# Dutch CFO Survey
## The CFO's guide in dynamic and turbulent times

**Fall 2024 | Dutch Perspective from the European CFO Survey**

# Introduction

"The Dutch CFO Program focuses on delivering key insights and expert knowledge essential for steering through the intricate and complex global business landscape. We are thrilled to introduce the Fall 2024 edition of the Dutch Deloitte CFO Survey, crafted to provide valuable perspectives and strategic outlooks."

**Mohamed Bouker**
Partner Technology & Transformation
CFO Program Lead
Finance Transformation Lead

Twice a year, we connect with over 1,100 CFOs across Europe, collecting their invaluable insights on a wide range of topics influencing the Finance agenda. This report, crafted for CFOs in the Netherlands, offers an in-depth exploration of their nuanced perspectives on issues such as geopolitical risks, inflation management, and strategic planning. By harnessing the rich data and viewpoints from a diverse sample of over 130 Dutch CFOs, our goal is to present a comprehensive picture of the unique challenges and opportunities that may arise for CFOs, empowering them to navigate the future with confidence.

This edition highlights three priority areas that impact the CFO agenda: economic outlook, digitalisation, and sustainability. Our goal is to provide insights into how peers perceive these themes, fostering discussions and generating strategies that will empower businesses to continue to succeed. This is particularly vital in a landscape marked by geopolitical uncertainty, swift technological progress, and heightened regulatory demands.

**On the economic outlook**
In today's volatile economic environment, CFOs must place a strong emphasis on financial discipline. But although cost-cutting is vital, it cannot be the sole strategy. Implementing zero-based budgeting and focusing on necessity and value is critical to ensuring financial stability. CFOs must carefully evaluate the extent of cost reductions to avoid negatively impacting organisation culture and the well-being of employees. Clear communication with employees is essential to maintain morale while safeguarding core operations

**On digitalisation**
The role of AI in strategic decision-making is expected to grow significantly, with projections indicating that AI will be embedded in 50% of strategic decisions within five years. However, in developing the necessary applications digitalisation budgets are often underutilized. AI tools and processes have not yet reached their full potential. This presents an opportunity to challenge markets and clients to further explore AI's capabilities, even though human judgment remains indispensable in Finance.

**On sustainability**
Lastly, the CFO's role in sustainability is increasingly intertwined with navigating regulatory burdens such as the CSRD. While CFOs aim to focus on value creation, compliance can lead to overwhelming demands. In their advisory roles in sustainability initiatives, leadership and effective communication are essential for CFOs, as they are expected to deliver fair and predictive messages.

**Contributions**
Our Finance Transformation team and CFO Program team have created this survey in collaboration with several experts. A special thanks goes out to Mark Mattern (Mediq) and Jeroen Kroes (Van Lanschot) for sharing with us their unique insights as CFOs. I also want to thank my colleagues Dorthe Keilberg, Andrea Vogel and Rob Dubbeldeman for sharing their reflections, which connected the results to broader market trends. Join us as we further explore these findings in the Fall 2024 Deloitte CFO Survey.

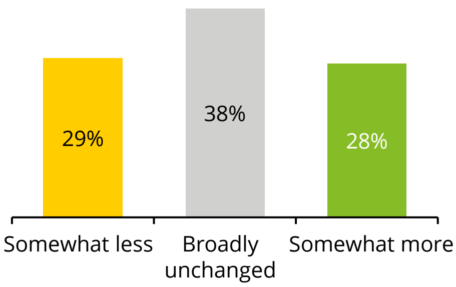
# Results: Economic Outlook
## A fine line between optimism and pessimism

# Optimistic KPIs and a careful economic outlook

Although core Financial KPIs are expected to show an overall improvement, CFOs indicate they are less optimistic compared to the previous survey. This possibly results from an overall sense of the Dutch economy being less competitive on the global stage.

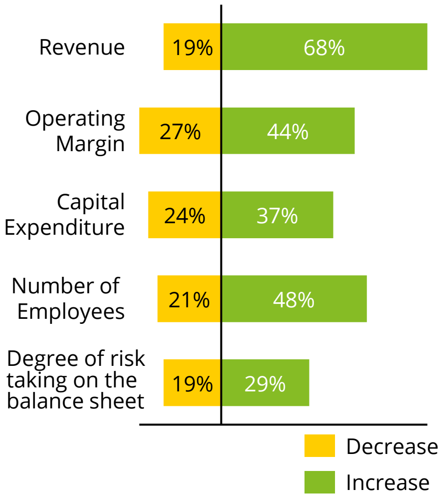
With inflation cooling down and interest rates slowly being cut to a lower level, one might have expected a return of economic optimism. Instead, while the economic slowdown appears to be ending, this has not managed to turn the sentiment found among CFOs, who broadly indicate that their optimism has not really changed as compared to six months ago.

**Chart 1. Percentage of CFOs' optimism on their organisation's financial prospects compared to last semester**




Interestingly, while on average the sentiment has remained the same, within the Aerospace & Defence, Energy, and Industrials this has taken a turn for the worse, with over 50% of CFOs in these sectors indicating they feel somewhat or significantly less optimistic. Similarly, over 50% of CFOs in organisations that are either Venture Capital-backed or government-backed share this negative outlook.

