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## The Future of Finance in the Automotive Industry Finance as the Strategic Engine of Transformation

May 2026

## Introduction

The global automotive industry is at a profound moment of structural transformation unlike ever before. Technological disruption, regulatory shifts, supply chain realignment, and evolving customer expectations are redefining every part of the automotive value chain. Traditional boundaries between hardware, software, services, and data are becoming fluid. Competition is intensifying as new market entrants, particularly fast-scaling Chinese and tech-native players, challenge established OEMs on cost, speed, and digital capability. Automakers face a dual imperative: sustaining their legacy business while building the capabilities, technologies, and operating models required for software-defined mobility.

Amid this upheaval, the role of the CFO has expanded dramatically. Finance is no longer a function focused mainly on accuracy, compliance, and cost discipline. It must now guide strategic decision-making, shape investment priorities, and enable transformation across the enterprise. This whitepaper outlines emerging dynamics in the automotive sector and presents CFOs with a perspective on how to redefine their Finance organization to lead in a volatile and technology-driven future.

**“The speed of transformation in automotive has surpassed the industry’s traditional planning cycles. Finance leaders must become architects of adaptability, not guardians of the past.”**

**Oliver Glustin,**  
Partner Finance Transformation

## The Automotive Industry at an Inflection Point

The industry is undergoing multiple transitions spanning technology, operations, customer value, and global markets (see Figure 1). Electric vehicles continue to reshape engineering and production, even as profitability pressure increases. At the same time, a shift from hardware-centric products to software-defined vehicles (SDV) is reshaping the economics of mobility. Vehicles are no longer static assets sold once, but platforms with recurring revenue potential from over-the-air updates, connected services, and digital ecosystems.

This shift expands the industry’s competitive field. Traditional automotive groups remain important players, but are now joined by technology firms, cloud providers, mobility platforms, and new energy vehicle companies. Many of these competitors boast faster development cycles, digital-native engineering capabilities, and lighter organizational structures.

The customer value proposition is also changing. Historically, emotional attributes such as performance, design, and brand status dominated purchase decisions. Today, utilitarian considerations, such as time optimization, CO<sub>2</sub> impact, digital experience, and driver assistance, are gaining ground. Customers evaluate not just the product, but the digital ecosystem surrounding it.

Global dynamics amplify this complexity. Regulatory frameworks are diverging, with stricter emissions rules in Western markets, industrial policies promoting local production in the United States, and aggressive price competition driven by Chinese manufacturers. Supply chains are shifting from cost-driven globalization to resilience-driven diversification and are increasingly focused on rare earth materials, semiconductor supply, and geopolitical exposure.

CFOs are now confronted with levels of volatility and ambiguity that require new tools, new capabilities, and a new strategic posture.

**Harald Proff, Global Sector Lead Automotive at Deloitte, puts it in a nutshell:**

**“Automotive companies must operate with the mindset of a tech company while continuing to manage the capital intensity of a manufacturer. This duality is now the CFO’s playing field.”**

## CFO Challenge: Navigating Complexity and Volatility

Automotive CFOs face overlapping pressures that are reshaping the Finance agenda. The regulatory environment is tightening as governments impose ambitious decarbonization goals and broaden sustainability reporting requirements. Finance leaders must quantify the financial impact of these regulations, assess compliance needs, and steer capital allocation. The challenge extends beyond environmental compliance to tax transparency, data governance, and privacy standards.

Supply chains are another major source of uncertainty. For decades, the automotive industry optimized for cost efficiency, relying on globally just-in-time logistics. This model has come under strain due to geopolitical tensions, tariff risks, raw material shortages, and disruptions stemming from regional conflicts and global events. CFOs must integrate supply chain fragility into financial planning and evaluate scenarios involving footprint redesign, supplier diversification, and production localization.

