CFO Signals™ 1Q 2022 highlights

In this survey, CFOs indicated dimmer views across several areas compared to 4Q21, including the economic outlook for the North American and European economies, growth expectations for earnings and capital spending, and their optimism for own companies.

Regional economic assessments

CFOs' assessments of both North America's and Europe's current and future economic conditions declined from 4Q21. Compared to 4Q21, their views of China's current economy were largely unchanged, but their 12-month outlook for the economy improved slightly.

Company expectations

CFOs indicated a notable increase in their year-over-year growth expectations for revenue and a slight uptick in growth expectations for dividends, compared to 4Q21. Meanwhile, they lowered their growth expectations for earnings, capital spending, and domestic hiring, and wages/salaries.

Own-company optimism

Less than half (38%) of CFOs expressed more optimism for their companies' financial prospects, compared to the three months prior to participating in the survey.

External risk concerns

This quarter, CFOs put inflation, geopolitical instability, and policies and regulation at the top of their external risks.

Fielded February 7-25, 2022, the survey had 97 CFO participants from the US, Canada, and Mexico, the vast majority from companies with more than $1 billion in annual revenue.
CFO Signals™ 1Q 2022: Special topic

Our special section this quarter asked CFOs several questions related to managing the information technology (IT) function. Following are some key results. Please see the report for more details, including metrics organizations are using to measure the IT function and CFOs' wish list for improving it.

### Reporting relationships
Does your company's primary IT leader (CTO, CIO, etc.) report to the CFO? (N=97, 100% of respondents)

- Yes, directly: 28%
- Yes, indirectly: 7%
- No: 65%

### CFO satisfaction with IT services
What is your overall satisfaction with the IT services in your company? (N=97, 100% of respondents)

- Very satisfied: 5%
- Satisfied: 29%
- Somewhat satisfied: 34%
- Neutral: 6%
- Somewhat dissatisfied: 16%
- Dissatisfied: 8%
- Very dissatisfied: 1%

### Challenges to realizing value
What are the top three challenges to realizing value from your IT function? (N=63 (65%) of respondents)

- Change IT leadership: 10
- Improve governance: 7
- Increase investment: 7
- Increase talent: 6
- Leverage ecosystem: 6
- Increase Agile development: 6
- Restructure IT operating model: 5
- Core modernization: 4
- Innovation v. improvement: 3

### IT spend across activities
How is your information technology spend split across the following activities? (N=81)*

- Maintaining day-to-day business operations: 52%
- Enhancing existing capabilities and operations: 26%
- Creating new capabilities for your business: 22%

### Actions taken to enhance IT's value
What actions has your organization taken to enhance the value derived from the IT function and technology spend? (N=57, 58.8% of respondents)

- Change IT leadership: 40
- Improve governance: 22
- Increase investment: 21
- Increase talent: 19
- Leverage ecosystem: 16
- Increase Agile development: 15
- Restructure IT operating model: 13
- Core modernization: 11
- Innovation v. improvement: 11
- Change mgmt.: 8

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