**Chart 2. CFOs' expectations on KPI changes in their organisation**




Seeing as the Dutch government is applying a more fiscally conservative policy on spending, this will likely result in a tightening of budgets of organisations that depend on subsidies and grants. Strangely enough, the underlying KPIs fail to reflect the expected adverse effects, with most CFOs indicating broadscale improvements in their expectations. The only industries not following this trend are Aerospace & Defence, non-renewable energy, and raw materials. The Dutch political landscape may thus be the answer to the question why CFOs fail to see a rise in optimism despite expected positive KPI changes in the near future. The effects of government expenditure being cut and positive productivity improvements slowing down may temper CFO optimism.

Dutch Government cuts in education and conditions for migrant workers are affecting our competitive edge. Cutting expenditure will not solve a crisis, CFOs need to focus on productivity improvements and make investments. Our country's industrial policy is not doing very well. If CFOs don't focus on productivity improvement and steer growth, the Dutch economy will likely fall behind soon.

**Rob Dubbeldeman | Partner Technology & Transformation Deloitte**

Economic trends suggest we are getting to a soft landing at a position slightly better than previous expectations, particularly in US markets. We are anticipating another rate cut by the ECB. Inflation is stabilizing at lower levels, but uncertainty remains on whether this will be sustained in the long term.

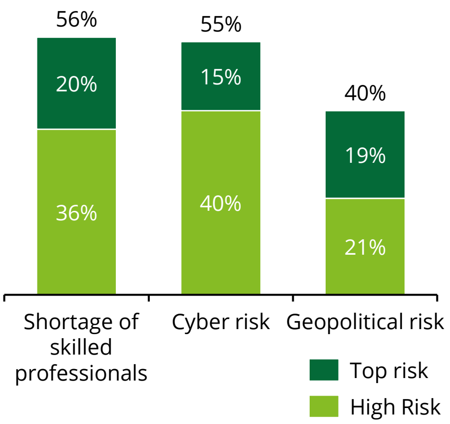
**Jeroen Kroes | CFO Van Lanschot Kempen**

# Managing uncertainty and risks

The divide between organisations' growth mindset and the sentiment of uncertainty is probably best emphasized in the top three risks that CFOs indicate as troubling—shortages of skilled professionals, cyber risk, and geopolitical risk—each of which are not directly within the CFO's control

Even in a good economic climate, unmanageable risks could dampen a CFO's mood and this edition of the CFO Survey finds that this is exactly the area that most troubles Dutch CFOs. In the Netherlands, large gaps between the supply and demand for skilled professionals continues to be the highest risk faced by organisations and as government policies become increasingly less favourable to expats, this is unlikely to change. Additionally, as the international order continues to be disrupted by conflicts and war, cyber attacks and geopolitical risk have moved into the top three risks.

**Chart 3. Top three risks to business models as identified by CFOs**




The increased presence of malicious (government backed) actors operating in cyber space have led to a doubling of attacks since the COVID-19 pandemic. The costs of such attacks are not merely limited to the direct damage of the attack either, with penalties for suffering large scale data breaches having risen exponentially.

While earlier surveys often found supply chains as one of the main issues within geopolitical risk, the rise in populism has moved protectionist policies into prominence. With the re-introduction of tariffs, not only with China but also between allied countries, it feels as if mercantilism is making a strong come-back. Such a shift could mean a change in the playing field in which organisations operate, from choosing where to be incorporated to re-evaluating cross-border investment strategies and adjusting operational models to align with new regulatory environments.

And, considering the sentiment around the US elections, foreign policy was understandably the most mentioned topic, as this will shape the global playing field both militarily and diplomatically. America's - green - industrial and tariff policy were among the second and third most mentioned, respectively. The heightened focus on the US tariff regime indicates the Dutch economy's broad exposure to US protectionist policies.

Geopolitical instability increases the risk of cyber attacks. Technological Innovations are driven by CIOs, but they need to be aware of the inherent cyber security vulnerabilities. CIOs are pushing innovation, while CFOs should be challengers when it comes to the security of the technology and focus on managing the business continuity.

**Rob Dubbeldeman | Partner Technology & Transformation Deloitte**

**Chart 4. Most severe geopolitical risks**


A variety of economic and (geo)political factors have an impact on uncertainty, such as a tighter labour market, an aging population and changing demographics. The polarising geopolitical climate also creates uncertainty in terms of how this will affect trade with countries like China, as blocks continue to optimise independently. To help our clients navigate uncertain times, it is important to stay close through good communication, and help them stay focused on their long-term investment goals. Similarly, Van Lanschot Kempen manages these dynamics in its own operations by consistently enhancing its scenario analysis capabilities. This involves increasing flexibility and preparing detailed responses for various scenarios, such as inflation, rate changes and significant shifts in client behaviour.

