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where discretionary spending is tight, they are increasingly focused on cost optimization.

Isaac M. O'Bannon • Jul. 25, 2023

Cchief financial officers are heavily focused on two areas that could lead to revenue gains: building and preserving a workforce that can help drive them toward growth; and investing in technology that has the potential to deliver efficiency and revenue gains. Those were among the findings of a new survey from Grant Thornton LLP, one

they expect travel expenses to decrease over the next year. That's a jump of 17 percentage points from the previous quarter, and the highest decrease in travel spending reported since the first quarter of 2021.

"Companies are laser-focused on topline sales growth while at the same time reducing costs unless those costs are sales or marketing related," said Sean Denham, regional managing partner of the Atlantic Coast at Grant Thornton.

Aligning revenue growth and talent retention

More than two-thirds (68%) of respondents said they expect revenue growth at their organizations over the next 12 months. Meanwhile, 67% expect net profit growth, a dip of just one percentage point from the previous quarter. However, increasing revenue while also making workforce cuts would be challenging, and the survey data reflects that. Just 27% of CFOs forecasted potential layoffs, down from 40% the previous quarter.

"It's a different environment than it was in the past," said Margaret Belden, People & Organization director at Grant Thornton. "It's hard enough to find talent right now. If you have to reduce expenses, look at other non-workforce areas such as projects that can wait — and look at streamlining operations and leveraging technology."

Belden also points to talent as a focus area for CFOs, and the survey shows that 58% of CFOs see attracting and retaining talent as a priority for the next 12 months.

Kim Jacoby, People & Organization director at Grant Thornton, added that CFOs need to be very clear and articulate their employee value proposition.

"They need to ask what their organization is offering in terms of benefits, rewards and overall experience, and how it's unique and different from what someone can get elsewhere," said Jacoby.

Investing in technology is key

capital, payroll and workforce management.

"Take the healthcare industry, for example," said Lilley. "Every device in a patient's room is connected to their technology systems. You have to prioritize spending on technology so you can stay competitive. And the flip side is that you're getting a tremendous return."

Chris Schenkenberg, Corporate Tax national managing partner at Grant Thornton, said technology is also the answer for what he sees as the "new normal" in workforce development. The shift toward employee empowerment that started with the entrance of millennials into the workforce intensified during the Great Resignation, and it hasn't abated.

"Now you've got to leverage technology to keep your productivity high," added Schenkenberg. "Workforce productivity is something that companies are going to have to wrestle with now and in the future."

Keeping an eye on AI

Artificial intelligence (AI) has caught the eyes of CFOs as a potential game-changer in several areas within their organizations — specifically for tasks such as content creation and summarization, responding to queries and writing software code. Nearly one-third (30%) of CFOs said their organizations are already using this technology, and an additional 55% said they are exploring potential uses for it.

In addition to its potential to help an organization grow and innovate, AI poses risks: There's a danger that what AI "learns" will result in outputs that are undesirable or even harmful.

While some of the CFO survey respondents who are using AI are addressing those risks, some are not. Just 52% of those using generative AI have clearly defined acceptable use policies, and 44% say their board of directors have taken an active role

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