highly manual and repetitive activities. A lack of automation and the use of inadequate software solutions and technologies leave little time for analytical and value-adding work with existing data. It is no coincidence that every second company wants to reduce the use of spreadsheets (e.g., Excel) in finance and controlling as a primary efficiency improvement measure. Many companies have realized that making decisions based on consistent, high-quality data is critical to their future success. The more strategic use of analytics and AI is a key objective but requires additional skills to be developed or acquired beyond core financial skills. In addition to developing expertise internally, recruiting and retaining specialists and talent will be critical in the future.

3

Hot Spot – Software investment and data management are key

Software and technology can be one of the key success factors for greater efficiency and automation in the finance function. As a result, many organizations are looking to invest in the selection and implementation of new software tools or to expand the use of existing solutions. Continuing to invest in and evaluate the latest technology is critical to maintaining global competitiveness, driving growth and meeting new regulatory requirements. Many CFOs today are heavily involved in software and technology decisions, often having the final say. However, software and technology are useless without a consistent database. Improving data management is also high on the agenda to get the most out of new software solutions and technologies. Consistent and reliable data is a key factor.

Survey Results



Rising costs and the efficient use of resources have the greatest impact on corporate finance today and in the future

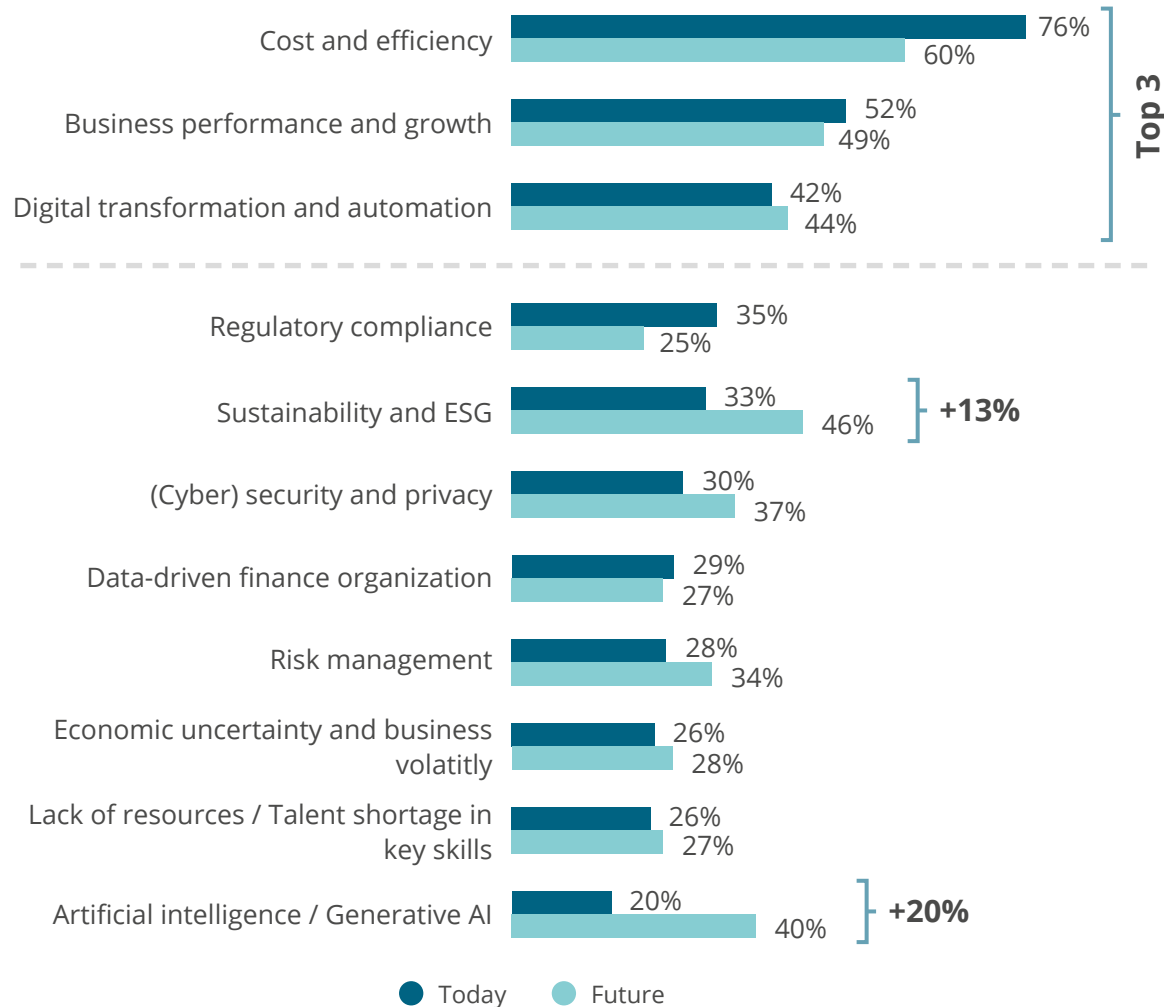


Figure 1: Which of the following topics has or will have the greatest impact on your organization's finance function today and in the future?

(n=191)

Viewpoint



The results clearly show that rising costs and the associated need for more efficient use of resources are the most significant factors impacting the finance function today and in the future. Increasing cost pressures are by far the biggest challenge facing many CFOs today. These are being driven by factors such as increasing global competition, high raw material and energy costs, necessary investments at high interest rates (e.g., in the digital transformation of the finance function) and increasingly price-sensitive consumers. One in two companies is focused on sustaining current business performance and driving future growth.