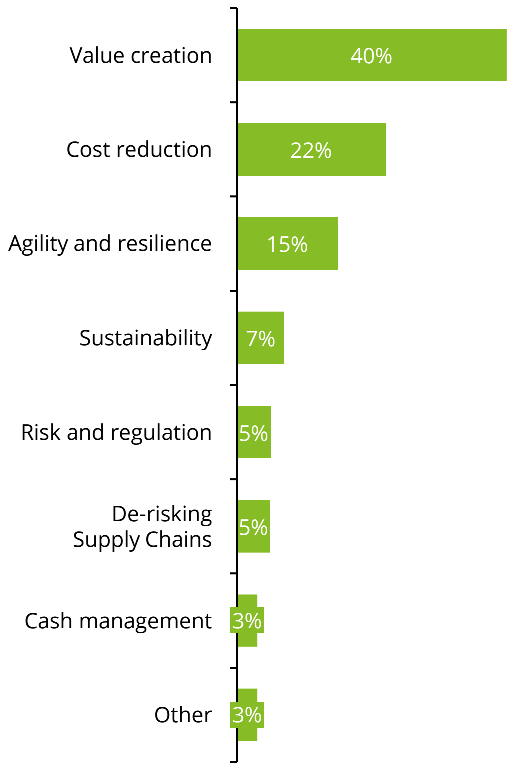
**Jeroen Kroes | CFO Van Lanschot Kempen**

# The CFO's role in value creation

Within the context of a more stable economy the most important priority for CFOs is to enable value creation for the business, while de-risking of supply chains has fallen off the agenda.

Within what feels like a stable economic environment, the CEO continues to ask its Finance function to focus on value creation, with cost reduction and agility remaining on the second and third spot, respectively. This expectation that Finance needs to be a value-oriented business partner is also reflected in the skills most looked after in CFO candidates, with Strategy or Business experience being the most sought-after background characteristics, far more than FP&A experience, Accounting skills, or Operational Management experience.

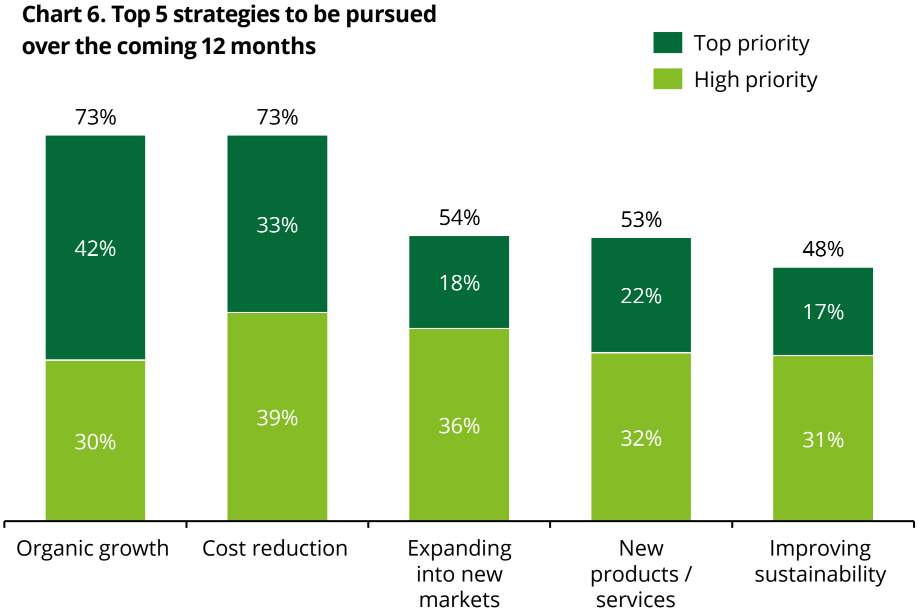
**Chart 5. CEO priority for the Finance function**




This need for business partnering is also reflected in what CFOs see as their organisations' strategic priorities for the coming 12 months. Our survey finds that organic growth and cost reduction are quasi tied as Finance's top priority, followed by organisations' aims to expand into new markets. Sustainability, however, fell to the fifth position, three spots down from last survey. 50% of the respondents have said that they feel somewhat ready to comply with sustainability regulations. This may imply that they feel comfortable enough with managing the topic from a compliance perspective to deprioritise it on their agenda.

Although the headlines on dealmaking have become more positive, acquisitions remain the lowest of the priorities polled by our survey, with only 24% of respondents indicating it as a priority for the upcoming year.

