



MILES CONSULTING

MULTI-STATE TAX SOLUTIONS

Miles Consulting Group 2024 Financial Leaders Survey



The 2024 Financial Leaders Survey conducted by Miles Consulting Group provides insights from financial leaders across various sectors, focusing on their roles, company types, growth metrics, and concerns in 2024.

OVERALL SUMMARY

The Miles Consulting Group's 2024 Financial Leaders Survey provides a comprehensive overview of the perspectives, priorities, and concerns of financial leaders across various sectors.

The survey collected responses from financial executives, notably CFOs, VPs of Finance, and other senior finance roles, representing a diverse array of companies primarily concentrated in the SaaS and Technology sectors. The insights gleaned from this survey offer valuable guidance for understanding the intricacies that financial leaders manage as they plan for the future.

Key Insights

1.

Leadership Demographics and Company Types:

The survey revealed that CFOs comprised the largest segment of respondents (42%), underlining the critical role of top financial executives in shaping their companies' strategic directions. Approximately 38% of respondents hailed from SaaS companies, while 35% represented technology firms, echoing the prevalent trends of digital transformation and innovation as key drivers of growth in contemporary business environments. Additionally, a noteworthy portion of respondents (47%) represented companies with 26 to 100 employees, indicating ongoing concerns within the mid-sized business sector, which often faces unique challenges distinct from larger corporations.

2.

Financial Growth Indicators:

A significant finding from the survey was that an impressive 68% of financial leaders indicated some form of growth in their companies compared to previous years. Specifically, 26% reported significant growth and 41% noted moderate growth. This reflects optimism among financial leaders as many organizations appear to be successfully navigating the complexities of the current economic environment. Interestingly, only 12% reported declines, emphasizing a widespread resilience among these companies.

3.

Concerns Regarding Inflation:

As financial leaders prepare for the future, concerns regarding inflation are becoming increasingly prominent. While fewer executives expressed extremely high levels of concern, more recognized inflation as a significant issue, which may influence budgeting and forecasting strategies. The need to address inflation-related pressures indicates the importance of proactive financial management to safeguard asset value and maintain profitability.

4.

Prioritization of Revenue Growth and Retention:

Survey respondents overwhelmingly identified **Revenue Growth and Retention** as their top priority over the next 12 months, reflecting the critical importance of maintaining customer relationships in a competitive market. This focus signifies a broader understanding that sustainable growth hinges not only on attracting new clientele but also on nurturing existing customers. Additionally, **Cash Flow Management** also ranked highly, underscoring a collective desire for operational stability and the ability to capitalize on growth opportunities. The emphasis on these areas indicates that financial leaders are strategizing to effectively leverage their resources while addressing market demands.

5.

Emerging Trends and Technological Adaptation:

Nearly 85% of respondents identified **AI Development and Adoption** as a crucial trend to watch in 2024, highlighting an eagerness among financial leaders to harness technology for enhanced operational efficiency and competitive advantage. Beyond technology, **Talent Acquisition and Retention** also emerged as a significant concern, indicating the ongoing struggle organizations face in attracting skilled professionals amidst labor market pressures. This dual focus on technology and talent suggests that companies are more aware than ever of the interdependency between human capital and technological advancement in driving business success.

6.

Tax Concerns and Management Strategies:

When it came to tax concerns, overall sentiment was moderate. Respondents expressed the highest concern for **State Income Tax**, indicating potential anxieties regarding tax compliance and regulation changes. However, the low concern for **Property Tax** suggests that financial leaders may consider it a more manageable aspect of their tax obligations. The survey also highlighted a reliance on external expertise for managing sales tax, with 38% of respondents relying solely on CPAs and consultants. This points to a wider pattern of companies pursuing expert guidance to effectively manage and comply with intricate tax systems and regulations.

7.

Operational Efficiency:

A focus on **Operational Efficiency and Cost Management** was found to be a significant priority, with many leaders recognizing the need to optimize resource allocation in alignment with financial strategies. Concerns in this area are consistent with the challenges posed by rising costs and demand for profitability, especially in uncertain economic conditions.

The insights suggest that leaders are proactively seeking ways to enhance operational workflows and implement cost-saving measures.

