

A woman with long brown hair and glasses is sitting at a wooden desk in an office. She is looking down at a calculator on a stack of papers. The desk also has a keyboard, a mouse, and a colorful ball of string. In the background, there is a whiteboard with yellow sticky notes. The image is overlaid with a dark blue diagonal shape containing text.

2024 CFO Survey:

Challenges and Opportunities for Investor-Backed CFOs

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EXECUTIVE SUMMARY

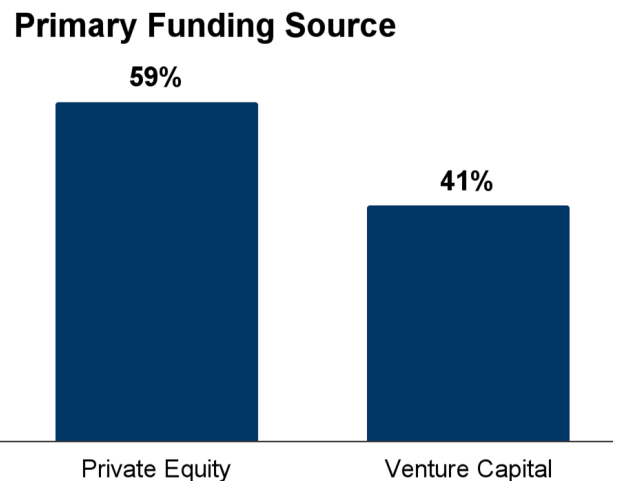
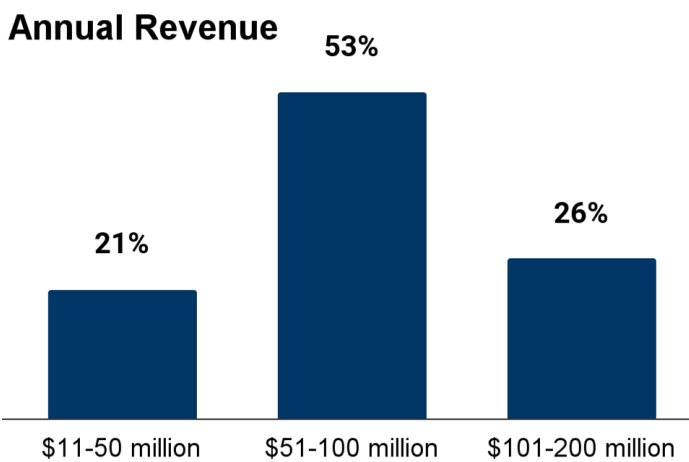
In collaboration with Cascade Insights, Consero Global conducted a survey in the spring of 2024 with 102 CFOs from companies backed by private equity and venture capital. All CFOs are based in North America and represent growth-stage companies with annual revenues ranging from \$10 million to \$200 million.

The survey participants come from a variety of sectors, including Software/Technology, Professional/Business Services, and Healthcare Technology/Services. 79% of survey respondents reported that they work with a third-party finance and accounting partner.

This whitepaper highlights the core benefits of such partnerships, particularly in addressing key challenges like establishing clear financial processes, managing post-M&A financial integrations, and achieving timely financial reporting. Our research identifies disparities in financial management between CFOs who utilize third-party partners and those who do not, with partnered CFOs reporting better audit and funding event preparedness, and more efficient financial processes.

Key findings from our survey of investor-backed CFOs include the widespread adoption of third-party finance and accounting partnerships, with 79% engaging with finance and accounting partners like Consero for critical support in areas such as M&A transactions, financial due diligence, and General Ledger management. These partnerships provide CFOs with notable benefits, such as improved financial reporting accuracy and significant time savings.

Participant Information





KEY FINDINGS

- 79% of investor-backed CFOs report working with a finance and accounting partner.
- CFOs who work with a partner feel more prepared to face their next audit and funding event than CFOs not working with a partner.
- The number one challenge all CFOs face is ensuring financial reporting is done in a timely manner.
- The biggest benefit CFOs receive from working with a finance and accounting partner is improved reporting accuracy and consistency.

Request a 20-minute introduction call with Consero to discuss these findings

The current market landscape is experiencing significant changes due to geopolitical tensions, evolving regulatory landscapes, and the growing emphasis on environmental, social, and governance (ESG) standards. These factors contribute to increased market volatility and elaborate financial reporting demands. To adapt, organizations are investing more in technological advancements, such as artificial intelligence, but are struggling to maximize returns on these investments.

