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CFO Signals™

What North America's top finance executives are thinking—and doing
3rd quarter 2023

MAKING AN IMPACT THAT MATTERS since 1845

Dear CFOs,

Our third-quarter 2023 North American *CFO Signals* survey reveals a fair degree of positive momentum—in CFOs' assessments of North America's economy, their level of optimism for their own companies' financial prospects, and their expectations for year-over-year growth.

Survey results also indicate interest in the potential uses and benefits of Generative Artificial Intelligence (GenAI), some experimentation with the technology, and at the same time, some concerns and barriers to adopting and deploying it. Foremost among CFOs' concerns about GenAI are its impact on risk and internal controls, and data infrastructure and technology needs, as well as investment requirements.

Key takeaways from this quarter's *CFO Signals* survey

1. **Upbeat, but cautious.** For the North American economy CFOs are more positive than they have been since 1Q22, with net optimism for their own companies' financial prospects climbing to +22 from +6 last quarter. Still, geopolitics—CFOs' most-often cited external risk—cast a shadow.
2. **Expected growth in performance and hiring.** CFOs raised their year-over-year growth expectations for revenue, earnings, and domestic hiring from last quarter, and lowered them for dividends, capital investment, and domestic wages/salaries.
3. **A spike in CFOs considering U.S. equities overvalued.** More than half of CFOs (56%) say U.S. equities are overvalued, up from 39% last quarter. The majority of CFOs consider debt and equity financing unattractive and say now is not a good time to be taking greater risks.
4. **Experimenting with GenAI on a budget.** Forty-two percent of CFOs say their companies are experimenting with GenAI, and 15% are building it into their strategy. Roughly two-thirds of surveyed CFOs say less than 1% of next year's budget will be spent on GenAI, and about one-third of CFOs project 1% to 5%.
5. **Talent holds the key.** For 63% of CFOs the greatest barriers to adopting and deploying GenAI are talent resources and capabilities. Talent also appears at the top of CFOs' internal risks, specifically availability and capabilities, morale, disengagement, and leadership, just ahead of execution risks.

Our Perspective

For many CFOs, the economy has resembled a labyrinth in recent years. But they don't have the luxury of letting the twists and turns of economic indicators—a relatively strong labor market, moderating inflation, and uncertainty about the future trajectory of interest rates—block them from seeing, and acting on, the environment in which their companies operate.

Surveyed CFOs' rising expectations for the North American economy and increasing optimism regarding their own-company prospects—as well as their improved outlook since last quarter for earnings and revenues—don't simply reflect a need to focus on the bright side. Rather, many CFOs may be that much more aware of the need to find new pathways in a tangled economy. Lower growth expectations for capital investment and domestic wages/salaries may be linked to interest-rate hikes and a potential uptick in the unemployment rate. In any case, cost and cash management (as well as avoiding big risks) could be prudent amid uncertainty, as exemplified by, for example, the number of surveyed CFOs who view equity markets as overvalued.

Resources tend to shift with priorities. Perhaps changing priorities underlie why 42% of surveyed CFOs say their organizations are experimenting with GenAI. It could be that CFOs and their organizations see the potential of GenAI to reduce costs, improve customer/client experience, and increase productivity, all benefits they expect to derive from GenAI. But what scale of investment will they need to make? Do they have the necessary data, technology, and talent to implement GenAI? The survey results suggest no—not yet anyway. But for now, CFOs appear to be curious about the upsides and downsides of GenAI, and what opportunities, as well as challenges, the technology might bring.

We'll discuss what some of those upsides are and what we are seeing on the GenAI front during our CFO 4Sight webcast on October 19. We also will hear from a guest CFO and dive deeper into the survey results. Details will follow soon. I thank you for taking time to share your views in our 3Q 2023 *CFO Signals* survey, especially during your summer break.

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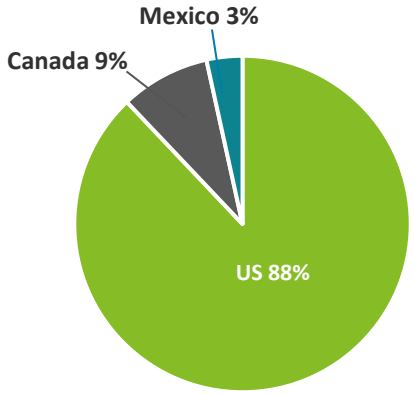
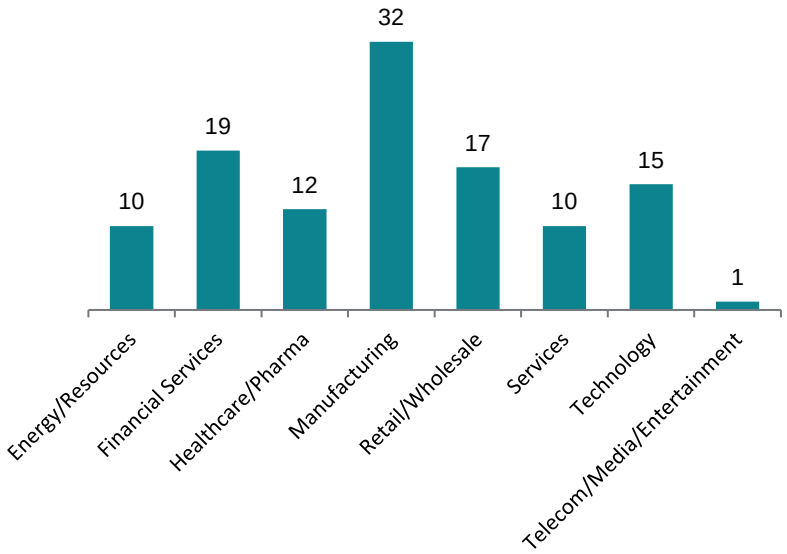
Participation: A total of 116 CFOs participated: 72% from public companies and 28% from privately held firms. About one-third (32%) of the CFO participants have more than 10 years' experience, with another 30% having 5 to 10 years' experience, while the remainder have fewer than five years' experience. Respondents are from the U.S., Canada, and Mexico, and the vast majority are from companies with more than $1 billion in annual revenue. The 3Q23 North American *CFO Signals* survey was conducted from July 31 – August 20, 2023. For other information about the survey, please contact nacfosurvey@deloitte.com.

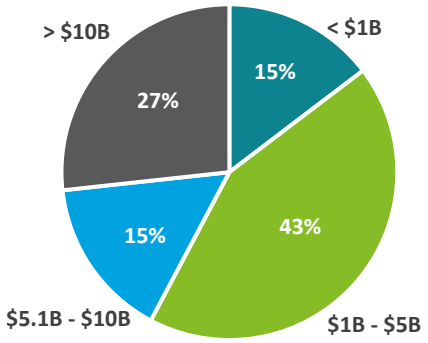
By country



By industry



By company size



3Q23 LONGITUDINAL BUSINESS OUTLOOK HIGHLIGHTS

CFOs raised their assessments of current and future economic conditions by a healthy margin in North America this quarter, compared to 2Q23. They also gave better marks to current and future economic conditions in Europe. Their assessments of China's economy fell, regarding both current conditions and the 12-month outlook. CFOs' net optimism for their own companies' financial prospects improved significantly, jumping to +22 this quarter from +6 in 2Q23.

Economic assessment by region

North America: Fifty-seven percent of CFOs rate current economic conditions as good or very good, up from 34% in 2Q23. Forty-six percent of CFOs also expect conditions to improve in a year, up from 34% in the prior quarter.

Europe: Eleven percent of CFOs view current economic conditions as good or very good, up slightly from 8% in 2Q23. Twenty-nine percent expect improvement 12 months out, nearly double the 15% of CFOs who expressed that sentiment in 2Q23.

China: Eight percent of CFOs consider current economic conditions as good, down from the 17% of CFOs who held that view in 2Q23. Twenty percent of CFOs expect better conditions in a year, a decrease from 30% in 2Q23.

Asia, excluding China: Just shy of one-fourth (24%) of CFOs view the current economy as good or very good, down from 28% in 2Q23, while 27% of CFOs expect better conditions a year out, consistent with the prior quarter.

South America: Nine percent of CFOs consider current economic conditions good, up slightly from 8% in 2Q23, and 9% of CFOs expect a better economy in 12 months, up from 7% in 2Q23.

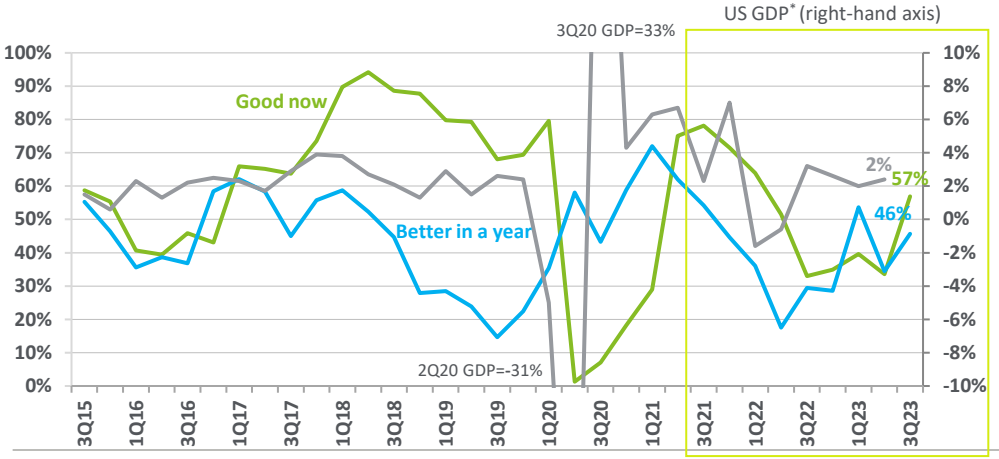
Company outlook

CFOs' **own-company net optimism** (the percentage of CFOs citing rising optimism for their companies' prospects minus the percentage citing falling optimism) was +22, up from +6 in 2Q23.

The **performance index** (average of percentages of CFOs citing positive year-over-year (YOY) revenue and earnings growth) increased to +81 from +75 in 2Q23.

The **expansion index** (average of percentages of CFOs citing positive YOY growth in capital investment and domestic hiring) increased to +59 from +54 in 2Q23.

Views on North America's economy

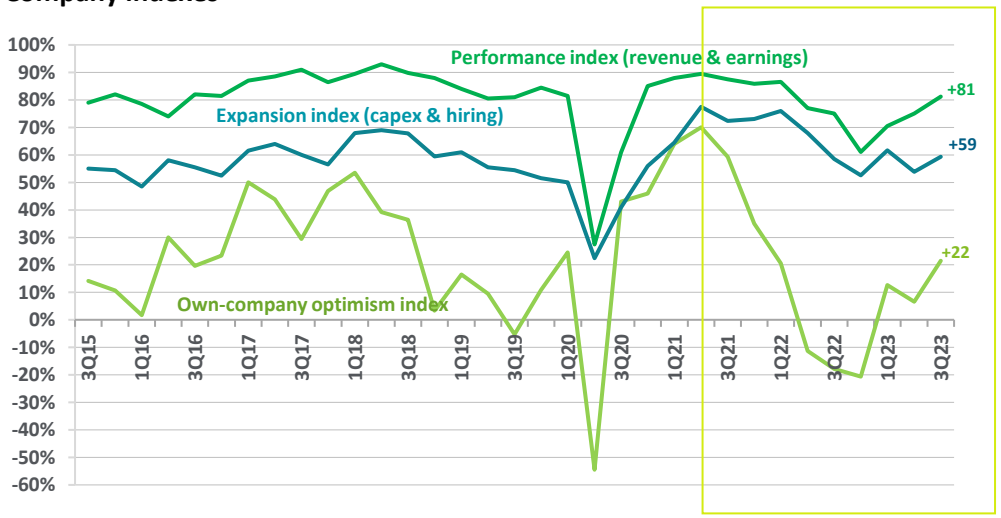


Economy optimism

	Good now	Better in a year	Last quarter	2-yr. avg
North America	↗ 57%	↗ 46%	34/34	48/36
Europe	↗ 11%	↗ 29%	8/15	13/21
China	↘ 8%	↘ 20%	17/30	14/27
Asia, excl. China	↘ 24%	↔ 27%	28/27	33/28
South America	↗ 9%	↗ 9%	8/7	14/16

*U.S. GDP = percent change from preceding quarter in real U.S. gross domestic product (source: Bureau of Economic Analysis table 1.1.1)

Company indexes



Company optimism and YOY growth expectations

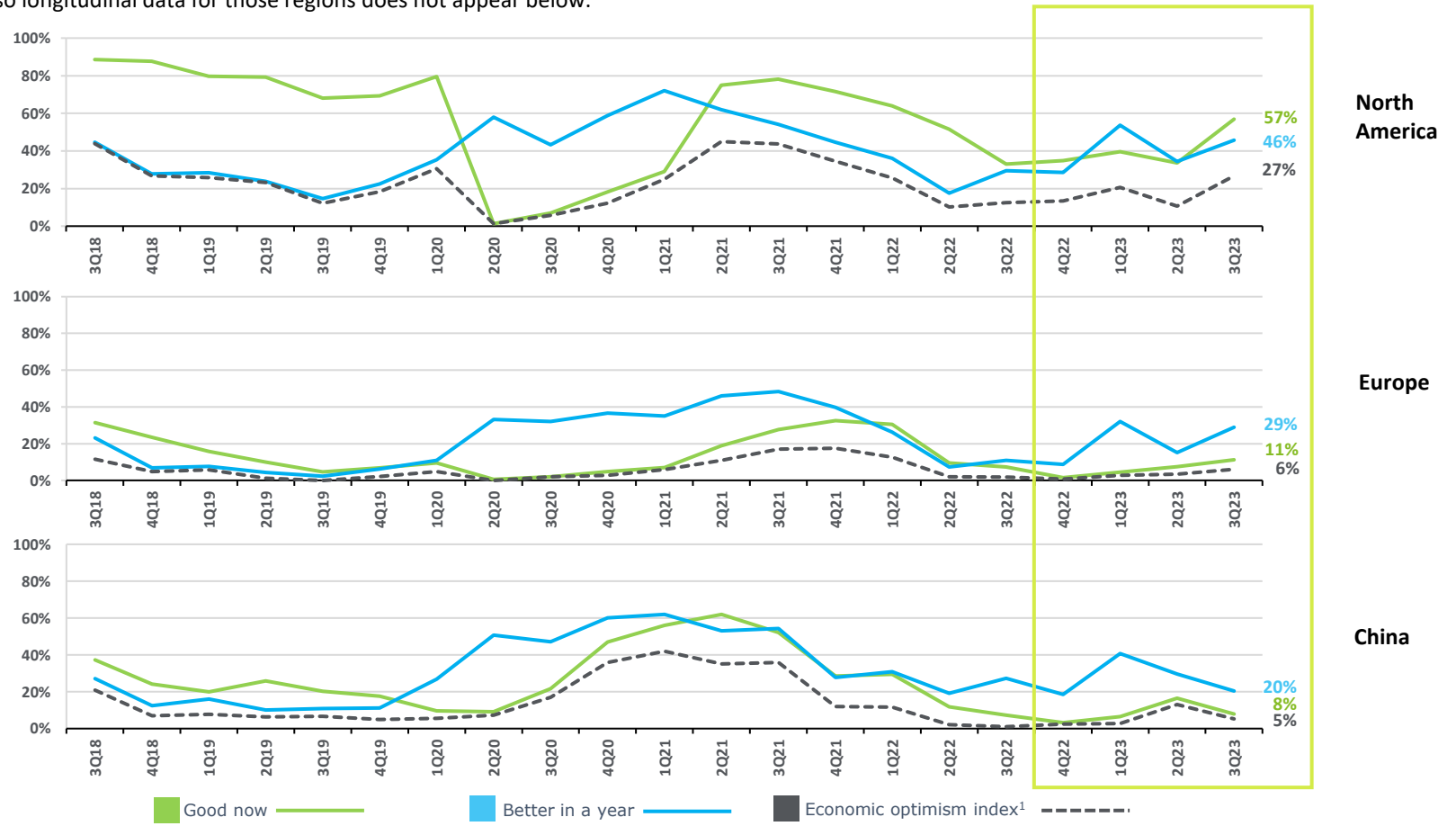
	This quarter	Last quarter	2-yr. avg.
Own-company optimism (net)	↗ +22	+6	+6
Revenue	↗ 5.5%	4.9%	6.2%
Earnings	↗ 8.3%	4.4%	6.8%
Dividends	↘ 2.8%	2.9%	3.3%
Capital investment	↘ 6.3%	6.6%	7.6%
Domestic hiring	↗ 1.8%	1.4%	3.3%
Domestic wages/salaries	↘ 3.6%	3.8%	4.6%

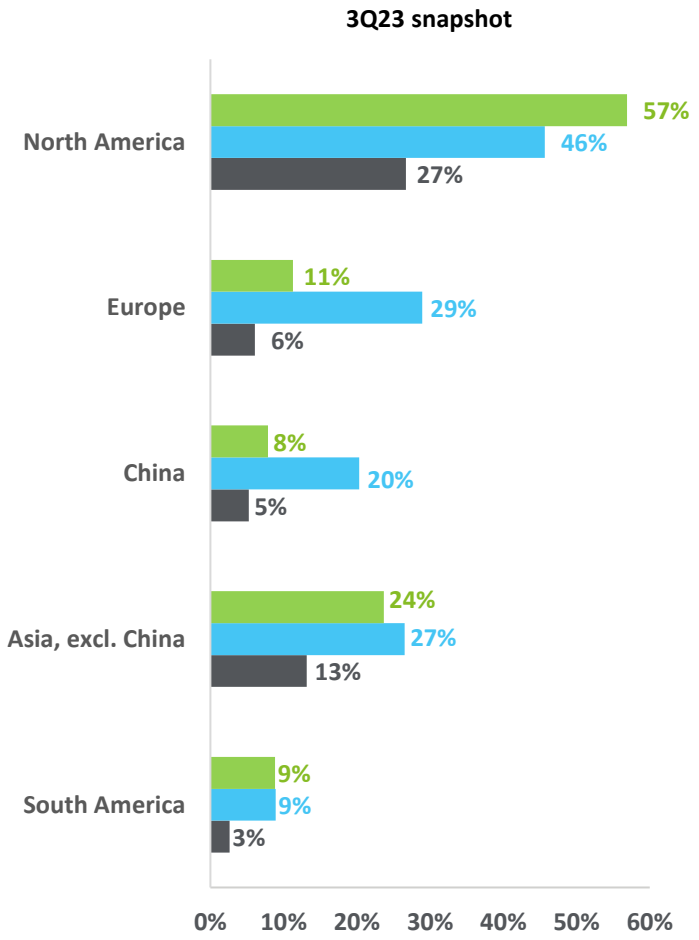
ASSESSMENTS OF REGIONAL ECONOMIES

This quarter CFOs boosted their assessments of the economies of North America, Europe, and South America, compared to 2Q23, considering both current conditions and the year ahead. Meanwhile, they dimmed their views of current economic conditions in China and its 12-month outlook. Their assessment of current economic conditions in Asia, excluding China, decreased slightly while their views of its 12-month outlook stayed flat with 2Q23.