In the area of future investments, the use of AI and ESG are top priorities for CFOs, both to invest in future competitiveness and to meet regulatory requirements. While the use of AI promises potential benefits in terms of more efficient use and relief of resources as well as process automation, meeting ESG reporting requirements will be a mandatory regulatory task for more than 50,000 companies in Europe in the future. Unlike other future investments, time is of the essence, and European CFOs of mid-sized and larger companies in particular are currently facing the challenge of meeting ESG reporting requirements.

In addition to future investments, CFOs are facing increasing demands in areas such as (cyber) security and privacy for data protection, as well as risk management, in order to be prepared for future external threats.

Only one in 100 companies are not currently facing challenges in their finance function – efficiency, automation and regulation are key issues



Figure 2: What are the greatest challenges your company's finance function is facing?
(n=187)

Viewpoint



Nearly all the companies surveyed agree that these are difficult times and that they are currently facing many challenges at once. Only one percent of companies say they are not currently facing any major challenges.

In addition to the top issues of rising costs and resource requirements, the high level of manual effort in the absence of automation and compliance with regulatory requirements are dominating the discussions of many finance departments and CFOs.

The fact that only 11 percent of respondents cited inadequate software and technology support as a major challenge shows that issues such as efficiency, automation and regulation are clearly much higher on the finance agenda today. However, the fact is that organizations that primarily use Microsoft Excel or other spreadsheets for finance and controlling are more likely to face additional challenges such as slow delivery of data/information to decision-makers, lack of consistent and uniform data, and data/information not being used for decision-making.

Across all company sizes and industries, the shortage and retention of finance professionals and the development of skills and expertise are key challenges for the future. Companies need to be attractive to employees, and issues such as sustainability can be key factors. In addition, the demands on employees' skills will tend to increase (e.g., for data, analytics and AI).