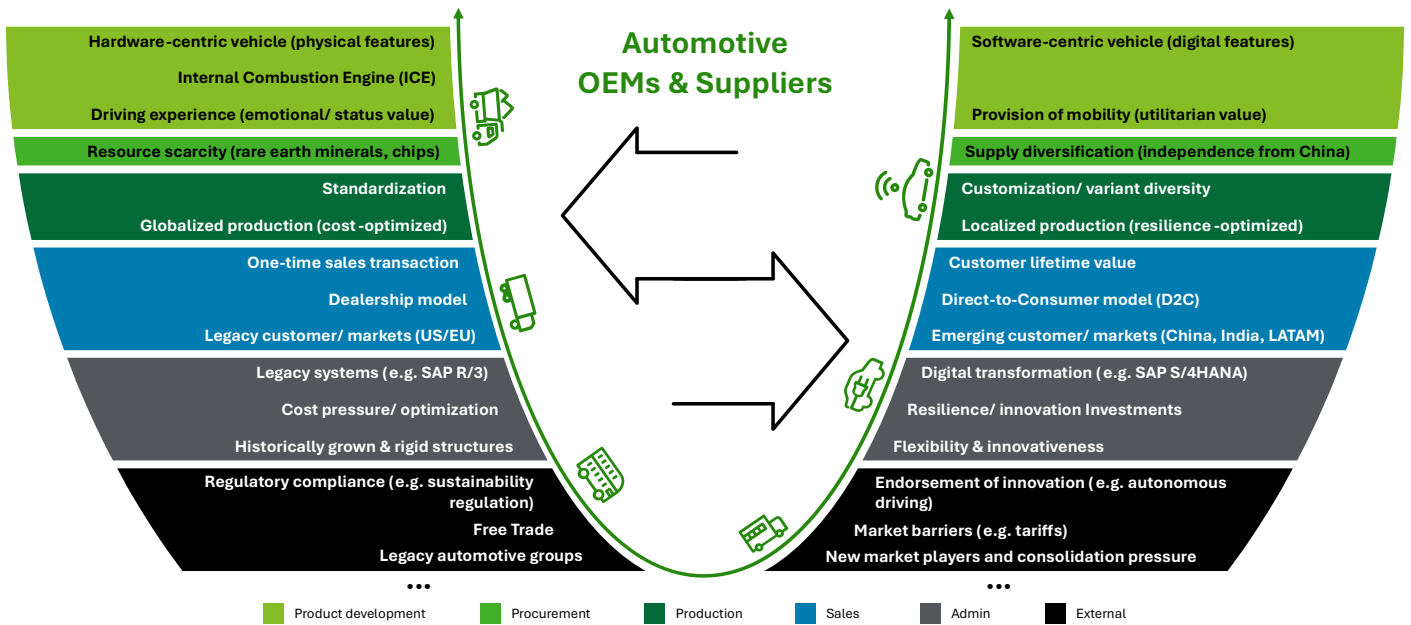


Figure 1: Automotive Industry – Stuck in the Middle

The shift toward electric and software-defined vehicles introduces further complexity. EV profitability remains challenging due to high battery costs, price pressure, and infrastructure investment. Meanwhile, digital capabilities – ADAS<sup>1</sup>, vehicle operating systems, cloud connectivity – require long-term R&D funding. CFOs must balance short-term financial pressure against long-term strategic differentiation.

Demand volatility and margin compression further complicate financial steering. Weak consumer sentiment, rising vehicle prices, and affordability issues impact working capital, inventory stability, and liquidity planning. Forecasting accuracy becomes mission-critical.

Lastly, the Finance function itself must transform. Automation, AI, and cloud technologies redefine how Finance operates, elevating expectations for real-time decision support, predictive analytics, and digital fluency clear across Finance.

Taken together, these forces expand the CFO’s role into enterprise-wide strategic leadership.

