stripe

CFO report

How automation and data consolidation will shape the future of finance teams

Introduction

How will finance teams operate in five years, given changing economic conditions, the rise of artificial intelligence, and the ongoing pressure to focus on profitability?

To answer that question, we worked with Milltown Partners to survey more than 1,700 CFOs and finance leaders around the world, representing a mix of enterprises, mid-market companies, and startups.
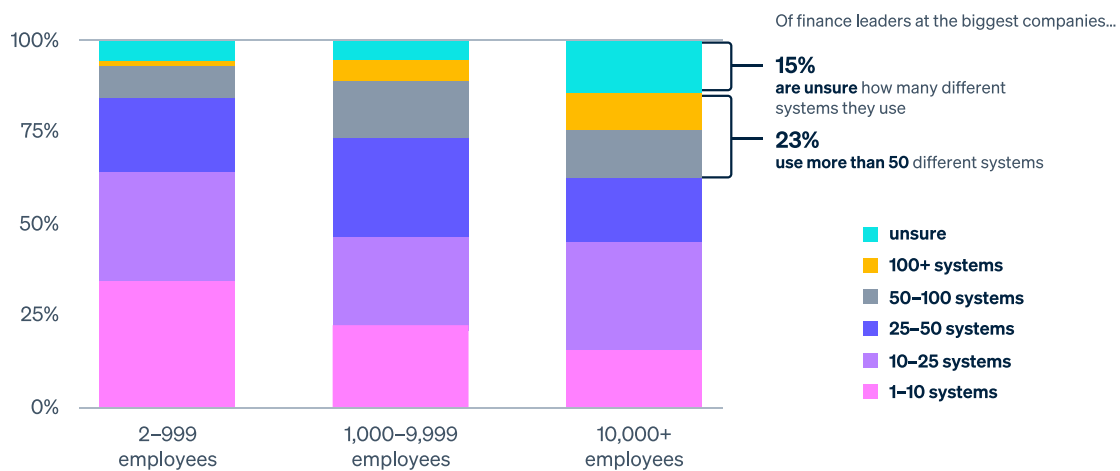
This report highlights three ways that today's finance leaders are preparing for the future of the finance function.

Finance teams will consolidate software providers to make better business decisions, faster

The 2010s were defined by the explosion of SaaS providers, letting companies automate essential business functions with dozens of different point solutions. While most companies require numerous systems to run their business, the CFOs we surveyed are struggling with the sheer number of systems they currently use.

For example, finance teams must use many systems to access important business metrics, with 63% of respondents saying they use more than 10 different systems to get a unified view of their company's financials. This problem is magnified in enterprise companies: 23% of finance leaders at the biggest companies we surveyed use more than 50 different tools, and 15% are unsure of how many they use—likely because there are too many to count.

The number of different systems businesses need to get a unified view of company financials

Of finance leaders at the biggest companies…

15%
are unsure how many different systems they use

23%
use more than 50 different systems

- unsure
- 100+ systems
- 50–100 systems
- 25–50 systems
- 10–25 systems
- 1–10 systems

The more point solutions businesses use, the more frequently they have to deal with data discrepancies. With essential data living in dozens of different tools, finance teams spend hours manually reconciling data across systems. In fact, almost half of survey respondents said their finance teams have to spend more than 10 hours each month addressing errors or discrepancies to reconcile their data. And 35% reported having to reopen their books or restate earnings at least once a quarter because of errors that were made after their quarterly close. These issues can add extra work for finance teams, slow down decision-making, and damage a business's credibility.

Finance teams spend hours manually reconciling data
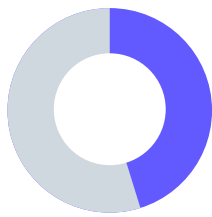
45%
spend more than 10 hours each month addressing data errors
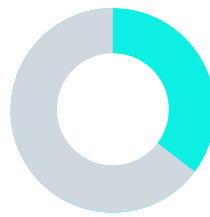
35%
have to reopen their books or restate earnings at least once a quarter

Centralizing data to improve efficiency

One of the ways finance leaders will mitigate these risks is by consolidating some of their software providers. In fact, 55% of finance leaders want to consolidate the number of software programs they use within the next one to two years. Almost half of them plan on doing so specifically to centralize data. For example, 48% of those looking to consolidate want to centralize data to pull more accurate data faster—the most selected option from a list alongside cutting costs (46%) and maximizing revenue (44%). This highlights how important data centralization can be in driving business growth and improving overall efficiency.