External studies corroborate these challenges: **88% of CFOs** and business executives report difficulties in deriving value from technology investments, highlighting a gap in leveraging technological advancements for financial growth. In addition to facing technological hurdles, CFOs are confronting a shortage of financial professionals. A recent study by Avalara indicates that **84% of CFOs in the U.S. and U.K.** are experiencing this problem, with 81% having trouble finding accounting expertise and 49% struggling to recruit Financial Planning and Analysis (FP&A) staff.

In response to these challenges, CFOs are increasingly prioritizing streamlining their financial operations. They are focused on establishing solid financial processes, enhancing their finance systems through strategic investments and integrations, and ensuring their teams possess the necessary skills to achieve the financial objectives of their companies.

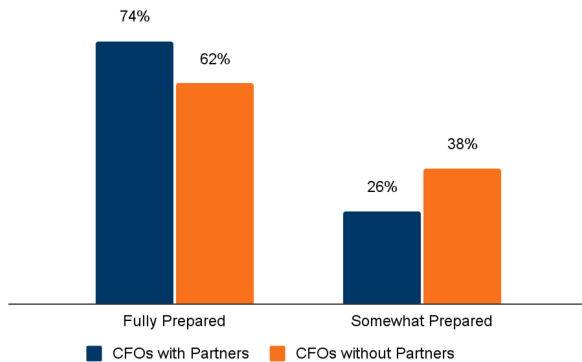
Partnering with specialized finance and accounting services emerges as a strategic response, equipping CFOs to navigate funding events and audits more effectively, streamline financial closing with AI tools, and mature their finance technology infrastructures.

The Partnership Impact: Enhancing Financial Preparedness and Agility

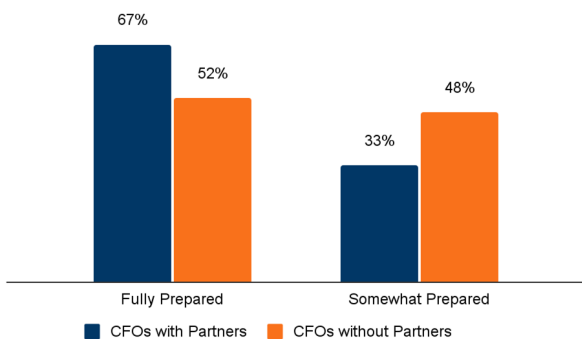
Our survey results highlight key differences in the experiences of investor-backed CFOs based on whether they leverage a finance and accounting partner, particularly for audit and funding event preparedness, and their financial process efficiency.

Specifically, 74% of CFOs with a finance and accounting partner feel fully ready for their next funding event, contrasting with 62% of those without a partner. Audit readiness shows a similar trend, where 67% of CFOs with a finance and accounting partner report feeling fully prepared, versus 52% of CFOs without a partner.

CFO Preparedness for Next Funding Event



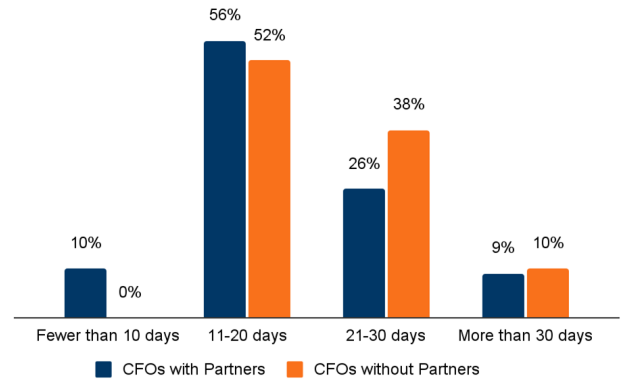
CFO Preparedness for Next Audit



These disparities highlight the advantage that a finance partner provides in preparing CFOs for critical financial milestones and events.

Financial close time frames further distinguish the two groups. Among CFOs working with a finance and accounting partner, only 35% reported taking 21 days or more to complete financial close, while 48% of non-partnered CFOs took at least 21 days to complete financial close. This suggests that finance and accounting partners can help CFOs significantly streamline and expedite the financial close process.