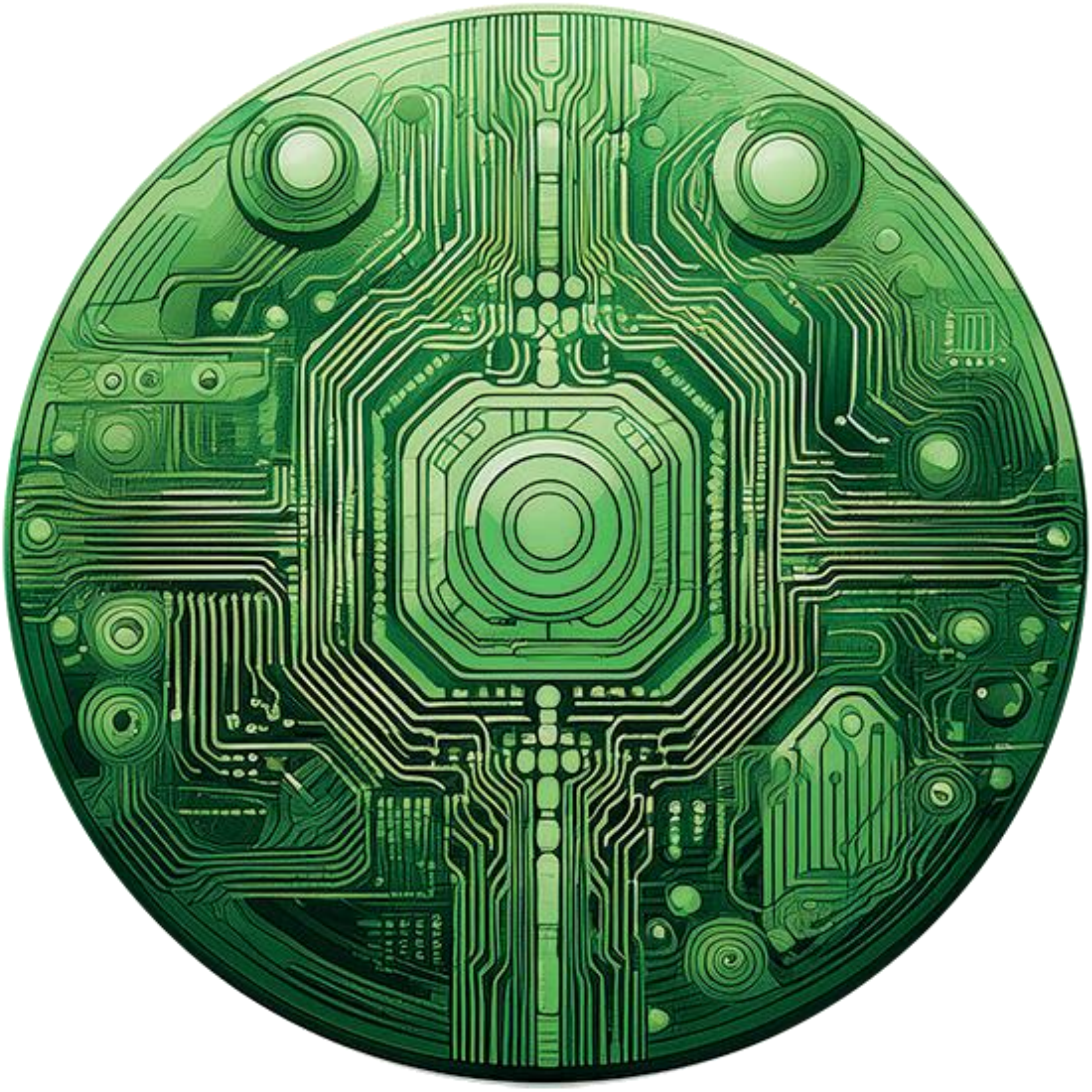
**Chart 6. Top 5 strategies to be pursued over the coming 12 months**




Accounting is still at the heart of this job, and if CFOs truly want to understand their business, they need to know how to empower their organisation with relevant information and make the shift from looking back to looking forward. That's a shift I'm currently going through as well. Future generation CFOs are much more data savvy, so it might be easier to move to the role of business partner. However, there's more to being a CFO than understanding data. I'm the sparring partner of the CEO. We assess new business ideas together. That means that I need market expertise as well as an eye for strategic development

**Mark Mattern | CFO Mediq**

# Results: Digitalisation
The role and impact of AI in efficiency and operations

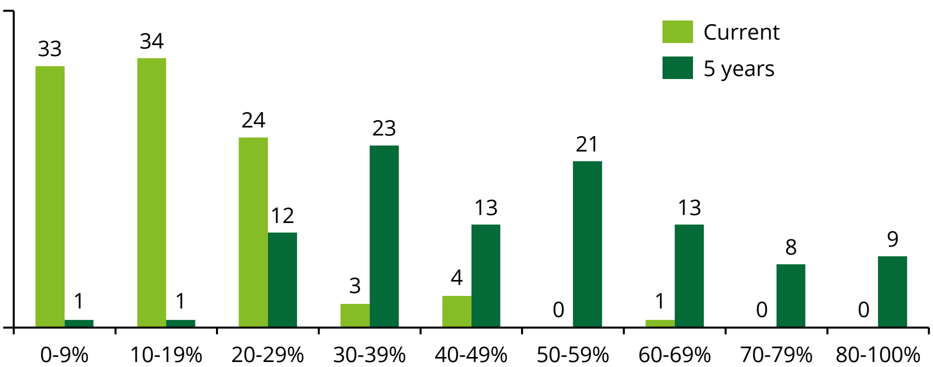


# Digitalisation: AI now and in the near future

AI trends currently indicate that this new tool will impact nearly half the strategic decisions within a five-year span.

Leaders have traditionally relied on human expertise to guide strategic decisions. The use of artificial intelligence has, so far, served as a supportive tool rather than a primary driver. However, this paradigm is shifting as the potential of AI becomes increasingly evident. Currently, less than 20% of strategic decisions are influenced by AI, but this figure is projected to rise to close to 50% over the next five years. This anticipated shift is reflected in the increase of the digitalisation budget being spent on AI, growing to 14% from just 10% in the previous edition of this survey.