How do you regard the current and future status of the following economies?

Note: 3Q21 was the first time *CFO Signals* asked CFOs for their assessments of the economies of Asia, excluding China, and of South America, so longitudinal data for those regions does not appear below.





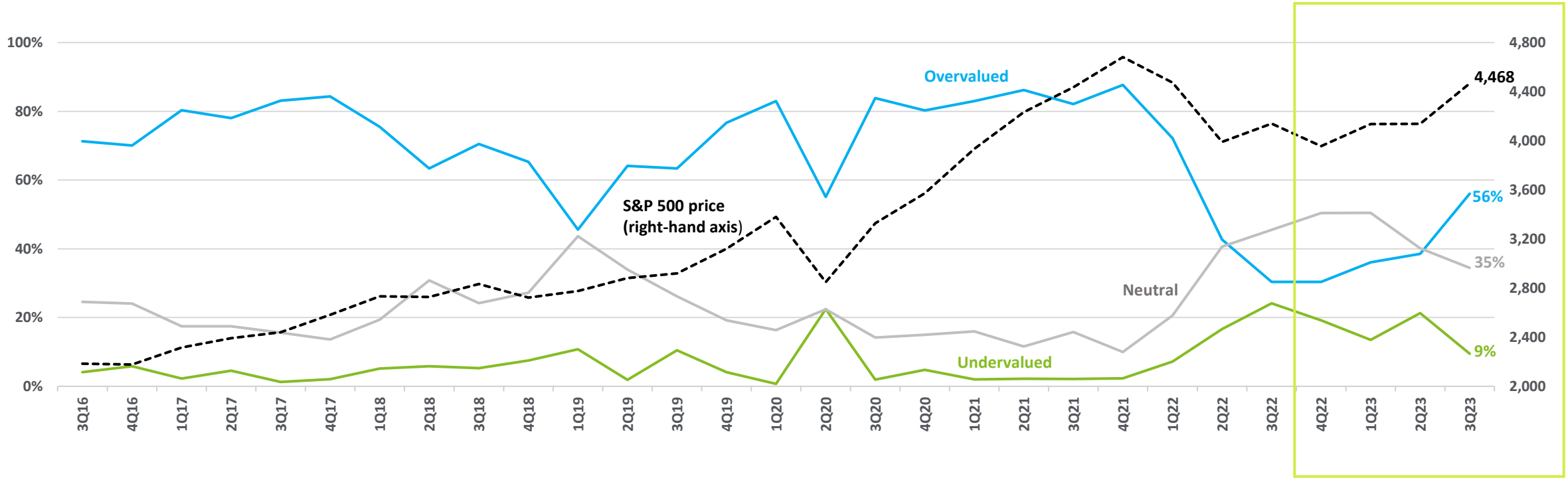
[1] This index reflects the percentage of respondents who rated both the current economic conditions as "good" or "very good" and the economic conditions in a year as "better" or "much better."

ASSESSMENTS OF CAPITAL MARKETS AND RISK: VALUATION OF US EQUITY MARKETS

More than half of surveyed CFOs (56%) consider U.S. equity markets overvalued this quarter, a notable increase from the 39% of CFOs who shared that view in 2Q23. The proportion of CFOs who regard U.S. equity markets as undervalued dropped to 9% from 21% in the prior quarter. As a result, the gap between CFOs viewing U.S. equity markets as overvalued and undervalued widened this quarter, compared to 2Q23. Still, the gap is not nearly as large as it was during some periods in 2020 and 2021.

How do you regard U.S. equity markets valuations? (N=116*)

Percent of CFOs saying U.S. equity markets are overvalued, undervalued, or neither. Note, responses are compared to S&P 500 at survey midpoint. The S&P 500 stood at 4,468 at the midpoint of the 3Q23 survey data collection on August 10, 2023, an increase from the 2Q23 survey midpoint of 4,138 on May 08, 2023.



*116 (100%) of respondents across eight industries answered.

ASSESSMENTS OF CAPITAL MARKETS AND RISK: ATTRACTIVENESS OF DEBT AND EQUITY FINANCING

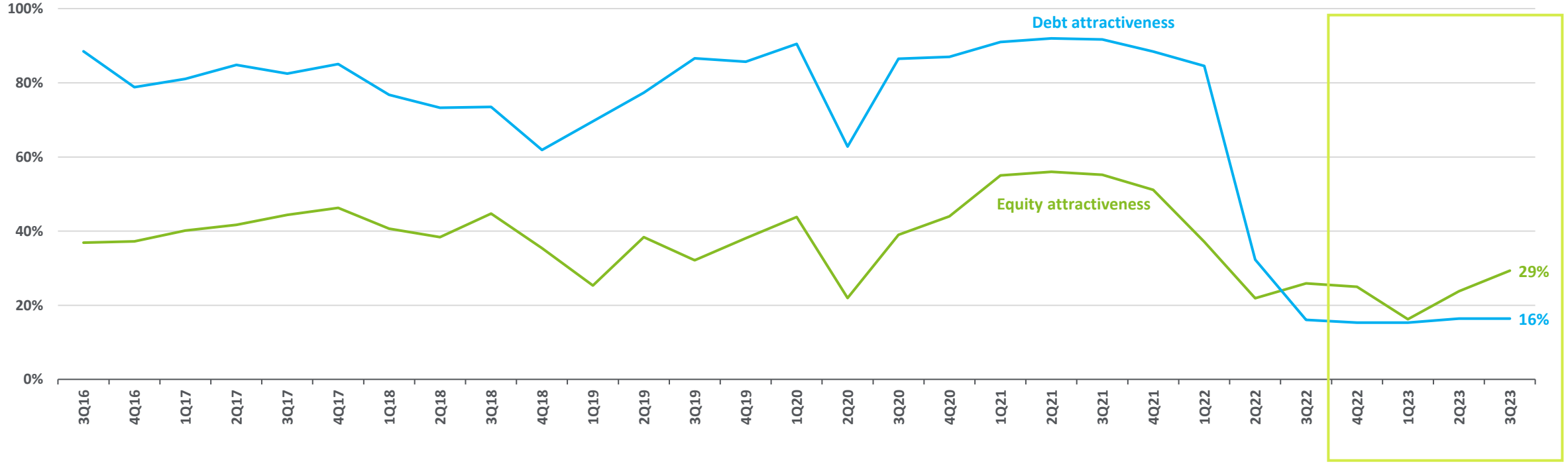
This quarter, more CFOs view debt and equity financing as unattractive than those who consider the two types of financing attractive. High interest rates are likely tempering CFOs' views on financing. Only 16% of surveyed CFOs find debt financing attractive in 3Q23, flat from 2Q23 and the same period a year ago. Slightly more than one-quarter of CFOs (29%) view equity financing as attractive, marking an increase from 24% in 2Q23 and reaching its highest point since the 2Q22 *CFO Signals* survey.

Attractiveness of debt financing among public/private companies: Among CFOs surveyed from publicly traded companies, the attractiveness of debt financing fell to 13% in 3Q23 from 19% in 2Q23. One-quarter of CFOs surveyed from private companies consider debt financing attractive, a jump from 11% in the previous quarter.

Attractiveness of equity financing among public/private companies: Among CFOs of publicly traded companies, 29% view equity financing as attractive, up from 27% in the prior quarter. Meanwhile, 31% of CFOs from private companies consider equity financing attractive, a substantial uptick from 16% in the prior quarter.

How do you regard attractiveness? (N=116*)

Percent of CFOs citing debt and equity attractiveness (both public and private companies)



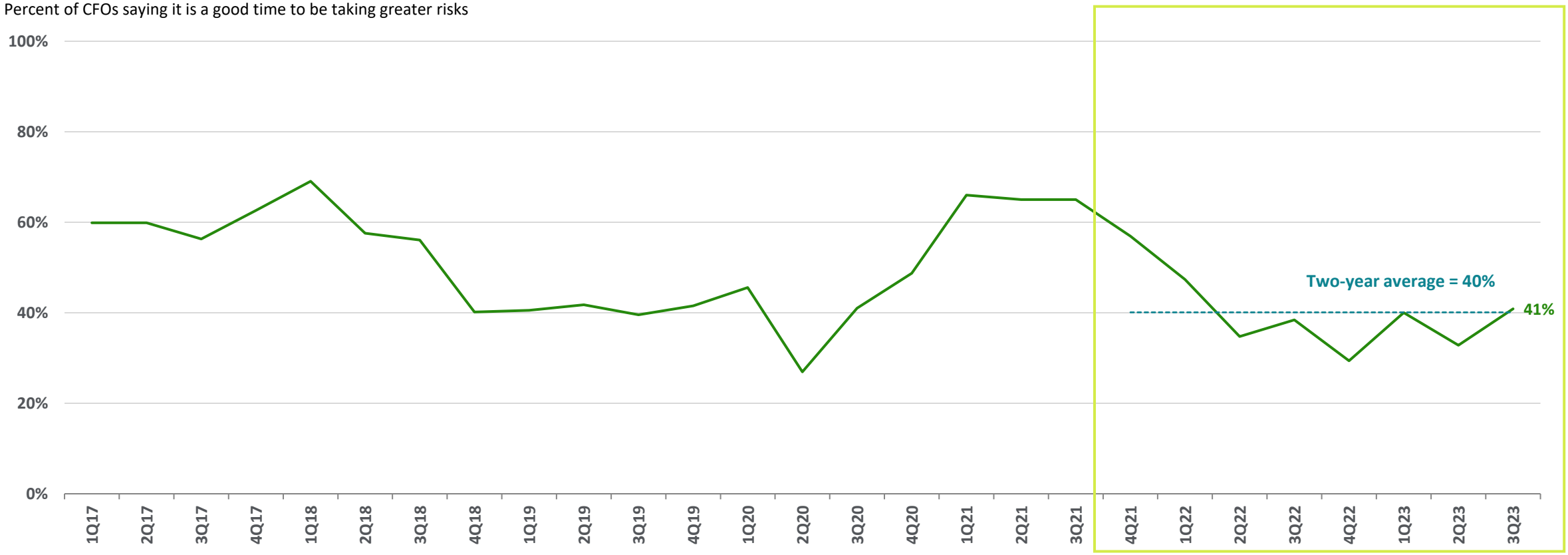
*116 (100%) of respondents across eight industries answered.

ASSESSMENTS OF CAPITAL MARKETS AND RISK: RISK APPETITE

Forty-one percent of CFOs say *now is a good time* to be taking greater risks. While this result is a bump from the prior quarter's 33% and slightly exceeds the two-year average of 40%, it is outweighed by the 59% of CFOs who say *now is not a good time* to take greater risks. Based on what CFOs mentioned as their most worrisome internal and external risks, geopolitics, macroeconomic developments, and talent issues are likely dampening their appetite for greater risk-taking.

Risk appetite: Is this a good time to be taking greater risks? (N=115*)

Percent of CFOs saying it is a good time to be taking greater risks



*115 (99%) of respondents across eight industries answered.

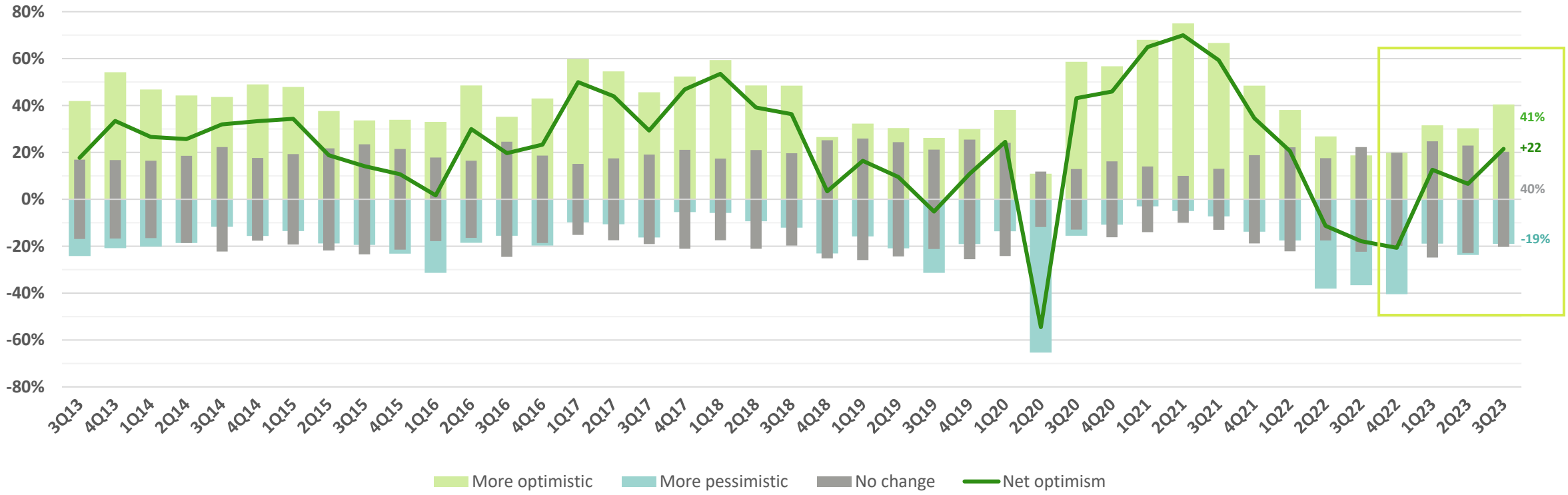
EXPECTATIONS FOR OWN COMPANY'S FINANCIAL PROSPECTS

CFOs express a much higher level of optimism for their own companies' financial prospects in this quarter's survey, resulting in net optimism of +22, compared to +6 in the prior quarter. At +22, CFOs' level of net optimism is the highest it has been since the fourth quarter of 2021. These results perhaps reflect CFOs' more positive views of the North American economy—both now and 12 months out.

The proportion of CFOs feeling more optimistic about their companies' financial prospects increased to 41% this quarter from 30% in 2Q23. Meanwhile, the proportion of those expressing greater pessimism for their own companies' financial prospects fell to 19% this quarter from 24% in the prior quarter. The difference equals CFOs' net optimism.

Compared to three months ago, how do you feel now about the financial prospects for your company? (N=116*)

Percent of CFOs citing higher optimism (green bars), lower optimism (blue bars), and no change (gray bars); net optimism (line) is the difference between the green and blue bars.



*116 (100%) of respondents across eight industries answered.

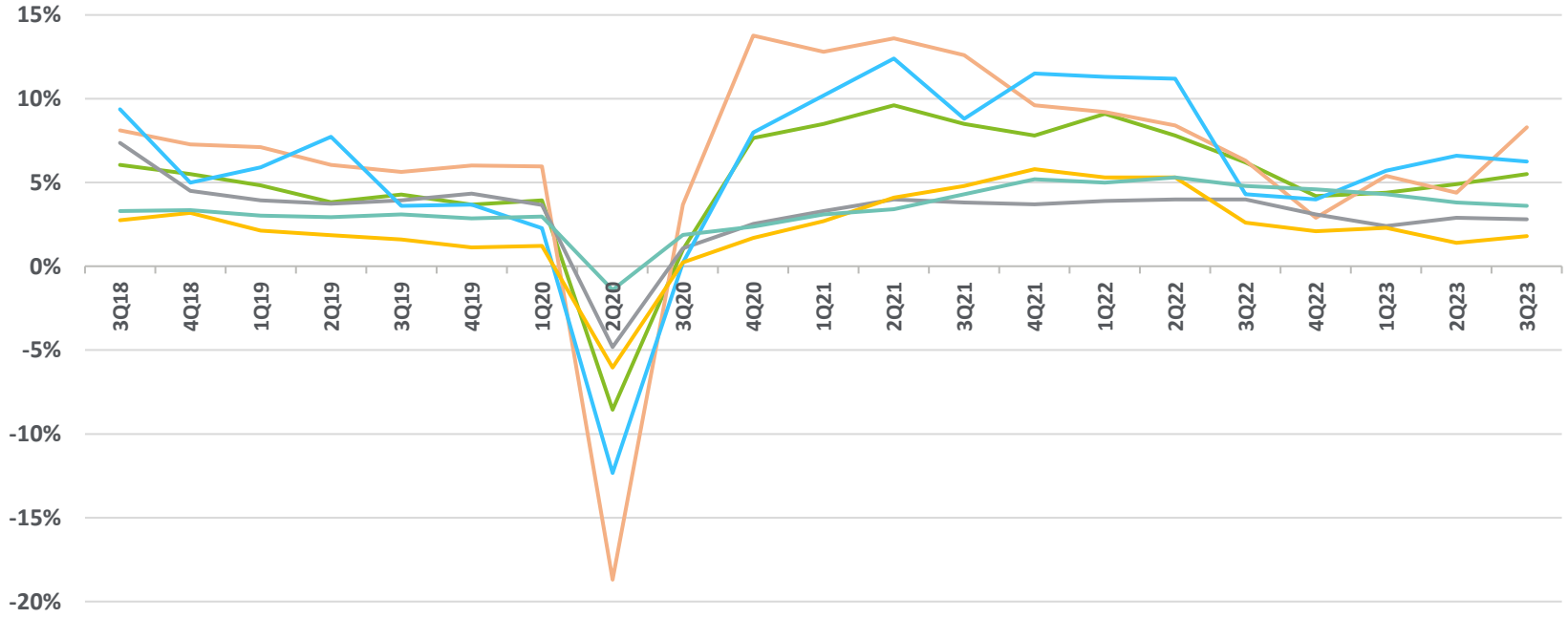
EXPECTATIONS FOR YEAR-OVER-YEAR GROWTH IN KEY METRICS

CFOs have higher year-over-year growth expectations for revenue, earnings, and domestic hiring this quarter, compared to 2Q23, but lower expectations for YOY growth in capital investment, dividends, and domestic wages/salaries. Their expectations for year-over-year growth in earnings reflect the greatest increase, jumping to 8.3% this quarter, from 4.4% in 2Q23.