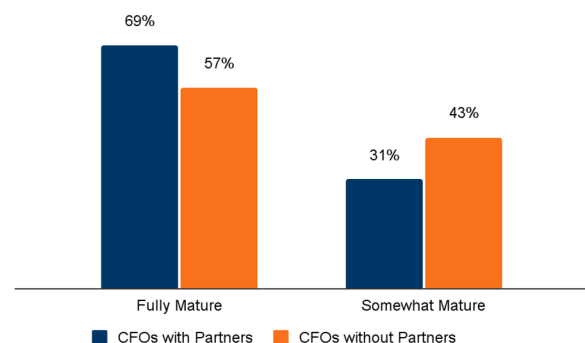
Time to Complete Financial Close



Furthermore, 69% of CFOs with finance and accounting partners consider their finance tech stack fully mature, compared to 57% of CFOs without such partnerships. This not only highlights the role of finance partners in advancing technological adoption and integration but also points to their critical support in overcoming gaps in financial reporting systems—the number one challenge for CFOs without a finance and accounting partner.

These findings highlight how finance and accounting partnerships bolster investor-backed CFOs' capability to navigate financial challenges, offering them a blend of preparedness, efficiency, and technological maturity that is essential for thriving in today's dynamic financial landscape.

Finance Tech Stack Maturity



The CFO's Battleground: Tackling Financial Complexities at Investor-Backed Firms

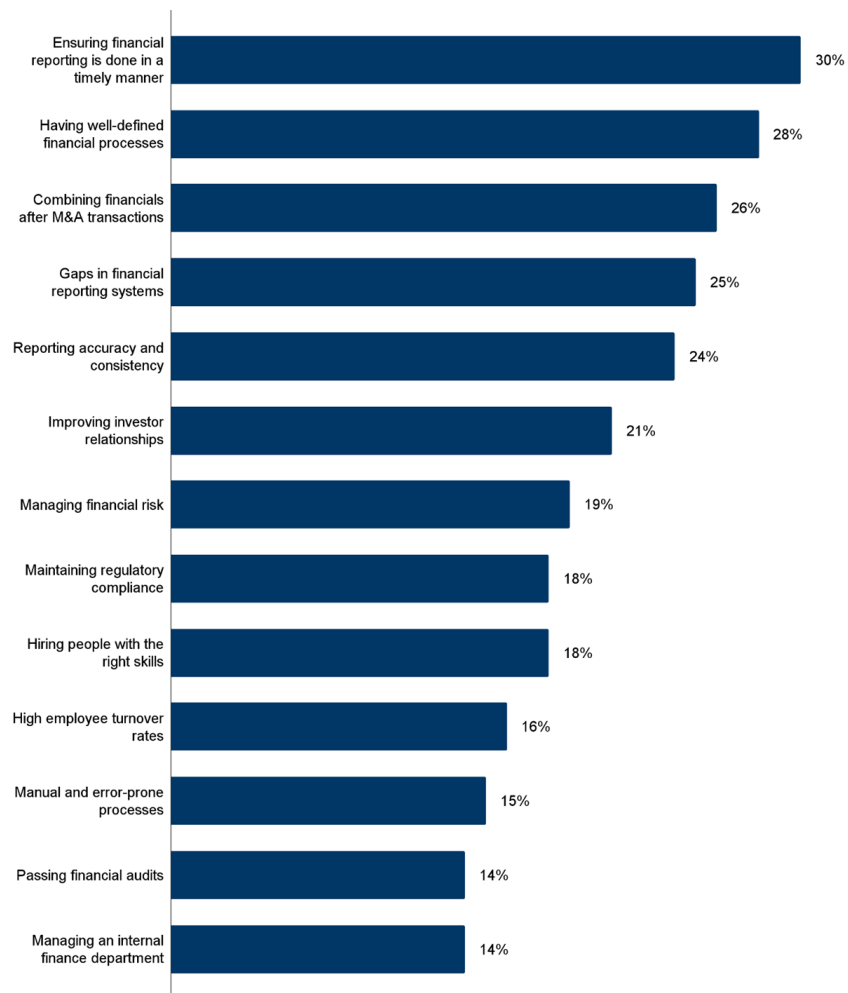
The number one financial challenge investor-backed CFOs face is ensuring financial reporting is done on time. This challenge is closely followed by difficulties in establishing well-defined financial processes and combining financials after M&A transactions.

