



U.S. Bank CFO Insights Report: Finance Leaders Shift to Defense Mode

October 02, 2023

- *Cost control the top priority*
- *Revenue growth deprioritized since 2021*
- *Finance leaders, especially those in California, still see inflation as a top risk*

MINNEAPOLIS--(BUSINESS WIRE)--Oct. 2, 2023-- U.S. corporate finance leaders have firmly pivoted their focus from revenue growth to cost control as they navigate through an uncertain economic environment and rapidly changing business landscape, according to the [2023 U.S. Bank CFO Insights Report](#).

The survey of more than 1,400 senior finance professionals nationwide revealed that the top two priorities are cost controls within the finance function – up from the eighth highest priority in 2021 – and cost controls across the entire business, a shift from 2022. Meanwhile, driving revenue growth has been deprioritized compared to 2021 when it was a top priority for finance leaders.

“CFOs have positioned themselves decisively in defense mode. With the end of the low-cost capital era and inflation still uncomfortably high in some parts of the economy, finance leaders are taking control by driving efficiencies in their organizations,” said Stephen Philipson, head of Global Markets and Specialized Finance at U.S. Bank.

“As we work with CFO clients on how to position their balance sheets for a potentially more challenging economic environment, the focus is on prudent capital-allocation decisions. We talk about how to weigh cost-control efforts against focused investments that could drive future growth. As our survey results show, this balance is challenging CFOs,” Philipson added.

KEY SURVEY FINDINGS:

Top risks

- Rising interest rates, while still not a top risk, jumped from the least concerning risk last year to middle of the pack this year (23%). Similarly, regulatory changes (25%) moved up in the risk rankings this year.
- Finance leaders ranked talent shortage (43%), pace of technology change/digital disruption (40%) and high inflation (38%) as the top risks facing their businesses. California finance leaders said high inflation is their top business risk, much higher than finance leaders across the country.
- Only 33% of finance leaders are more than somewhat confident in their company’s ability to manage inflation risks; Only 6% are highly confident.

Cuts vs. growth

- Cost cutting and driving efficiencies within the finance function is the top priority (38%), compared with 30% in 2022 and a mere 23% in 2021; cost cutting and driving efficiencies across the business is the second highest priority (33%).
- Driving revenue growth was the fifth-highest priority (23%), up slightly from 2022 but down from the second-highest priority (35%) in 2021.
- 56% of finance leaders currently struggle to balance cost cutting and building resiliency with investment in future growth, up from 46% in 2021.

Areas for efficiencies

- Despite the increasing need to control costs, CFOs are not turning to layoffs, as the competition for talent remains tight. Only 19% plan to reduce headcount, compared with 40% in 2021.
- Instead, CFOs ranked investing in technology in order to cut costs first, followed by restructuring their workforce and outsourcing business functions and processes. Data analytics (53%), artificial intelligence (52%) and cloud computing (48%) are the top priorities for technology investments.
- Within the healthcare sector, about six in 10 believe AI could completely redefine how the finance function is operated. In other sectors, it was only about half of finance leaders.

Increased appetite for digital payments

- 68% of respondents intend to use instant payments (RTP® Network, FedNow Service) two years from now. The survey found that 42% currently use real-time payments, up from 38% in 2022.
- Respondents from consumer and retail (56%) and hospitality and leisure (54%) were more likely to say they used instant payments today than industries such as oil and gas (34%) and aerospace and defense (30%).
- Improved working capital (46%) resulting from faster payments processing, and improved customer and supplier experiences (43%) are the two primary drivers for adoption of instant payments.

View the full [2023 CFO Insights Report](#).

About the research

The results of this research are based on a survey conducted by FT Longitude on behalf of U.S. Bank. The 1,420 senior finance leaders surveyed work at U.S. businesses across multiple sectors. Half of the survey participants are group, regional or divisional CFOs. The remainder are senior managers within the finance function. Every surveyed finance leader works for a business that generates at least \$100 million in annual revenue, and 39% for a business that generates more than \$1 billion.

About U.S. Bank

U.S. Bancorp, with approximately 77,000 employees and \$681 billion in assets as of June 30, 2023, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. Union Bank, consisting primarily of retail banking branches on the West Coast, joined U.S. Bancorp in 2022. U.S. Bancorp has been recognized for its approach to digital innovation, social responsibility, and customer service, including being named one of the 2023 World's Most Ethical Companies and Fortune's most admired superregional bank. Learn more at usb.com/about.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20231002727233/en/): <https://www.businesswire.com/news/home/20231002727233/en/>

Todd Deutsch, U.S. Bank Public Affairs and Communications
todd.deutsch@usb.com | 612.303.4148

Source: U.S. Bancorp