CFOs' expectations for YOY revenue growth continued to rise, at 5.5% this quarter, up from 4.9% in 2Q23. Their expectations for YOY growth in capital investment, on the other hand, fell this quarter, to 6.3% from 6.6% in 2Q23. While CFOs signaled lower growth expectations for domestic wages/salaries, at 3.6% this quarter compared to 3.8% in 2Q23, they project domestic hiring to increase to 1.8%, up from 1.4% in the prior quarter. Their growth expectations for dividends decreased slightly to 2.8% from 2.9% in 2Q23.

Performance and investment expectations

Compared to the past 12 months, how do you expect key metrics to change over the next 12 months?



	3Q23	2Q23
Revenue	↗ 5.5%	4.9%
Earnings	↗ 8.3%	4.4%
Dividends	↘ 2.8%	2.9%
Capital investment	↘ 6.3%	6.6%
Domestic hiring	↗ 1.8%	1.4%
Domestic wages/salaries	↘ 3.6%	3.8%

ASSESSMENTS OF CAPITAL MARKETS AND RISK: MOST WORRISOME INTERNAL RISKS

Talent availability and retention land at the top of CFOs' most worrisome internal risks, followed by execution and prioritization of business strategies. Innovation and growth, along with data and technology, are the next most frequently mentioned internal risks.

Employee engagement, employees' morale, and cost management also appear among CFOs' most worrisome internal risks. Such concerns might reflect the difficulties some organizations are experiencing in the transition from the hybrid work model to on-site work arrangements, and the challenges of containing costs amid high inflation.

Which internal risk worries you most? (Key themes) (N=112*)

*112 (97%) of respondents across eight industries answered. Total number of comments is more than the total number of respondents because some CFOs cited multiple risks. Note, these categories were developed based on responses to open-ended text questions.

Sample themes, subthemes, and comments regarding CFOs' internal risk worries (While we have attempted to display CFOs' verbatim comments wherever possible, we have abbreviated some comments in the interest of space and participant confidentiality.)

Talent availability & retention (41)

- *Attracting and retaining the workforce needed to execute our strategic objectives.*
- *Continues to be retention and engagement of talent.*
- *Finding and retaining quality associates.*
- *Labor availability.*
- *Limited supply of prospective employees.*
- *Manpower.*
- *Tight labor supply and wage pressure.*
- *Workforce availability and reliability.*

Innovation & growth (10)

- *Capabilities required to adapt in order to grow.*
- *Continuing our growth momentum.*
- *Driving growth.*
- *Growing too fast.*
- *R&D timelines.*
- *Sales growth.*
- *The development speed for new products.*

Execution & prioritization (29)

- *Ability to focus limited investment in the right areas.*
- *Appropriate prioritization and execution of generative AI use cases.*
- *Prioritization and discipline around investing in projects with strong ROI.*
- *Execution risk on capacity expansion.*

Data & technology (8)

- *Data volume and complexity.*
- *Execution in technology business.*
- *Our financial systems migration.*
- *Pace of technology changes.*
- *Technology debt.*
- *Technology investments and roadmap.*

ASSESSMENTS OF MARKETS AND RISK: MOST WORRISOME EXTERNAL RISKS

Geopolitics along with policies and regulations stand out as CFOs top external risks in 3Q23. Macroeconomics, including concerns over interest rates and inflation, also continue to rank among CFOs' most worrisome external risks.

In addition, some CFOs say consumer behavior and spending are among their chief concerns this quarter, as well as a possible recession. Other CFOs cite capital markets, competition, cybersecurity risks, and supply chain challenges as external risks worrying them most, although with less frequency.

Which external risk worries you most? (Key themes) (N=112*)

*112 (97%) of respondents across eight industries answered. Total number of comments is more than the total number of respondents because some CFOs cited multiple risks. Note, these categories were developed based on responses to open-ended text questions.

Sample themes, subthemes, and comments for CFOs' external risk worries (While we have attempted to display CFOs' verbatim comments wherever possible, we have abbreviated some comments in the interest of space and participant confidentiality.)

Geopolitics (31)

- *China demand/economy.*
- *China relations.*
- *Geopolitical implications of Russia/Ukraine along with China/U.S. relations.*
- *Global macro political events.*
- *Global tension.*
- *Instability with China.*
- *Political – domestic and global.*
- *Russia and China conflicts.*

Policies & regulations (27)

- *Fiscal policy and political disunity in the U.S.*
- *Government policy.*
- *Government regulation; export and import restrictions.*
- *Inflation Reduction Act impact on pharmaceutical industry.*
- *Monetary policy.*
- *Overregulation.*
- *Regulation and polarization of politics.*

Macroeconomics (23)

- *Economic event that we do not see coming based on years of government subsidized spending.*
- *Economic consumptions.*
- *Economic slowdown and potential recession.*
- *Global economic slowdown.*
- *Inflationary and economic challenges.*
- *Macroeconomic, principally the consequences of the Fed's actions.*
- *Prolonged economic slowdown, economic shock.*
- *Slow or stagnant recovery.*
- *State of the economy.*

Interest rates (17)

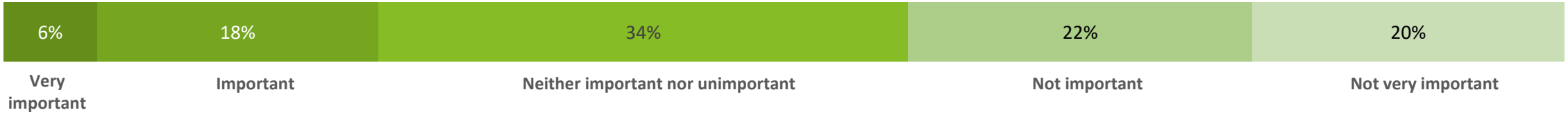
- *Fed continues to raise rates well past the point where it drives the U.S. into a recession.*
- *Fed raising rates further.*
- *High interest rates.*
- *High interest rate impacts to sector.*
- *Impact of interest rates on growth.*
- *Interest rates and inflation.*
- *Prolonged high interest rates.*

SPECIAL TOPIC – GENERATIVE AI

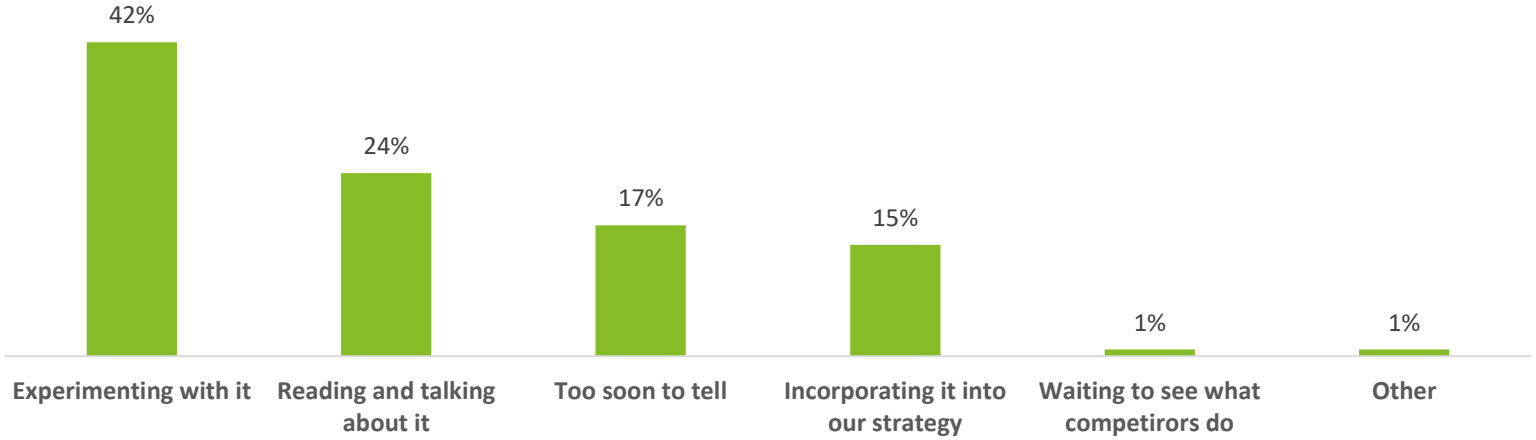
With Generative AI in the headlines almost daily, our 3Q23 *CFO Signals* special topic focuses on CFOs' views on the technology, and our survey found that a sizeable proportion of CFOs' organizations (42%) are experimenting with it, while 15% are incorporating it into their business strategy.

For nearly one-quarter of CFOs, GenAI is important to achieving their business strategy, compared to 42% who say the technology is not important overall. That leaves more than one-third of CFOs not yet weighing in on whether GenAI is important or not to achieving their organizations' business strategy. For 17% of CFOs, it's too soon to tell where their organizations stand on its GenAI journey, but nearly one-quarter of CFOs indicate their organizations are reading and talking about it.

How important is GenAI to achieving your business strategy? (N=115*)



Where is your organization on its GenAI journey? (N=115*)

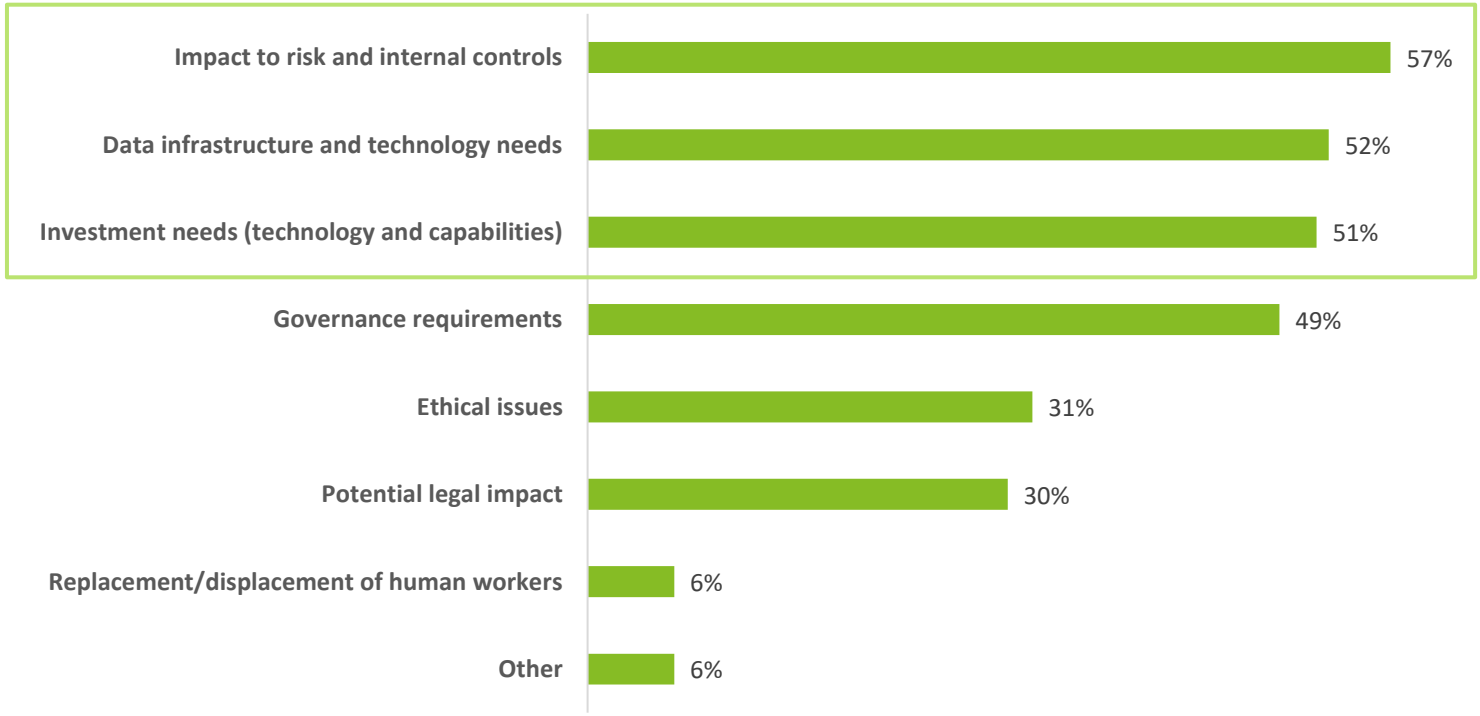


*115 (99%) of respondents across eight industries answered.

SPECIAL TOPIC – GENERATIVE AI

When asked about their top three concerns regarding GenAI, more than half of surveyed CFOs cite impact to risk and internal controls, data infrastructure and technology needs, and investment needs. Governance requirements, ethical issues, and potential legal impact are also among CFOs' chief concerns over GenAI, but to a lesser extent. Other responses included concerns over the accuracy and quality of GenAI outputs and data protection when using GenAI.

What are your top three concerns about GenAI? (N=115*)



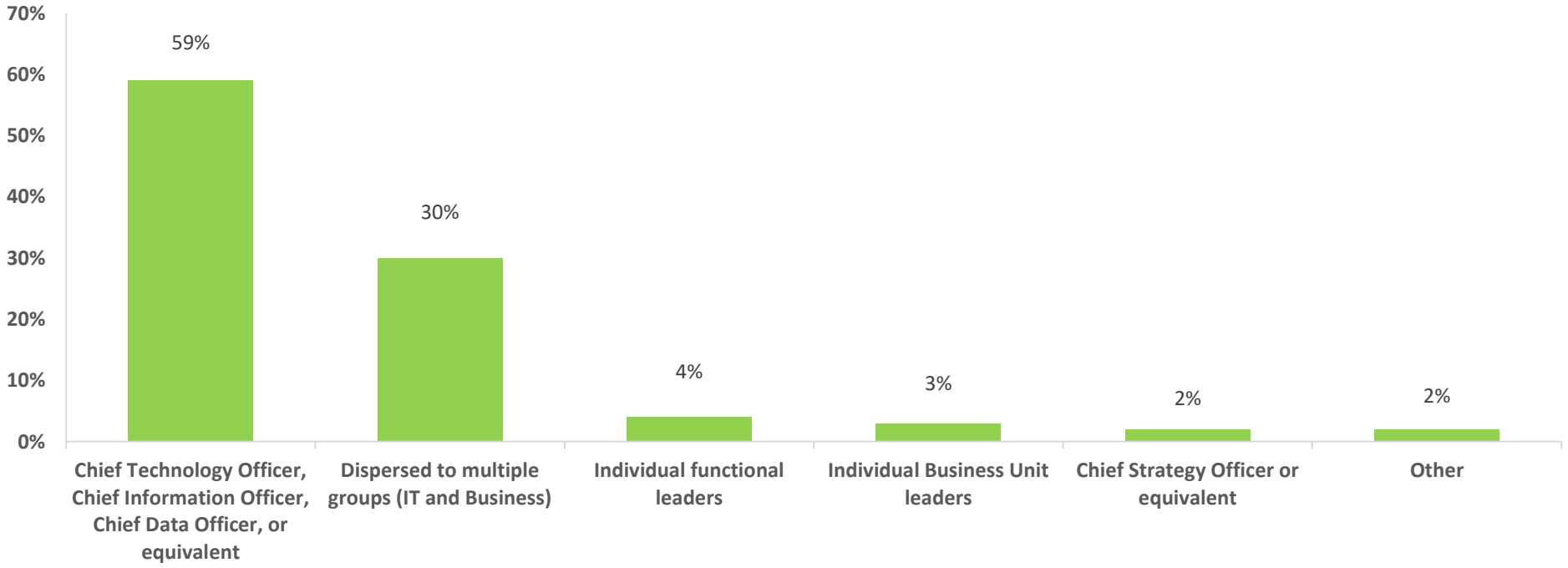
*115 (99%) of respondents across eight industries answered.

SPECIAL TOPIC – GENERATIVE AI

More than half of CFOs (59%) note that their organizations' Chief Technology Officer, Chief Information Officer, Chief Data Officer, or equivalent has ownership for GenAI. According to 30% of CFOs, ownership of GenAI is dispersed among multiple groups within their organizations.

A smaller proportion of CFOs indicate that individual functional and business unit leaders and their Chief Strategy Officer or equivalent have ownership over the technology in their organizations. One CFO indicated Chief Privacy Officer as having ownership for GenAI. Another respondent indicated that no one has ownership.

Who has ownership for GenAI within your organization? (N=116*)



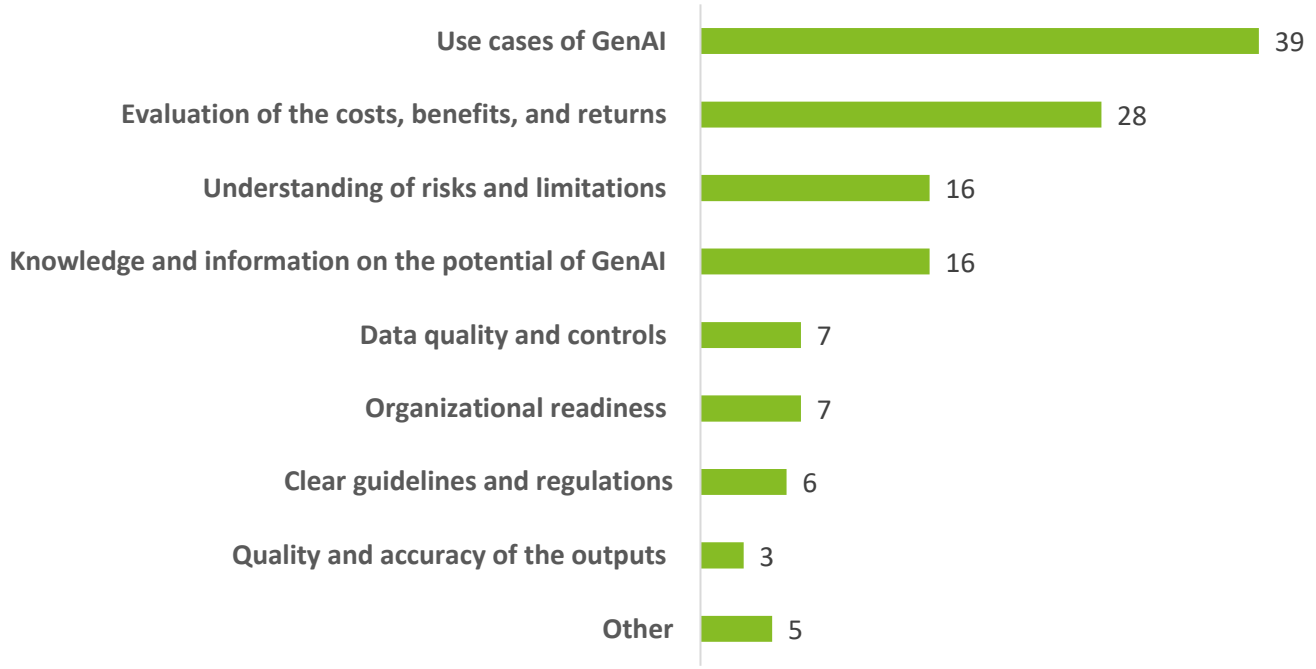
*116 (100%) of total respondents of respondents across eight industries answered.