Professional software and a solid database enable greater efficiency and informed decisions in finance

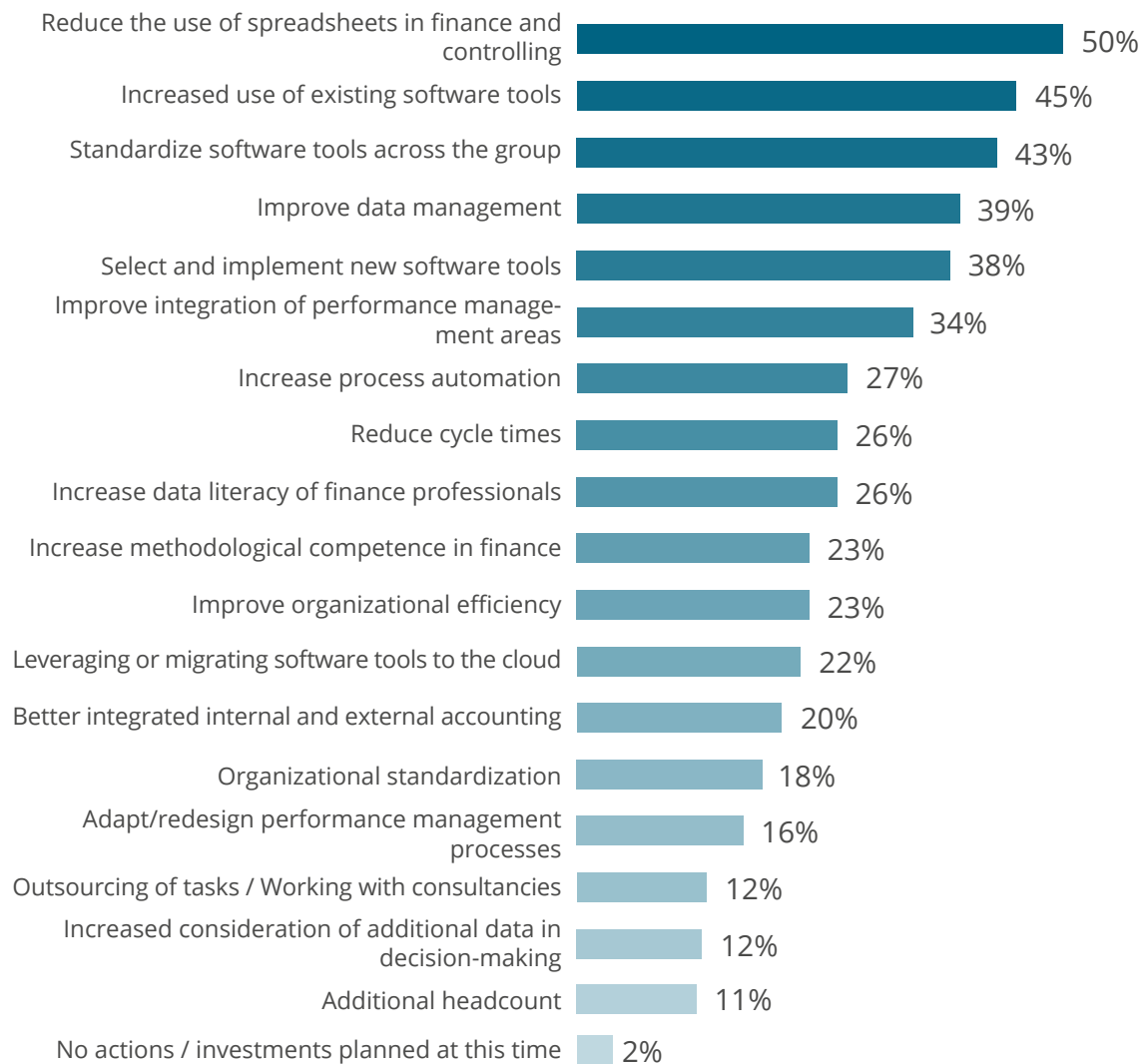


Figure 3: What specific actions and approaches are you taking or planning to take to improve your company's finance function?

(n=187)

Viewpoint



While many of the challenges discussed above are not primarily software or technology-related, the improvement efforts and approaches that companies are pursuing indicate that software is a key enabler for greater finance efficiency. For example, one in two companies wants to reduce the use of spreadsheets (e.g., Excel) in finance and controlling. At the same time, many are planning to increase and modernize the use of existing software tools, standardize the use of software across the enterprise, or select and implement new software tools. Many companies have recognized that solid support from software that meets their needs is a key success factor in the modernization and digitalization of the finance function.

