

CFO Matters

EY Center for Executive
Leadership

Summer 2026

The EY logo is positioned in the bottom right corner of the page. It consists of the letters 'EY' in a bold, white, sans-serif font. A yellow and orange gradient triangle points towards the 'Y' from the right.

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We are pleased to share the second issue of *CFO Matters*. Building on the strong foundation of our inaugural release in December, this publication is thoughtfully curated with a singular mission: to deliver research-backed, high-quality insights that speak directly to the CFO agenda. We aim to focus on what matters most to you and provide you with market relevant insights, research and perspectives from EY teams that will help you understand strategic topics and trends through articles specifically written for CFOs.

Each issue of *CFO Matters* is designed to help you with your decision-making, elevate your professional standing and spark meaningful conversations with your stakeholders. This initiative is driven by the EY Center for Executive Leadership, which is dedicated to helping top leaders accelerate their journey through actionable insights and unique networking opportunities.

We hope you find the content engaging and enriching. Please feel free to reach out with any feedback or future topics you would like to see us cover. Your input is invaluable to us.

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CFO sentiment

How CFOs scrutinize AI cost and talent implications as they scale up

A potential move to semiannual reporting and how to adjust guidance to the Street amid current volatility are also top-of-mind for CFOs.

In brief

- Over 20 Fortune 500 CFOs are largely undecided about a potential SEC change to reporting, since quarterly data can be vital for investors.
- AI is delivering measurable gains in finance, but CFOs are starting to project its long-term cost against long-term expected value.
- Future career pathways in finance will demand development of new skills, as well as place renewed emphasis on understanding the business and its operations.

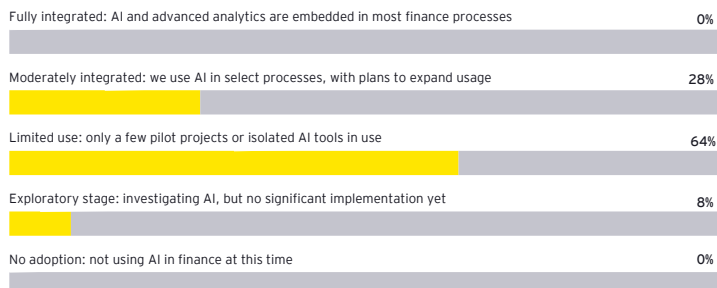
To help push AI experimentation into transformation in 2026, CFOs are taking a leading role to translate productivity gains into real impact and metrics, as well as to address data readiness, operating model changes and adoption at scale throughout finance. And as their capabilities mature, two challenges demand attention:

- The long-term cost implications of AI
- The fact that automating low-level tasks eliminates educational opportunities for new hires, rupturing the traditional finance career model

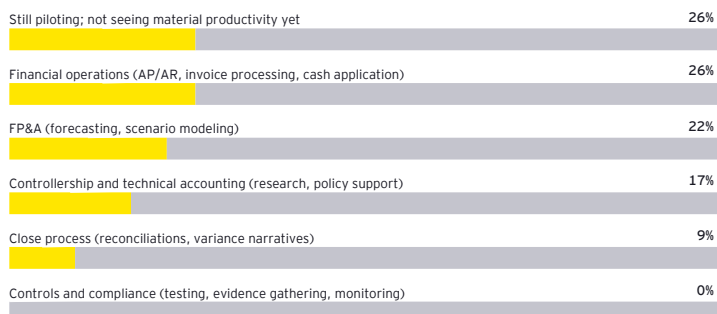
Meanwhile, geopolitical tensions are upending financial forecasts, and the SEC will soon propose changes to its reporting mandates. Amid such uncertainty, over 20 Fortune 500 CFOs talked over how they're advancing their agendas, across two roundtables hosted in April 2026 by the **EY Center for Executive Leadership**.

Taking into account similar CFO discussions over the last 12 to 24 months, we continue to see progress on AI across the finance function. While about 70% of CFOs are still in pilot projects, almost 30% have reached a moderate level of integration across a number of finance processes. And about 75% of executives can already point to measurable impact from AI in areas such as finance operations, FP&A, technical accounting and the close process.

Q How would you characterize the extent of AI integration in your finance operations today?



Q Where in your organization is AI delivering the most measurable impact?



Here is the pulse of CFOs on reporting, AI and future of finance talent.

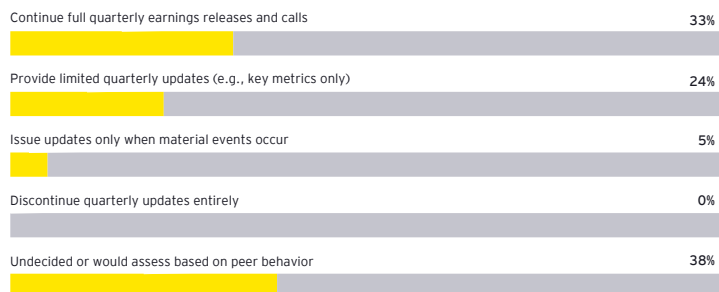
1 Semiannual reporting and market guidance

The SEC’s expected proposal allowing semiannual reporting, combined with level of uncertainty, encouraged CFOs to rethink the norms of how they report and provide guidance to the Street.

In 2025, President Trump encouraged the SEC to consider changing its periodic reporting requirements from a quarterly to a semiannual cadence, with a proposal expected soon. “This will likely be a voluntary framework, and there’s been mixed reaction in the markets,” said John Hallmark, EY US Political and Legislative Leader. “Investors are saying this will raise the cost of capital and exacerbate information asymmetries. Those issuers who support an examination of this cite lowering costs and lowering pressure on short-term earnings. And smaller companies perhaps want a longer onramp to being public.”

CFOs in our roundtables were largely undecided on the topic, with almost 40% looking to get more details about the proposal and waiting to define a path. Around a third stated that they would need to maintain an ongoing cadence based on investor expectations and other considerations, including the discipline and rigor that quarterly reporting creates. Nevertheless, about 30% would pursue some type of changes but mostly still provide some quarterly updates. “If there’s a path to not do a 10-Q every quarter, that could be useful ... but providing regular supplements is what we’ll continue to do,” a CFO of a large software company said.

Q If the SEC allows semiannual reporting, how would your company approach quarterly investor communications?



A CFO in semiconductors was one of many who saw value in the “muscle memory” of quarterly reporting, especially when the internal 90-day cadence would persist. “If you decrease the frequency, you increase the possibility of mistakes,” he said. Others believed that their investor bases left no choice but to continue with business as usual. “We see value in the transparency of the conversation,” a leader in the tech industry said. “If you broaden that out to a six-month period, you’re leaving a lot of white space there for interpretation.” In such an environment, trying to secure more capital would likely reach a dead end.

The temporary nature of rules in the modern political era presents its own concern. Presidents increasingly rely on executive orders, which can be easily overturned by the next administration, rather than working with Congress to enact laws, Hallmark noted. Why bother pursuing an entirely different reporting regime if it won’t pass regulatory muster in two years?