CFO insight

" The key to success for a modern finance team is to really be able to understand the business and partner with the business, challenge and support them, and empower them to drive growth and efficiency. And for that, you really need to understand the business at the deep, granular level.

So, if I think about the finance team today versus 10 years ago, data proficiency is something that's quite different."

– Horacio Diaz Adda, CFO at Step

**What this means for the future of your business:**

- Consider consolidating financial software to centralize data and reporting, minimize human error, and close your books faster. Stripe, for example, gives you the building blocks to combine payments, invoicing, tax, billing, and revenue recognition software into one integrated system without replacing your ERP or accounting software.

- Choose a modular platform that offers a variety of solutions customized to your business needs. For example, with Stripe, a SaaS company can use metered billing for its self-serve business and invoicing for its sold business (which tends to involve annual contracts). As it expands to new markets, it can experiment with a variety of payment methods to reduce costs and boost conversion rates.

- The key to using more advanced analytics tools, like AI, is to ensure that the underlying data is structured and unified—which is easier to do when everything is consolidated to a single system, rather than scattered across dozens of different sources that don't structure data in the same way.

Finance operations will become more automated than today's teams expect

While all jobs have elements of nonstrategic work, almost half of the finance leaders' teams we surveyed handle 75% or more of their back-office operations manually. This results in significantly fewer hours available for strategic projects that most impact the bottom line. CFOs say their teams spend only about 40% of their time on strategic work, and surprisingly, the majority say that the time spent on strategic work and backend operations is about where they think it should be.

Finance leaders say the time their teams spend on backend operations is about where they think it should be

Time spent on financial management

62% Actual
61% Expected

Time spent on strategic work

38% Actual
39% Expected
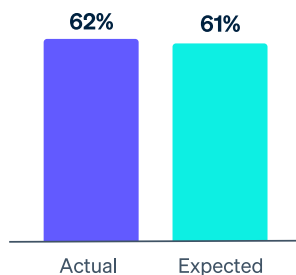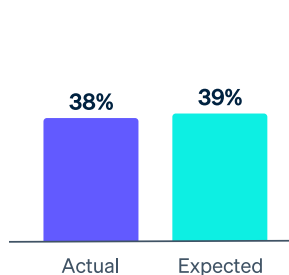
However, teams encounter many inefficiencies when they manually run their financial operations. When prompted to share exactly how long it would take them to pull together business insights using their current system, 63% believed their tools gave them access to real-time data, but 77% said getting insights would take over an hour. And a quarter said it would take longer than half a business day.

At the same time, finance leaders are eager to use technology to drive growth. Nearly 40% of respondents listed "digital technologies to automate financial operations" and another 40% listed "new technologies and innovations" as two of the top three initiatives they are most excited about in 2023.

Rethinking the status quo

This tension suggests that finance leaders see these inefficiencies as a normal cost of business and may be unaware of how much a modernized financial stack can free up their teams' time. Today's technology could already be driving efficiency for most teams, to say nothing of what's coming in the next few years. As automation matures and new tools emerge, we expect finance teams to dedicate the majority of their time to strategic work, with survey respondents prioritizing data analysis and strategic planning, building a stronger internal partnership between finance and business teams, and introducing new business models—all of which can have a significant impact on a business's bottom line.

Top priorities for finance teams if freed from manual tasks

19%	**15%**	**15%**	**14%**	**11%**
Data analysis	Strategic planning	Finance and business partnerships	Introducing new business models	Tracking performance

The remaining 26% of respondents selected from the following priorities: forecasting, scenario planning, modeling, and other

---

CFO insight

" "I think [AI] is a huge area of innovation, not just in finance but in all back-office functions… We're seeing the use of AI in customer-facing interactions with our clients [and in] compliance, where you have to file a bunch of regulatory documents. You can actually query all your policies and [have it] write the regulatory documents for you.

