

Prof. Bert de Groot, Executive Programs Erasmus Universiteit

"In today's fast-paced environment, success depends on making clear choices"



With a distinguished career in senior executive roles in leading multinationals as well as an impressive academic CV, Prof. Bert de Groot now imparts his expertise to CFOs, CEOs, CIOs, CTOs and CDO's. He is renowned for making bold statements and predictions—most of which have proven accurate. What are his opinions on the findings of our CFO Survey Fall 2025? "Companies must choose a clear direction. Cost-cutting is the easiest lever to pull, but it is not sustainable."

Five years ago, Prof. Bert de Groot forecasted annual GDP growth of about 1% through 2026. This prediction, which was considered cautious at the time, is now proving accurate. The Dutch economy is growing, but only modestly. "Recent trends show slight improvement. However, the Netherlands faces persistent challenges. There is hope for gradual progress, but the road ahead is not easy."

Innovation: the engine of progress

Innovation drives Dutch economic growth. "The defence sector is set for substantial expansion. Dutch defence spending €26 billion(2026)

targets €40 billion, and European spending would target €800 billion in 2035, a doubling where it stands today. Globally, defence expenditure is expected to soar from around \$2.5 trillion to estimated \$4 trillion by 2035. The Dutch defence industry is still minimal, ICT and AI could revive the Dutch defence. Dutch ASML is expected to play a pivotal role in AI. However, the new French CEO has moved all AI activities to France. Hopefully we will see more of that business in the Netherlands"

The ICT sector is also on the rise, fuelled by the growing importance of cyber security. This attracts both talent and

Prof. Bert de Groot has had senior executive roles at e.g., Gist-Brocades DSM, Unisys, Randstad Holding and AM. At Unisys, he was CFO of the year EU twice and CFO of the year World. He was CEO and CFO of Erasmus Holding. He was also a jury member for the Young Captain Award. He advises boards. His academic experience includes Chair Business and Economic Cycles, Rector Magnificus and Dean at Nyenrode Business University, Chair Governance & Strategic Investments and MT at Erasmus School of Economics. He enjoys reputable publications and is a leader in Programs for Executives.

capital, which creates new opportunities. Additionally, there is growth potential for the Dutch infrastructure industry. Dutch

infrastructure is ageing, De Groot explains. “The Netherlands needs significant investment to upgrade roads, bridges and locks. These projects boost business turnover but are they truly innovative?—they are essential for maintaining revenue. Meanwhile, I’m not

and industry, and 4 to 10 in energy, utilities, consumer, and communications. De Groot explains that this reflects the divide between high returns and market maturity. With M&A activities remaining steady, companies focus on organic

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sure if housing construction will provide a significant lift to Dutch business turnover.”

Growth or cost reduction?

The survey results indicate a dual focus on organic growth and cost reduction, without investments.

De Groot points out that pursuing growth and cost-cutting at the same time is wishful thinking. “Where would savings come from? Redundancies, AI-driven efficiencies, or optimistic budgeting? Companies must choose a clear direction. Growth through investment, innovation and AI is fundamentally different from a strategy focused on cost reduction. Cost-cutting is the easiest lever to pull, but it is not sustainable.”

Is the availability of investment capital sufficient? According to De Groot, it is. “Banks remain cautious and private credit funds now hold €4.5 trillion available. If investments lag behind, the real challenge could be a lack of compelling projects.”

M&A market multiples are 12 to 16 in ICT, healthcare

growth. “This approach is more cost-effective and leverages internal strength. However, it also requires strong sales organisations, well-defined market/product combinations, and high market penetration, so I would advise to choose wisely.”

Technological progress

The latter also applies to new technologies. “Technological progress, summarised by the acronym MANBRIC (medical, additive, nano, bio, robotics, information, and cognitive), is driven by combining two or more of these elements. The future lies in integrating technologies—

“For AI, Success requires investment, talent, time, and acceptance that 80 out of 100 projects may fail. Boards must set clear targets and budgets.”

such as AI with X-ray imaging or robotics—to create innovative solutions. Additionally, in today’s fast-paced environment success will depend on making clear choices, experiment and learn quickly, as well as having the right people.”