**Chart 7. Reliance on AI for Strategic Decisions**




Interestingly, there does not seem to be a discernable difference between how old an organisation is and its current reliance on AI for strategic decisions. More mature organisations are not being outshone by younger and more flexible organisations in terms of their reliance upon AI. Similarly, ownership structure does not seem to have an impact on current reliance on AI, apart from one outlier: Venture capital backed organisations seem to rely on AI at almost double the rates of any other organisation (25% versus 12-15%).

This also holds true, albeit to a reduced degree, when examining how much they expect to rely on AI for future decisions. Venture capital organisations arrive at an average 55% of decisions, against an average of 50% with other organisations. Notably, with publicly traded companies expecting only 36% of their strategic decisions to rely on AI in 5 years' time, they show the highest degree of scepticism.

The industry breakdown highlights notable differences in AI investment strategies. Financial services are leading, with a much higher expected reliance on AI for strategic decisions (71%), likely driven by the sector's emphasis on data precision and analytics.

In contrast, healthcare and real estate expect AI to be less influential in their decision-making, highlighting that people-focused sectors likely still rely on human intelligence and connection for strategic decisions. They apparently feel that AI cannot yet capture the essence of personhood that is so central to both of their sectors, albeit in different ways.

If you look at the reliance on AI for strategic decision-making in two years' time, the answer will be different. The entirety of any organisation will have to understand the potential and risks of Gen AI, and people will have to become more comfortable using it. Gen AI is not fully embedded yet. Budgets are limited and quick returns are still scarce. But when you start playing with Gen AI, you will learn to understand how it works and what it has to offer.

**Mark Mattern | CFO Mediq**

When examining AI investment payoff, we're experiencing something akin to the RPA trends of a few years ago. The focus is on point solutions and maximising automation without reimagining the process design. Robots have gradually integrated into our workflows but didn't arrive as the hockey stick we expected. Similarly, Gen AI enhances processes without questioning if they're truly necessary, possibly due to a lack of imagination or a generational gap in designing or even deciding for technology.

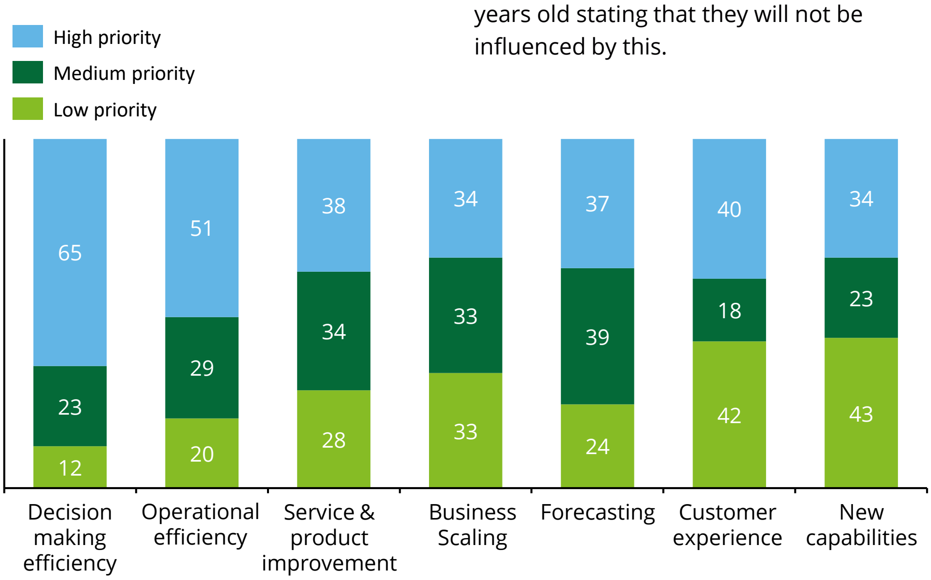
**Dorthe Keilberg| Partner Technology & Transformation Deloitte**

# Digitalisation: AI's impact on delivery models & operations

## CFOs focus on AI's power as an empowering tool to allow for better efficiencies to be used alongside their workforce

In organisations' decision-making, AI manifests itself in various ways, but most respondents predominantly focus on enhancing decision-making efficiency. This priority is closely followed by a desire to boost operational efficiency, indicating a trend of leveraging AI as a tool to empower users rather than replacing human thought and effort, helping them optimise their time effectively.

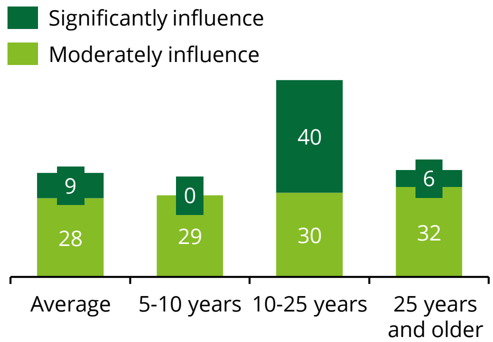
**Chart 8. Priorities of AI use**




Curiously, AI does not seem as convincing to most CFOs in areas such as better forecasting or an enabler for new capability development when compared to efficiency building. Right now, AI is still regarded as a tool for operational improvements.