Nonetheless, CEOs and other C-suite leaders may have their own thoughts, weighed down by dealing with investors focused on the short term, highlighting the separate issue of how organizations offer guidance to the market. The CFO of an airline who was more focused on semiannual reporting said: “It’s an extra tax on the management team and the board to think about long-term strategy and then have to respond to questions about next week. It’s our basic thinking to try to get everyone focused on the long term again.”

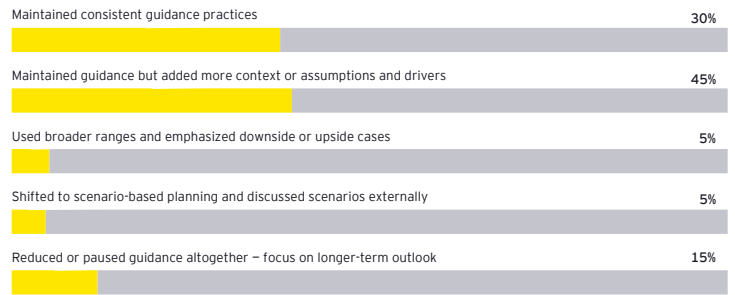
The flipside is that “the absence of information is filled with dirt,” as one CFO of a health insurer said. “If you don’t tell your story then one will be told for you,” another leader at a transportation services company noted. “I don’t want to tell our story less.”

CFOs are keeping an eye on AI cost and talent implications as they scale up

These are issues that CFOs are navigating today, with increased uncertainty in the economy and geopolitical environmental nudging them into providing more sensitivities, qualitative views and frameworks for understanding market realities. “We provided more supplemental information underpinning our guidance,” the CFO of a tech company said. “We’re providing help to the investor community on how we’re seeing the underlying market and frankly giving them a framework – like ‘if production came out better, it would look like this.’ That was well-received.”

This has opened the window for new ways of engaging with the Street while also potentially stepping back from quarterly reporting. “We are filing like a 10-K that’s 100 pages on a quarterly basis, and no one is even seeing part of it,” a pharma CFO said. “You could tell your story with rigor on a quarterly basis, while maybe eliminating a few steps on quarterly reporting with a lot of work. Instead of us reporting back small deviations in small lines, we give more perspective to the strategic views of the company. It allows us to focus on the right things.”

Q In light of recent market and macroeconomic volatility, how has your company adjusted its approach to financial guidance?



Recommended action: As the SEC prepares its proposal, CFOs should be prepared to discuss this topic with their CEOs (if they haven’t already). Clarify what’s vital to retain and what can be rethought, and explore the difference between what would be mandatory reporting and the key metrics that they may maintain with the Street on a quarterly basis.



2 AI: CFOs trying to put together the pieces in the cost/benefit puzzle

“AI FinOps” and governance weigh heavily on the minds of our executives as they look at scale up AI and transform the cost equation in their organizations.

The technology evolves so quickly that just keeping up with the discourse can feel like a full-time job on its own. Traci Gusher, EY Americas AI and Data Leader, set the stage with three debates about AI that she's hearing in C-suites today:

- The total cost of ownership of AI. As AI consumption bills roll in, CFOs are struggling to understand the cost/benefit equation – what Traci and CFOs would call “AI FinOps.” The equation for AI work includes: the price per token, the underlying data stores and platforms used, the compute cost for them and the licensing of tools. And the type of application creates a lot of variation. For instance, software development doesn't require a ton of tokenization, but it does to replace human workers with AI agents in a massive call center.
- Purposefully built AI architectures. A prominent telecom company published a paper showing that it slashed its AI costs by selectively deploying small language models rather than Large language models (LLMs), showing that organizations have some levers to pull on cost when they understand what their goals are. Individual users are also typically not given guardrails and therefore use AI entirely at their discretion. Agentic tools from vendors may start free but then could spike in cost, while potentially locking organizations into legacy processes.
- The process component. CFOs are seeing value that doesn't significantly impact P&L statements because their crowdsourced use cases target individual employee productivity gains, not transformation. “Many leaders are looking at their processes with tech debt, process debt and talent debt and using AI as a bolt-on to fix them,” Gusher said. “The biggest value is in getting to the outcome and redesigning to process from scratch to enable it. Instead of giving tools to financial analysts to make them more productive, why not redesign FP&A with an AI-first approach?”

“I've heard firsthand about such an approach for journal entries,” said Juan Uro, EY Americas Leader for The Center for Executive Leadership, who facilitated the discussion. “It involved an entirely new process and a custom agent, connected to an ERP. The code was written by a 26-year-old who knew nothing about accounting, and it resulted in much fewer reclasses and more people looking at the right things. It also took \$10 million out of the budget.”

CFOs understood the potential but also were forced to tread cautiously on governance, especially as “vibe-coding” increasingly enters the mainstream. “We have no idea what the governance model is: who owns the code, who maintains it or what does IT do – we're not ready for that,” one CFO said. Navigating those concerns while also moving ahead assertively is a tough balance. “We have to figure out how to turn this model around,” a CFO in oil and gas said. “I can't have IT reviewing every line of Python. The command-and-control model isn't going to work going forward.” Gusher emphasized that agentic AI, while separate from AI that augments human workers, acts just as employees would and therefore would fall under similar governance models.

Recommended actions: Task a transformation finance team with redesigning processes, data strategies and org designs to capture the benefits of AI. This team should be multidisciplinary: accountants, naturally, but also engineers and technologists. Go deep, not broad, to reinvent an entire area with a new process.

3 Talent: In search of the new finance talent pipeline – and career path

If AI replaces thinking and awareness, then human workers are surrendering their true advantage – and workplaces will suffer.

Executives were worried about the potential unintended AI impact of knowledge loss, amid early evidence that entry-level tasks would disappear yet higher-value insights would remain necessary.

“I’m not concerned about rote financial reporting,” one CFO said, “but we have smart people who don’t know anything about the business. You used to get it during regular process work during close and that’ll be gone.” Another leader at a department retailer echoed that view: “I’m totally concerned about pipeline of talent. We’re skipping over the beginning and going right to the middle. And I don’t know how long the universities will need to catch up.”

But as AI presents a challenge, it also presents several possible solutions. “I’m thinking in the next two years we’ll have to set up a process with an LLM to indoctrinate new talent on how business works, not how AI works,” one participant said. With 15 years of experience in AI, Gusher built a four-week training program to better understand semiconductors and GPU technology: “I get a curriculum, a class every day. If you fast-forward that into an enterprise, we will be able to use agentic systems to train people on our business as we capture more of our decisions.”

Deirdre Ryan, EY Global Finance Transformation Leader, outlined the four B’s of the future of work:

Buy – Acquire the talent for an AI factory (which is costly).

Build – Upskill and reskill your current workforce.

Borrow – Tap into a contingent workforce.

Bot – Automate the skills you need.

“I know there will be a lot of compute capacity, and the models will work themselves out, so I put most of my thought on the people side of things,” a CFO in oil and gas said. “We mapped out the characteristics and skill sets now and what that looks like going forward. Having a strong people plan will work things out in the end.”

Recommended action: Accept that, independent of AI, today’s finance roles differ from those of 10 and 30 years ago. Be intentional about orchestrating different experiences that complement automation wherever the most value exists in your organization. Through education, AI can present its own solution to the possibility of cognitive offloading.