However, software alone is useless if it is not accompanied by a consistent database. It makes sense, then, that improving data management is high on the agenda in many areas of finance, especially in midsize and large organizations. Consistent data is a key factor for making informed decisions, but also for focusing on new issues (e.g., AI, ESG reporting). BARC studies regularly show that consolidating data in a heterogeneous system landscape is a major challenge for many companies.

In addition to better software and technology support, further efficiency gains are seen in a stronger integration of performance management (e.g., planning with financial consolidation or reporting/analysis). This strategy is being pursued by larger companies and those that have already reached a higher level of software maturity.

Software investments for ESG, data management and management reporting are the short-term focus; risk management and planning are planned in the long term

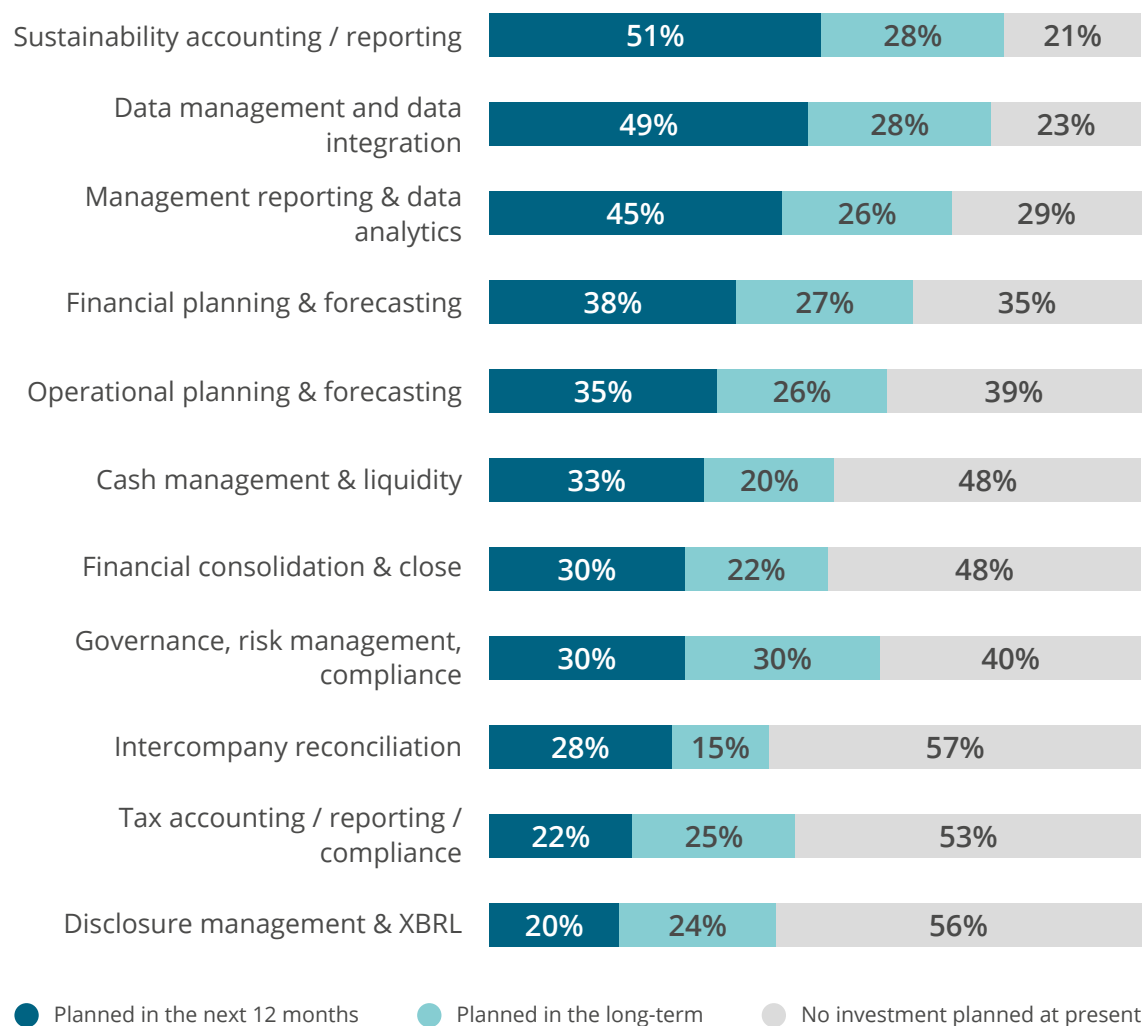


Figure 4: In terms of technology/software support, in which areas are you planning to invest? (n=179)

Viewpoint



The results show that many companies see better software support as a key to greater efficiency and automation in finance. Many SMEs in particular are planning to invest in the selection and implementation of new software tools.

In the short term, the focus will be on the issues that currently pose the greatest challenges to finance departments. These include meeting regulatory requirements for ESG reporting, data management and data integration from disparate source systems, and accelerating the delivery of data/information to decision-makers for management reporting.

Looking at companies' long-term investment plans, it is clear that the above topics are also high priorities for software investments, but there are also other topics such as governance/risk management/compliance, financial planning (P&L, balance sheet, cash flow) and operational planning. In addition to the central importance of planning and forecasting for better corporate management, risk management in particular will become massively more important for many companies in the future. This is not only due to new regulatory requirements, such as liquidity planning (e.g., the German Corporate Stabilization and Restructuring Act (StaRUG)), but also to the increasing consideration of uncertainty or the area of cyber security. Professional software must provide solid support for risk identification, risk assessment, risk analysis, risk simulation and action planning.

Recommendations



Recommendations



Solid, needs-based software support is essential for the efficiency of finance and controlling. However, software alone will not solve all problems or meet

all the major challenges of the future, such as rising costs, efficient use of resources, ensuring business performance, growth, digitalization of the finance