I think there's a lot of opportunity to actually standardize and not just drive efficiency, but actually increase quality because you can reduce errors if you can get [everything] standardized correctly the first time."

– Christa Davies, CFO at Aon and on the board of directors at Stripe

What this means for the future of your business:

- Evaluate your teams' operations to identify bottlenecks and areas where processes are highly manual, and explore the technologies that can effectively address these issues.

- Assess whether your teams feel supported and empowered by their ability to work quickly and have a substantial impact on the organization. Consider the influence you'd like your team to have within the organization. Would you prefer your finance teams be recognized as key strategic partners or simply focused on data processing? Ask questions such as, "Does your job involve less unnecessary work than it did a year ago?" and "Are you meaningfully slowed down by processes or software systems currently in place?"

- Understand how easy (or hard) it is for your business to innovate. For example, how long does it take your teams to test, iterate, and launch new pricing strategies? How quickly are you able to make a change to current pricing models?
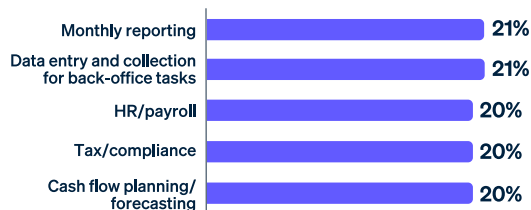
Human intervention will continue to play a major role in technology and automation

With artificial intelligence and large language models (LLMs) evolving at a rapid pace, businesses must figure out which tasks to delegate to AI completely and which should require human intervention and supervision. The division of labor between software systems and employees will vary across industries, but all businesses will have to figure out how technology can augment their work. Finance teams especially can benefit from automation to drive growth, considering the dozens of hours each month they dedicate to manual tasks.
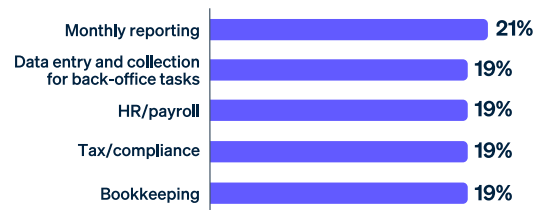
However, finance leaders still see human intervention and control as nearly as important as automation. For example, the CFOs we surveyed were most interested in streamlining monthly reporting, data entry, and bookkeeping. But, at the same time, when asked which financial operations they wanted to run manually, they selected the exact same processes.

CFOs are eager to automate certain financial functions, but also say they would prefer to run these operations manually

The financial operations that businesses would **most like to streamline**

Operation	%
Monthly reporting	21%
Data entry and collection for back-office tasks	21%
HR/payroll	20%
Tax/compliance	20%
Cash flow planning/forecasting	20%

The financial operations that businesses would **prefer to run manually**

Operation	%
Monthly reporting	21%
Data entry and collection for back-office tasks	19%
HR/payroll	19%
Tax/compliance	19%
Bookkeeping	19%

Maintaining control when using automation

In other words, the processes most in need of automation are the same ones finance teams say they prefer to run manually. This suggests that finance leaders envision their teams using automation to improve manual workflows but not completely eliminate human intervention. When asked what CFOs are looking for from their financial tools, they proactively brought up this same topic of control, with a CFO from France saying that they are looking for "better possibilities for customizing the software to get as close as possible to meet our real needs" and a CFO from Germany saying they want "something with better control: better scaling and better standards."

What this means for the future of your business:

- Experiment with automation by identifying the biggest source of manual effort for your teams. Start by automating a portion of this task—for example, if your teams spend the most time on manual accrual accounting to close books, then consider tools (like **Stripe Revenue Recognition**) that can streamline this process.