This outlook changes for CFOs without the support of a finance and accounting partner. Their primary challenges revolve around gaps in financial and reporting systems and the struggle to recruit and retain adequately skilled staff.

CFOs themselves highlight the impact of these challenges on their roles:

- *“The inability to improve data accuracy and completeness affects internal audits.”* VC-Backed CFO | Professional Services
- *“In the financial merger after M&As, I need to coordinate the integration of different systems and processes to ensure the accuracy and consistency of financial data.”* PE-Backed CFO | Technology
- *“In a fast-paced market environment, it is essential to optimize workflow and improve teamwork to ensure proper financial performance.”* PE-Backed CFO | Healthcare Services
- *“In order to cope with the rate of high employee turnover, I strive to create a better working environment and enhance the cohesion of the team, which makes me more effectively manage the financial department.”* PE-Backed CFO | Technology

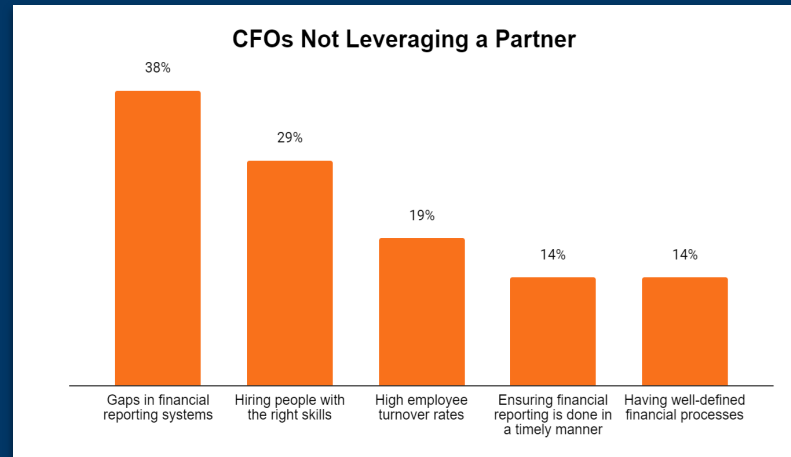
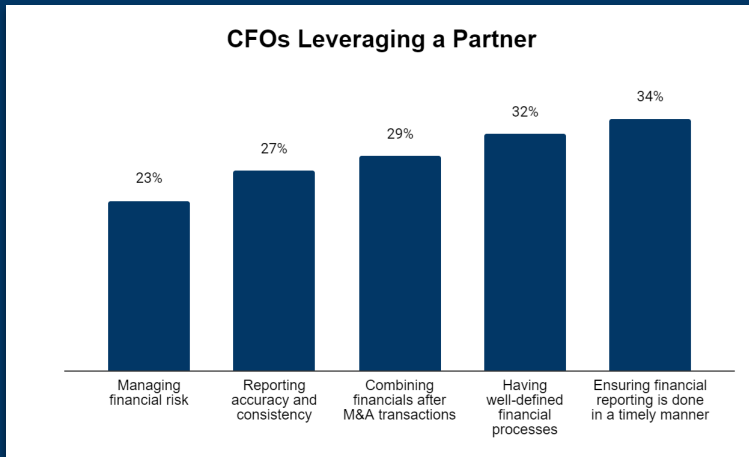
Financial Challenges CFOs Face



These firsthand accounts underscore the large number of obstacles CFOs face, from technical accounting gaps and outdated systems to high staff turnover and slow financial close processes.

Finance and accounting partners play a pivotal role in addressing these challenges by supplying the necessary talent pool, thus providing CFOs with the skills necessary to achieve financial objectives. Such partnerships alleviate the need for CFOs to heavily invest time and resources into developing in-house finance systems by offering a comprehensive, integrated suite of finance solutions customized to specific business needs. These partnerships further enable the automation of financial workflows, reducing manual errors and freeing up valuable time.