office, and meeting new regulatory requirements. The following recommendations for your organization can be derived from the results of our survey:

1

Actively drive the digitalization of your finance office

The continued digitalization of the Office of Finance offers many opportunities for companies, so CFOs should actively drive the use of modern software solutions and technologies, as well as invest in a solid database. The strategic use of analytics, AI, cloud and other technologies can bring significant benefits to your organization, enabling you to prioritize issues such as automation, efficiency and better decision-making. Implementing a centralized data strategy helps you break down silos and ensure consistent data flows. This provides the foundation for detailed analytical insights into current trends, risks and opportunities. AI, in particular, is the trend of our time that you need to get a handle on. Leverage AI to improve forecasting, identify risks and uncover new business opportunities. Start with small, clearly defined projects to evaluate the benefits of AI for your business.

2

Expand your capabilities and empower your teams

The role of the finance function and CFOs is changing and will become increasingly strategic to businesses and their competitiveness in the future. To fulfill this role with the necessary depth and breadth, it is critical to embrace change while strengthening core competencies and developing new skills. In particular, technology expertise, data expertise, analytics/AI expertise and regulatory compliance expertise are becoming critical competitive factors. Therefore, you should encourage the development of skills in these areas and promote the training of your employees to prepare them for future requirements. Leverage the collective intelligence of your organization by connecting departments and fostering knowledge sharing. Develop strategies to attract and retain specialists, especially those with forward-thinking technology, analytics, data and regulatory skills.

3

Finance excellence requires more than software and technology

Finance excellence requires much more than the right software or technology. While both are enablers for greater efficiency in finance and controlling, processes, methodology and organization play an equally important role in delivering greater effectiveness and value to the business. Therefore, technology support, processes, methodology and organization should be optimized equally and in a coordinated manner. Isolated measures often lead to short-term improvements, but not to more efficient processes in the long run. Software and technology alone do not solve problems, they are only the basis for better support of business processes and more automation. Many modern technologies, approaches and concepts offer the potential to take the excellence of your finance function to the next level. However, in addition to technological support, processes, methodology and organization must also play their part in the improvement.