**“The modern CFO cannot wait for clarity – they must create it by using data, by modeling uncertainty, and by shaping enterprise investment toward the future rather than the familiar.”**

**Marcel Köhler,**  
Manager Finance Transformation

**Finance Function 2.0: From Steward to Strategic Partner**

A future-ready Finance organization goes far beyond transactional efficiency. It becomes a central driver of enterprise transformation.

Scenario planning becomes a core steering discipline. Traditional, backward-looking forecasting fails in a world of shifting technology cycles, unpredictable demand, and regulatory fluidity. Finance must deploy real-time data, cloud platforms and AI-powered forecasting to anticipate disruptions and guide strategic choices.

Compliance expectations are rising sharply. ESG reporting, tax transparency, and sustainability disclosure require high-quality data foundations and integrated digital architecture. CFOs must modernize systems, reduce fragmentation, and automate core reporting and control processes.

Technology adoption – especially AI – is becoming a differentiator. AI elevates productivity, increases forecasting precision, supports pricing decisions, and streamlines financial operations. Cloud-native platforms provide scalability, consistency, and global governance.

<sup>1</sup> Advanced Driver Assistance Systems



More than half of the Finance leaders (57%) surveyed in the Deloitte “Finance Trends 2026” study say they are now among the top leaders influencing strategy development at their organization. For more information click [here](#)

Finance must also support the new revenue models emerging from the SDV paradigm. Monetization of digital services, subscriptions, and vehicle data requires new steering frameworks, profitability models, and R&D portfolio management.

This strategic role requires new capabilities. Finance must strengthen competencies in business partnering, data science, operational analytics, and digital process design. Leadership mindsets must evolve to foster collaboration, agility, and system thinking.

Ultimately, Finance must shift from being the final step in the value chain to the function that enables every step. This means partnering earlier, influencing deeper, and steering with far greater foresight.

### A CFO-led Roadmap for the Future of Automotive Finance

To lead enterprise transformation, CFOs must draw up a roadmap that integrates technology, operating models, and capability building.

Finance must first become resilience-oriented. Integrated planning systems, predictive analytics, and real-time dashboards must enable CFOs to steer volatility proactively. Liquidity management should incorporate stress testing for commodity price movements, tariff changes, and demand variability.

Second, Finance operating models must align with SDV economics. Cost accounting must adapt to software-centric value creation. Finance must support lifecycle-based steering, digital feature monetization, and long-term R&D payback modeling.

Third, digitization must be embedded across the Finance function. AI should support forecasting, treasury, pricing, anomaly detection, and automated reporting. Cloud platforms enable global consistency and foster decentral collaboration.

Fourth, Finance must elevate its influence across functions. Strategic modeling can guide procurement risk management, R&D portfolio decisions, production footprint optimization, sales pricing strategies, and aftermarket monetization. This positions Finance as the enterprise orchestrator of value creation.

Finally, talent models must modernize. Finance roles must evolve into hybrid positions blending Finance, analytics, technology, and business insight. Upskilling, new career pathways, and agile teaming are essential.

“Successful CFOs don’t wait to be invited into strategic conversations – they design the frameworks that make those conversations possible.”

Oliver Glustin,  
Partner Finance Transformation

### Conclusion

The automotive industry’s transformation is reshaping every dimension of the business: technology, value chains, competition, customer expectations, and global dynamics. In this environment, the CFO evolves from financial steward to strategic co-leader. Winning Finance functions will embrace AI and cloud, build resilient forecasting capabilities, modernize data governance, and partner deeply across the organization.

The next decade of automotive performance will be determined not only by engineering excellence, but by financial foresight. Finance must become the engine that propels transformation – not the brake that slows it down.

In this future, Finance is not merely an enabler of strategy.

**Finance becomes the strategic engine that powers the transformation of automotive enterprise.**



Intrigued? We are glad to arrange a tailored Finance lab or a focused session at our “Automotive Excellence Center” in Düsseldorf to examine the topics in greater depth.

Please feel free to get in touch using the contact details provided below.

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