Avalara

2025 CFO Pulse Survey

How technological innovation is evolving the role of CFOs in today's highly volatile business landscape

Executive summary

Chief Financial Officers are at an inflection point as they straddle being financial stewards and strategic leaders, juggling cost control and innovation. The volatility and uncertainty surrounding today's business environment have challenged finance leaders like never before as they grapple with inflation, global competition, regulatory scrutiny, and a rapid advancement in technology. Avalara's CFO Pulse Survey uncovers that deeper transformation is already underway, as CFOs seek to ensure their organizations' resilience and readiness for the future. The report explores how CFOs across the United States (U.S.) and, subsequently, the United Kingdom (UK) are stepping into strategic tech leadership roles amidst a very challenging and turbulent business environment.

The findings tell two stories: one of strategic confidence and one of technical concerns. CFOs are being challenged to move beyond financial guardianship and assume the role of enterprise strategist, but not all leaders feel prepared for this shift. While most believe in their strategic vision, there is uncertainty about the risks of adoption, the readiness of their teams, and the trustworthiness of artificial intelligence (AI)-powered tools. This is reshaping the competitive landscape, as the leaders who embrace AI are already repositioning finance as the engine of growth, while those that don't risk being left behind.



Introduction

The modern business landscape is constantly evolving, which means the roles and responsibilities of executive business leaders are evolving too. In the past, there were clear distinctions between executive positions across the C-suite. However, as AI continues to impact established business norms, many executives have found the lines between their roles becoming increasingly blurred.

For CFOs, this presents both opportunities and challenges. Once viewed as cost controllers and compliance chiefs, today's finance leaders are being pushed to become strategic technology leaders within their businesses. By effectively harnessing the power of AI, they play a pivotal role in wider digital transformation efforts and fundamentally change the way their organizations operate, both now and in the future.

However, doing so isn't always straightforward, and many CFOs are apprehensive about taking on this level of responsibility for numerous reasons. For some, it's a lack of personal expertise or confidence in their team's ability to adopt such technologies.

For others, it's concerns about necessary supporting infrastructure, C-level reluctance, regulatory hurdles, and the general trustworthiness of AI-powered tools. To better understand how today's CFOs are rising to become strategic leaders within their organization in the face of a challenging financial, regulatory, and technological landscape, Avalara surveyed 500 CFOs across the UK and U.S. between September 9 and September 18, 2025.

The survey uncovered a mixed picture, with many respondents feeling a combination of confidence and concern as to what the future holds for them and their employees, how their role will evolve over time, and where technologies such as AI will ultimately fit into the modern office of the CFO.



Modern finance leaders are under unprecedented pressure

Today's CFOs are under unprecedented pressure to operate effectively in a highly turbulent business environment.

The combination of global conflicts, U.S. tariffs, rising inflation, and an ongoing cost of living crisis has created levels of economic uncertainty rarely seen before. This makes it extremely difficult to set accurate financial targets and reliable long-term budgets.

These macroeconomic stressors are far from the only concern. Increasingly stringent regulatory and compliance loads, and a perennial shortage of employees with the necessary tech skills are adding to the significant pressure on finance departments, many of which are already stretched to their limits. But against this backdrop, help is at hand in the form of new technological innovations that promise to not only alleviate many of these key pressure points but fundamentally change the role of CFOs and finance departments forever.

The rise of finance-focused AI tools is already helping to slash time spent on laborious compliance tasks and reposition many CFOs as strategic business leaders.

In fact, 68% of the CFOs questioned across both the UK and the U.S. agreed with the statement:

> **CFOs are no longer just compliance chiefs:**
>
> **With the right tools and talent, they're poised to lead full enterprise transformation.**

However, doing so requires careful investment alongside strong internal relationships and allegiances.

CFOs are split on what their teams need to lead more strategically.

22% AI education and fluency

21% Integrated platforms

20% Greater automation

19% Stronger regulatory insight

18% More influence on the executive level



It's no surprise to see 'AI education and fluency' as the top overall priority, and, when questioned further, over 70% of respondents said they are very confident in their team's ability to successfully adopt AI across finance operations.

The top three reasons cited for this high level of optimism were:

34%

Strong executive support and clear AI strategy

30%

Having necessary technical skills and training already in place

29%

Proven ROI from successful pilot programs

However, not all CFOs share the same positive outlook. Almost a third of respondents (29%) confessed that they were not confident in their team's ability to adopt AI, due to:

31%

Organizational resistance to change

31%

Lack of AI expertise in the finance team

29%

Insufficient leadership support

These findings show that the majority of CFOs across the UK and U.S. recognize the enormous benefits modern technology can bring to both their finance operations and wider business goals.