SPECIAL TOPIC – GENERATIVE AI

In this quarter's survey, CFOs tell us they want use cases, as well as evaluations of the costs, benefits, and returns of adopting and deploying GenAI to help them in making decisions related to the technology. They also say that greater understanding of the risks and limitations of GenAI and more knowledge and information on its potential would be helpful in their decision-making. To a lesser extent, CFOs cite a better understanding of needed data quality and controls, organizational readiness, and clear guidelines and regulations as helpful in making decisions related to GenAI.

As CFO, what would help you in making decisions related to GenAI? (N=101*)

Most frequently cited comments by category (number of CFOs citing each category)**



Sample comments (While we have attempted to display CFOs' verbatim comments wherever possible, we have abbreviated some comments in the interest of space and participant confidentiality.)

- *Best practices from others in my industry.*
- *Better use cases with ROI.*
- *Broader internal discussion and understanding of industry best practices.*
- *Clarity on regulations.*
- *Clear understanding of financial returns.*
- *Connecting it to sales growth, understanding time and investment requirements, and how to assess organizational readiness.*
- *Improved data accuracy and governance.*
- *More education around the opportunities and risks.*
- *More knowledge of the subject.*
- *Practical application demonstrations and running in parallel to confirm quality exists.*
- *Robust controls.*
- *Too early to answer.*
- *Understanding how to protect customer data.*
- *Understanding potential risks.*

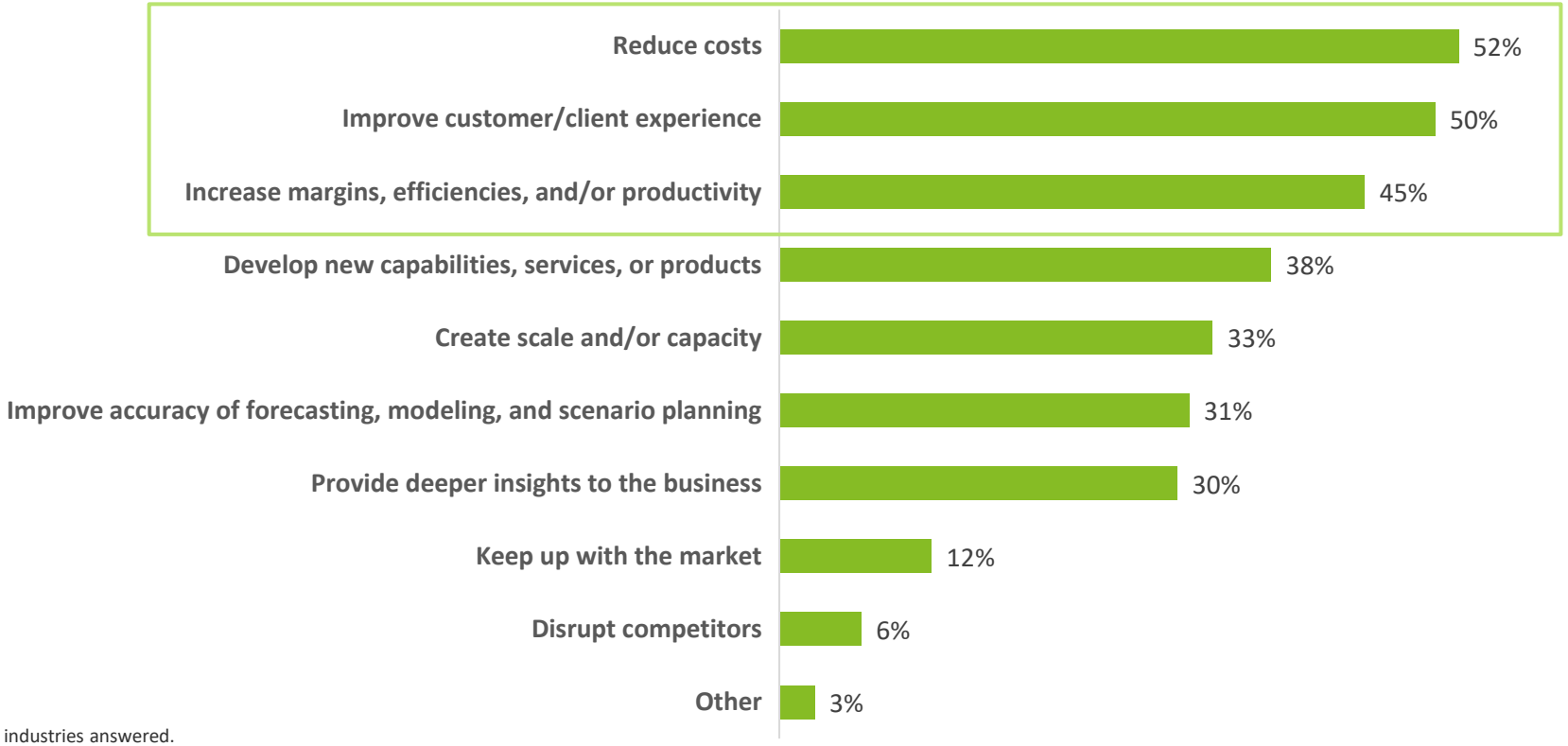
*101 (87% of total respondents). Total number of comments is more than the total number of respondents to this question because some CFOs cited multiple actions.
**Note, these categories were developed based on responses to open-ended text questions.

SPECIAL TOPIC – GENERATIVE AI

Cost reductions, better customer/client experiences and greater margins, efficiencies and/or productivity are the top three benefits surveyed CFOs say their organizations hope to achieve by adopting GenAI.

Other sought-after benefits include the ability to develop new capabilities, services, or products, create scale and/or capacity, and improve accuracy of forecasting, modeling, and scenario planning, each cited by more than 30% of CFOs. A smaller proportion of CFOs (6%) hope to use GenAI to disrupt competitors.

If your organization plans to adopt GenAI, what top three benefits do you hope to achieve? (N=112*)



*112 (97%) of respondents across eight industries answered.

SPECIAL TOPIC – GENERATIVE AI

When asked for the most promising uses of GenAI for the finance function, surveyed CFOs most frequently mention improvements in planning, forecasting, and analysis activities, as well as automation of routine and transactional processes. While some CFOs note that it is too early to tell what will be the most promising uses of GenAI for finance, there is a desire for improved decision-making, higher-value insights, increased efficiencies, and reduced costs.

Some CFOs suggest that GenAI could be used to expedite the monthly close, conduct competitive analysis and accounting research, create standard reports, analyze data build in efficiencies for shared services, and provide customer support.

In your opinion, what are the most promising potential uses of GenAI for the finance function? (N=106*)

Most frequently cited comments by category (number of CFOs citing each category)**

Sample comments (While we have attempted to display CFOs' verbatim comments wherever possible, we have abbreviated some comments in the interest of space and participant confidentiality.)

- *Accounting research, comparative analysis, data mining for insights.*
- *Accuracy and better controls.*
- *Automation of transactional tasks and processes.*
- *Customer support, accounts payable, financial analysis.*
- *Data consumption and analytical capability.*
- *Decision support in processes higher in value chain.*
- *Deeper hindsight, insights, and foresights into the driving value for the business.*
- *Efficiency, speed, ability to focus on value-add drivers.*
- *Expediting monthly close.*
- *Forecasting and modeling improvements.*
- *Greater insights and functionality, specifically in FP&A and strategic forecasting.*
- *Identifying areas for audit focus.*
- *Improve billing.*
- *Increase margin, efficiencies, productivity.*
- *Predictive analytics.*
- *Still unclear.*
- *Too early to tell.*

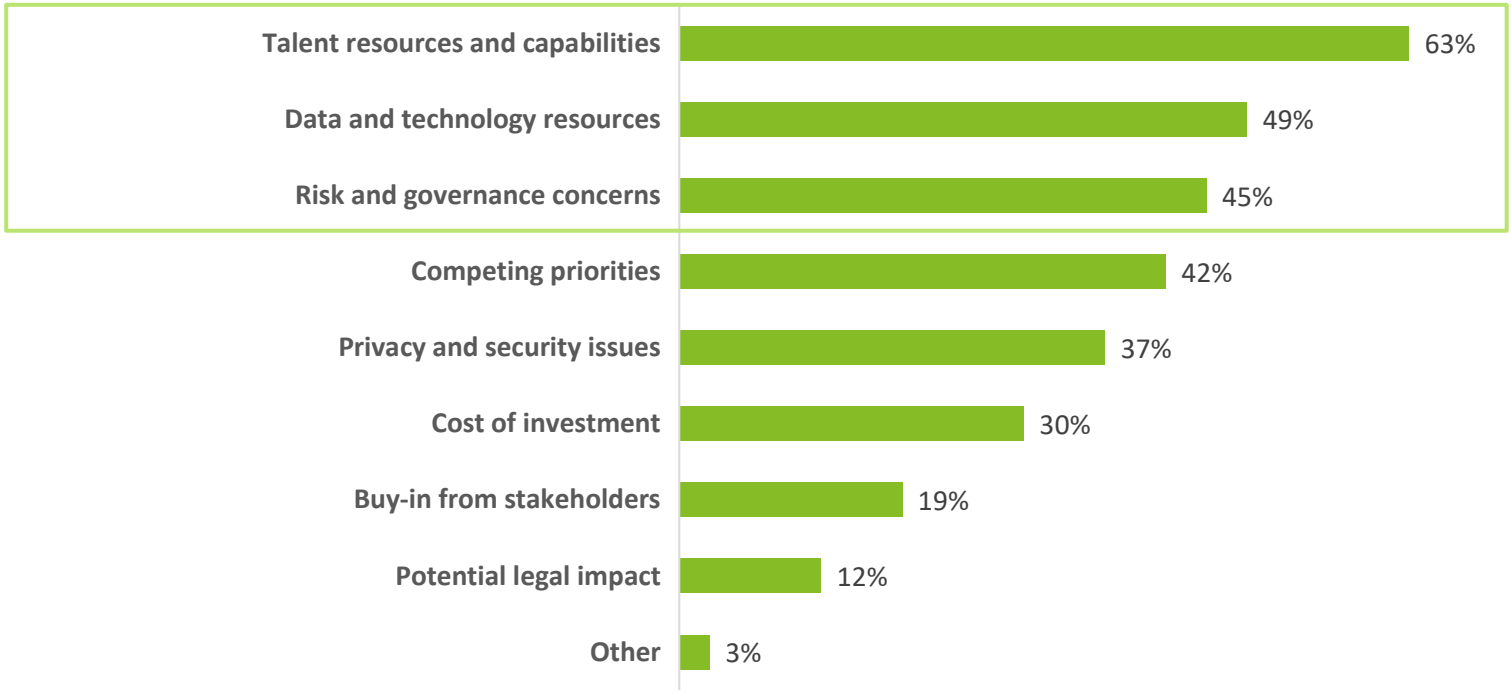
*106 (91% of total respondents). Total number of comments is more than the total number of respondents to this question because some CFOs cited multiple actions.
**Note, these categories were developed based on responses to open-ended text questions.

SPECIAL TOPIC – GENERATIVE AI

What's keeping organizations from adopting and deploying GenAI? For 63% of surveyed CFOs, obtaining the necessary talent resources and capabilities is the greatest barrier to adopting and deploying GenAI in their organizations, followed by the data and technology resources GenAI might require, and risk and governance concerns.

Competing priorities, privacy and security issues, and cost of investment are also perceived as barriers by 42%, 37%, and 30% of CFOs, respectively. Getting stakeholder buy-in and potential legal impact are also barriers according to those surveyed, but to a lesser extent.

What are the three greatest barriers your organization might face in adopting and deploying GenAI? (N=115*)

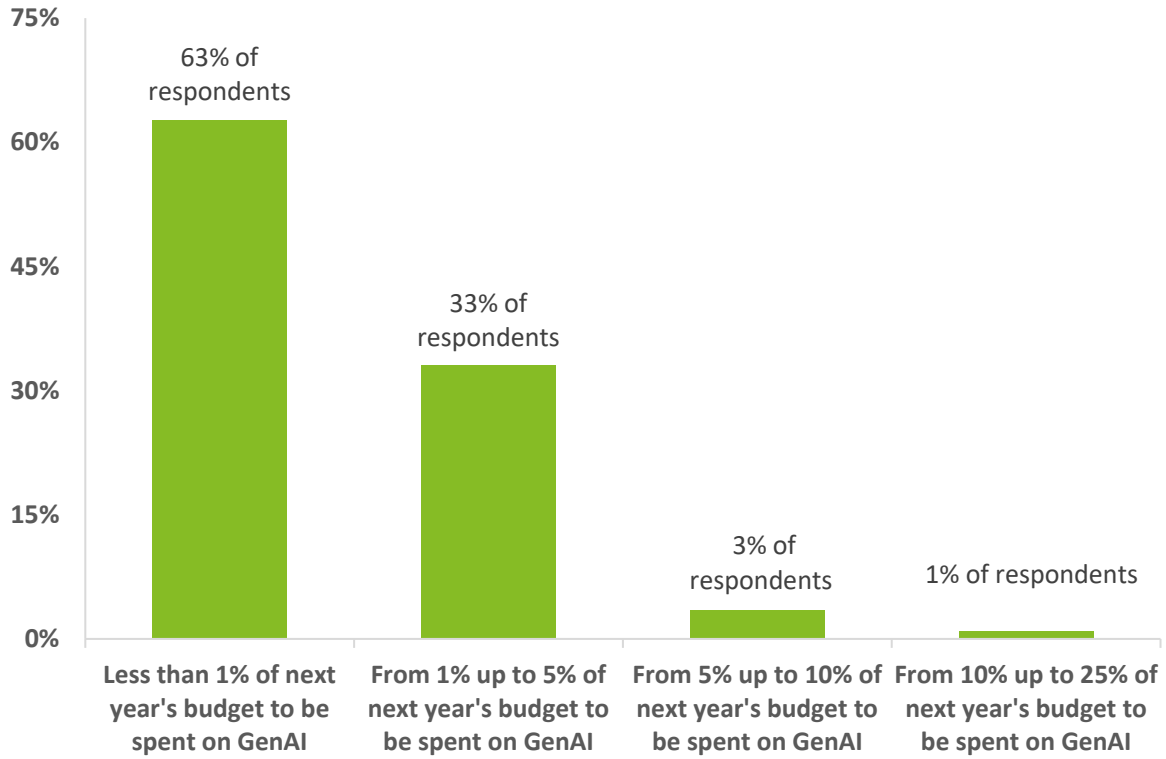


*115 (99%) of respondents across eight industries answered.

SPECIAL TOPIC – GENERATIVE AI

Nearly two-thirds of surveyed CFOs indicate that less than 1% of their organizations' budget/resources will be allocated to GenAI next year, while almost one-third of CFOs expect their organizations to set aside 1% to 5% of next year's budget/resources for the technology. A smaller proportion of CFOs (3%) expect their organizations to allocate 5% to 10% of next year's budget/resources to GenAI, while 1% of CFOs say between 10% and 25% of their organization's budget/resources would be dedicated to the technology.

What percentage of your overall organization's budget/resources do you expect to be allocated to GenAI next year? (N=115*)



*115 (99%) of respondents across eight industries answered.

Crosstab: Percentage of CFOs by level of annual company revenue selecting each range of organization's budget/resources expected to be allocated to GenAI next year. (N=115*)

	Company revenue size			
	Less than $1B in annual revenue	$1B - $5B in annual revenue	$5.1B - $10B in annual revenue	> $10B in annual revenue
Less than 1% of next year's budget	**53%**	**65%**	**61%**	**65%**
From 1% up to 5% of next year's budget	**47%**	**31%**	**33%**	**29%**
From 5% up to 10% of next year's budget	**0%**	**2%**	**6%**	**6%**
From 10% up to 25% of next year's budget	**0%**	**2%**	**0%**	**0%**
Number of respondents from each revenue category	***17***	***49***	***18***	***31***

Appendix

Longitudinal trends
Responses to open-ended text questions
Survey background

APPENDIX

Longitudinal trends

Cross-industry expectations and sentiment (current quarter and last 24 quarters)

CFOs' year-over-year expectations[1,2]

(Mean growth rate, median growth rate, percent of CFOs who expect gains, and standard deviation of responses[2])