For De Groot, the central

question for AI is its application. “When we discuss the potential of AI, do we mean generative AI or predictive AI? GenAI boosts productivity. The downside is, that the competitive advantage with higher productivity can erode income if clients demand lower prices due to faster output. Predictive AI, by contrast, improves forecasting of supply and demand. Take, for instance, on-demand services such as Netflix and Spotify. These services use algorithms to build individual profiles, running continuously on vast databases to deliver highly personalised content. This area is expanding rapidly and offers immense potential.”

Clear targets and budgets

In the US, 70% of CEOs believe AI should be adopted soon. Yet, implementation often falls to CIOs, CTOs or CDOs who lack clear direction from the board. “Success requires investment, talent, time, and acceptance that 80 out of 100 projects may fail. Boards must set clear targets and budgets. Vague ambitions

only create challenges for CIOs. Effective leadership focuses on the greatest market opportunities and has the patience to see initiatives through. The key decision is: do we want to optimise existing processes or forge entirely new strategic, market and client connections?”

De Groot challenges the idea that AI will inevitably lead to job losses. “Redundancies are easy to rightsize. However people

“Redundancies are easy to rightsize, However people bring unique qualities and loyalty.”

bring unique qualities and loyalty. Companies such as Ikea, AT&T, Amazon, and Walmart have retrained all kinds of personnel for higher-value roles. Boards must make strategic choices, but the HR component—reskilling—is critical.”

Risk management and myths

Risk management is always on the agenda of the Supervisory Board. “Risk management mirrors value creation and strategy. It is driven by concerns for both company and reputation.” MacCrimmon & Wehrung’s claim in the 1990s that greater risk bring always greater returns is a myth, he says. “The past twenty-five years on the stock market have disproved this. In uncertain times, companies must ask new questions and

“It would be better to integrate sustainability into business processes, making it value-adding rather than a burden.”

evaluate plans differently. Supply chain resilience remains a challenge. Many companies have reverted to single suppliers despite lessons from the Covid era. Strategic decisions, such as where to produce, or how to manage parallel imports, are increasingly complex in our globalised world.”

The CFO as a business partner

Speaking of strategy, the CFO, in ancient times may be a bookkeeper, evolved to a

business partner to the CEO. “This means the CFO should have a willingness to take responsibility, have a strong personality, and the ability to handle pressure, work long hours and carry reputational risks. Attracting such top talent requires good selection, competitive pay, and granting responsibility.”

Being a business partner

“Risk management mirrors value creation and strategy.”

also means facing dilemmas. “Decision-making in the boardroom is fraught with dilemmas. Unwritten rules and the challenge of adapting mature industries to new opportunities and responding to threats complicate matters severely. So I’m very interested in boardroom

dilemmas. I collect around 70 per year.”

Sustainability and value creation

According to De Groot, sustainability is still a major focus for CFOs. “Regulatory requirements from the European Commission and European

Council are not easing. There is a strong drive to publish sustainability reports. Around 2,200 companies in the Netherlands are required to comply with ESG/CSRD/ESRS legislation. I wonder whether this approach is effective. Focusing on the 50 or so causative agents—from CO₂, PM_x, NO_x to Pfas—could reduce the regulatory burden for the vast majority. On the other hand, companies compete for the award of the best written annual report, also on these matters.”

The survey results indicate that resource and skills constraints bias actions toward compliance rather than transformation.

That is a missed opportunity, according to De Groot. “Companies must consider not only shareholder interests but also social, ethical and moral responsibilities to ensure long-term viability. In fact, if sustainability is integrated into business processes, it can be value-adding rather than a burden.”

Summary

Prof. Bert de Groot predicts modest economic growth for Europe, driven by innovation in Defence, ICT and Infrastructure. The Netherlands faces challenges retaining major companies and should built a strong defence industry. Companies must choose between growth

and cost reduction, as both cannot be pursued effectively together. Investment capital is available, but compelling projects are scarce. Clear AI strategies, employee reskilling, and integrating sustainability into business processes are essential. The CFO's role is evolving into a strategic partnership. Success depends on decisive leadership, technological integration, and balancing shareholder and stakeholder interests for long-term viability.