Indeed, many have already begun to adopt these technologies, or at least laid the groundwork for doing so in the near future as part of wider digital transformation strategies.



Digital transformation is underway, but may be missing the mark

Amongst CFOs that have already started their transformation journey, **the top finance functions identified as playing a greater role in business decision-making as a result of technology adoption include:**



While such diversity in where the financial function can be modernized is undoubtedly beneficial in the long run, it can also be overwhelming for those just beginning their transformation journeys, leaving many wondering where they should focus their initial transformation efforts.

AI has proven to be the turnkey technology for much of the finance department's digital transformation efforts with 31% of CFOs saying AI and machine learning are the most important technology for staying ahead of growing financial regulation and complexity in the months and years to come.

Amongst survey respondents, the top AI investment priorities are optimizing regulatory intelligence (16%) and building internal GPTs or agents (15%). The latter appears to be a risky endeavor in light of a recent report by MIT, which found that generative AI pilots at companies are currently ending in a 95% failure rate.

Interestingly, the use of AI to streamline e-invoicing (14%) and power cross-border compliance platforms (14%) are considered lower priorities at the moment, despite CFOs admitting they were the two areas most likely to keep them up at night.

Barriers to transformation remain too high for some

CFOs setting out on their digital transformation journeys face multiple barriers. Many lack the suitable technology infrastructure required, meaning significant back-end investment will need to be made before any meaningful progress can be achieved.

For 28% of CFOs, an uncertain economic outlook is a top challenge impeding their ability to lead their organization through a finance transformation. While it's hard to dispute the advantages of digital transformation and AI adoption, many business leaders view the volatile economy as too high of a risk when it comes to transformation investment, leaving organizations in an indefinite holding pattern.

Another barrier is simply not having the skilled employees in place to facilitate such a transformation, something 28% of respondents listed as their main issue. With technologies such as AI still being in their infancy, the global pool of individuals with the knowledge needed to lead a major implementation remains extremely small, making recruitment a major challenge.

Overcoming the AI Trust Gap

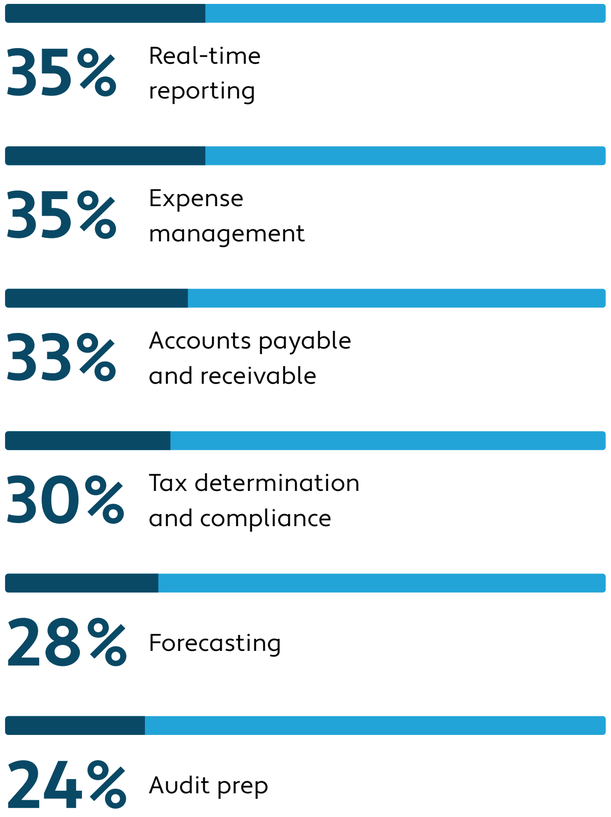
Amongst CFOs that have already moved ahead with digital transformation projects, automation is the technology having the biggest real-world impact.

24% of those questioned said that they are already benefiting from fully automated workflows within their finance departments, with a further 34% saying they had selectively automated high impact areas of operation.

In fact, **62%** of CFOs agree with the statement

> **AI and automation are shifting my role as a CFO from being a financial steward to acting as a strategic growth leader.**

For CFO's diving into AI adoption, the top uses of the technology include:



When asked how they plan to measure the success of AI finance implementations, CFOs' responses varied significantly, from compliance improvement (36%) and error reduction (31%), to improved decision making (31%), revenue impact (31%), cost reduction (31%) and time savings (29%).