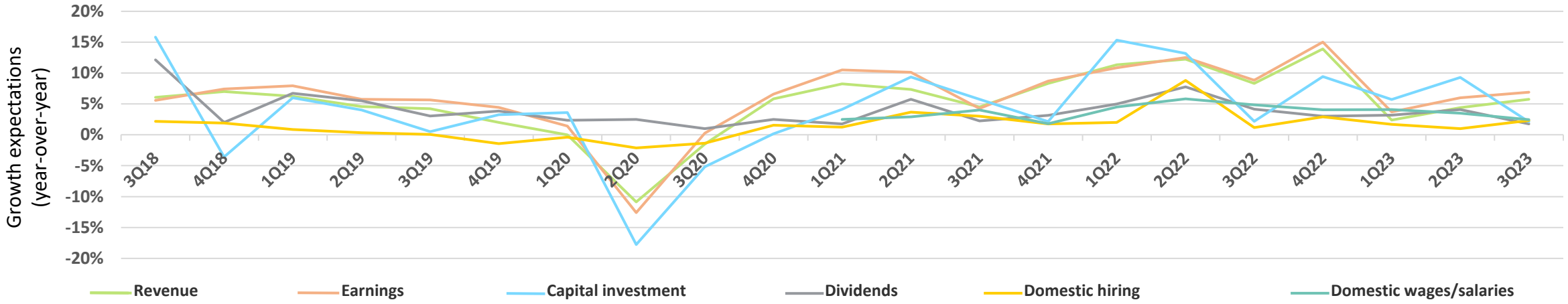
			3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	Survey mean	2-year mean
Operating results	Revenue	*Mean*	5.7%	4.7%	5.9%	6.3%	6.1%	5.5%	4.8%	3.8%	4.3%	3.7%	3.9%	-8.6%	1.0%	7.7%	8.5%	9.6%	8.5%	7.8%	9.1%	7.8%	6.2%	4.2%	4.4%	4.9%	5.5%	5.5%	6.2%
		Median	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	4.0%	4.0%	4.0%	4.0%	-5.0%	3.0%	5.0%	6.0%	9.0%	6.0%	6.0%	8.0%	7.0%	5.0%	5.0%	5.0%	5.0%	5.0%	4.9%	5.8%
		%>0	92%	87%	91%	92%	91%	91%	86%	81%	82%	86%	81%	28%	59%	85%	90%	93%	90%	90%	90%	80%	79%	63%	76%	80%	82%	83%	80%
		standard deviation	3.9%	4.0%	4.1%	4.6%	5.0%	4.3%	4.4%	5.1%	4.9%	3.9%	4.7%	12.7%	10.6%	12.4%	7.1%	7.5%	6.9%	6.3%	8.0%	9.1%	7.1%	9.8%	6.9%	6.9%	5.1%	6.2%	7.4%
	Earnings		7.9%	8.4%	9.8%	10.3%	8.1%	7.3%	7.1%	6.1%	5.6%	6.0%	6.0%	-18.7%	3.7%	13.8%	12.8%	13.6%	12.6%	9.6%	9.2%	8.4%	6.4%	2.9%	5.4%	4.4%	8.3%	8.6%	6.8%
			7.5%	8.0%	8.0%	10.0%	8.0%	8.0%	7.0%	6.0%	5.0%	5.0%	5.0%	-10.0%	5.0%	10.0%	10.0%	10.0%	8.0%	8.0%	9.0%	9.0%	7.0%	3.5%	5.0%	5.0%	7.0%	7.2%	6.7%
			90%	86%	88%	94%	89%	85%	82%	80%	80%	83%	82%	27%	63%	85%	86%	86%	85%	82%	84%	74%	71%	59%	65%	70%	80%	81%	73%
			5.7%	7.5%	7.7%	7.0%	5.8%	6.2%	4.4%	7.4%	7.0%	6.6%	6.9%	26.9%	16.5%	25.0%	13.4%	14.1%	14.0%	11.5%	8.7%	12.3%	12.0%	12.9%	13.4%	10.5%	8.9%	11.6%	11.3%
Investment	Dividends		3.8%	3.8%	4.7%	4.8%	7.4%	4.5%	3.9%	3.7%	3.9%	4.3%	3.7%	-4.8%	1.1%	2.5%	3.3%	4.0%	3.8%	3.7%	3.9%	4.0%	4.0%	3.1%	2.4%	2.9%	2.8%	3.7%	3.3%
			0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.5%	0.0%	2.0%	1.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%
			43%	45%	49%	47%	51%	43%	44%	50%	48%	55%	54%	26%	34%	45%	45%	52%	47%	47%	54%	46%	47%	41%	41%	45%	46%	42%	46%
			6.0%	5.8%	6.6%	6.3%	12.8%	4.7%	6.6%	4.6%	4.6%	5.5%	4.3%	13.7%	4.5%	4.2%	5.0%	5.6%	5.9%	4.9%	4.8%	5.8%	6.0%	6.2%	3.6%	3.9%	3.7%	5.7%	4.9%
	Capital spending		7.3%	6.5%	11.0%	10.4%	9.4%	5.0%	5.9%	7.7%	3.6%	3.7%	2.3%	-12.3%	0.2%	8.0%	10.2%	12.4%	8.8%	11.5%	11.3%	11.2%	4.3%	4.0%	5.7%	6.6%	6.2%	6.8%	7.6%
			4.5%	3.0%	5.0%	5.0%	5.0%	2.0%	3.0%	2.0%	2.0%	0.0%	2.0%	-5.0%	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	4.5%	0.0%	5.0%	4.0%	5.0%	3.8%	4.2%
			61%	59%	70%	73%	70%	58%	58%	57%	53%	49%	56%	26%	41%	61%	69%	80%	73%	66%	71%	57%	56%	49%	61%	61%	63%	60%	60%
			14.2%	12.2%	14.9%	12.2%	14.3%	10.6%	9.7%	14.0%	9.1%	14.0%	9.4%	20.4%	14.4%	18.8%	14.8%	16.8%	9.1%	14.5%	14.3%	18.4%	10.7%	12.0%	9.8%	9.3%	10.9%	13.7%	12.5%
Talent	Number of domestic personnel		2.6%	2.0%	3.1%	3.2%	2.7%	3.2%	2.1%	1.9%	1.6%	1.1%	1.2%	-6.0%	0.2%	1.7%	2.7%	4.1%	4.8%	5.8%	5.3%	5.3%	2.6%	2.1%	2.3%	1.4%	1.8%	2.0%	3.3%
			2.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%	1.0%	1.0%	0.0%	0.0%	0.0%	1.0%	2.0%	3.0%	3.0%	5.0%	4.0%	4.5%	2.0%	1.0%	2.0%	0.0%	1.5%	1.2%	2.5%
			59%	54%	66%	65%	66%	61%	64%	54%	56%	54%	44%	19%	41%	51%	60%	75%	72%	82%	81%	79%	61%	56%	62%	47%	55%	55%	65%
			3.8%	3.3%	4.4%	4.4%	3.7%	4.5%	3.3%	3.5%	3.5%	3.5%	3.7%	13.7%	4.9%	3.8%	3.5%	3.9%	5.6%	6.1%	5.4%	6.1%	4.3%	4.5%	3.8%	4.0%	4.0%	4.7%	4.7%

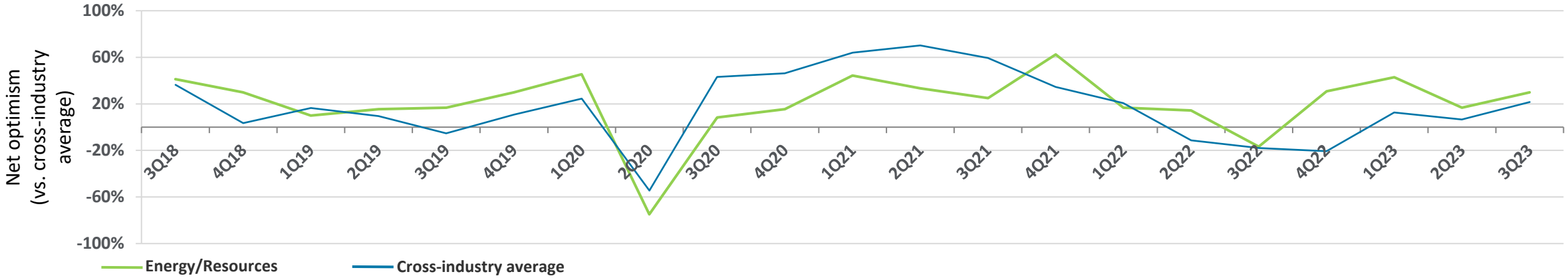
CFOs' own-company optimism[2,3] and equity market performance

		3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	Survey mean	2-year mean
Optimism	Optimism (% more optimistic)	45.6%	52.4%	59.4%	48.5%	48.5%	26.5%	32.3%	30.4%	26.2%	29.9%	38.1%	10.9%	58.7%	56.8%	67.2%	75.0%	66.7%	48.5%	38.1%	26.8%	18.8%	19.8%	31.5%	30.3%	40.5%	43.3%	31.8%
	Neutrality (% no change)	38.1%	42.2%	34.8%	42.1%	39.4%	50.4%	51.9%	48.7%	42.4%	51.0%	48.3%	23.7%	25.8%	32.4%	29.7%	20.0%	26.0%	37.7%	44.3%	35.1%	44.6%	39.7%	49.5%	45.9%	40.5%	35.6%	42.2%
	Pessimism (% less optimistic)	16.3%	5.4%	5.8%	9.4%	12.1%	23.1%	15.8%	20.9%	31.4%	19.1%	13.6%	65.4%	15.5%	10.8%	3.1%	5.0%	7.3%	13.8%	17.5%	38.1%	36.6%	40.5%	18.9%	23.8%	19.0%	21.3%	26.0%
	Net optimism (% more optimistic minus % less optimistic)	29.4%	46.9%	53.5%	39.2%	36.4%	3.4%	16.5%	9.5%	-5.2%	10.9%	24.5%	-54.5%	43.2%	46.0%	64.1%	70.0%	59.4%	34.7%	20.6%	-11.3%	-17.9%	-20.6%	12.6%	6.6%	21.6%	22.0%	5.8%
Equities	S&P 500 price at survey period midpoint	2,441	2,582	2,732	2,728	2,833	2,722	2,776	2,881	2,919	3,120	3,380	2,848	3,328	3,573	3,935	4,233	4,436	4,682	4,475	3,991	4,140	3,957	4,136	4,138	4,468	2,536	4,248
	S&P gain/loss QoQ	2.1%	5.8%	5.8%	-0.1%	3.8%	-3.9%	2.0%	3.8%	1.3%	7.0%	8.3%	-15.7%	16.9%	7.4%	10.1%	7.6%	4.8%	10.6%	-4.4%	-10.8%	3.7%	-4.4%	4.5%	0.0%	8.0%	2.9%	0.3%
	U.S. equity valuations (% who say overvalued)	83.1%	84.4%	75.5%	63.4%	70.5%	65.3%	45.6%	64.2%	63.4%	76.7%	83.0%	55.1%	83.9%	80.3%	82.8%	86.2%	82.1%	87.7%	72.2%	42.7%	30.0%	30.0%	36.0%	39.0%	56.0%	64.9%	49.2%

1 All means have been adjusted to eliminate the effects of stark outliers. The "survey mean" column contains arithmetic means since 2Q10.
2 Standard deviation of data winsorized to 5th/95th percentiles.
3 Averages for optimism numbers may not add to 100% due to rounding.
Please contact nacfosurvey@deloitte.com for data as far back as 2Q10.

Energy/Resources trends—Expectations and sentiment

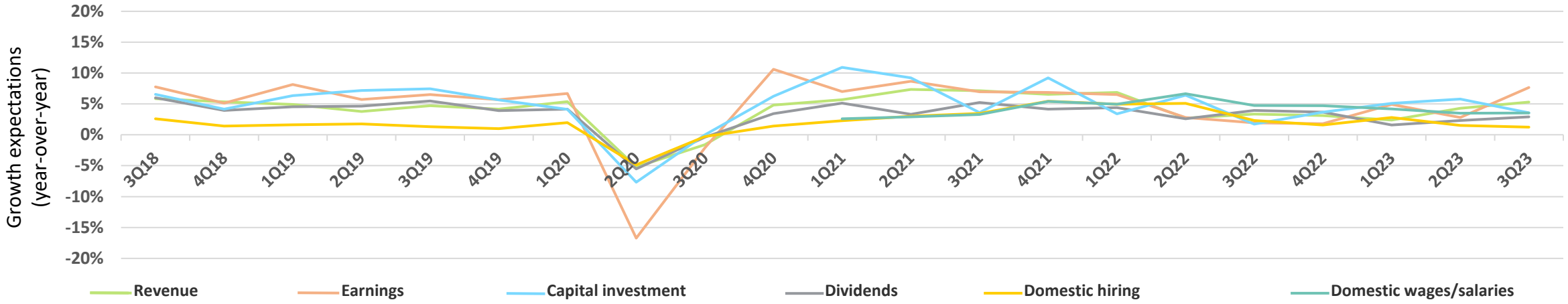


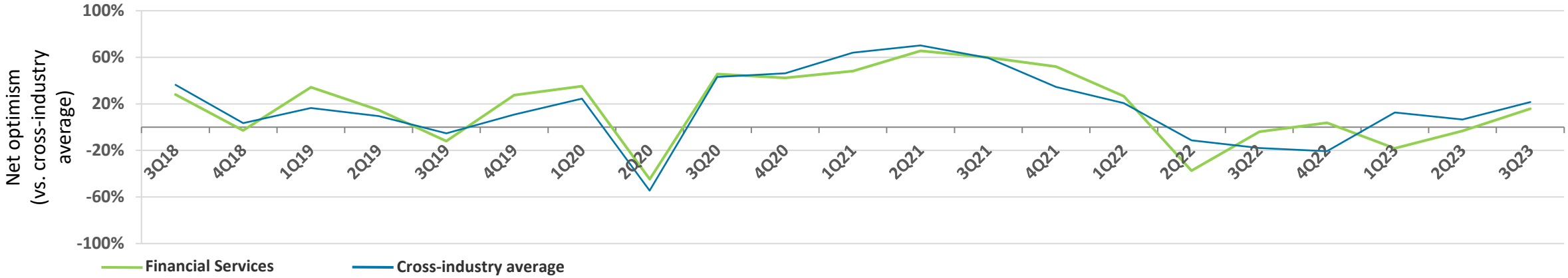


Composition: Respondent base was comprised mostly of power and utilities (60%), with the remaining companies from oil, gas, and mining; 80% of respondents are from public companies.

Sentiment/expectations: Net optimism among Energy/Resources CFOs increased, to +30 from +17 in 2Q23. Year-over-year growth expectations for revenue and earnings increased to 5.8% and 6.9%, respectively, from 4.4% and 6% in 2Q23. Growth expectations for capital investment declined to 2.1% this quarter from 2Q23's 9.3%, and dividend growth expectations fell, to 1.8% from 4.1% in the prior quarter. Growth expectations for domestic hiring rose to 2.3% from 1%, and growth expectations for domestic wages/salaries fell to 2.5% from 3.5% in 2Q23.

Financial Services trends—Expectations and sentiment

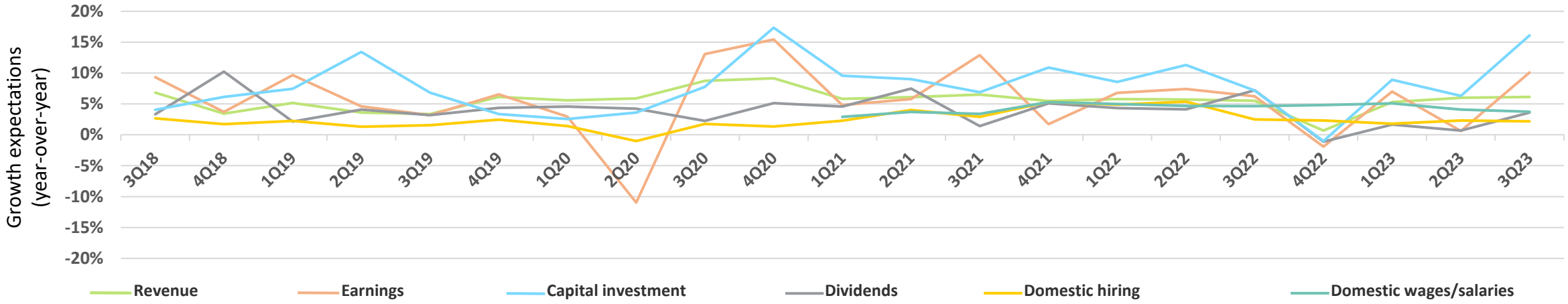


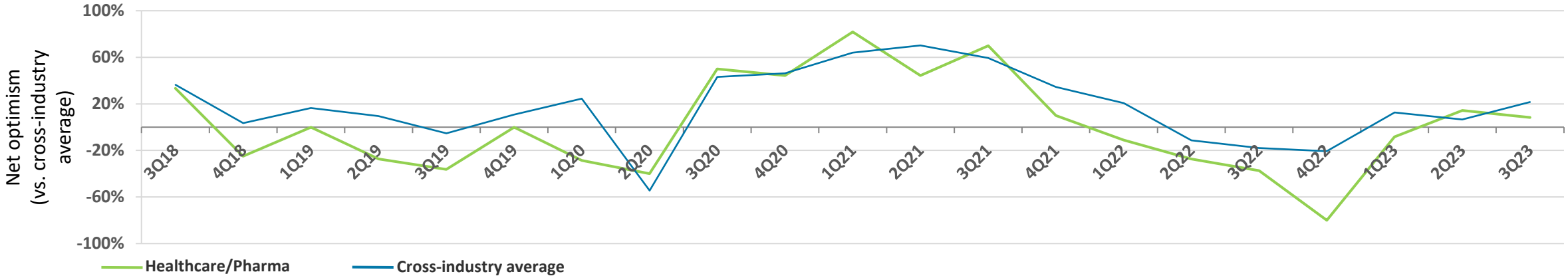


Composition: Respondent base is comprised of insurance (32%), real estate (21%), banking and securities (21%), investment management (16%), and health plans (10%). Fifty-three percent of respondents are from public companies.

Sentiment/expectations: Net optimism among this industry's CFOs increased significantly to +16 from last quarter's -3. Revenue growth expectations on a year-over-year basis increased this quarter, to 5.3% from 4.3%. Earnings growth expectations increased significantly, to 7.7% from 2.8% in 2Q23. Expectations for growth in dividends rose to 2.9% this quarter from 2.3% in 2Q23, while capital investment growth expectations fell to 3.6% from 5.8% in 2Q23. Growth expectations for domestic hiring fell slightly to 1.2% from 2Q23's 1.5%. Domestic wages/salaries growth expectations remained unchanged from 2Q23, at 3.5%.