Top 5 Financial Challenges CFOs Experience



Finance and Accounting Partners: Solutions for Common CFO Challenges

79% percent of CFO respondents report working with a finance and accounting partner, with 97% having undergone a financial transaction in the past year. Third-party data confirms this trend. Deloitte’s Global Outsourcing Survey (2022) found that 51% of executives outsource their finance functions. It also found that **“50% of executives identify talent acquisition as a top internal challenge in meeting their organizations’ strategic priorities.”**

The report goes on to explain that the desire to outsource certain business functions isn’t just about cutting costs anymore. Though cost reduction remains a key benefit of working with a service partner, executives now look to outsourcing as a way to gain access to expertise and new capabilities, keep up with technology trends, and maintain regulatory compliance. Working with a finance and accounting partner can help CFOs achieve each of these goals, along with providing a more cost-effective finance solution.



For companies navigating mergers and acquisitions (M&As), looking to streamline costs through workforce reductions, facing high employee turnover, or struggling to attract the right financial talent, leveraging a finance and accounting partner emerges as a strategic alternative to expanding an internal finance department.

These partners offer a wide range of services. According to our survey, the most frequently utilized services from finance and accounting partners include:

1. Support for mergers and acquisitions transactions (53%),
2. Financial due diligence (51%),
3. General ledger cleanup (46%),
4. Cash management (43%), and
5. Operational and management reporting (43%).

However, the landscape of finance partners varies, with some focusing on specific investor types, others emphasizing technology and digital transformation, and yet others concentrating on CFO advisory services and staff augmentation support.

Finance-as-a-Service (FaaS) represents a more holistic approach, integrating the essential components required for a robust finance and accounting function: skilled finance experts, comprehensive finance systems and technology, and streamlined processes. FaaS extends beyond basic transactional bookkeeping to offer a full suite of services. This includes CFO support and advisory services, technical accounting and general ledger clean-up, financial planning & analysis, and staff augmentation.

The table belows shows a more comprehensive breakdown of the individual services that fall into each of these categories:

Financial Advisory Services

CFO Advisory Services	Funding readiness and support, debt financing, treasury support, cash management, strategic planning, operational & management reporting, transaction support for mergers and acquisitions, board reporting and representation
Financial Planning & Analysis and KPI Reporting	Annual budget and rolling forecast, 3 statement model (balance sheet, P&L, cash flow), key accounting and finance KPIs, variance analysis (budget v actual and forecast v actual), weekly cash forecasting, define reporting packages suited to specific industries, bank covenant or debt reporting, investor and board reporting
Technical Accounting & Clean-Up	Cash-to-accrual conversion, general ledger cleanup for audit readiness and due diligence, revenue recognition and required restatements, purchase price accounting, adoption of new accounting standards and financial restatements, equity clean up and maintenance, including cap table management, creating balance sheet schedules and reconciliations, three-way reconciliations (operating system to merchant to bank)

Benefits of Working with a Finance and Accounting Partner

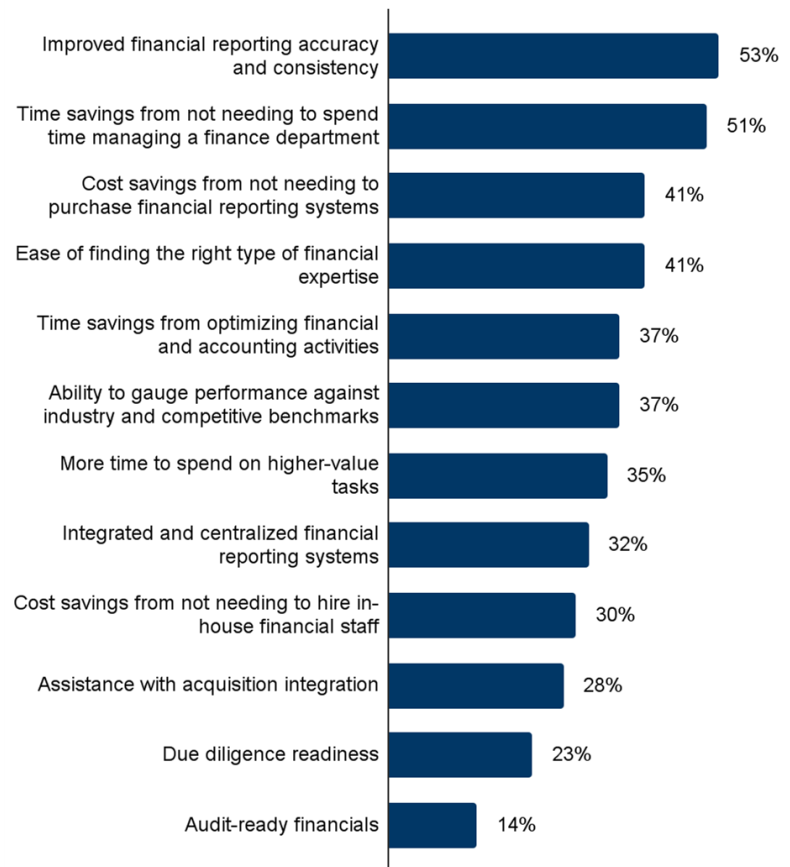
Among CFOs who report working with a finance and accounting partner, the number one benefit they receive from this partnership is improved financial reporting accuracy and consistency. This benefit is particularly relevant given their top two challenges of timely financial reporting and establishing well-defined financial processes. Additionally, CFOs have benefitted from reductions in both time and costs, due to the efficiencies gained from outsourcing finance department management and finance system procurement.