Implications for Financial Leaders

The insights garnered from the Miles Consulting Group 2024 Financial Leaders survey suggest several implications for financial leaders as they manage the challenges and intricacies of their roles:

- **Strategic Adaptability:** With economic uncertainty and rising inflation continuing to be of concern, financial leaders must remain adaptable, continually reassessing their strategies. This may involve diversifying revenue streams, revisiting pricing models, and exploring innovative technology solutions to enhance operational efficiency.
- **Investment in Technology and Talent:** The strong interest in AI and technology adoption indicates that embracing digital transformation will be essential for companies aiming to enhance operational efficiency and competitiveness. Financial leaders should prioritize investments in technology solutions that not only streamline processes but also provide critical insights for data-driven decision-making. Simultaneously, fostering a culture that emphasizes talent acquisition and retention will be vital for implementing and maximizing these technological advancements.

- **Proactive Tax Planning:** With significant concerns around state tax regulations and compliance, financial leaders should engage in proactive tax planning. This may involve seeking external expertise to navigate evolving regulations and considering technological solutions for better tax compliance management. Establishing a strategic approach to tax matters can mitigate potential risks while optimizing tax liabilities and enhancing overall financial health.
- **Emphasis on Customer Retention Strategies:** Given the emphasis on revenue growth and retention, organizations should develop and implement robust customer engagement strategies. This can include personalized marketing efforts, loyalty programs, and feedback mechanisms to improve customer satisfaction.
- **Focus on Operational Resilience:** The need for effective cash flow and operational efficiency underscores the importance of building resilience within organizations. Financial leaders should implement strategies that enable flexibility in operations, allowing their companies to swiftly adapt to market changes or disruptions. This could involve scenario planning, cost management initiatives, and regular performance evaluations to ensure responsiveness.
- **Awareness of Emerging Trends:** As financial leaders indicated trends such as AI, inflation, and talent acquisition will be pivotal in 2024, staying informed about broader industry developments will be crucial. Engaging with industry networks, participating in conferences, and leveraging analytical tools can provide insights that shape competitive strategies and enable financial leaders to position their organizations favorably.

Overall, the 2024 Financial Leaders Survey offers a detailed look into the evolving priorities, concerns, and perceptions of financial leaders. As these executives plan for the upcoming year, they face a mix of opportunities and challenges, including economic pressures, technological advancements, and the imperative of retaining top talent

Ultimately, the insights from this survey serve as a guide for financial leaders to refine their strategies and enhance their organization's resilience, positioning them to thrive in an increasingly complex and dynamic business environment. By prioritizing growth, embracing technology, and focusing on operational efficiency and customer retention, financial leaders can navigate the uncertainties of the upcoming year while laying the groundwork for sustainable success.



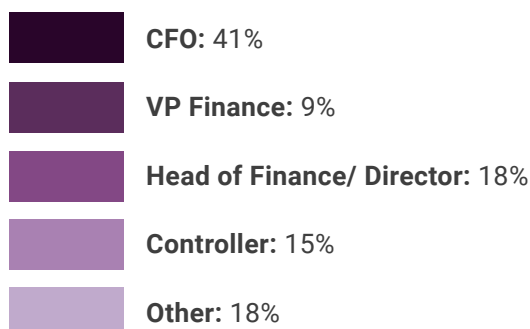
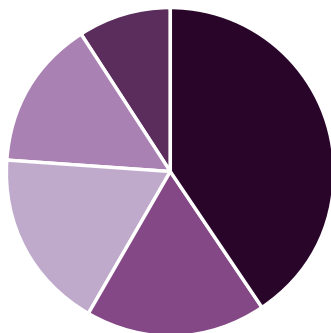
RESULTS AND KEY TAKEAWAYS

1. Demographics of Respondents

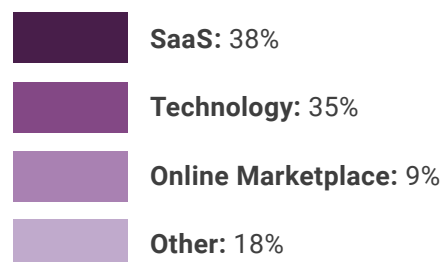
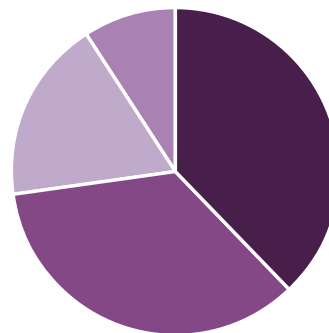
Key Takeaways:

- **CFO Dominance:** The survey was predominantly completed by Chief Financial Officers (CFOs), who comprised nearly half of respondents, indicating a strong representation of top financial executives and their perspectives.
- **Diverse Roles Represented:** Alongside CFOs, other roles included VP Finance (9%), Head of Finance/ Finance Director (18%), and Controllers (15%).
- **Company Type Representation:** Respondents primarily represented companies in the SaaS (38%) and Technology (35%) sectors, showcasing a significant focus on industries heavily influenced by technological advancements and digital transformation.
- **Two-Fifths in Smaller Companies:** A notable 47% of the respondents work for companies with 26 to 100 employees, indicating that the survey captured insights from mid-sized organizations, which play a vital role in driving economic growth.
- **Revenue Distribution:** Respondents came from companies with varied annual revenues, with 24% reporting revenues between \$2-5 million and another 24% between \$6-20 million. This diversity in revenue levels allows for a broad understanding of challenges and priorities across different scales of operation.

RESPONDENT ROLE



COMPANY TYPE

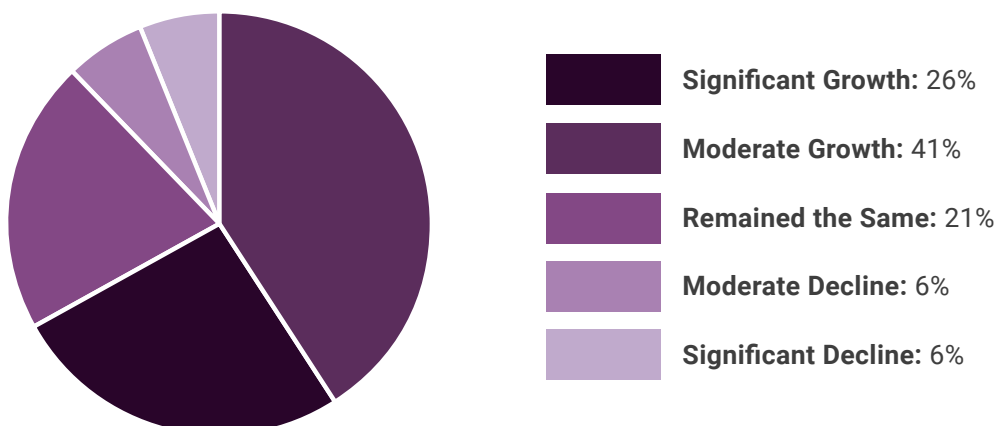


2. Financial Growth

Key Takeaways:

- **General Optimism:** These responses collectively reflect a generally optimistic outlook on financial performance, showcasing growth dynamics within the organizations represented in the survey while also providing a framework for managing future challenges and opportunities.
- **Majority Experiencing Growth:** A substantial majority (68%) of respondents reported experiencing some form of growth this year, with 26% indicating significant growth and 41% reporting moderate growth. This reflects a positive economic sentiment among financial leaders and suggests resilience in their sectors despite broader economic challenges.
- **Stability in Performance:** Approximately 21% of financial leaders indicated that their companies' performance remained the same as the previous year. This stability may signal a cautious approach to growth strategies or market saturation in some industries, serving as a reminder that not all businesses are expanding significantly.
- **Minimal Decline:** 12% of respondents reported some level of decline (6% each for moderate and significant decline). This lower percentage suggests that the majority of companies have managed to either grow or maintain their financial performance, highlighting the adaptability of businesses in the current market environment.
- **Implications for Future Planning:** The positive growth trends indicate an opportunity for financial leaders to reassess and potentially expand their growth strategies, including investments in innovation and market expansion.
- **Identification of Growth Factors:** The responses indicate that financial leaders identify specific factors contributing to their growth—such as customer retention, acquisition strategies, and operational efficiency—as critical areas to focus on going forward. This insight can inform investment decisions and operational focus to sustain momentum.