This suggests that **AI has the potential to enhance nearly every aspect of finance operations, but there doesn't appear to be a current consensus on which benchmarks matter the most. Until these can be established and accurately measured, AI's true impact may prove difficult to quantify.**

Despite its clear benefits, not every CFO is rushing to adopt AI. In a traditionally risk-averse industry, getting things wrong can have potentially catastrophic consequences, and with AI still in its infancy as a technology, it's understandable why many CFOs are choosing to take a more cautious approach.

In these instances, the emphasis is on AI vendors to demonstrate both the value and trustworthiness of the technology.

Risk, Scrutiny, and Resilience

Despite lingering trust issues, nearly every CFO acknowledges that AI and automation are set to play a fundamental role in finance operations going forward. While many are taking a cautious approach to full adoption of AI, they also know that failing to investigate and plan for its implementation will likely see them get left behind as others take the leap.

For instance, as more countries digitize their tax and financial systems around the world to help boost revenue and combat fraud, mandates for fully compliant global e-invoicing have risen significantly. Only 26% said they were fully compliant with these mandates, while 34% are exploring long-term planning and 30% are urgently investing in ways to achieve compliance.

AI-powered solutions will likely be the key to achieving this due to their ability to quickly handle huge volumes of e-invoices from around the world, all of which are governed by unique local tax laws and compliance requirements. With 37% of CFOs saying that 'meeting e-invoicing mandates' was the number one thing keeping them up at night, this will likely be a key area focus over the next 12-24 months for many organizations.

Macroeconomic uncertainty is also proving to be a key driver of AI adoption amongst those questioned. While some CFOs and other C-suite executives see this ongoing global volatility as a reason not to over-invest in new technologies at present (see section 2), others see AI-powered solutions as a way to fast track their compliance strategies in a landscape of ever-changing tariffs and tax laws.

In fact, 76% of those questioned by Avalara agree that

> **"Evolving tariff regulations are accelerating our shift to modern AI finance infrastructure"**

hinting at a real sense of urgency to capitalize on the benefits that AI has to offer in this area.

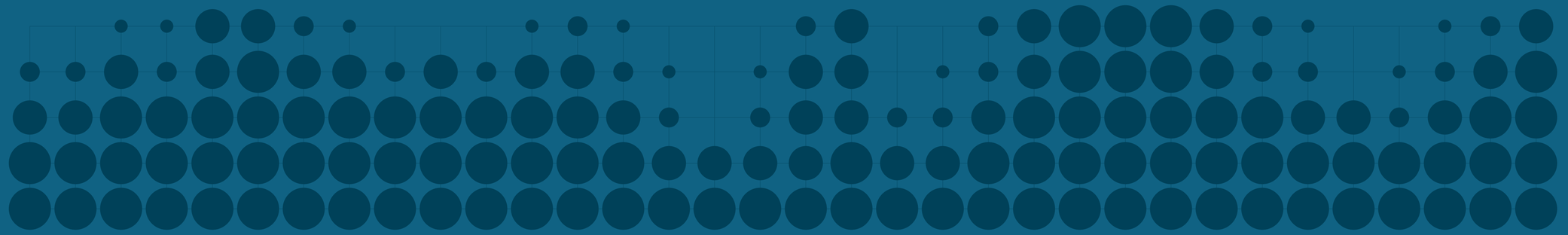


Conclusion

In today's highly volatile business environment, resilience has become critical to long-term success. CFOs are central to shaping this, but gaps currently remain between ambition and execution, particularly where digital transformation and the adoption of powerful new technologies such as AI and automation within finance functions are concerned.

While many have begun their transformation journeys and are already realizing the benefits that such technologies have to offer, others are being held back by confidence issues, a lack of skilled employees, and/or a reluctance from other C-suite members to make significant technology investments in this period of macroeconomic uncertainty.

Resolving these issues, accelerating modernization and building trust in these next-generation finance tools will be key to not only weathering this global economic storm, but also positioning CFOs as true strategic leaders within their organizations in the months and years to come.



About the CFO Pulse Survey

The Avalara CFO Pulse Survey research was conducted by Censuswide, among a sample of 500 CFOs (Aged 25+) with 500 or more employees across the UK and USA. The data was collected between September 9-18, 2025. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.