Summary

CFOs expressed mixed and cautious views on the potential shift to semiannual financial reporting if the SEC allows it, emphasizing the discipline and “muscle memory” of quarterly reporting. While most finance organizations remain in early stages on AI, leaders are seeing the value and are increasingly focused on process redesign, governance and people strategies to convert AI potential into durable value.

How CFOs can accelerate value creation: five lessons in leadership, metrics and talent

Chief financial officers (CFOs) are under growing pressure to deliver more. They are increasingly expected to unlock enterprise value by guiding investment in emerging technologies, building the capabilities the business needs and developing highly adaptable, tech-savvy talent. However, as revealed by the EY 2026 Global DNA of the CFO survey, a persistent gap remains between ambition and action.

Since 2010, this survey has explored how CFOs can harness finance as an engine for value creation. The 2026 edition, which polled 1,600 CFOs and senior finance executives worldwide, highlights that closing the gap will require deliberate choices about leadership, measurement and capabilities.

The research shows that while many CFOs recognize their role in shaping enterprise value, this ambition is not yet consistently reflected in practice, particularly in leading investment decisions where returns are uncertain, redefining how value is measured and embedding transformation across the organization. CFOs also report challenges in capturing the impact of emerging technologies such as AI, often relying on traditional metrics that do not fully reflect long-term or intangible value. At the same time, gaps in adaptability, skills and leadership development continue to limit finance's ability to translate transformation into sustained outcomes, underscoring the need to align mindset, skill set and toolset to unlock enterprise value.

The findings point to five critical lessons for CFOs looking to move from ambition to execution and accelerate value creation.

1 Value creation takes leadership and a long-term view

CFOs increasingly believe they should play a central role in defining how the business creates value, but many are not yet doing so in practice. The survey reveals a clear disconnect: while 60% of CFOs say they should define and shape value creation, only 25% lead investment decisions where returns are uncertain, indirect or long-term.

This matters because investments often do not fit neatly into short-term financial logic. If finance remains reactive, it risks judging value too late rather than helping shape it early.

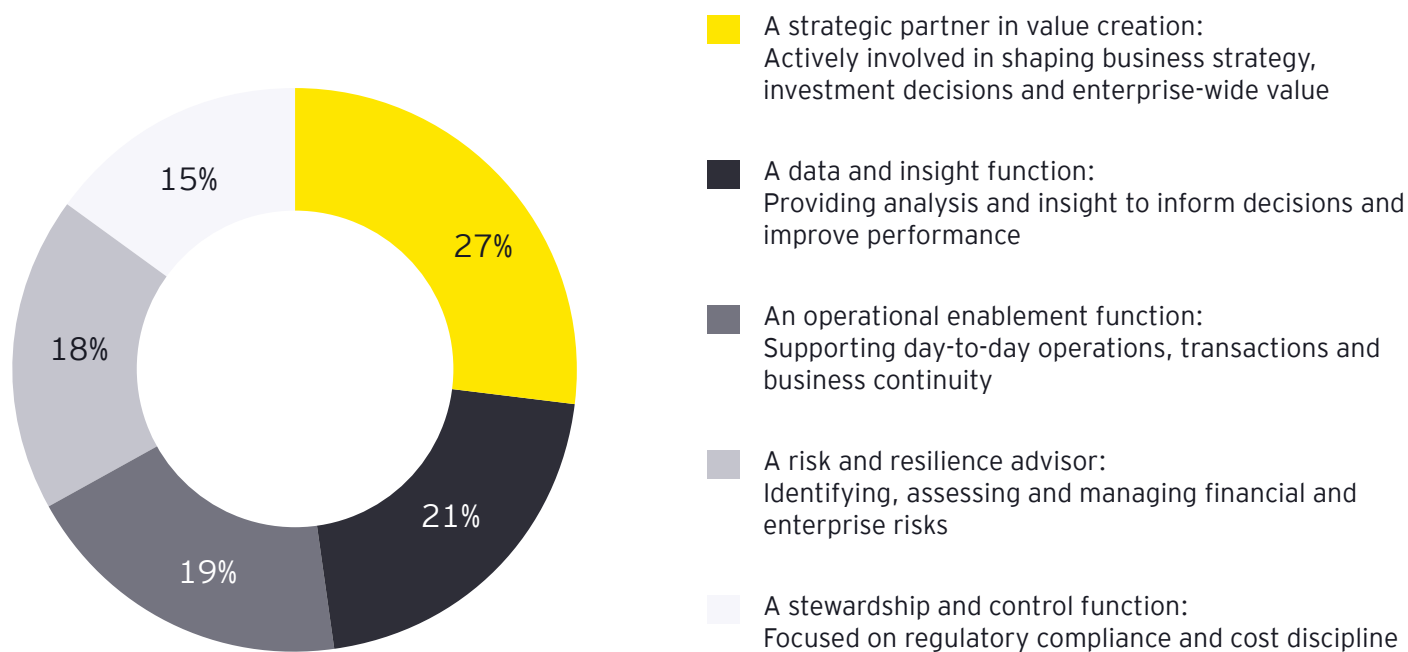
Structural barriers reinforce this challenge. Only 27% of CFOs say the finance function is widely seen as a strategic partner in value creation, with many still perceived primarily as a control or operational function (Figure 1).

At the same time, CFOs report that nearly 47% of finance capacity is absorbed by core activities such as reporting, compliance and controls. These demands can restrict the time available for insight generation and strategic decision support, increasing the risk that value-shaping decisions are led elsewhere in the business. Overcoming these constraints will require CFOs to redesign operating models and rebalance capacity toward higher-value activities.

- The lesson: Creating enterprise value requires a more proactive role for finance earlier in the decision cycle. CFOs should use their position, data and enterprise-wide visibility to guide decisions where value is still emerging and where confidence across the business is still being built.

Figure 1: Few CFOs believe that the finance function is viewed as a strategic partner in value creation.

Q: How would you say the finance function is most commonly perceived across your business today?



Source: Will the future of finance be shaped by talent or technology? EY Global DNA of the CFO Survey, EY, June 2026.

2 Better metrics drive better performance

If CFOs want investments to create value, they need more effective ways to measure it. Traditional financial metrics often struggle to capture the benefits of new technologies, new roles and new ways of working, especially when the payoff is indirect or long-term. Further, it's often a challenge to define the anticipated benefits in the first place (Figure 2).

The survey shows that CFOs understand the urgency of change. More than two-thirds (67%) of CFOs say they need to re-evaluate how enterprise value is measured, while 71% say traditional metrics are not enough to assess initiatives that combine people and technology.

Finance cannot rely on conventional ROI calculations alone. Instead, a new framework is required that integrates traditional financial KPIs with such non-financial metrics as AI-enabled decision quality, resilience and customer outcomes. For AI in particular, value may appear in such activities as better forecasting, stronger pricing decisions or more effective risk identification.

- The lesson: Value creation requires a broader measurement framework. CFOs should incorporate qualitative and forward-looking indicators to assess initiatives where impact is indirect, long-term or shaped by people and technology.