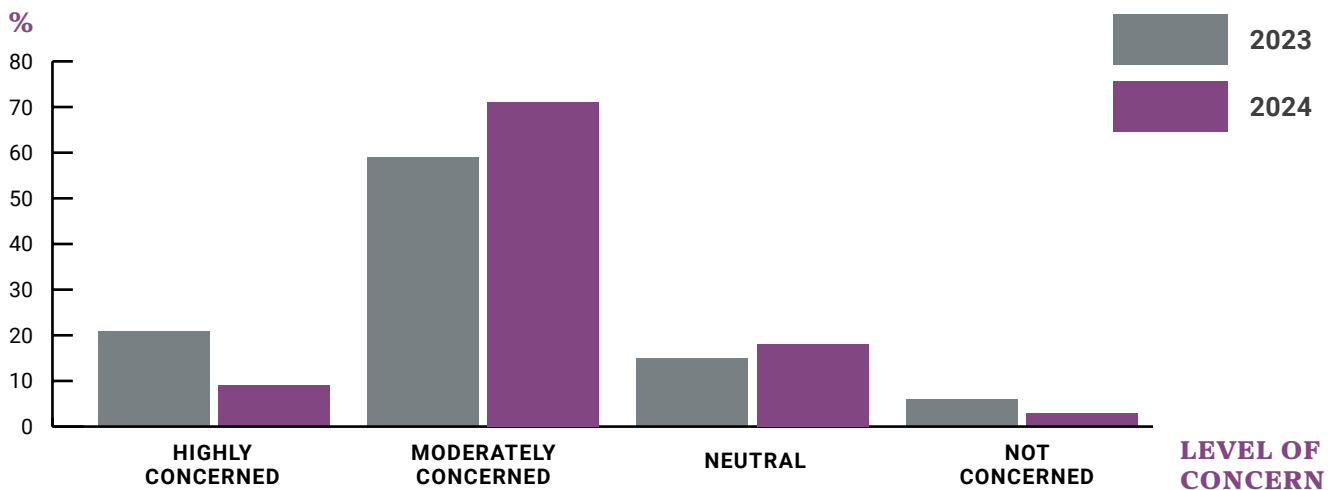
GROWTH STATUS



3. Concerns About Inflation

Key Takeaways:

- **Recognition of Inflation:** These insights highlight a growing recognition among financial leaders of the implications of inflation and underscore the importance of planning and responsive strategies to deal with potential economic challenges ahead.
- **Increased Concern Level:** The weighted average concern level regarding inflation rose slightly from 2.06 in 2023 to 2.15 in 2024. This increase suggests that financial leaders are becoming more wary about the potential impacts of inflation on their businesses.
- **Shift from High to Moderate Concern:** A decrease in the number of respondents indicating “highly concerned” about inflation combined with an increase in those who are “moderately concerned” implies a nuanced perception. While fewer executives are deeply worried, more recognize the threat as a significant issue, suggesting a growing awareness rather than outright panic.
- **Implications for Strategic Planning:** The shift in concern levels may lead financial leaders to integrate inflation considerations into their strategic planning and financial forecasting. This proactive approach may drive companies to adjust pricing strategies, optimize costs, or explore new revenue streams to mitigate inflationary pressures.
- **Inflation as a Broader Economic Factor:** Given the context of inflation impacting consumer behavior, supply chain costs, and overall economic conditions, financial leaders may prioritize understanding and managing these external factors, including monitoring market conditions and anticipated economic changes.
- **Need for Inflation Mitigation Strategies:** The results suggest that companies might look to develop inflation mitigation strategies, such as optimizing operations or increasing efficiencies, investing in technology, or focusing on product differentiation to sustain margins through an inflationary environment.



4. Top Concerns for the Next 12 Months

Key Takeaways:

- Concerns:** These insights reveal the multifaceted challenges that financial leaders confront in the current economic environment, highlighting the need for strategic planning and operational efficiency to succeed in the upcoming year.
- Revenue Growth and Retention as a Major Concern:** Revenue Growth and Retention emerged as the foremost concern, with a weighted average of 3.68, indicating that financial leaders prioritize maintaining and growing their customer base as critical for sustaining business health. This suggests a strong focus on strategies to enhance customer loyalty and address competitive pressures.
- Concerns About Customer Acquisition Costs:** Customer Acquisition Costs were another significant concern, with a weighted average of 2.91. This reflects the need for financial leaders to balance investment in marketing and sales with the ultimate goal of acquiring customers efficiently, pointing toward a potentially strategic reassessment of marketing expenditures.
- Importance of Cash Flow Management:** Cash Flow, with a weighted average of 3.18, is highlighted as a vital concern. This suggests that financial leaders are aware of the need for effective cash management strategies, likely driven by the desire to ensure operational stability and the ability to invest in growth opportunities despite economic uncertainties.
- Operational Efficiency and Cost Management Rising:** Concerns regarding Operational Efficiency and Cost Management were also prominent, with a weighted average of 3.09. This underscores the recognition among financial leaders of the need to optimize operations to maintain profitability, especially amid rising costs or inflationary pressures.
- Relative Lack of Concern for Investor Relations** Investor Relations received the lowest weighted average at 1.85, indicating that while it is still an important factor, it ranks lower compared to other operational concerns. This may reflect a focus on immediate operational and growth challenges rather than on external perceptions and relations with investors.