- Look for a technology solution that still allows for human input and control so you can ensure it meets the specific needs of your business. For example, during a preview of **Stripe's Sigma SQL and OpenAI integration** (the demo begins at minute 48:30 in the video), finance teams could use AI to generate a starting point for an SQL query within Sigma, but then a human could change, edit, or enhance the query.

How Stripe can help

Stripe is the financial infrastructure platform that helps finance leaders streamline back-office operations, increase revenue, and minimize cost and risk. Unlike managing numerous disparate systems, Stripe provides a modular payments and revenue platform that streamlines financial operations to improve your teams' efficiency.

With Stripe, you can:

- **Streamline reporting and accrual accounting** to reduce manual tasks and prevent costly errors. Our easy-to-use platform eliminates the need to train finance teams on multiple disparate systems, saving time and helping to retain talent.

- Use our integrated payments to **save time** by streamlining previously manual workflows, like payment reconciliation and invoice collections.

- Use insights from **real-time reporting** to get answers to all your Stripe-related questions when you need them. Reports can be scheduled and automatically generated on a daily, weekly, or monthly basis.
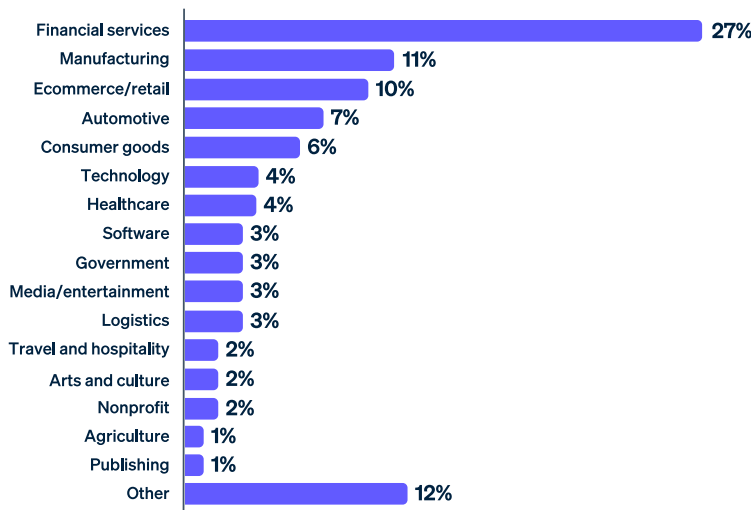
- Easily integrate into your existing ERP, **data warehouse**, and other financial reporting tools to provide real-time insights into the business to understand the who, what, and how of your customers' purchases.

- Modernize your back-office by migrating away from legacy systems and spreadsheets to improve the efficiency of your teams, reduce costs, and improve scalability by preventing disparate systems and fragmented data.

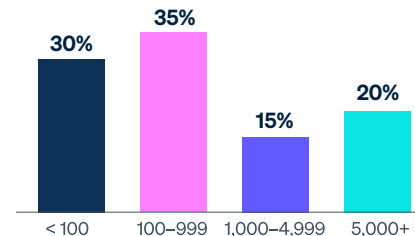> → To learn more about how Stripe can streamline your back-office operations, contact our **sales team**.

Methodology

We worked with Milltown Partners (in partnership with their data provider, Focaldata) to survey more than 1,700 decision-makers in executive or finance roles (e.g., CFO, chief accounting officer, controller, head of corporate and/or business finance, VS/SVP of finance) in 8 markets around the world (Australia, France, Germany, Japan, Mexico, Singapore, the UK, and the US) who estimate their businesses make at least 10% of their revenue from online sales.

Industry vertical

Industry	Percentage
Financial services	27%
Manufacturing	11%
Ecommerce/retail	10%
Automotive	7%
Consumer goods	6%
Technology	4%
Healthcare	4%
Software	3%
Government	3%
Media/entertainment	3%
Logistics	3%
Travel and hospitality	2%
Arts and culture	2%
Nonprofit	2%
Agriculture	1%
Publishing	1%
Other	12%

Number of employees

< 100	100–999	1,000–4,999	5,000+
30%	35%	15%	20%

Note: all percentages have been rounded up for simplicity