How CFOs can accelerate value creation: five lessons in leadership, metrics and talent

Figure 2: CFOs cite difficulties in defining ROI and overreliance on traditional metrics as barriers to measuring value.

Q: What are the biggest barriers your finance team faces today when measuring value creation, such as the value created by emerging technologies and new roles or ways of working?



Note: Percentages indicate those that selected each as a top three barrier.

Source: Will the future of finance be shaped by talent or technology? EY Global DNA of the CFO Survey, EY, June 2026

3 CFO leadership is critical to technology transformation

One area that often takes time to yield its full value is technology transformation. This is an effort where the CFO can directly influence success. Cultivating adaptability within the finance team is a key differentiator: Among CFOs who describe their teams as highly adaptable, 42% report that transformation outcomes exceeded expectations, compared with 16% for generally adaptable teams and 3% for teams that adjust only with support. Unfortunately, adaptability is also in short supply, as only 11% of CFOs describe their teams as highly adaptable.

Transformation also requires close attention to culture. More than two-thirds (68%) of CFOs say new skills and leadership styles are required for a successful transformation, yet people and culture leadership only

ranks sixth in development priorities. That mismatch creates risk because transformation depends on whether teams trust new tools, work across boundaries and feel equipped to adapt. When people investment lags technology investment, transformation efforts often stall before value is fully realized.

- The lesson: CFOs should treat adaptability and culture as operating requirements rather than as high-level expectations. Building strength in these areas means reinforcing continuous learning, encouraging teams to work across boundaries and creating an environment where people feel safe to question assumptions and adopt new ways of working.

4 Unlocking AI's value will take a mindset shift

For many companies, “technology transformation” is synonymous with AI transformation. Here, most CFOs face challenges. Fifty-three percent of survey respondents rated their preparedness to use AI to create enterprise value as only developing, early-stage or limited. Another 27% described themselves as “functional” – possessing the appropriate data, tools and personnel, but with work to do to optimize AI's value.

The difficulty is often as much a mindset issue as a technology one. The 21% of CFOs who described their preparedness as leading or advanced are much more likely

to recognize AI's potential. For example, of this group, 71% see strong potential in growth forecasting as compared with 44% of those still developing capabilities and 30% of those with limited progress. Meanwhile, those who lag behind tend to approach AI primarily as a defensive tool, using it to primarily manage risk or improve efficiency.

- The lesson: The more confident finance becomes in AI, the more likely it is to apply the technology to growth. CFOs should therefore move AI from experimentation to execution by focusing on high-value use cases where insight can improve forecasting, pricing and market expansion.

5 Sustaining value depends on preparing future leaders

As the CFO role expands, the leadership pipeline beneath it is struggling to keep pace. More than one-third (36%) of CFOs say their finance leadership teams (excluding the CFO) are strong in core technical work but not ready for broader strategic and enterprise-facing demands. And half say faster leadership development is needed to avoid succession risk.

This is more than a talent management issue. It is a strategic risk for finance functions that need leaders who can navigate technology change, partner across the business and make sound judgments in unfamiliar

situations. CFOs should therefore build more structured development pathways that include stretch assignments, cross-functional rotations and time-bound transformation roles that give future leaders experience beyond traditional finance responsibilities.

- The lesson: Treat leadership development as a core lever of value creation, not a downstream human resources priority. CFOs must actively develop leaders who can think, act and decide beyond the finance function.

Summary

CFOs are under increasing pressure to turn strategic ambition into measurable outcomes. To drive value creation, finance leaders must take a more proactive role in decision-making, evolve how performance is measured and strengthen their approach to technology transformation. This includes adopting broader metrics, building adaptable teams and prioritizing leadership development. By aligning people, processes and technology, CFOs can close the gap between intent and execution and position the finance function as a catalyst for sustained growth.

Scaling AI in the finance function: six leading practices for CFOs

For CFOs building a future-ready finance function, the imperative is clear: Adopt AI or fall behind. Finance organizations are already starting to move beyond isolated proof of concepts (POCs) and beginning to implement AI at scale. Around 70% of the CFOs at a recent EY roundtable are running pilot initiatives, and nearly 30% indicated that they have already achieved moderate integration across multiple finance processes.¹

Despite this momentum, many organizations still struggle to convert promising pilots into enterprise-wide value, while others have yet to embark on their AI journey at all. Many CFOs cite barriers such as change resistance (60%), budget constraints (60%), legacy systems (55%) and talent gaps (55%) as impediments to progress.²

To accelerate measurable impact while upholding the integrity, reliability and trust that are fundamental to the finance function, CFOs can adopt six practices:

1 Lead with AI sponsorship, stakeholder engagement and access to tools

AI adoption begins with people. The first step is to educate and empower employees with core AI tools such as copilots and identify change champions within each group who can accelerate peer-to-peer learning. While many leaders have already mandated AI use and set clear expectations, visible sponsorship by CFOs remains critical. At the same time, CFOs need to articulate the vision for how AI adoption supports finance priorities and implement a clear change management plan.

CFOs can also support boards of directors in overseeing the broader organization's AI activities. Because CFOs play a central role in determining strategic fit, capital allocation, third-party dependencies, cyber and privacy risks, model governance and workforce implications, they can facilitate the board's much-needed engagement in these critical areas. While the National Association of Corporate Directors (NACD) reports that more than 62% of directors now allocate agenda time for AI, only 23% of boards have assessed its strategic impact, and just over 11% have approved an annual budget for AI projects.³

¹ Juan Uro, "How CFOs scrutinize AI cost and talent implications as they scale up," EY, April 22, 2026, https://www.ey.com/en_us/ey-center-for-executive-leadership/cfos-scrutinize-cost-and-talent-implications-of-ai.

² "New Research Reveals CFOs Evolving into Strategic Architects Amid AI Transformation," Financial Executives International, April 7, 2026, <https://www.financialexecutives.org/About-FEI/For-the-Press/2026/evolution-of-the-finance-function-cfo-strategy-ai.aspx>.

³ Sandlin, Dylan, Ludwig, Helmut, and van Giffen, Benjamin, "Director Essentials: Implementing AI Governance," NACD, <https://www.nacdonline.org/all-governance/governance-resources/governance-research/director-faqs-and-essentials/implementing-ai-governance>.

2 Treat AI as a transformational technology, not a solution for a specific use case

Although organizations often begin with POCs, AI is not simply a tool to address isolated problems. CFOs need to understand the transformational benefits that the enterprise and finance function can achieve. They should sponsor the program, define the vision, develop the plan and execute it like any large-scale transformation initiative. The case for change should identify expected outcomes and business priorities, such as improving forecasting accuracy, accelerating the close, decreasing cost to serve and reducing working capital.

An effective transformation will require changes to major elements of the operating model, not just to technology. This means that CFOs must engage the right stakeholders and collaborate across functions, including business, IT and human resources. CFOs also should anticipate how AI-driven changes across other parts of the business will impact finance processes. For example, an AI-driven procurement process where an AI agent places replenishment orders without any human interventions will require redesigned controls.