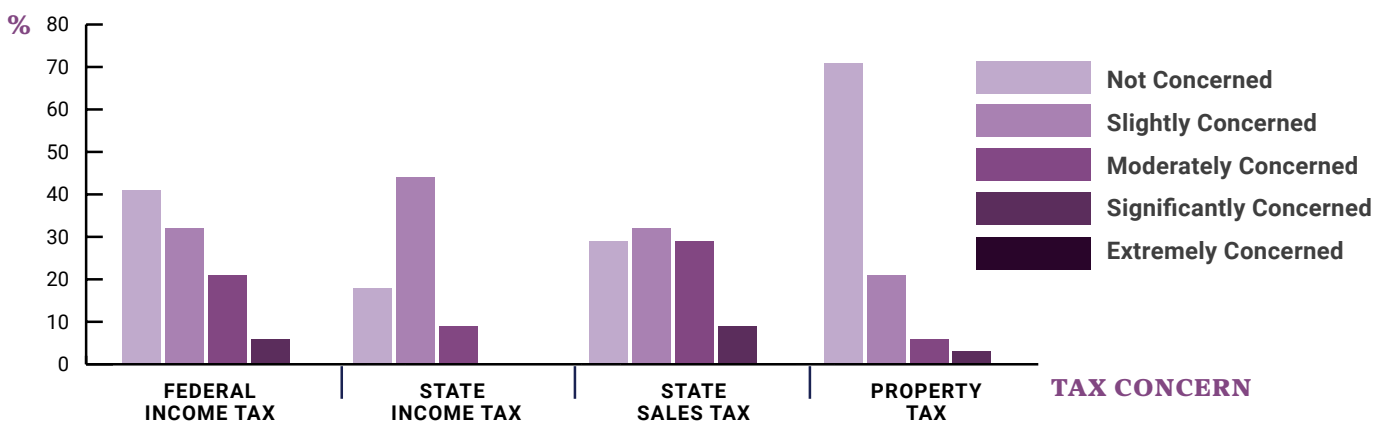
CONCERN	NOT AT ALL	SLIGHTLY	MODERATELY	SIGNIFICANTLY	EXTREMELY	TOTAL	WEIGHTED AVERAGE (1-5)
REVENUE & GROWTH RETENTION	0%	18%	24%	33%	26%	100%	3.68
CASH FLOW	15%	26%	12%	21%	26%	100%	3.18
OPERATIONAL EFFICIENCY & COST MANAGEMENT	3%	26%	29%	41%	0%	100%	3.09
CUSTOMER ACQUISITION COST	9%	24%	38%	26%	3%	100%	2.91
TECHNOLOGY INVESTMENTS & DEVELOPMENT (INCL. AI)	9%	24%	38%	29%	0%	100%	2.88
CUSTOMER CHURN	12%	35%	33%	15%	6%	100%	2.68
HIRING TALENT	15%	33%	33%	12%	9%	100%	2.68

5. Tax Concerns in 2024

Key Takeaways:

- Moderate Concerns Across Tax Types:** The responses indicate a generally moderate level of concern regarding various tax matters, with none of the tax categories receiving extremely high concern ratings. For instance, Federal Income Tax received a weighted average of 1.91, suggesting that while there is awareness, it is not tied to acute anxiety.
- State Income Tax as a Significant Focus:** State Income Tax showed the highest level of concern among the tax categories with a weighted average of 1.62. This suggests that financial leaders are particularly wary of potential changes in state tax regulations or increases in state taxes that could impact their organizations.
- Sales Tax Compliance Awareness:** Concerns regarding Sales Tax and compliance (weighted average of 2.15) reflect an increased awareness of the complexities of sales tax compliance, especially in the context of evolving regulations and economic nexus considerations. This may prompt companies to enhance their compliance strategies and technological capabilities.
- Low Concern for Property Tax:** With a weighted average of 1.41, Property Tax was rated as a lesser concern, suggesting that financial leaders perceive fewer risks associated with property taxes compared to other tax types. This could indicate stable property tax environments or effective management of property-related tax obligations.
- Potential for Strategic Tax Planning:** The overall moderate levels of concern across various tax issues suggest an opportunity for financial leaders to engage in more strategic tax planning. By proactively addressing these potential challenges, companies can better position themselves to manage changes and optimize their tax liabilities.

TAX CONCERN	NOT AT ALL	SLIGHTLY	MODERATELY	SIGNIFICANTLY	EXTREMELY	TOTAL	WEIGHTED AVERAGE (1-5)
STATE SALES TAX	29%	32%	29%	9%	0%	100%	2.18
FEDERAL INCOME TAX	41%	32%	21%	6%	0%	100%	1.91
STATE INCOME TAX	18%	44%	9%	0%	0%	100%	1.62
PROPERTY TAX	71%	21%	6%	3%	0%	100%	1.41



6. Management of Sales Tax

Key Takeaways:

- **Reliance on External Expertise:** A significant majority (38%) of respondents indicated they rely solely on outside help from CPAs and consultants for sales tax management. This highlights a prevalent trend among financial leaders to seek external expertise to navigate complex sales tax regulations rather than relying entirely on in-house resources.
- **Combination of Compliance Software and Outside Help:** Approximately 29% of respondents utilize a combination of compliance software and outside assistance from CPAs and consultants. This suggests that companies are looking to leverage technology while also ensuring expert oversight, reflecting a balanced approach to managing sales tax.
- **Interest in Internal Expertise:** About 21% of participants rely on compliance software paired with internal expertise. This indicates that some organizations are investing in developing their in-house capabilities for managing sales tax, which could enhance responsiveness and efficiency in handling compliance.
- **Need for Assistance:** The fact that 9% of respondents acknowledge needing assistance underscores a gap in either knowledge or resources dedicated to sales tax management. This may indicate an opportunity for consulting firms to provide targeted support and solutions to organizations feeling overwhelmed by sales tax complexities.
- **Limited Use of Compliance Software Alone:** Only 3% of respondents indicated that they manage sales tax through compliance software alone. This low percentage may suggest that companies recognize the limitations of technology in isolation and prefer to combine it with expert advice to ensure thorough compliance.

SALES TAX MANAGEMENT METHOD



7. Top Priorities for the Next 12 Months

Key Takeaways:

- **Strong Focus on Revenue Growth and Retention:** The top priority for financial leaders is clearly **Revenue Growth and Retention**, with 62% indicating it as their first priority. This highlights a critical emphasis on maintaining and expanding customer relationships, which is essential for long-term business sustainability.
- **High Importance of Cash Flow Management:** **Cash Flow Management** emerged as a critical focus area, receiving 18% first-priority votes and a total of 71% mentions across priority levels. This indicates that financial leaders are acutely aware of the need to ensure liquidity and operational resilience, especially in an uncertain economic environment.
- **Operational Efficiency and Cost Management:** Ranked as a significant concern, **Operational Efficiency and Cost Management** received 44% third-priority votes and a total of 74% mentions. This suggests that leaders are prioritizing cost optimization strategies to enhance profitability and improve resource allocation in their organizations.
- **Emerging Priorities - Technology and Talent:** **Technology Investments & Development**, including AI, is noted as a priority. Although it ranked lower compared to revenue and efficiency, it reflects an increasing recognition of the need for digital transformation and innovation in driving future business success. Similarly, **Hiring Talent** is acknowledged as a concern, indicating the ongoing challenge of attracting and retaining skilled professionals in a competitive job market.
- **Limited Interest in Tax Compliance:** The lowest priority was assigned to **Tax Compliance & Regulatory Matters**, with only 3% mentions as a first priority. This may suggest that while tax compliance is still recognized as necessary, it is not seen as a pivotal driver of business growth compared to other strategic initiatives. Leaders might be adopting a more proactive approach to tax planning, viewing compliance as a baseline requirement rather than a primary focus.