AI's influence extends beyond decision-making processes to impact where work is performed. This is more markedly the case of established but not too old organisations, with only 10% of organisations between 10-25 years old stating that they will not be influenced by this.

**Chart 9. Will digital technologies impact your approach to where work gets done in Finance Operations**




This directly contrasts with older organisations, where AI only impacts where work gets done in 35% of cases, as well as organisations between 5/10 years old (with only 29% of cases).

The focus on operational improvements suggests a move towards optimising labour costs and enhancing operational efficiency, guided by AI's capabilities. This does not translate to a full labour arbitrage, as we still see human capabilities that AI cannot replace.

You can only achieve full labour arbitrage when every process becomes fully digital and touchless. Even so, human involvement remains crucial for implementing regulatory changes and new features. Shared Service organisations are often seen acting as the coordinating 'mothership', where data and technologies meet. The expense of full automation could outweigh its benefits and instead of seeking to automate at any cost, we must consider the sweet spot of automation. We cannot afford to lose sight of the benefit of the people involved: human adaptability, values, and emotions are essential in business, evolving through learning and experience in ways that AI cannot replicate.

**Dorthe Keilberg| Partner Technology & Transformation**

Gen AI will not replace our personal interactions with clients, but it can be used to support our private bankers. For instance, our bankers use an AI tool that makes a summary of all meeting reports with a client in the last two years, this gives them an overview of all interactions with a particular client. This saves our bankers significant time in preparation and allows them to spend more time with clients.

**Jeroen Kroes | CFO Van Lanschot Kempen**

# **Results: Sustainability**
Value approach, compliance driven

# A value driven approach continues to have priority

Most CFOs indicate that their approach to their sustainability strategy is value driven; however, compliance is still a key driver in many industries and requires a lot of effort from Finance

The focus on value creation has seen a slight uptick compared to last year, with 66% of CFOs feeling as though their primary focus is value, even if this is just marginally so. We can also see reoccurring trends from last year. Agriculture and Financial Services both remain heavily focused on value driven sustainability. The Automotive industry, too, remains more value driven, though less so than last year. This may be due to the CSRD regulations coming into effect soon, together with a shift in prioritizing regulatory readiness.

Compared to last year's survey results, we see a slight shift in healthcare. It was one of the most compliance driven sectors, but now 67% of respondents can be seen focusing on value creation. The automotive sector follows an opposite trend, leading more towards compliance driven compared to last year. The Non-renewable Energy sector continues to focus on a compliance driven approach.

Sustainability is increasingly becoming part of strategic decision-making. We have regular discussions with our suppliers on how to improve sustainability metrics and are participating in tenders for multi-year business for organisations that keep adding sustainability requirements to their tender briefs. Sustainability is key for us.

**Mark Mattern | CFO Mediq**

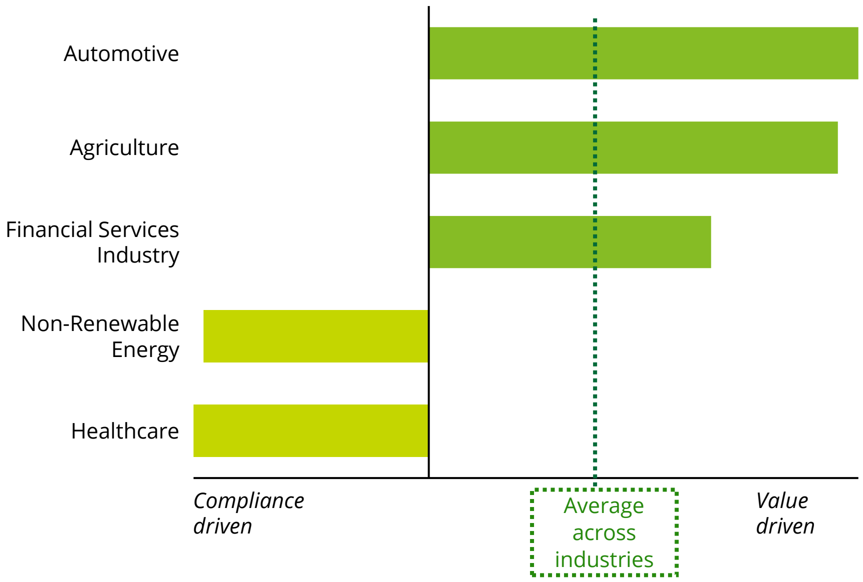
When looking at revenue, the largest earners are split down the middle in terms of value versus compliance, denoting a cautious approach to both. By comparison, small organisations see sustainability as a gateway to great value, with 77% of organisations with revenues under 100 million euros stating that value drives their sustainability efforts. More impressive still, of the organisations in this same segment, two in five claim that 80% or more of their sustainability efforts are value driven.

There is also a clear correlation with multinational organisations focusing on sustainability as a value creating mechanism, more so than with organisations solely operating in a single territory. This is despite these organisations' higher regulatory burdens due to differences in legislation between nations.