3 Reimagine end-to-end processes with humans in the loop

The strongest results come when organizations take an AI-first approach to reimagining end-to-end processes rather than layering AI onto existing workflows. For example, redesigning billing and billing support may require ERP configuration changes, improved integration with contract management systems and AI-driven customer portals. Stakeholders such as tax and internal audit should be engaged early and in parallel. In most cases, the new design will impact existing controls and require additional controls to oversee AI activities. Equally important is designing processes that keep humans in the loop at the right decision and control points. For instance, in a billing dispute scenario, a billing manager should review and approve AI-generated responses for nonstandard inquiries.

4 Prioritize data readiness and governance as the most important enabler for scale

While pilots can proceed without robust data layers, scaling AI requires harmonized, well-governed data. In fact, 77% of finance teams who struggle to scale AI lack effective data governance.⁴ Reinforcing its importance, the NACD advises boards to prioritize scalable data architecture, data lineage, metadata, interoperability and cross-functional governance for reliable AI.

Most large firms operate multiple ERPs and applications without unified data governance. However, organizations do not need to wait for every entity or business unit to be on a single ERP. EY teams have supported multiple Fortune 500 companies by deploying finance data appliances that integrate data from over 50 systems, enabling AI-driven reconciliations and insights seamlessly across business units.

Finance functions that struggle with data vs. those that are effective

Finance functions that struggle

- 1 94%** Data silos in many locations (e.g., data located on local hard drives)
- 2 77%** Lack of effective data governance processes (e.g., data standards)
- 3 60%** Inability to get the right kind of information for decision-making (e.g., by product, geography, cost center)

Total respondents: n = 500; 27% (133) report struggling

Source: 2025 EY Tax and Finance Operations Survey.

Finance functions that are effective

- 1 92%** Data is centrally organized, and tax function has access to data
- 2 88%** Data is tax sensitized and readily available from source systems
- 3 75%** Technology solutions are integrated (e.g., not focused on point solutions)

Total respondents: n = 500; 73% (367) do not report struggling

Note: Percentages indicate the proportion of respondents in each group who selected the factor as one of their top three responses.

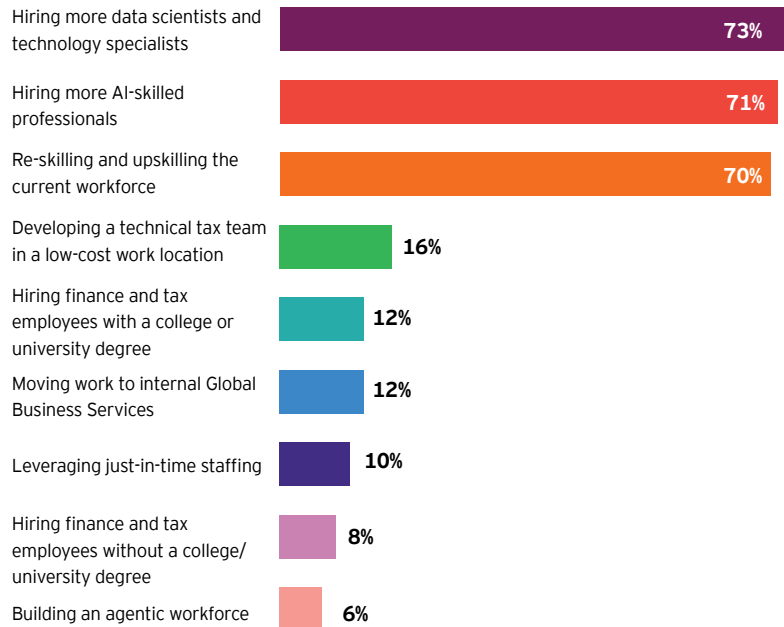
⁴ "2025 EY Tax and Finance Operations survey," EY, <https://www.ey.com/content/dam/ey-unified-site/ey-com/en-gl/services/tax/documents/ey-gl-tax-and-finance-survey-report-11-2025.pdf>.

5 Mobilize the right resources and talent

The success of AI in finance depends as much on workforce readiness and role clarity as on technology. The 2025 EY Tax and Finance Operations survey indicates that future-ready finance and tax teams need more than technical knowledge; they increasingly require data and technology skills, critical thinking, communication, collaboration and strategic problem-solving.⁵ According to the survey, 30% of leaders identify talent strategy as the biggest barrier to AI transformation. CFOs should therefore focus on re-skilling current teams, selectively hiring AI-skilled data and technology talent and redesigning roles.

Given the size and importance of AI across enterprise functions, prioritizing projects for workforce allocation is also critical for CFOs. In most cases, leaders prioritize business AI projects over finance AI projects. Since AI resources are limited, it's important for CFOs to assess their own needs in consultation with other leaders and find ways to mobilize the resources needed, either internal or external, for finance AI projects.

How important are the following talent strategies to the success of your finance function over the next two years?



n=1600. Percentages indicate the proportion of respondents who selected the factor as very important.

Source: 2025 EY Tax and Finance Operations survey.

6 Engage external partners for proven use cases and ideas.

Today, AI companies and service providers have identified and built many strong use cases in finance. CFOs should understand what is available, find partners who can help them, and then leverage their experience. This will also help CFOs build and scale internal capabilities. Companies are setting up AI centers of excellence (COEs) internally or with partners to accelerate AI deployment – rather than function-specific ones – to share skills across multiple business functions.

A winning strategy for CFOs is to start with high-volume, rules-based processes, define KPIs up front, prove value quickly and scale selectively where outcomes are repeatable, governed and measurable. According to a November 18, 2025 Gartner® press release, “Knowledge

management - helping organizations organize, retrieve, and leverage information for better decision-making - is the most common AI use case (49%) in finance organizations, followed by accounts payable process automation (37%) and error and anomaly detection (34%).”⁶

AI in finance will help improve the performance of the finance functions, enhance its relationship with business partners, and provide insights that were previously out of reach. The winners will not be the organizations running the most pilots, but those that connect AI to finance priorities, build the right data and control foundations, and invest in talent as deliberately as they invest in technology. For CFOs, that is the path from experimentation to durable enterprise value.

⁵ “2025 EY Tax and Finance Operations survey.”

⁶ “Gartner Survey Shows Finance AI Adoption Remains Steady in 2025,” Gartner press release, <https://www.gartner.com/en/newsroom/press-releases/2025-11-18-gartner-survey-shows-finance-ai-adoption-remains-steady-in-2025>. GARTNER is a trademark of Gartner, Inc. and/or its affiliates.

Feature CFO profile

CFO Patrick Hatcher follows a disciplined approach to growth



Patrick Hatcher, Executive Vice President and CFO of Performance Food Group (PFG) – one of the United States’ largest food-away-from-home distributors – has become an expert in leading finance with an eye toward growth, both for the companies he’s worked for and in his own professional life. His finance career included stints in treasury, financial planning and analysis, and international finance before he landed his first CFO role in PFG’s Vistar segment. But

along the way, his drive to differentiate his experience also led Hatcher to executive roles in sales and operations management, as well as a stint as Vistar’s President. Now, as PFG’s CFO, Hatcher says his foundational knowledge across all aspects of the distribution business has been invaluable not only in leading PFG’s finance team but also in serving as a key leader in orchestrating PFG’s acquisition strategy.