Here are the top five benefits CFOs receive from working with a finance and accounting partner:

1. Improved financial reporting accuracy and consistency (53%)
2. Time savings from not needing to spend time managing a finance department (51%)
3. Ease of finding the right type of financial expertise (41%)
4. Cost savings from not needing to purchase financial reporting systems (41%)
5. Ability to gauge performance against industry and competitive benchmarks (38%)

These benefits touch on common pain points faced by CFOs, offering solutions to challenges such as the timely and accurate execution of financial reporting and the management of financial processes. They also address the issue of integrating and updating financial systems—a notable concern among CFOs without finance and accounting partners.

Benefits of Working with a Finance Partner



Notably, hiring the right people and high employee turnover rates were not top challenges for all CFOs. However, looking at the two groups of CFOs, it's clear that these challenges were more pressing for CFOs not working with a finance and accounting partner than those who were.

Partners Alleviate Talent Challenges

	Working with a Partner	Not Working with a Partner
CFOs with hiring challenges	15%	29%
CFOs with turnover challenges	15%	19%

The Role of AI and Gen AI in Financial Reporting and Management

The integration of Artificial Intelligence (AI) within the finance function represents a significant shift, with many companies now adopting AI technologies to enhance their financial operations. CFOs, traditionally seen as gatekeepers to new technology, are increasingly viewing AI as a way to transform their department's capabilities and tackle issues like financial reporting accuracy, process efficiency, and strategic decision-making.

Newer AI tools like generative AI (genAI) can also help CFOs address their talent retention challenges. GenAI can boost employee satisfaction and productivity by giving them access to document summarization and creation, facilitating [knowledge management](#), and closing the skills gap between more junior and senior employees.

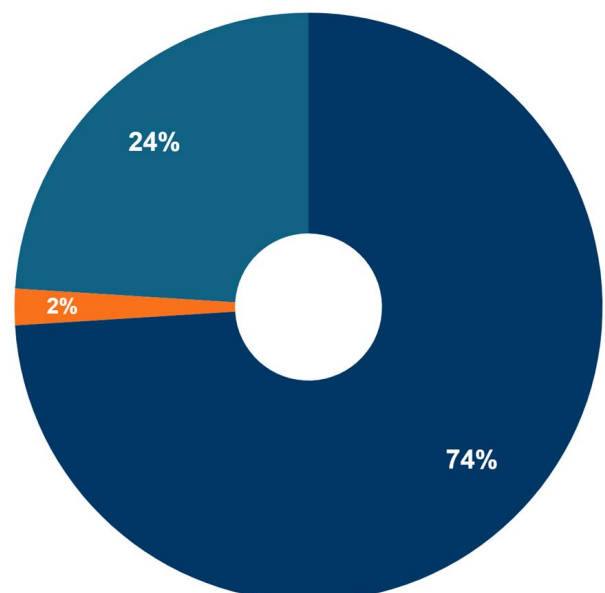
McKinsey conceptualizes generative AI as the '[third wave of digitization](#)', and predicts that most finance functions in large enterprises will be strategically using tools like genAI within the next three to five years. McKinsey's "GenAI: A Guide for CFOs" article outlines three core applications for generative AI and other AI tools within finance:

- **Automation:** Streamlining routine, repetitive tasks that add little value
- **Augmentation:** Enhancing individual productivity
- **Acceleration:** Speeding up financial reporting through improved data analytics and predictive modeling

A survey by Gartner in May 2023 involving 133 finance leaders revealed that approximately ["68% of finance organizations"](#) are currently utilizing AI or planning to do so." The survey results emphasize the critical role CFOs will likely play in driving the acceptance and integration of AI tools within their teams and broader organizational contexts.