Methodology



Demographics: Broad range of industries, company sizes and geographies



Information on the Survey

This global online survey was conducted from October to November 2024. It was promoted within the BARC panel, via websites and newsletter distribution lists.

A total of 194 people participated, representing a variety of roles, industries and sizes.

Due to rounding, percentage totals may not add up exactly to 100. The selection of the “don’t know” response option is not included in the sample size shown below each chart and is not shown in the charts.

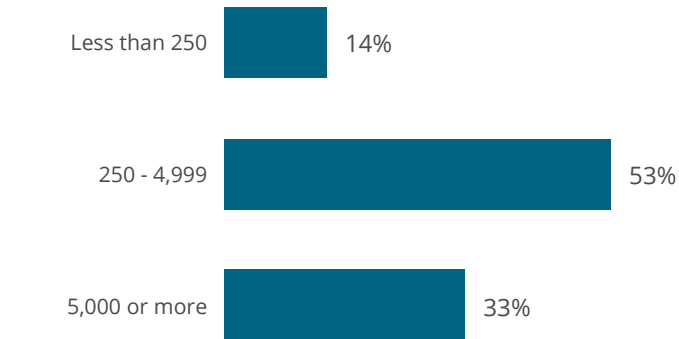


Figure 5: How many employees are there in your entire organization, including all of its branches, divisions and subsidiaries? (n=143)

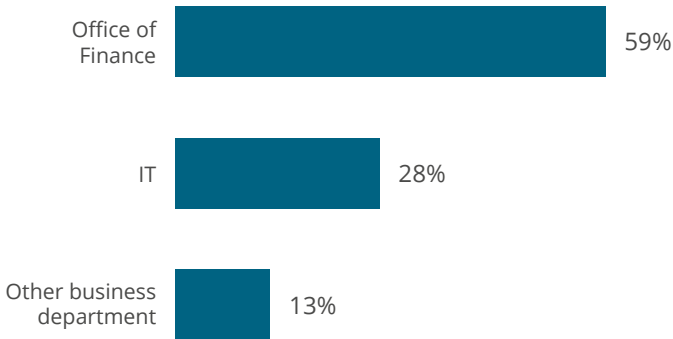


Figure 6: What position do you hold within the company? (n=194)

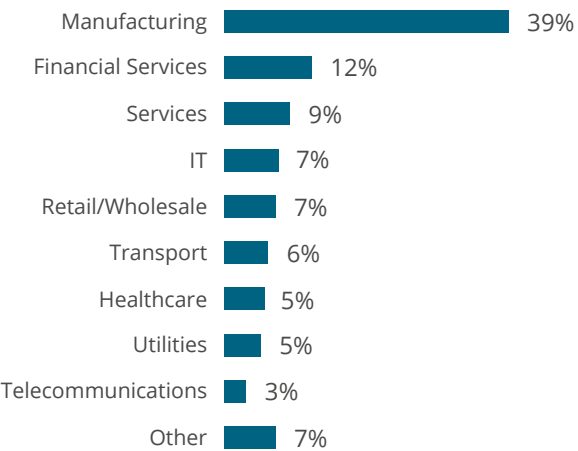


Figure 7: Which of the following best describes your organization’s industry sector? (n=194)

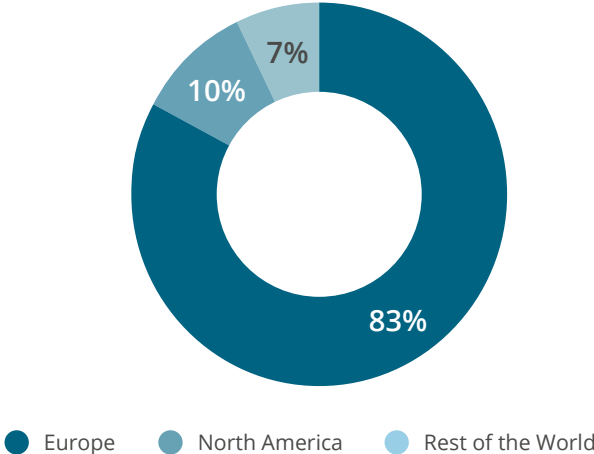


Figure 8: In which country are you located? (n=194)

BARC Company Profile



About BARC

Data Decisions. Built on BARC.