Growth through acquisitions – bold but never rushed

Hatcher has been instrumental in acquisitions that have helped PFG expand its national footprint to become the \$63 billion company it is today. Through its three distinct operating segments – Performance Foodservice, Vistar and Core-Mark – the company distributes a wide array of food and other consumables to restaurants, convenience stores and other retail formats across the United States. Since Hatcher took over as CFO, acquisitions have included Cheney Brothers – a Florida-based broadline distributor that bolstered PFG’s operations in the Southeastern United States – Cash-Wa Distributing and José Santiago, Inc., along with a handful of additional transactions representing a nearly \$4 billion increase in revenue growth altogether.

Throughout this strong pace of dealmaking, Hatcher and PFG have taken a disciplined approach that carefully balances the goals of the enterprise with the appropriate level of autonomy for the acquired organizations. Rigorous due diligence before the acquisition helps PFG identify risks and potential challenges. “People want to move faster during due diligence, but you have to take your time to understand all the

opportunities and the risks,” Hatcher says. He also cautions against rushing integration. “The last thing you want to do is integrate [acquisitions] too fast, disrupting their business model, or harm their culture by making them conform to your systems and structure. You may accelerate synergy gain from that approach, but there is the potential to cause longer-term harm to the company that you just bought.”

For Hatcher, culture is a primary focus from beginning to end. “If you buy a company that isn’t a good cultural fit, it’s hard to realize the economic benefits,” he says. “We’re buying assets that we think are a good strategic fit in terms of geography or capabilities for each of our segments. We are also very focused on integrating them in a way that allows us to realize those benefits while enabling them to retain their core strengths.”

Oftentimes, those core strengths and their culture are the reason certain companies are attractive targets. “These companies are doing something really well, and they are usually family-owned, multigenerational companies with established ways of operating their business,” he notes.

Learning from lateral moves on the path to the C-suite

Hatcher is no stranger to the potential disruption of a merger or acquisition. Earlier in his career, when he worked in finance for Coors, he had an opportunity to lead the integration team when Coors merged with Miller in 2008.

Leading that successful two-year integration effort gave Hatcher valuable experience, but his position was eliminated as part of the restructuring. He soon found a new position with Vistar, the specialty foods subsidiary of PFG. While he started out in finance, he moved into a position as head of sales and marketing after five years. "I intentionally took this position as a development step," says Hatcher. "I don't have a classic sales background, but I focused on building a strong team, creating clear priorities for the organization to drive growth and then using data to hold the team accountable."

Hatcher also believes that gaining a different perspective benefits anyone who wants to learn and develop their skills and gain new experience. "I always tell my team to look to the left and right as they think about their careers," says Hatcher. "To be successful in this company, you need to know the other

segments well, not just the one you work in. Our convenience segment is very different from our food service operations."

Vistar achieved significant sales and market share growth under his guidance, right up until the COVID-19 pandemic halted economic activity across much of the country and world. Sales declined 65% in one month. "It was a difficult time, but we focused on protecting our people and avoided layoffs," Hatcher says. "We also took steps to protect our customers because if you don't have customers, you don't have a business."

While guiding the sales organization through the COVID-19 pandemic, he was named Vistar's Chief Operating Officer in 2021. Running a business operation during the pandemic gave Hatcher new insights into how to make decisions quickly, with limited information. One of the key decisions he had to make was when to begin moving toward business as usual. "With all the good information and disinformation we were getting from the field, I had to convince the team that we needed to start ordering inventory and start selling again," he says.

Broadening his portfolio of responsibility

Hatcher's career trajectory soon took another turn when the CFO of PFG retired, and he stepped into that position. He soon found his sales experience directly relevant to his current role. "I try to tell my sons that it does not matter what role you are in. You're either selling internally to your employees, or you are selling externally to your customers," Hatcher explains. For example, he notes that "as CFO, my team often goes on road shows, talking to investors about our strategy, and where it is taking us. We are selling the potential of PFG."

The broad experience Hatcher has gained has positioned him well to take on another enterprise-wide priority: helping PFG integrate AI into its day-to-day operations. To align AI initiatives closer with organizational goals, the CEO asked the leader of PFG's AI initiatives to report to Hatcher. "AI is moving very fast, and we're looking for ways to leverage it more effectively," he says. "While it is still early in our efforts, we have identified several initiatives that could be promising."



Putting the customer at the center

Hatcher credits PFG's success to its three-year strategies and the company's ability to weave in initiatives that will deliver on its goals while helping the organization achieve disciplined growth. Focusing on the customer is key to PFG's long-term planning. "When I sit down with our CEO to talk about new initiatives," he says, "we ask how this will help the customer. If the answer is 'it doesn't,' we hit the pause button and rethink the initiative."

When it comes to his own leadership philosophy, Hatcher strives to remain as close as possible to the operations and leadership teams in PFG's segments. "I work with the business leaders to align on key priorities and goals. My overarching goal is to speed up decisions and not slow execution or create barriers. And then you have to add trust, transparency and accountability. As much as possible, I try to be a true business partner."

Summary

Patrick Hatcher, Executive Vice President and CFO of Performance Food Group, has built a career around disciplined growth, cross-functional leadership and customer-focused decision-making. His experience across finance, sales and operations has helped him lead PFG's acquisition strategy with an emphasis on rigorous due diligence, cultural fit and careful integration to enable long-term value creation. Hatcher's career also reflects the value of making lateral development moves to gain a broader perspective on sales, operations and crisis management. Today, that perspective helps him shape enterprise priorities, from guiding strategic growth to integrating AI into PFG's operations.



Four questions boards are asking CFOs about AI governance

As enterprise AI adoption accelerates, boards of directors are increasingly concerned about AI governance. While they understand AI's transformative potential, they are looking to assess whether investments are creating value, whether risks are being managed and whether leadership teams are moving fast enough.

Chief financial officers (CFOs) are playing a prominent role in these discussions. Technology leaders may oversee design and deployment, but boards are turning to CFOs to connect AI strategy with financial outcomes, controls and accountability. To help boards shape an AI-enabled future, CFOs should be prepared to answer these four questions:

1 What impact are our AI deployments having on P&L and the balance sheet?

Boards recognize that AI outcomes are not always predictable, particularly in early-stage experimentation. Even so, AI investments must ultimately be framed in financial terms. CFOs are expected to articulate where AI is creating value, where it is not and when benefits are expected to materialize.

That value may take many forms. In some cases, value may show up as revenue growth, cost reduction, improved asset utilization or productivity gains. Or the benefits may drive longer-term improvements, such as higher Net Promoter Scores or more resilient operating models. Regardless of the objective, CFOs cannot avoid quantification.

CFOs should also be ready to address questions about the long-term cost of AI and how it flows in the financials. The cost equation for AI work includes elements such as the price per token, the underlying data stores and platforms used, the compute cost for them and the licensing of tools. As AI consumption bills roll in, these costs, together with the expected benefits, will be part of board conversations.

In all these matters, CFOs play a critical role in turning ambition into forecast – defining success metrics, embedding them into financial plans and telling a credible story with numbers.