Our own survey of investor-backed CFOs has similar findings, showing that 74% are already employing AI tools in financial reporting, with an additional 24% planning to implement such tools within the next two years. Only a small fraction, about 2%, indicated no usage or plans to adopt AI in their financial operations.

- Currently using AI tools for reporting
- Not using AI and no plans to implement it
- Not using AI but plan to implement it within 2 years



CFOs are not only adopting AI but are also thoughtfully considering its implications. They envision AI as a catalyst for devising new business models, enhancing efficiencies, minimizing manual errors, and facilitating advanced financial analysis and forecasting. The potential benefits of AI are viewed comprehensively, encompassing innovation, process streamlining, productivity gains, and the automation of mundane tasks, all of which contribute to improved operational efficiency, accuracy, and strategic planning capabilities.

Nonetheless, CFOs approach AI adoption with a measure of caution, mindful of the challenges in ensuring data security, adhering to privacy standards, mitigating the risks of technological dependency, managing potential job displacement concerns, and aligning AI-driven decisions with business strategies in a complex regulatory landscape. This balanced perspective captures the transformative but cautious approach CFOs are taking toward integrating AI into financial management practices.

Embracing AI and Partnerships in Finance Leadership

Investor-backed CFOs face myriad challenges, both external and internal. Specifically, our survey found that CFOs are struggling the most with timely financial reporting, establishing well-defined financial processes, and integrating and combining financials after mergers and acquisitions.

CFOs who do not work with a finance and accounting partner tend to face additional obstacles, such as gaps in financial reporting systems, challenges in recruiting skilled personnel, and dealing with high turnover rates.

Working with finance and accounting partners offers substantial benefits that address these issues, such as enhancing the accuracy and consistency of financial reporting, saving time by reducing the need to oversee finance departments directly, and facilitating access to the necessary financial expertise and staff.

Another critical trend is the integration of AI within the finance function. CFOs recognize its potential to automate tasks, improve analytics, and support strategic decision-making. Despite the enthusiasm for AI, CFOs are cautious when implementing AI tools, and are mindful of data security and privacy risks that AI introduces.

To support investor-backed CFOs, Consero provides a versatile Finance-as-a-Service (FaaS) solution, giving CFOs tailored finance and accounting services to suit specific business requirements. Our goal is to deliver an optimal combination of strategic expertise and technology, aligning with your business objectives and easing the financial challenges investor-backed CFOs face today.

ABOUT CONSERO

Founded in 2006, Consero innovates the way businesses build and maintain their finance and accounting function. Through a cloud-based platform, Consero delivers the financial clarity and efficiency needed to drive a business forward. Strategic executives are adopting Consero's cutting-edge Finance as a Service model to free up time and understand how the business is performing. Consero also has an Advisory Services practice that provides CFO Advisory Services, FP&A and Reporting, and Account Stabilization/Technical Accounting and Clean-Up Projects. Consero recently announced Flex Finance, a solution offering for clients wishing to maintain their own technology systems while utilizing Consero's delivery expertise. Consero also offers Flex Resources, a solution for leveraging Consero skilled talent to increase your agility and respond to the changing needs of the business.

Our offerings can include:

- Strategic CFO Advisory Services and support
- Financial Planning & Analysis (FP&A) and Reporting
- Account Stabilization/Technical Accounting & Clean-Up
- Transactional Bookkeeping
- Controller-Level Compliance and Reporting
- Finance System Management
- Fully integrated software platform called SIMPL® with role-based controls and self-service tools
- Fully Managed Outsourced Finance-as-a-Service (FaaS)

[Contact us](#) to learn more about these solutions.



**Request a 20-minute
introduction call with Consero**

ABOUT CASCADE INSIGHTS

With more than 15 years of experience in the B2B technology sector, Cascade Insights empowers companies to seize opportunities with market research and marketing services. Our analysts and marketers work together to help our clients Act with Clarity™ in an industry defined by change and the pursuit of innovation. Learn more about us [here](#).