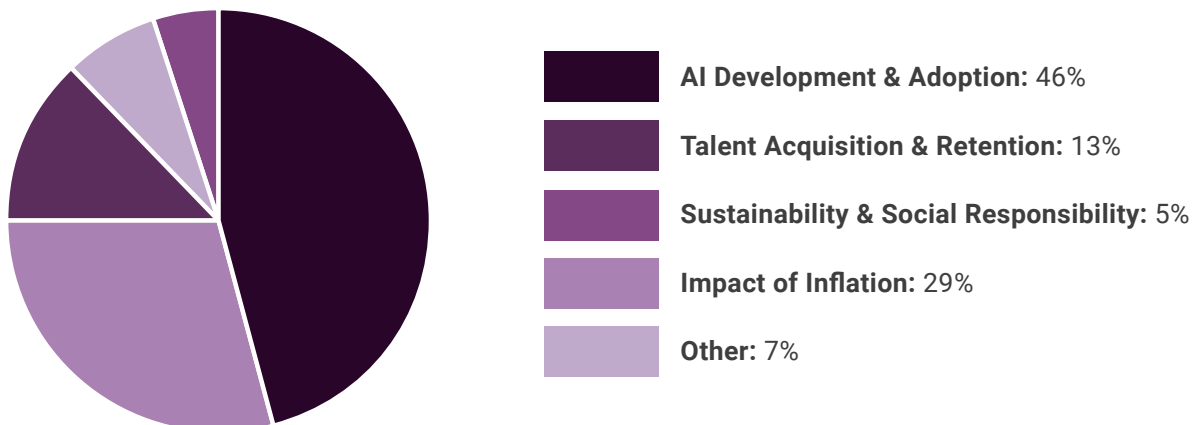


8. Trends to Watch

Key Takeaways:

- **Dominance of AI Development:** A significant 85% of respondents highlighted **AI Development & Adoption** as a trend to watch in late 2024. This overwhelming interest indicates a strong recognition among financial leaders of the transformative potential of AI technologies in enhancing operational efficiency, decision-making, and customer engagement.
- **Heightened Focus on Inflation's Impact:** Nearly 53% of participants cited the **Impact of Inflation** as a critical trend, underscoring ongoing concerns about rising costs and economic fluctuations. This awareness indicates that financial leaders are preparing to navigate the challenges posed by inflation in their strategic planning.
- **Talent Acquisition and Retention:** Approximately 24% of respondents are concerned with **Talent Acquisition & Retention**, highlighting the ongoing challenges organizations face in attracting and retaining skilled professionals. This trend reflects the importance of workforce planning and the need for companies to invest in employee engagement and development strategies.
- **Sustainability as an Emerging Trend:** While only 9% identified **Sustainability & Social Responsibility** as a trend to watch, this indicates an initial recognition of the growing importance of sustainability initiatives. As consumer preferences shift towards more sustainable practices, financial leaders may need to align their strategies with these values for long-term success.
- **Diverse Perspectives on Trends:** The option for "Other" garnered 15% of responses, suggesting that financial leaders see a variety of emerging trends beyond those explicitly listed. This highlights the need for adaptability and broad awareness in a rapidly changing business environment, as different sectors may prioritize distinct trends based on their specific challenges and opportunities.

TRENDS



CONCLUSION

The 2024 Financial Leaders Survey by Miles Consulting Group highlights critical insights into financial executives' roles, the growth trajectory of their companies, and their concerns looking forward. The clear focus on revenue growth, the moderate concerns about tax compliance, and the significant interest in AI adoption serve as key takeaways for industry stakeholders.

This survey report provides a comprehensive overview of the responses from financial leaders, helping to inform strategies and initiatives for the coming year.

We are now collecting responses to inform our 2024/25 Financial Leaders Survey. To contribute, please [click here](#). The survey takes 5 minutes and your contribution is hugely valued.



A LITTLE ABOUT MILES CONSULTING GROUP

Miles Consulting Group helps companies doing business across state lines with their multi-state tax needs, from corporate taxes and online sales tax to nexus reviews, due diligence and more.

We work with businesses of all sizes, ranging from start-ups to Fortune 500 companies, in technology (including hardware, software, SaaS), retail, manufacturing and construction, among others. We are proud to have helped some of the finest businesses in the country achieve peace of mind in navigating their sales tax issues.

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