2 How will you track key performance indicators (KPIs) for executive performance management around AI?

For many companies, “technology transformation” is synonymous with AI transformation. Here, most CFOs face challenges. Fifty-three percent of survey respondents rated their preparedness to use AI to create enterprise value as only developing, early-stage or limited. Another 27% described themselves as “functional” – possessing the appropriate data, tools and personnel, but with work to do to optimize AI’s value.

The difficulty is often as much a mindset issue as a technology one. The 21% of CFOs who described their preparedness as leading or advanced are much more likely to recognize AI’s potential. For example, of this group, 71% see strong potential in growth forecasting as compared with 44% of those still developing capabilities and 30% of those with limited progress. Meanwhile, those who lag behind tend to approach AI primarily as a defensive tool, using it to primarily manage risk or improve efficiency.

- The lesson: The more confident finance becomes in AI, the more likely it is to apply the technology to growth. CFOs should therefore move AI from experimentation to execution by focusing on high-value use cases where insight can improve forecasting, pricing and market expansion.

3 How will you assess the quality and accuracy of AI’s outputs?

As AI becomes embedded in core processes, the control environment must evolve. Boards expect CFOs to understand how AI changes risk profiles, whether existing controls remain effective and what new controls may be necessary.

Since AI outputs are not always consistently reliable, that introduces new questions: How will AI-generated information be validated? Where is human judgment required? How will errors be detected before they create downstream impacts?

CFOs play a critical role in redesigning controls to reflect AI-enabled operating models, not only within finance but across the enterprise. This includes ensuring that controls are proportionate to risk and that testing aligns with where AI has the greatest potential impact.

Talent is also a central part of this equation. Finance organizations need people with the experience, knowledge and judgment to challenge AI outputs rather than accept them at face value. Establishing quality control around AI is as much a workforce issue as a technology one.

4 What are the financial impacts of AI-related risks?

AI introduces an evolving risk profile that is rarely limited to a one-time cost. Inaccurate outputs, inappropriate use or over-reliance on AI can lead to financial losses, regulatory exposures and reputational damage. A professional services organization that recently suffered financial and reputational harm for including inaccurate AI-generated information in a report underscores why financial oversight of AI risk is rapidly becoming a board-level concern.

Boards expect CFOs to understand these exposures and quantify their potential financial impact. This requires close collaboration with both business and functional leaders, particularly in audit, risk, cyber and technology. Questions that CFOs should ask include: Where and how is AI being used across the enterprise? What would happen if this work goes wrong? How effectively are we identifying and preventing potential failures?

Equally important is to recognize how AI influences the possible impact of external risks. Cyberattacks are an obvious threat, but CFOs should also consider how AI plays into regulatory, reputational and even competitive risk.

AI governance is moving rapidly from a technical discussion to a core leadership responsibility. For CFOs, this represents an expanding mandate. By quantifying AI’s financial impact, imposing discipline on capital allocation, reshaping performance metrics and strengthening control environments, CFOs can help boards guide their organizations beyond AI experimentation toward sustainable value creation.

Is your ERP program designed to deploy – or to pay back?

In brief

- ERP transformations are too often judged by go-live success rather than financial impact, leaving significant value unrealized.
- A clear distinction between technical implementation and value capture is essential for CFOs to convert ERP investment into measurable enterprise value.
- Embedding ownership, governance and value realization discipline into the program from day one separates ERP programs that deliver from those that disappoint.

Enterprise resource planning (ERP) transformations remain among the largest investments an enterprise will make. They reshape processes, data, people and decision-making across the business. And yet, when CFOs look back two years after go-live, the same uncomfortable question surfaces: the program was delivered – but was the value captured?

For many organizations, the honest answer is no. Go-live is the moment the organization gains the capability to capture value. It is not the moment value is captured. Working capital shifts, procurement savings, inventory reduction, close-cycle improvement and resource reallocation all require deliberate execution before, during and after go-live – often by leaders and teams who were never part of or committed to the program. This is where some of the largest ERP

investments fail to deliver their full potential. The technology functions are designed and the processes are documented, yet the expected improvements in business performance never fully materialize.

To prevent such value shortfalls, it's imperative to make the right design choices at the ERP transformation's outset so that financial outcomes are treated with the same rigor, governance and executive sponsorship as the technology itself. At Ernst & Young LLP (EY US), we refer to this as the **value journey** – an end to end model for value realization, where value management disciplines are used to design value identification, orchestration and realization as one integrated journey.

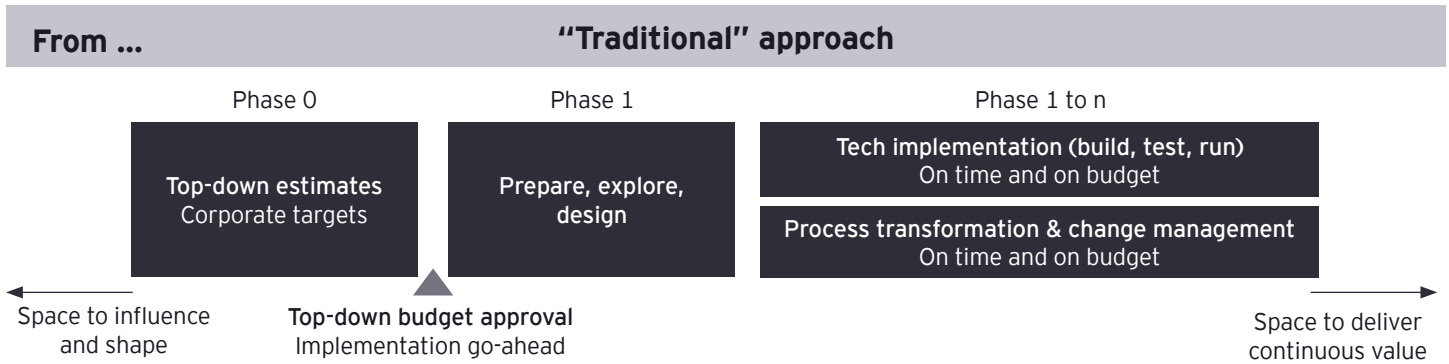
What is a value management approach?

ERP transformations tend to follow what we call the “traditional” approach. In this approach, the focus is the build: configuring the system, migrating data, redesigning processes, training users and stabilizing operations. The discipline is delivery: scope, schedule, quality and risk. The program broadly ends at stabilization. Success is defined by a familiar set of milestones: scope locked, budget held, system stabilized, users trained, go-live achieved. These are necessary outcomes, but they are not sufficient ones.

A value-management approach, on the other hand, is designed to convert capability into financial impact. In a value management approach, technical implementation still matters, but it is treated as an enabler rather than the end goal. The focus shifts to financial impact – converting new capability into measurable outcomes across working capital, operating costs, revenue performance and decision speed. The discipline here is realization: ownership, governance, accountability and measurement.

Is your ERP program designed to deploy – or to pay back?