Many believe the compliance wave is manageable, driven by regulations like the CSRD, although achieving compliance remains a largely manual effort. The focus initially is to ensure compliance for auditor approval, despite challenges like unreliable data and the risk of qualified opinions. Moving beyond compliance, organisations are expected to prioritise achieving sustainability targets, as failing to meet promises could result in severe repercussions. Over time, the shift towards driving sustainable value will likely become more prominent on corporate agendas.

**Andrea Vogel | Technology & Transformation Partner Deloitte**

**Chart 10. Industries' approach to sustainability:**



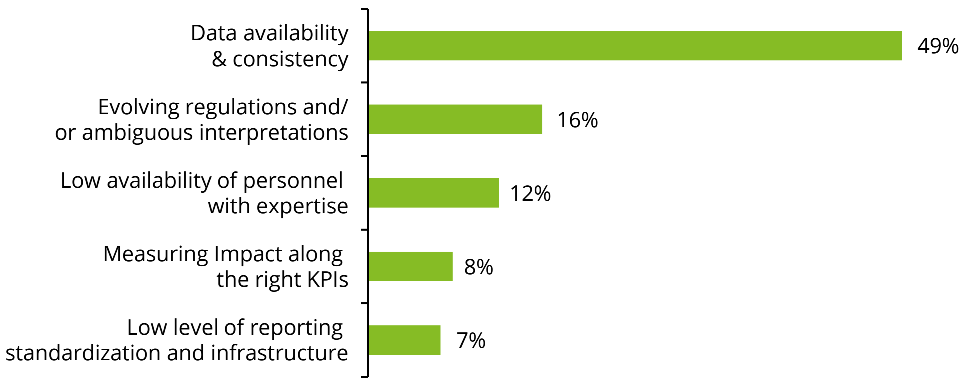
# The role of Finance in managing compliance pressure

CFOs feel an increasing pressure to guide organisations towards being regulatory compliant. The Finance function takes a leading role in mitigating top risks related to sustainability reporting

The viewpoints on the expanding role of the Finance function in sustainability are broadly shared across various industries. Moreover, these opinions vary little when considering organisation size, age, or ownership model. From small startups to large multinationals, family-owned businesses to publicly traded companies, and fresh market entrants to established enterprises, the narrative remains consistent: the Finance function plays a critical and expanding role in sustainability.

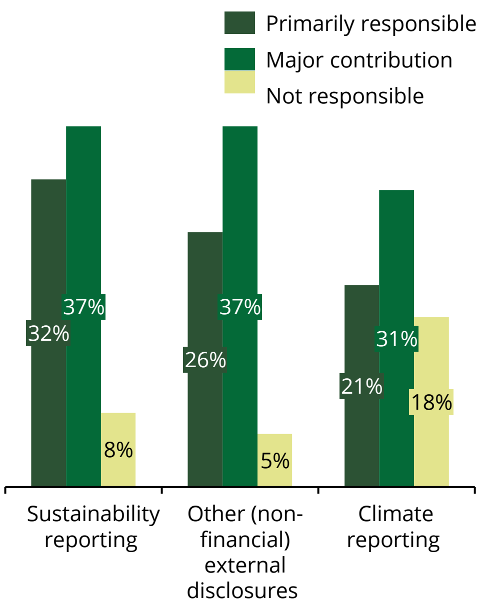
This uniformity across different types of organisations underscores the universal relevance of financial acumen in the sustainability domain. On top of this, it highlights the opportunity for finance professionals to leverage their skills in new and impactful ways, irrespective of the industry or corporate structure. Most CFOs see the Finance function as instrumental to sustainability reporting. This is a natural extension of its traditional role, given that the function is already deeply ingrained in the measurement, analysis, and reporting of financial data.

**Chart 11. Largest challenges in sustainability reporting operations**




Beyond sustainability reporting, CFOs also acknowledge the importance of the Finance function in climate-related reporting and other non-financial disclosures. While the Finance function may not bear the brunt of responsibility in these areas, it is viewed as a vital contributor, and it has been taking a leading role in regulatory compliance readiness. The Finance function faces increased pressure to mitigate risks and solve challenges regarding their organisation's operational reporting capabilities. The main challenges perceived by the CFOs are functions working in silos, without processes being standardized. As a result, data availability and consistency across departments is one of the biggest challenges for CFOs, at 49%. Moreover, if teams work separately this may result in different interpretations of regulations, which is indicated as another top challenge for the Finance function, at 16%.

**Chart 12. Finance function's non-financial responsibilities**




The CFO's role in developing sustainability performance metrics involves bridging financial control with sustainability expertise. While sustainability experts focus on regulatory compliance, CFOs bring a compliance perspective, ensuring metrics are aligned and controlled. Currently, sustainability and finance often operate in silos, but there is a need for integration. CFOs should drive the alignment of compliance with value driven perspectives, ensuring that sustainability metrics contribute strategically to the organisation. For example, to tackle data availability and quality challenges, organisations need to design new processes for data collection across functions and throughout the value chain.

**Andrea Vogel | Technology & Transformation Partner Deloitte**

# Afterword

I would like to extend my gratitude to all the CFOs and partners who participated in the interviews. Your insightful contributions have greatly enriched this survey, making it an invaluable resource for CFOs going forwards.