Healthcare/Pharma trends—Expectations and sentiment

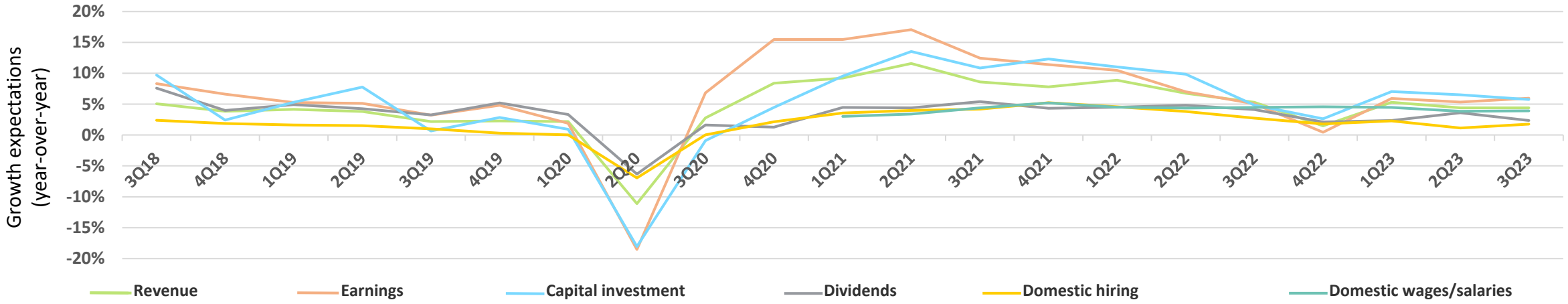


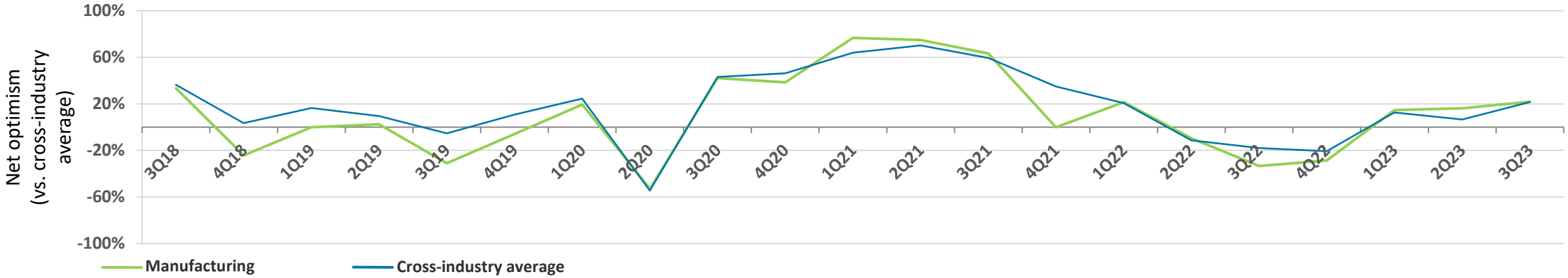


Composition: Respondent base is 58% life sciences and pharmaceuticals, 33% healthcare providers and 9% healthcare services and technology. Seventy-five percent of respondents are from public companies.

Sentiment/expectations: Net optimism among this industry's CFOs decreased to +8 from 2Q23's +14. CFOs' expectations for revenue increased slightly to 6.1% in 3Q23 from 6% in 2Q23. Earnings growth expectations rose to 10.1% from 0.6% in the previous quarter. Growth expectations for capital investment jumped to 16.1% from 6.3% in 2Q23, while expectations for growth in dividends increased to 3.6% from 0.7%. Expectations for domestic hiring growth dipped to 2.2% from 2.3% in 2Q23. CFOs' expectations for growth in domestic wages/salaries decreased marginally, to 3.8% from 4.1% in the prior quarter.

Manufacturing trends—Expectations and sentiment

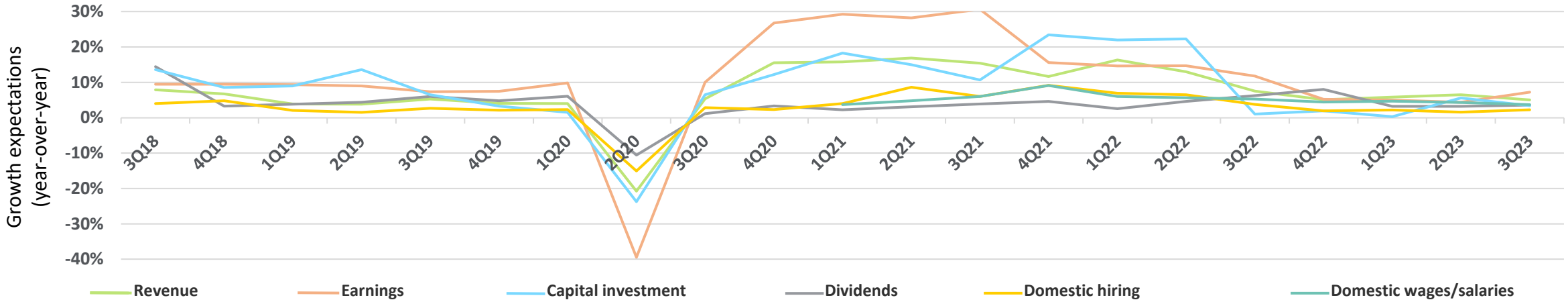


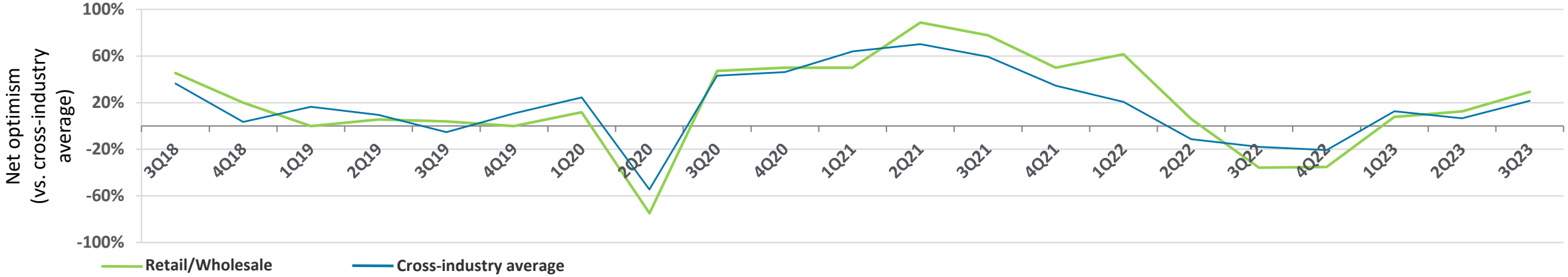


Composition: The majority (97%) of respondents are manufacturers of consumer products, industrial products, construction materials, and chemicals. Nearly three-quarters (72%) of respondents are from public companies.

Sentiment/expectations: Net optimism among manufacturing CFOs improved to +22 from last quarter's +16. CFOs' year-over-year expectations for growth in revenue remained unchanged from the prior quarter, at 4.4%. Expectations for growth in earnings rose to 6% from 5.3% in 2Q23. In addition, CFOs reduced their growth expectations for capital investment, to 5.7% from 2Q23's 6.5%. Expectations for growth in dividends fell slightly to 2.4% from 3.6% in the previous quarter. Expectations for domestic hiring growth increased to 1.8% from 1.1% in 2Q23, while wages/salaries growth expectations ticked up to 3.9 % from 2Q23's 3.8%.

Retail/Wholesale trends—Expectations and sentiment

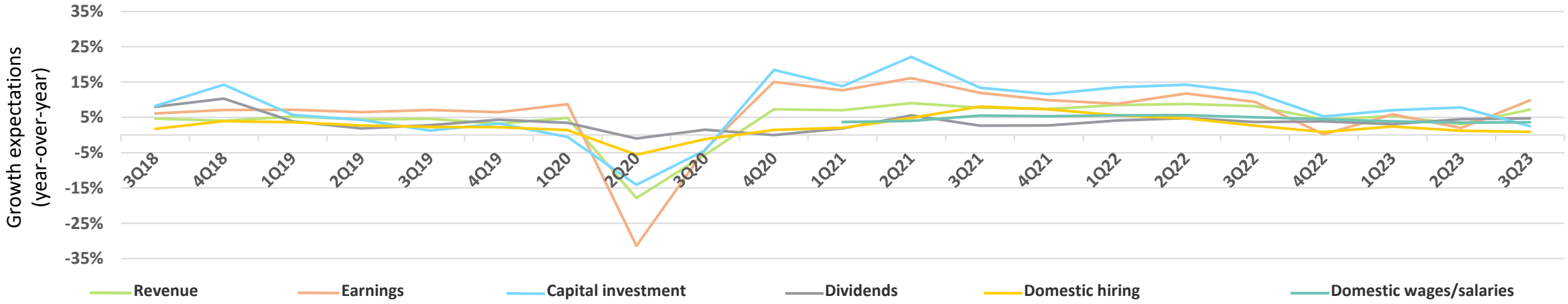


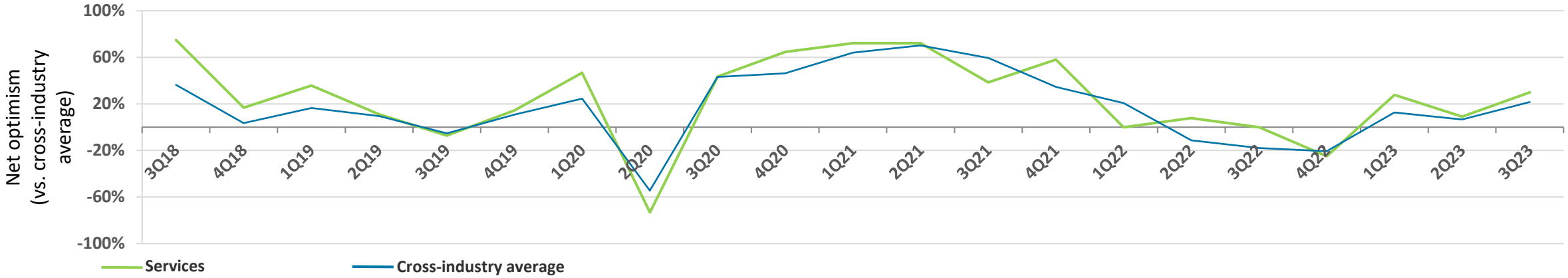


Composition: Respondents are from a broad range of retail and wholesale companies (82%) and tourism, hospitality, and leisure companies (18%). Seventy-one percent of respondents are from public companies.

Sentiment/expectations: Net optimism increased to +29 from last quarter's +7. Retail/Wholesale CFOs' year-over-year growth expectations for revenue fell to 5.1% from 2Q23's 6.5%, and earnings growth expectations increased to 7.2% from 4.4% in the prior quarter. Their growth expectations for capital investment fell to 3.4% from last quarter's 5.6%, while expectations for growth in dividends increased to 3.6% from 3.2% in 2Q23. Expectations for growth in domestic hiring rose slightly to 2.2% from 1.6% in the prior quarter, while expectations for domestic wages/salaries fell to 3.7% from 4.3% in 2Q23.

Services trends—Expectations and sentiment

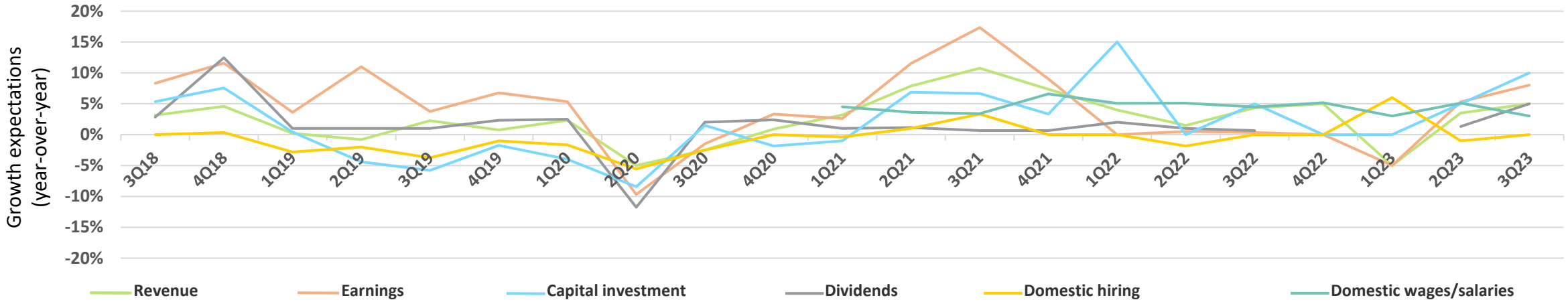


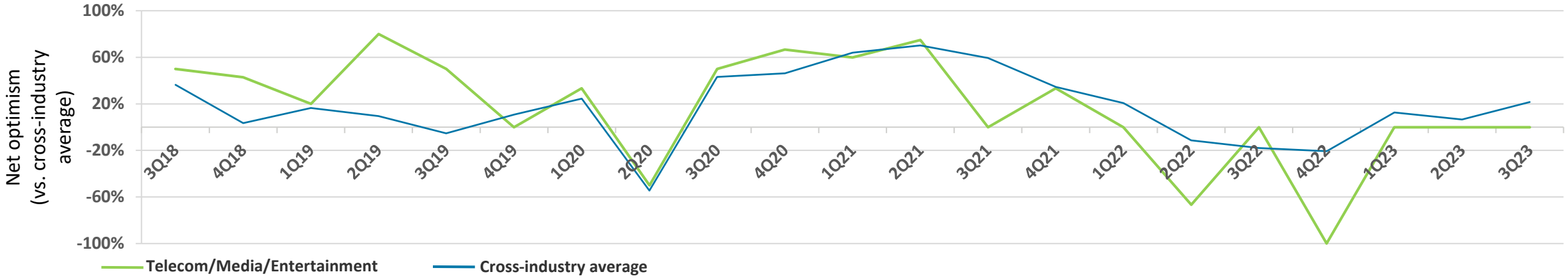


Composition: Respondents are mostly from transportation, distribution, logistics, and support companies (60%), with the remaining respondents from engineering and construction, tech-enabled business services, and consumer services. Seventy percent of respondents in this industry are from public companies.

Sentiment/expectations: Net optimism increased to +30 from last quarter's +9. Expectations for year-over-year revenue growth increased to 7.2% from 3.1%, in 2Q23, and earnings growth expectations increased to 9.8% from 2% in the previous quarter. Growth expectations for capital investment fell to 2.5% from 7.8%, and domestic hiring growth decreased to 0.9% from 1.2% in 2Q23. Meanwhile, growth expectations for domestic wages/salaries increased slightly, to 3.7% from 3.5%. Growth expectations for dividends rose to 4.7% from 4.5% in 2Q23.

Telecom/Media/Entertainment trends—Expectations and sentiment



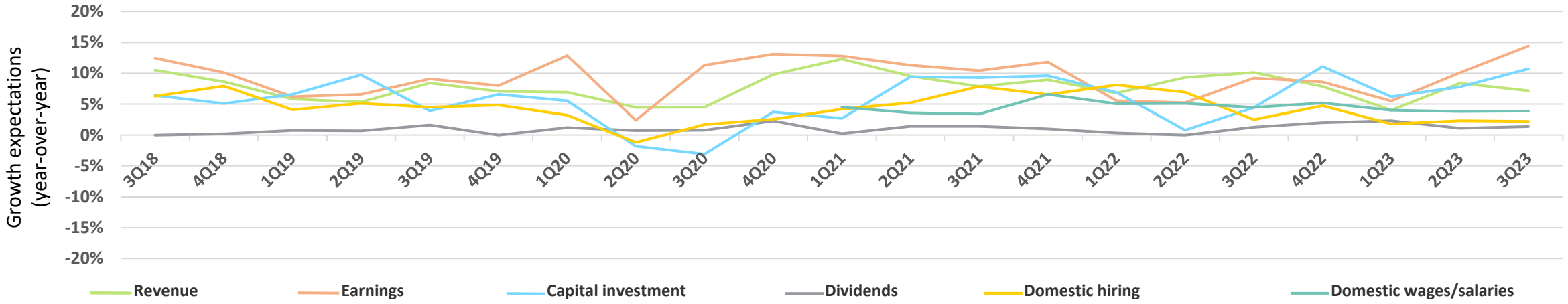


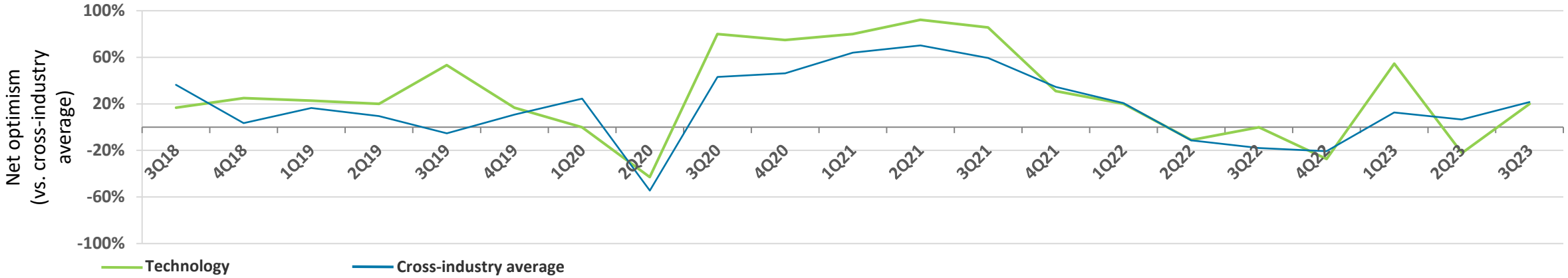
Composition: Respondent base is made up of one publicly held company.

Sentiment/expectations: Net optimism remained unchanged at +0 from 2Q23, most likely due to only one respondent from this industry. Year-over-year expectations for growth in revenue and earnings were 5% and 8%, respectively, this quarter, compared to 3.5% for revenue and 5.3% for earnings in 2Q23. Growth expectations for capital investment increased to 10% from the 5% in the previous quarter. Growth expectations for domestic wages/salaries fell to 3% from the 5.1% in 2Q23. Growth expectations for domestic hiring came in at 0%, compared to -1% in 2Q23.

*Note: This industry had only one respondent in 1Q23 and 4Q22 who did not complete the dividend growth expectations question, therefore change in dividend growth does not appear in the chart above.

Technology trends—Expectations and sentiment



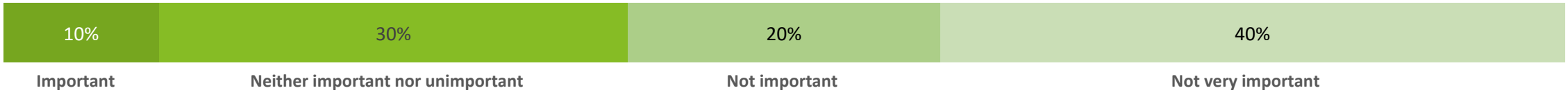


Composition: Respondents consist of hardware, software, data processors, cloud technology, cybersecurity, industrial automation, and information technology companies. Ninety-three percent of the respondents are from public companies.