BARC is a leading analyst firm for data & analytics and enterprise software with a reputation for unbiased and trusted advice. Our expert analysts deliver a wide range of research, events and advisory services for the data & analytics community. Our innovative research evaluates software and vendors rigorously and highlights market trends, delivering insights that enable our customers to innovate with data, analytics and AI. BARC's 25 years of experience with data strategy & culture, data architecture, organization and software selection help clients transform into truly data-driven organizations.

Research

BARC user surveys, software tests and analyst assessments in blogs and research notes give you the confidence to make the right decisions. Our independent research gets to the heart of market developments, evaluates software and providers thoroughly and gives you valuable ideas on how to turn data, analytics and AI into added value and successfully transform your business.

Consulting

The BARC Advisory practice is entirely focused on translating your company's requirements into future-proof decisions. The holistic advice we provide will help you successfully implement your data & analytics strategy and

culture as well as your architecture and technology. Our goal is not to stay for the long haul. BARC's research and experience-founded expert input sets organizations on the road to the successful use of data & analytics, from strategy to optimized data-driven business processes.

Events

Leading minds and companies come together at our events. BARC conferences, seminars, roundtable meetups and online webinars provide more than 10,000 participants each year with information, inspiration and interactivity. By exchanging ideas with peers and learning about trends and market developments, you gain new impetus for your business.

Germany

BARC GmbH
Berliner Platz 7
D-97080 Würzburg

info@barc.de
+49 931 880 6510

Austria

BARC GmbH
Hirschstettner Straße 19 / 1 / IS314
A-1220 Wien

info@barc.at
+43 660 6366870

Switzerland

BARC Schweiz GmbH
Täferstraße 22a
CH-5405 Baden-Dättwil

info@barc.ch
+41 56 470 94 34

USA

BARC US
13463 Falls Drive
Broomfield, CO 80020

info@barc.com

www.barc.com

BARC



Sponsor Profile



About Lucanet

At Lucanet, we simplify complex financial operations with our all-in-one CFO Solution Platform, purpose-built for modern finance professionals. Our standardized software is ready to use, streamlining processes and reducing complexity. This enables financial teams to perform tasks quickly, accurately, and with ease – from data collection to strategic planning and reporting on both financial and non-financial figures. The platform automates routine tasks and provides compliance-ready data, effortlessly delivering valuable insights.

Our SaaS platform offers maximum transparency and efficiency, serving as your single source of truth for all financial data.

We provide a comprehensive suite of solutions, including:

- Consolidation and Financial Planning
- Extended Planning and Analysis
- ESG Reporting
- Disclosure Management
- Tax Compliance and Reporting
- Lease Accounting
- Banking and Cash Management

Our robust data integration model ensures seamless importing of financial data, supported by over 300 standard interfaces, including Excel and all major source-systems.

Headquartered in Berlin, Lucanet has a strong global presence with offices in Germany, Austria, Switzerland, the Netherlands, Belgium, Spain, France, Italy, the United Kingdom, China, Singapore, and the United States. This expansive reach allows us to offer regional expertise and proximity to customers, enhancing our ability to serve 5,500 companies worldwide. Supported by an international partner network and a dedicated team of over 800 + employees, we improve the performance and success of the CFO office. Trust Lucanet to empower you to make confident data-driven decisions, advance your company's growth, and maintain your competitive edge.

Lucanet AG
info@lucanet.com

www.lucanet.com



BARC