**Rianne Jans | CFO Deloitte Netherlands**

As I begin the journey of dissecting our survey's insights, I warmly invite you to join a thorough exploration that reveals the current perspectives of Dutch CFOs while providing deep reflections on the challenges and opportunities that lie ahead.

To me, the main takeaway from this survey has to be the CFOs' strengthening and widening role over time. It has become a crucial aspect for both the short- and long-term goals of any organisation.
This trend can be seen in both sustainability and digitalisation. The CFO and the Finance function are taking on more responsibility in these areas. Regarding ESG we see a strong focus on environmentalism and green policies. This is not the only point of attention, however. The social component of ESG is still key, with DEI remaining a relevant point of interest for CFOs.

When it comes to Digitalisation, I find myself in agreement with Dutch CFOs regarding the great benefits that this new technology can bring. How we work and reach decisions will forever be changed, as AI will allow us to be more agile and perhaps even discover new perspectives and ideas than we previously could. This is not to say that AI will replace human beings or human reasoning. At the end of the day, decision-making will always require human interaction and thought.

The growth in optimism that we see both in the digital as well as the sustainable realm is a true showcase of how CFOs are at the forefront of change and adaption.

I was surprised with some of the results in the economy section. It is good to see that Dutch CFOs remain optimistic about so many KPIs, including Operating Margin. Overall, we are currently in a period of uncertainty, the sentiment being that we are heading towards an economic downward spiral. The overall sentiment exhibited by CFOs is one of relative caution. This is likely caused by multiple elements. Geopolitical & political elements can cause concern. Similarly, market concerns and risks such as cyber threats could also temper CFOs' attitudes in a negative way.

In essence, this edition of the CFO Survey provides a nuanced portrayal of how Dutch CFOs are navigating a complex landscape. They balance careful optimism with pragmatic pessimism as they steer towards economic resilience, digital transformation, and sustainable leadership.

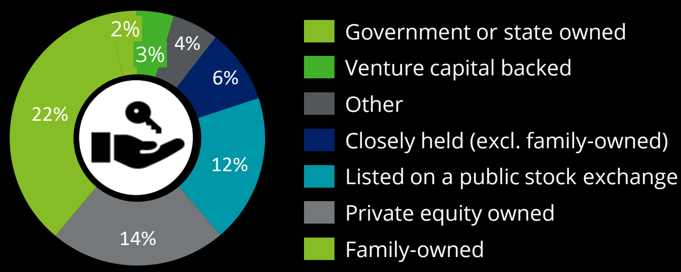
# CFO Survey Sample Background

An overview of the survey's sample composition by industry, ownership type, and annual revenue size

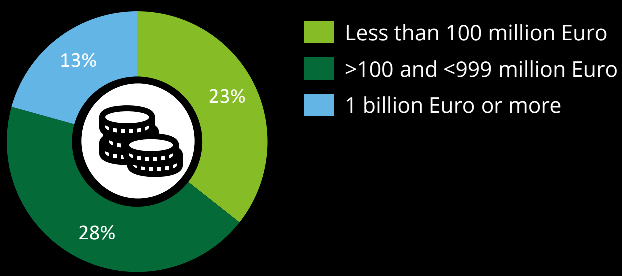
**1. Composition by industry**

| | |
|---|---|
| Agriculture | 5.9% |
| Automotive | 2.2% |
| Business & Professional Services | 6.7% |
| Communication Services | 0.7% |
| Construction | 4.4% |
| Education, Culture & Sport | 1.5% |
| Finance | 3% |
| Healthcare | 5.2% |
| Industrial Products & Services | 8.1% |
| Non-renewable energy | 1.5% |
| Public Sector | 1% |
| Real Estate | 3% |
| Renewable Energy | 2.2% |
| Retail & Consumer Goods | 6.7% |
| Transport & Logistics | 4.4% |
| Travel, Leisure and Hospitality | 1% |
| Other | 4.4% |

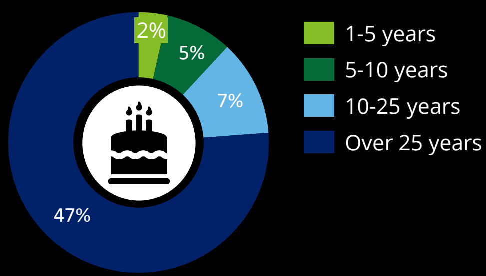
**2. Composition by ownership structure**



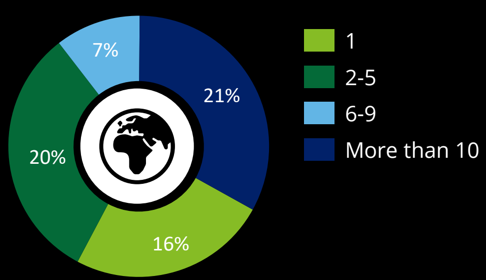

**3. Composition by revenue size**




**4. Composition by age**




**5. Composition by # of countries they operate in**



# Expert contributors & editorial team

The team would like to extend a special thank you to all the experts that were interviewed in the process of creating this survey and whose views and insights have provided profound context to the most important topics within Finance.

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