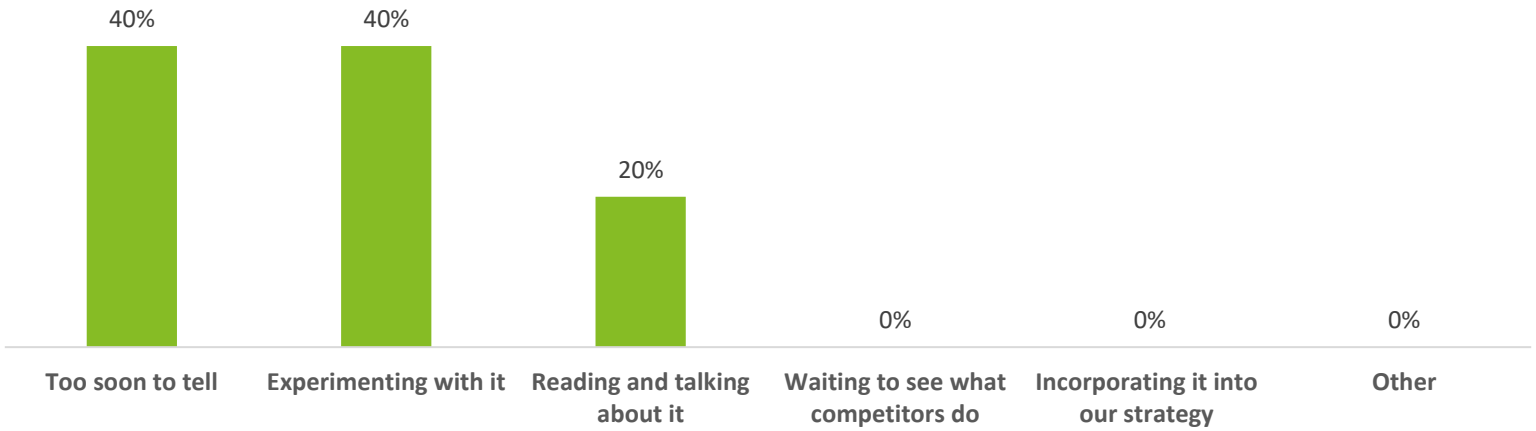
Sentiment/expectations: Net optimism among Technology industry CFOs increased significantly to +20 from -22 in 2Q23. Year-over-year growth expectations for revenue decreased to 7.2% from 8.4% in 2Q23, while earnings growth expectations rose to 14.4% from 10.1% in the prior quarter. Compared to the prior quarter, growth expectations for capital investment increased to 10.7% from 7.8% while growth expectations for dividends rose to 1.4% from 1.1%. Growth expectations for domestic hiring and wages/salaries were nearly unchanged, at 2.2% and 3.9%, respectively, compared to 2.3% and 3.8% in 2Q23.

Energy/Resources—GenAI select responses

How important is GenAI to achieving your business strategy? (N=10)

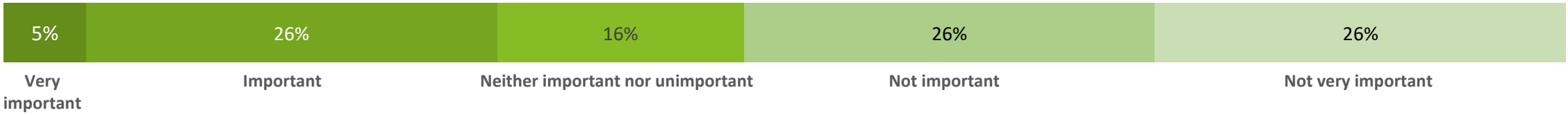


Where is your organization on its GenAI journey? (N=10)

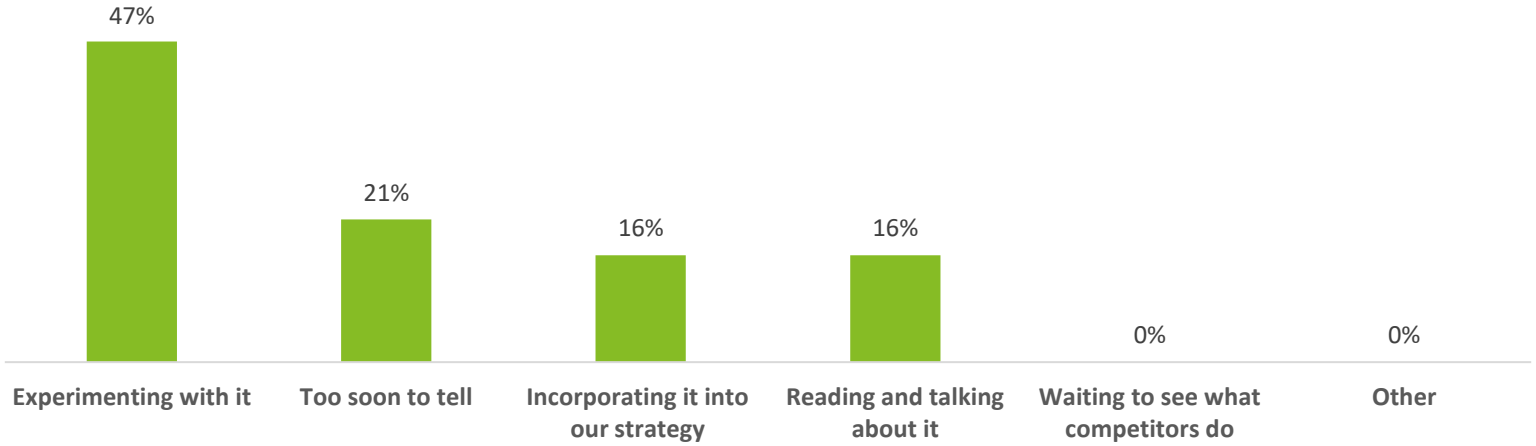


Financial Services—GenAI select responses

How important is GenAI to achieving your business strategy? (N=19*)

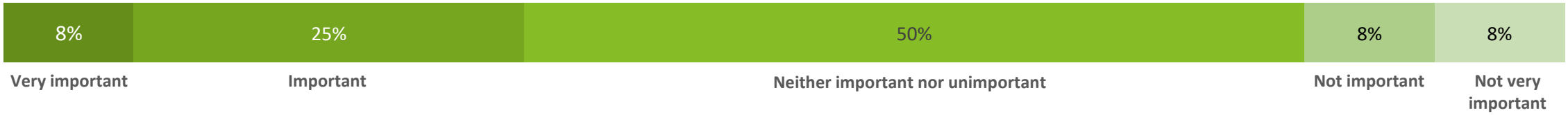


Where is your organization on its GenAI journey? (N=19)

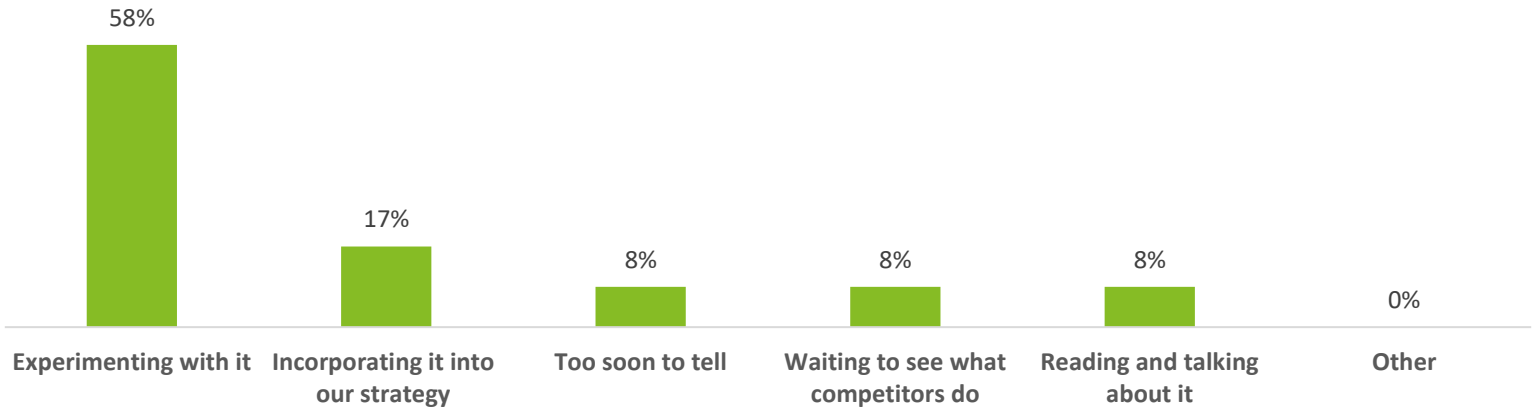


Healthcare/Pharma—GenAI select responses

How important is GenAI to achieving your business strategy? (N=12*)



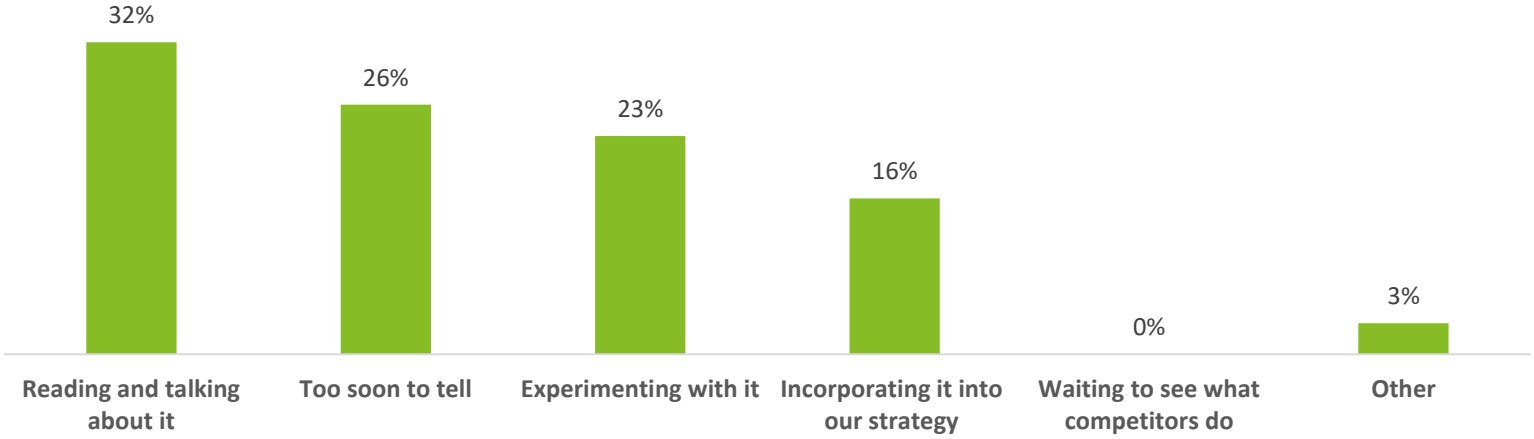
Where is your organization on its GenAI journey? (N=12)



Manufacturing—GenAI select responses

How important is GenAI to achieving your business strategy? (N=31)

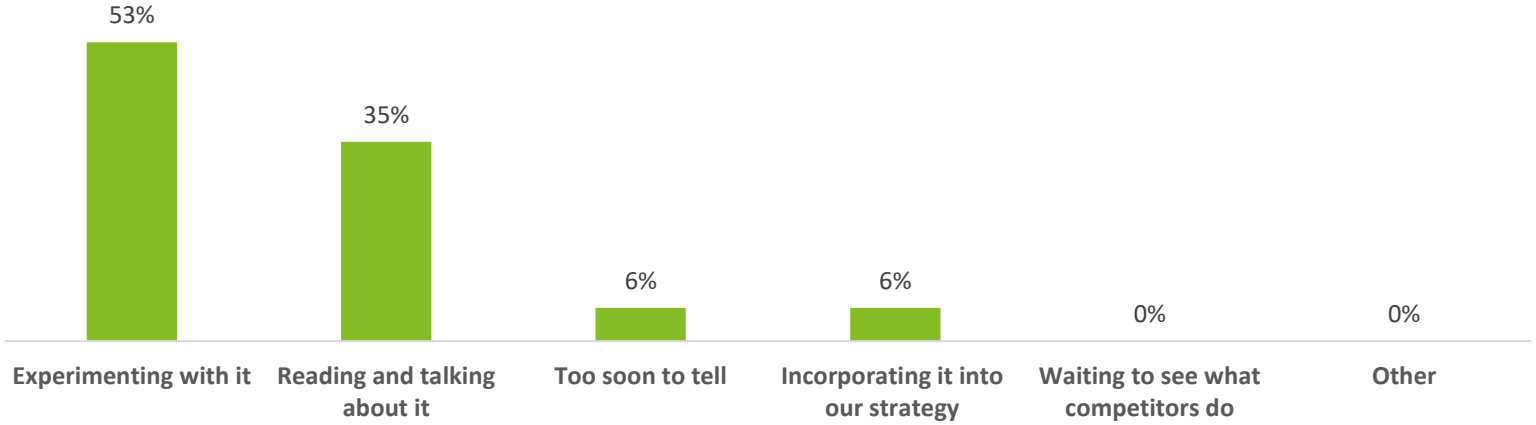
Where is your organization on its GenAI journey? (N=31)



Retail/Wholesale—GenAI select responses

How important is GenAI to achieving your business strategy? (N=17)

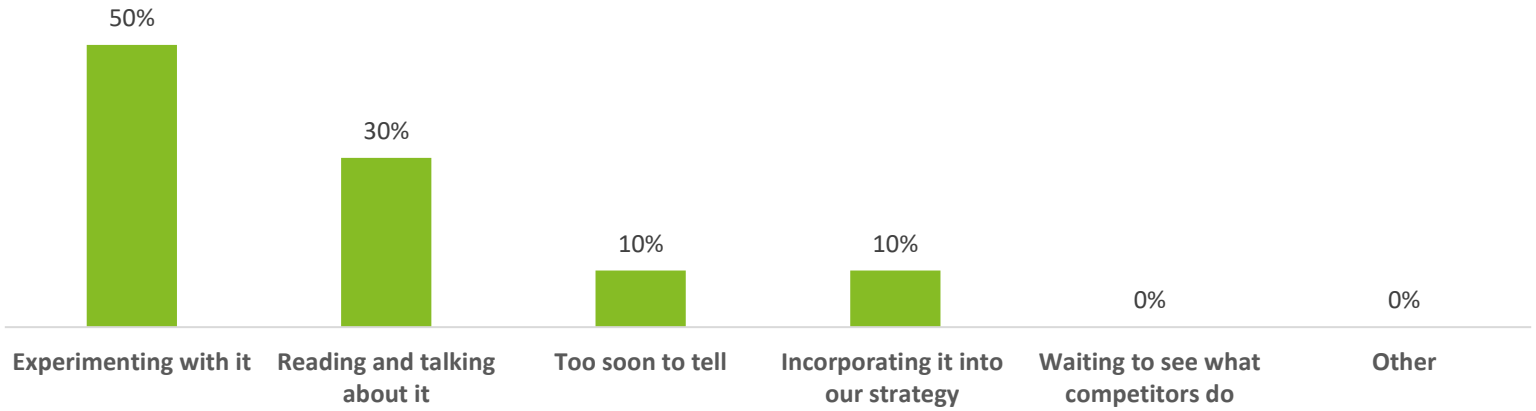
Where is your organization on its GenAI journey? (N=17)



Services—GenAI select responses

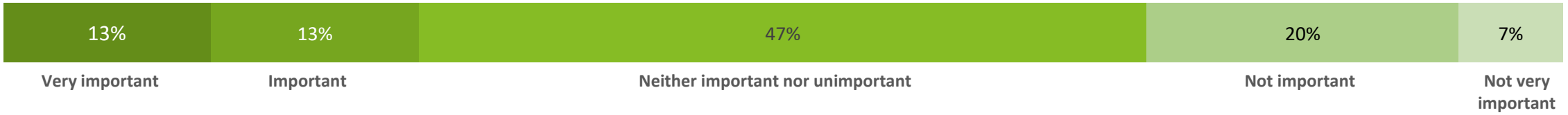
How important is GenAI to achieving your business strategy? (N=10*)

Where is your organization on its GenAI journey? (N=10)

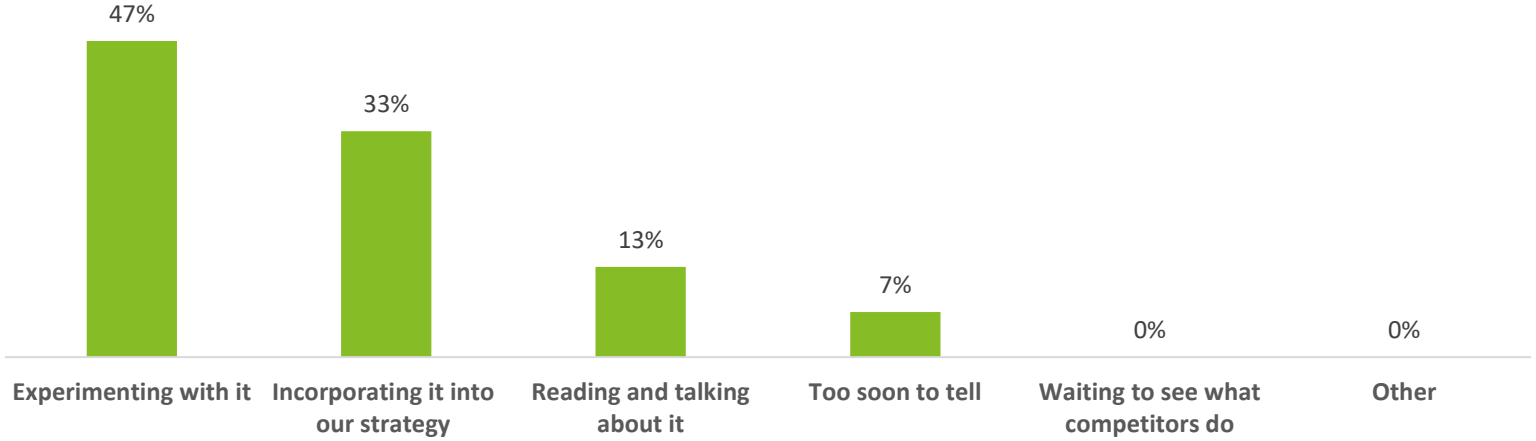


Technology—GenAI select responses

How important is GenAI to achieving your business strategy? (N=15*)



Where is your organization on its GenAI journey? (N=15)



Sentiment: Most worrisome internal risks

(Participants' responses to open-ended text questions)

- Ability to cut admin costs.
- Ability to execute on IT roadmap.
- Ability to focus limited investment in the right areas.
- Agility.
- Appropriate prioritization and execution of generative AI use cases.
- Attracting and retaining the workforce needed to execute our strategic objectives.
- Attrition.
- Bandwidth.
- Bureaucracy.
- Bureaucracy.
- Capabilities required to adapt in order to grow.
- Capital needs.
- Change management.
- China.
- Continues to be retention and engagement of talent.
- Continuing our growth momentum.
- Cost control.
- Cost cutting.
- Costs.
- Cyber.
- Data breach.
- Data volume and complexity.
- Debt leverage.
- Development speed for new products.
- Driving growth.
- Economy.
- Effective cost management.
- Efficiency.
- Employee resignation.
- Employee retention.
- Employee retention.
- Employee retention.
- Employee retention and morale.
- Employee workload.
- Employees disengaged.
- Engagement.
- Escalating costs.
- Execution.
- Execution.
- Execution.
- Execution.
- Execution.
- Execution.
- Execution.
- Execution.
- Execution.
- Execution.
- Execution.
- Execution in technology business.
- Execution on a major system implementation.
- Execution on projects.
- Execution risk on capacity expansion/moves.
- Execution risk.
- Execution risk.
- Expense controls.
- Finding and retaining quality associates.
- Fixed cost pressure.
- Flight of good people.
- Funding and execution of needed capital projects to maintain/improve overall asset quality.
- Growing too fast.
- Hybrid work and loss of productivity.
- Impact of hybrid work.
- Inflation.
- Internal politics.
- Labor.
- Labor availability.
- Limited supply of prospective employees.
- Maintaining positive momentum and culture.
- Manpower.
- Not achieving intended results of current initiatives.
- Not having the right people.
- Organizational burnout.
- Our financial systems migration.
- Pace of technology changes.
- People.
- People and resources.
- People lost.
- Politics.
- Pricing models.
- Prioritization and discipline around investing in projects with a strong ROI.
- Prioritization.
- Product execution.
- Productivity.
- Project management.
- Proper allocation of capital.
- R&D.
- R&D timelines.
- Recruiting and retention.
- Remote work.
- Resistance to change.
- Resource capacity.
- Revenue growth.
- Sales growth.
- Security of data.
- Security of products.
- Short-term focus.
- Significant need for transformation to stay competitive.
- Staff retention.
- Staff turnover.
- Staffing.
- Staffing.
- Staffing shortages.
- Strategic execution.
- Strategic focus.
- Strategy.
- Talent.
- Talent.
- Talent.
- Talent.
- Talent gaps.
- Talent pipeline and leadership.
- Talent retention.
- Talent retention.
- Talent retention.
- Talent retention.
- Talent retention.
- Talent retention.
- Talent retention and acquisition.
- Talent/skill set.
- Technology.
- Technology debt.
- Technology investments and roadmap.
- Tight labor supply.
- Too much change at once.
- Turnover.
- Turnover.
- Turnover.
- Underwriting.
- Volatility of price and cost moves coupled with increased economic uncertainty.
- Vulnerability to cyberattacks.
- Wage pressure.
- Wasted time.
- Workforce availability and reliability.

