



CORPORATE FINANCE AND STRATEGY

CFOs Must Lead Performance, Not Just Count It

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Today's CFOs operate at the intersection of rising uncertainty, mounting complexity, and rapid technological change. Strategic decisions are being reshaped in real time by economic volatility, geopolitical disruption, and breakthroughs in AI. Yet many finance leaders remain tethered to legacy systems and traditional methods—constraining their ability to adapt to fast-moving market dynamics.

This moment calls for CFOs to step into a broader role: as chief performance officers. In this capacity, they help set strategic direction while championing data stewardship and advanced analytics to deliver insights aligned with evolving business needs. They serve as value custodians, directing enterprise-wide investments, such as high-impact AI initiatives, and ensuring that those investments translate into measurable outcomes.

Making this shift demands operational, technological, and cultural transformation within the finance function. CFOs who lead this change will equip their teams with the clarity, agility, and foresight needed to navigate today's complexity and unlock future performance.

A Convergence of Shifting Dynamics Demands a New Approach

Finance function leaders must recognize and respond to three critical factors reshaping the landscape.

Macroeconomic Uncertainty. Today's economy, disrupted by deliberate policy uncertainty, confronts executives with increased risks and reduced visibility. CFOs encounter mounting pressure from boards, CEOs, and C-suite peers seeking clarity on the business implications of looming inflation and a potential recession. Publicly traded companies experience added scrutiny from investors and analysts who demand insights into the forward-looking impacts of uncertainty. This environment challenges CFOs and their teams to anticipate issues and prepare robust responses. But many finance leaders struggle to respond effectively, as offline spreadsheets and fragmented data sources severely limit real-time financial steering.

To navigate uncertainty, finance teams must evolve from passive data managers to proactive strategists. By placing finance at the center of organizational performance, CFOs and their teams can enhance productivity and manage risks more effectively.



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Promoting successful collaboration between finance teams and business units is essential to facilitate real-time visibility into operational dynamics, empowering teams to respond quickly to changing conditions. At the same time, streamlining decision-making processes enhances efficiency and responsiveness throughout the organization. By breaking down silos and enabling collaborative interactions, companies can adapt swiftly to macroeconomic shifts, positioning themselves for ongoing agility and resilience.

Geopolitical and Market Volatility. The uncertainty surrounding tariffs and resulting capital market fluctuations have introduced considerable complexity into strategic planning. Companies require unprecedented flexibility in their planning and operating models. Traditional monthly or quarterly forecasts, often created through disconnected, spreadsheet-driven processes, no longer suffice in the rapidly changing environment. Many finance teams remain bogged down validating data rather than swiftly generating actionable insights.

Finance functions must now pivot quickly—within days or hours—to revise forecasts and maintain responsiveness. This shift demands that they replace static planning methods with dynamic, scenario-driven approaches. By embracing driver-based planning methods, supported by codified business logic and advanced technology, finance teams can perform real-time scenario modeling across all financial statements. Such approaches enable greater dynamism and connectivity, allowing organizations to continuously understand how potential decisions could impact their long-term strategies, annual plans, and budgets in response to evolving market realities.

AI Advances. Amid these pressures, the latest developments in AI present profound opportunities. AI agents move beyond prediction and conversation to reshape business processes and get work done. Organizations risk losing competitive ground if they are slow to adapt end-to-end finance processes and build new technology capabilities leveraging AI. Finance modernization is also becoming a key factor in attracting and retaining top CFO talent. Without a forward-looking, AI-empowered function, the appeal of leadership roles in finance will diminish.



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As AI and GenAI use cases expand across functions, finance teams must gain skills to identify compelling business cases and apply these solutions within their own operations. Finance personnel should be equipped to evaluate investments, guide tradeoff decisions alongside business partners, and measure value creation over time. Closer collaboration with other parts of the organization will be critical to effectively running scenarios and assessing business impact. These changes also call for a rethinking of planning processes, systems architecture, and data interconnectivity—crucial foundations for enabling the use of AI agents.

How CFOs Can Seize the Moment

To capitalize on these opportunities, CFOs must pursue a step change in operational agility. A successful finance function transformation begins with clearly defining a strategic vision, or North Star, that aligns people, processes, and technological tools.

Establish a new operating model and talent profiles. The rapid pace of change demands fresh capabilities, skill sets, and ways of working within finance teams. Roles, accountabilities, and skills must evolve to reflect new expectations and future needs. Organizations must proactively reshape their talent profiles to build robust capabilities and foster enhanced cross-functional collaboration—ensuring that finance teams are versatile, insightful, and strategically aligned with broader business objectives.

Reimagine end-to-end processes. New AI-powered capabilities allow finance teams to comprehensively redesign end-to-end processes. Adopting AI across processes not only streamlines workflows but also delivers measurable value at scale by enhancing strategic and operational performance.

Digitize to automate tasks and improve service. Digital solutions can automate routine tasks, enabling finance professionals to shift their focus toward more strategic, high-value activities. AI-driven tools give finance teams better insights, sharper analyses, and faster decision-making capabilities. Finance organizations should also enhance their service offerings with solutions such as AI optimization engines and increase their focus on AI-powered self-service platforms. These initiatives promote leaner, more agile finance teams capable of delivering superior service and strategic guidance to the broader business.

For example, a technology company hampered by fragmented data, manual forecasting processes, and limited visibility into performance drivers deployed an AI-based forecasting engine. A driver-tree engine allowed teams to map relationships between key business variables, making it easier to explore the root causes of performance trends. Machine-learning algorithms automatically produced forecasts incorporating the latest business performance and external factors. Enhanced scenario-modeling tools enabled the company to make timely course corrections, steering the

organization more effectively in a fast-changing market. The results: forecasting accuracy improved by more than 50%, insight generation accelerated, and meaningful capacity was freed up for deeper partnerships with colleagues.

Is Your Finance Function Ready?

To evaluate whether their finance function is prepared to meet the challenges and capture the opportunities, CFOs should start by considering their answers to several critical questions:

- Do our finance teams have the right skills and talent to fully harness advanced analytics and AI?
- Are our systems and processes agile enough to adapt quickly in volatile market conditions?
- Are we using digital solutions and AI-driven tools to automate routine tasks—freeing up capacity for strategic work?
- How quickly and accurately can we model different scenarios to respond to disruption or seize new opportunities?
- Is our cross-functional collaboration strong enough to drive alignment and enable timely, data-driven decisions?

For many CFOs, the candid answers will reveal the need for a comprehensive reinvention of the finance function.

Transforming your finance function into an agile, technologically advanced, and strategically proactive entity is essential for effectively navigating uncertainty. Begin by thoroughly assessing your function's current capabilities, identifying gaps, and prioritizing improvements across people, processes, and technology. By embracing the role of chief performance officer and redefining your finance function as a strategic partner, you will better equip your organization to weather uncertainties and pursue opportunities—today and in the future.

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