Figure 1: ERP delivery enables capability – value capture converts capability into financial impact



To ... Value management approach

Identification		Orchestration		Value realization	
Phase 01 Ignite Spark executive curiosity "Art of the possible"	Phase 02 Validate Ambition and feasibility for your business	Phase 03 Align Baseline accountability, governance and portfolios	Phase 04 Execute Stand up VRO and kick off transformation initiatives	Phase 05 Harvest Monitor and capture value	
"How should we increase our enterprise value?"	"What does differentiated value look like for our reality?"	"Who owns what drivers and portfolios and what goes in the SOW?"	"Are we hitting our timelines and value targets?"	"What value was created – how does EY US get paid?"	
Potential input ★ EY.ai Catalyst and EY.ai Value Blueprints Pre-built execution patterns. Agentic workflow layer.	Potential input ★ EY.ai Catalyst and EY.ai Value Blueprints Pre-built execution patterns. Agentic workflow layer.	Potential input Detailed playbook A clear play-by-play instruction manual	Potential input Value realization plan Action plans mapped to KPIs and targets	Potential input VRO tools and metrics Dashboards and metrics for executive insights	
2-3 weeks	8-10 weeks	4-6 weeks	8-10 weeks	Ongoing	
Outputs ■ Enterprise capability maturity baseline ■ Top three value opportunities per major value stream ■ Baseline economic model and enterprise value ■ AI-augmented and AI-reimagined opportunities ■ Investment and proposal intake to value	Outputs ■ Detailed bottom-up value identification and sizing ■ Value initiatives defined (benefit, cost, impact lens) ■ Roadmap incorporating business constraints ■ Executive and process coach baseline and future-state validation ■ Detailed playbook for initiatives	Outputs ■ Value realization plan incl. action plans per KPI target ■ Value realization office (VRO) governance established ■ Transformation portfolios defined for value capture ■ CLT and executive buy- in and sign-off ■ Initiatives playbook refinement ■ Incentives alignment and value-based fees	Outputs ■ Value realization governance and cadences initiated ■ Decision making dynamics ■ VRO tools established for initiative-level value tracking to financial outcomes ■ Issue management ■ Stakeholder and influencer management (continuous alignment)	Outputs ■ Finance-validated value realization reporting ■ Value driver and leakage insights ■ Reinvestment and reprioritization decisions	

Budget approval based on bottom-up commitment and value targets – Implementation go-ahead

G Stage Gates

★ EY Artifact or tool

This distinction matters because while most ERP programs are disciplined and mature in how they deliver technology, far fewer are intentionally designed as value managed transformations. Business cases routinely promise hundreds of millions in value – working capital release, procurement leverage, finance productivity, inventory optimization, faster decision cycles – yet there is rarely a parallel value capture design with the same granularity of ownership, governance and tracking as the technical plan.

What value capture looks like in practice

The shift from a traditional approach to a value-managed one is not a change in language. It is a change in how the program is designed, governed and sustained.

ERP creates visibility that did not exist before: clean spend data, real-time inventory positions, standardized P&L views by business unit and product. Value capture is the discipline of converting that visibility into action. In ERP programs that consistently deliver financial impact, achieving that discipline is treated not as a measurement exercise but as a parallel initiative, designed alongside the build and sustained long after stabilization.

In practice, this is closely linked to a lean-core approach to ERP design. Rather than customizing the core to accommodate every process variation, leading organizations deliberately keep the ERP core clean and stable, while enabling flexibility and innovation at the edges. This reduces complexity, accelerates time to value and makes value realization easier to govern over time – particularly for CFOs accountable for working capital, productivity and P&L outcomes.

A consistent differentiator is how quickly the executive level aligns to the business case which then translated into a specific, owned and committed value realization plan rather than aggregate benefit categories. “Working capital release” becomes a target with a named owner, a baseline and a trajectory. “Procurement leverage” becomes a defined set of initiatives tied to category strategies and negotiations enabled by the new system. “Finance productivity” becomes an operating model decision – role changes, spans of control, redesigned ways of working – rather than a passive expectation.

Governance is often the dividing line. While CFOs sponsor value realization, accountability for outcomes must sit with the business leaders who control the operational levers, and it must be reinforced through finance led governance and transparency. Also, many steering committees dissolve shortly after stabilization – precisely when value capture work intensifies. Programs that perform well maintain a value realization office for 12-18 months after go-live, operating as a finance-led governance layer with executive air cover and clear decision rights.

What CFOs must do differently

For CFOs, the implication is straightforward: value risk deserves the same visibility and governance intensity as delivery risk from the beginning of the ERP transformation program. CFOs who reframe the conversation early, pursuing value capture through clear financial targets, accountable ownership and sustained execution beyond go-live, are the ones who will realize the business case. This begins with elevating value capture to a workstream of equal standing alongside technical delivery – with its own leader, governance, milestones and reporting. It requires treating the business case as a living instrument – not a one-time approval document. And it depends on sustaining outcome ownership through the 18-24 months after go-live, when value is either captured – or quietly forfeited.

This also requires CFOs to support architectural choices – such as a lean core – that simplify the ERP foundation and make value realization more predictable over time.

At EY US, we help CFOs design and execute ERP transformations as value-managed journeys – connecting strategy, technology, operating model and financial outcomes into one integrated value journey.

The question for finance leaders is simple: **Is your ERP program designed to go live – or designed to deliver measurable enterprise value?**



US economic outlook

The US economy remains robust, supported in part by AI investment, but the Middle East conflict has fueled renewed inflation pressures, leading to an income squeeze.

Resilience tested

The economy remains resilient, but the foundation of growth is becoming narrower. Interest-rate-sensitive sectors continue to struggle under elevated financing costs, while an income squeeze driven by slower wage growth and higher inflation is constraining consumer spending. Business investment has strengthened, supported by AI-related capital spending, but housing activity remains in the doldrums. Easing Middle East tensions and lower oil prices have reduced near-term downside risks, but the drag from higher costs will continue to cap consumer and business activity.

Inflation acceleration

Inflation pressures are becoming broader and more supply-driven. In the coming months, higher fertilizer costs are likely to contribute to food price inflation, while rising transportation and production costs should increasingly pass through to goods and services prices. The capital-intensive AI investment boom is also contributing to price pressures, reinforcing broader supply-side inflation pressures.

Steady labor market

Following a period of labor market weakness through 2025, employment conditions appear to have stabilized, with job

growth rebounding in recent months. Hiring remains highly selective, but the steady unemployment rate reflects labor demand keeping pace with constrained labor supply amid aging demographics and lower net migration.

Income squeeze

Household purchasing power remains under pressure. Inflation continues to outpace nominal wage growth, resulting in a real income squeeze. A positive wealth effect from rising equity markets continues to support spending among affluent households. As budgets tighten, a growing number of consumers are relying on savings and credit to sustain spending—a dynamic that may become increasingly difficult to maintain. Consumer spending has remained resilient, but momentum is likely to soften in the second half of the year.

Delicate Fed transition

The June Federal Reserve meeting marked Kevin Warsh's debut as Fed Chair. His influence was immediately evident in a shift toward shorter statements and press conferences, greater policy discretion, and a communication framework that places less emphasis on signaling future policy moves. Still, with inflation expectations anchored, real wage growth under pressure, and financial markets doing some of the tightening for the Fed, our baseline remains that the Committee stays on hold through year-end.

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