While we have attempted to display CFOs' verbatim comments wherever possible, we have abbreviated or clarified some comments in the interest of economy and participant confidentiality.

Sentiment: Most worrisome external risks

(Participants' responses to open-ended text questions)

- Ability to obtain long-term financing.
- Asia contagion.
- Economic event that we do not see coming based on years of government subsidized spending.
- Capital market disruption.
- Capital markets.
- Capital markets.
- Central banks raising rates too far.
- Chaotic markets.
- China.
- China.
- China deflation and housing.
- China demand.
- China economy.
- China relations.
- China/Taiwan hostility.
- Civil war.
- Climate change.
- Commercial real estate.
- Competition.
- Competition.
- Competitive pricing action.
- Consumer debt.
- Consumer spending.
- Cost of financing.
- Cyber.
- Cyber – ransomware.
- Cybersecurity.
- Cybersecurity.
- Demand.
- Economic.
- Economic consumptions.
- Economic shock.
- Economic slowdown and potential recession.
- Economy.
- Economy.
- Economy.
- Economy.
- Economy.
- Election year in U.S.
- Environmental activism.
- European markets recession.
- Expansion of armed conflict.
- Export and import restrictions.
- Fed continues to raise rates well past the point where it drives the U.S. into a recession.
- Fed raising rates further.
- Fed tightening, potentially pushing a recession.
- Federal government.
- Fiscal policy and political disunity in the U.S.
- General city deterioration and safety.
- Geopolitical.
- Geopolitical.
- Geopolitical.
- Geopolitical.
- Geopolitical.
- Geopolitical.
- Geopolitical.
- Geopolitical.
- Geopolitical.
- Geopolitical.
- Geopolitical implications of Russia/Ukraine, along with China/U.S. relations.
- Geopolitical issues.
- Geopolitical issues.
- Geopolitical tensions.
- Geopolitics.
- Global economic slowdown.
- Global macro political events.
- Global tension.
- Government budgets.
- Government incompetence.
- Government intervention.
- Government policy.
- Government policy, e.g.. IRA.
- Government regulation.
- Governmental oversight/over control.
- High interest rate.
- High interest rate impacts to sector.
- High interest rates.
- Higher interest rates.
- Impact of interest rates on growth.
- Increasing labor and raw material costs.
- Inflation.
- Inflation.
- Inflation.
- Inflation.
- Inflation.
- Inflation.
- Inflation.
- Inflation.
- Inflation.
- Inflation (both social and real).
- Inflation Reduction Act impact on pharmaceutical industry.
- Inflationary and economic challenges.
- Instability with China.
- Interest rates.
- Interest rates.
- Interest rates.
- Interest rates.
- Interest rates.
- Interest rates.
- Keeping up with competitor scale and AI capability.
- Labor and occupancy inflation.
- Lack of consumer consumption.
- Legal verdicts.
- Litigation and judgment amounts.
- Lower buying intention due to the continued high level of living expenses.
- Macro.
- Macro.
- Macro economy.
- Macro environment.
- Macroeconomic trends.
- Macroeconomic, principally the consequences of the Fed's actions.
- Market drop.
- Monetary policy.
- Over-regulation.
- Polarization of politics.
- Political - domestic and global.
- Political environment.
- Political issues.
- Political risk and war.
- Political volatility.
- Politics.
- Politics approaching election.
- Prolonged economic slowdown.
- Prolonged high interest rates.
- Recession.
- Recession.
- Recession.
- Recession.
- Recession and impact on discretionary spending.
- Recessionary impacts on customers.
- Regulation.
- Regulation.
- Regulation.
- Regulations.
- Regulatory.
- Regulatory.
- Regulatory.
- Regulatory.
- Regulatory environment, including SEC and PCAOB proposals.
- Reimbursement from government.
- Russia.
- Russia and China conflicts and potential for conflicts.
- Russia-Ukraine.
- Skilled labor availability.
- Slow or stagnant recovery.
- State of the economy.
- Sticky inflation.
- Supply availability.
- Supply chain.
- Sustained elevated inflation.
- Tax legislation.
- Tightening capital markets.
- U.S. debt.
- U.S. debt.
- U.S. government budget deficit.
- U.S. interest rates.
- U.S. national debt and interest cost on it.

While we have attempted to display CFOs' verbatim comments wherever possible, we have abbreviated or clarified some comments in the interest of economy and participant confidentiality.

Special topic: As CFO, what would help you in making decisions related to GenAI?

(Participants' responses to open-ended text questions)

- A better framework for evaluating use cases and their expected ROI.
- A better sense of value realization opportunities (e.g., cost savings, innovation).
- Ability to accurately detect outputs that are GenAI.
- Accuracy related to outputs.
- Automation.
- Best practices from others in my industry.
- Better definition about feasible use cases.
- Better understanding of capabilities.
- Better understanding of its potential uses.
- Better understanding of practical business cases/applications.
- Better understanding of risks and benefits.
- Better understanding of risks at an industry level.
- Better understanding of the potential with AI.
- Better understanding of the cost/benefit.
- Better understanding of use and limitations.
- Better use cases with ROI.
- Better use cases.
- Broader internal discussion.
- Case studies of what works well and what does not.
- Case studies on financial impacts.
- Clarity around practical applications vs. buzz.
- Clarity on business segments where it adds customer value.
- Clarity on pros and cons.
- Clarity on regulations.
- Clarity on the ability to control it, the how.
- Clear ROI.
- Clear success stories.
- Clear understanding of financial returns.
- Compelling business case for return on investments.
- Confidence in protecting data and understanding the algorithms.
- Connecting it to sales growth.
- Cost and benefit analyses.
- Cost benefit analysis by business unit of applying GenAI.
- Cost benefit analysis.
- Cost savings clearly identified.
- Cost to implement and business case.
- Cost to update and maintain.
- Cross-sharing of use cases across several industries.
- Data quality and controls.
- Data quality or existing systems.
- Data with explanation.
- Demonstrated ability to automate manual activities specific to our company.
- Demonstrated returns for finance teams.
- Effectiveness.
- Efficiency.
- Examples of it being deployed and controlled effectively in other businesses.
- Further education.
- Getting better informed as to how to leverage.
- Getting right use cases.
- Have more information.
- How it can drive business growth while using internally to be more efficient.
- How to assess organizational readiness.
- How to implement it with antiquated and old systems.
- How to manage risks appropriately.
- How to manage risks appropriately.
- Improved data accuracy and governance.
- Industry use cases.
- Internal talent with interest and ability to drill into it and its capabilities for my company.
- IP/cybersecurity issues.
- Know more about it.
- (Knowing) what additional resources are available.
- Learnings related to successes and opportunities.
- Market intelligence on activity in the space, early wins, early failures, etc.
- Modeling.
- More clear guidelines.
- More data and better global governance policies.
- More education.
- More education.
- More education around the opportunities and risks.
- More examples of benefits.
- More experience with client use cases.
- More knowledge of the subject.
- More professional advice.
- Multi-year path to success.
- Not sure yet.
- Outline of risk boundaries.
- Practical application demonstrations.
- Practical implications of disclosure.
- Privacy and quality of AI.
- Productivity.
- Real world examples of successful implementations.
- Retention.
- Reviewing technology and what it can do.
- Risk analysis.
- Risk mitigation.
- Risk mitigation.
- Robust controls.
- ROI.
- ROI.
- Running in parallel to confirm quality exists.
- Sample governance policy.
- Sector/industry adaptation.
- Seeing policies around it.
- Separating the noise.
- Sharper definitions of use cases - to focus the effort.
- Skilled labor availability.
- Solid business case.
- Specific business/use cases that have been successful.
- Specific use cases that demonstrate financial return.
- Targeted use cases.
- The necessity of Gen AI for the growth or improvement of our organization.
- The usual evolution of knowledge.
- There is so much hype around this solution. I would like to read a clear-eyed assessment of its capabilities and limitations.
- Thorough understanding of potential.
- Time.
- Time.
- To get a better understanding of the current functionality of implementing a GenAI tool.
- To see what others are doing.
- Too early to answer.
- Total addressable markets
- Total cost-saving opportunity.
- Trends on how it can add value 1-3 years hence.
- Understanding how to protect customer data.
- Understanding of industry best practices.
- Understanding of risks.
- Understanding potential risks.
- Understanding what others are doing.
- Use case benchmarking.
- Use cases.
- Use cases.
- Use cases.
- Use cases at other companies.
- Use cases that are able to show cost reductions.
- Using Gen AI tools to be more comfortable.
- Value to customers.
- Visibility into what others have found successful.
- What are the likely advances we would expect to see come to market over the next 12 months?
- What is time and investment requirements.
- Where are the opportunities to implement.
- Whether government regulation will inhibit the use of Gen AI in our business process -- from hiring to customer service to risk selection.
- White papers/articles about the subject.

While we have attempted to display CFOs' verbatim comments wherever possible, we have abbreviated or clarified some comments in the interest of economy and participant confidentiality.

Special topic: In your opinion, what are the most promising potential uses of GenAI for the finance function?

(Participants' responses to open-ended text questions)

- Ability to forecast more accurately.
- Ability to provide useful data to decision-makers more quickly.
- Accounting research, comparative analysis, data mining for insights.
- Accuracy and better controls.
- Actionable insights.
- Actuarial applications.
- Analysis and forecasting.
- Analytics.
- Automate manual/semi-manual tasks.
- Automate repeatable or lower value-adding activities.
- Automate transactional work, repetitive reporting work, automation of manual work.
- Automating mundane work that people don't generally enjoy.
- Automating repetitive tasks, including retrieval of financial performance information by users.
- Automation.
- Automation.
- Automation.
- Automation.
- Automation of core analysis, with identifying areas of opportunity/problems and pulling relevant information together to tackle it.
- Automation of repetitive tasks.
- Automation of transactional tasks and processes.
- Automatization.
- Better automation of daily tasks.
- Better data analysis.
- Better forecasting.
- Better marketing ROI, better forecasting.
- Business insights.
- Business intelligence.
- Ceded re(insurance) accounting, reconciliations, bordereau processing.
- Continued automation of repetitive tasks; greater accuracy.
- Controls.
- Core reporting.
- Cost reduction.
- Customer service operations.
- Customer support, accounts payable.
- Data analysis
- Data cleansing/curation.
- Data consumption and analytical capability.
- Decision support in processes higher in value chain.
- Deeper hindsight, insights, and foresights into (what's) driving the value for the business.
- Deeper insight into business.
- Digest, summarize, and identify outliers for key metrics among the many competitors (~50).
- Drafting of press release, 10-Q / 10-K, accurately and "in our voice."
- Driving down costs.
- Efficiencies in modeling/analysis.
- Efficiency.
- Efficiency.
- Efficiency.
- Efficiency.
- Efficiency in transactional processing.
- Efficiency, speed, ability to focus on value-add drivers.
- Eliminate low value work by automated decision-making and reporting.
- Enhance planning.
- Expediting monthly close.
- Expense reduction.
- Financial analysis.
- Financial analysis.
- Forecasting.
- Forecasting.
- Forecasting.
- Forecasting.
- Forecasting.
- Forecasting.
- Forecasting.
- Forecasting ability.
- Forecasting analytics, speed and depth of analytics.
- Forecasting and modeling.
- Forecasting and modeling improvements.
- Forecasting and scenario planning.
- Forecasting improvements.
- Forecasting, modeling.
- Forecasting, scenario planning.
- Freeing up time for higher level analysis.
- Further automation of repetitive functions.
- Further elimination of manual tasks.
- Generating reports.
- Great question; I don't know.
- Greater insights and functionality, specifically in FP&A and strategic forecasting.
- I am not sure what the best use would be for finance. This is my key question, especially where we are as a company in catching up on our IT investment.
- I am not sure yet.
- I don't know.
- I think there are multiple areas where AI could generate efficiencies; SEC reporting comes to mind.
- Idea generation.
- Identify areas for audit focus.
- Improve accuracy of analysis.
- Improve efficiencies.
- Improve forecasting accuracy.
- Improve speed and accuracy of forecasting.
- Improved forecasting and decision support.
- Improved insights into cost management performance.
- Improved searching/research.
- Improvement E2E planning/forecasting.
- Improving efficiency.
- Increase margin, efficiencies, productivity.
- Increase the accuracy of forecasting.
- Internal audit.
- Internal controls.
- Manual task automation, improve billing.
- More accurate forecasting.
- More automation.
- Not GenAI, but AI more generally for better forecasting and efficiencies.
- Opportunities to reduce cost.
- Performance analyses, identify anomalies in data.
- Predicting & forecasting performance.
- Predicting modeling and forecasting, data analytics.
- Predictive analytics.
- Predictive analytics.
- Predictive analytics.
- Predictive analytics.
- Predictive capabilities.
- Problem findings.
- Process automation.
- Process efficiencies.
- Productivity.
- Provide predictive capability.
- Providing deeper insights into the business.
- Providing insights into market trends and business drivers.
- Quicker insights and action.
- RCM and SCM processes.
- Reconciliations.
- Reduce costs.
- Reduce costs in accounting/reporting functions.
- Reduce the marketing fee.
- Reporting.
- Reporting - both drafting and potentially automating limited ad hoc user requests.
- Scalability and efficiency.
- Scalable cost platform.
- Shared services efficiencies.
- Software.
- Speed of information.
- Standard reporting.
- Still unclear.
- To be determined.
- Too early to tell.
- Transaction processing.
- Transaction processing.
- Transactional processing efficiencies.
- Using data quickly to make better informed decisions.
- Valuation modeling.

While we have attempted to display CFOs' verbatim comments wherever possible, we have abbreviated or clarified some comments in the interest of economy and participant confidentiality.

Additional reports from the Deloitte *CFO Signals™* library

2023 Survey Reports

- 2nd Quarter 2023 | *Special topic:* Enterprise risk and regulation
  Link to full report
  Link to executive summary

- 1st Quarter 2023 | *Special topic:* Data and Insights for Decision-Making
  Link to full report
  Link to executive summary

2022 Survey Reports

- 4th Quarter 2022 | *Special topic:* 2023 priorities, plans, and hopes for policy
  Link to full report
  Link to executive summary

- 3rd Quarter 2022 | *Special topic:* Work, workforce, workplace
  Link to high-level report
  Link to executive summary

- 2nd Quarter 2022 | *Special topic:* Decarbonization
  Link to the high-level report
  Link to executive summary

- 1st Quarter 2022 | *Special topic:* Managing the information technology function
  Link to the high-level report
  Link to executive summary

2021 Survey Reports

- 4th Quarter 2021 | *Special topics:* Monetary and tax policies; CFO priorities and company expectations for 2022; C-suite relationships
  Link to high-level report
  Link to executive summary

- 3rd Quarter 2021 | *Special topics:* M&A plans; Supply chains
  Link to high-level report
  Link to executive summary

- 2nd Quarter 2021 | *Special topics:* Transformation amid the pandemic; Diversity, equity, and inclusion
  Link to the high-level report
  Link to executive summary

- 1st Quarter 2021 | *Special Focus:* Finance leadership beyond the pandemic
  Link to the high-level report
  Link to executive summary

For more insights, see the CFO Insights library.

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Important notes about this survey report

The Deloitte North American *CFO Signals™* survey is a quarterly survey of CFOs from large, influential companies across North America. Each quarter since 2Q10, *CFO Signals* has tracked the thinking and actions of CFOs representing many of North America's largest and most influential companies. All respondents are CFOs from the U.S., Canada, and Mexico, and the vast majority are from public and private companies, predominantly with more than $1 billion in annual revenue. Participation is open to all industries except for public sector entities.

The purpose of the survey is to provide these CFOs with quarterly information regarding the perspectives and actions of their CFO peers across four areas: business environment, company priorities and expectations, finance priorities, and CFOs' personal priorities. Participating CFOs have agreed to have their responses aggregated and presented. At the opening of each survey period, the CFOs receive an email containing a link to an online survey hosted by a third-party service provider. The response period is typically two weeks, and CFOs receive a summary report generally within four weeks after the survey closes.

As a "pulse survey," *CFO Signals* is not, nor is it intended to be, scientific in any way, including in its number of respondents, selection of respondents, or response rate, especially within individual industries. Accordingly, this report summarizes findings for the surveyed population, but does not necessarily indicate economy- or industry-wide perceptions or trends.

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