



RESEARCH REPORT

Navigating Economic Headwinds

How Financial Decision-Makers
Are Reshaping Strategy in 2025



What happens when inflation, trade volatility, and market uncertainty converge? Welcome to 2025.

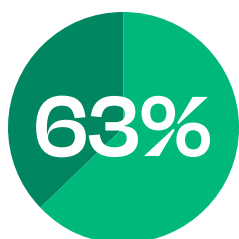


Of course, none of these economic pressures are new. Their current intensity, however, has left even veteran financial strategists searching for new approaches – ones that will allow them to adapt quickly as the economy swings wildly from week to week.

With this in mind, Billtrust captured the unfiltered perspectives of 550 finance professionals who are steering their organizations through these choppy waters. The sample includes C-suite leaders and decision makers who control capital and financial strategy across their organizations. Their responses reveal the concrete actions and strategic pivots that distinguish today's most successful leaders from their peers. Our findings offer a blueprint for financial resilience in an economy that shows few signs of stabilizing anytime soon.



Conservative Cash Management Takes Center Stage



of decision makers have shifted to more conservative cash management.

The numbers tell a clear story: financial leaders are battenning down the hatches. Our survey found **63% of decision makers have shifted to more conservative cash management.**

This doesn't just imply these leaders are being cautious. Rather, it's a calculated response to explicit warnings from the highest levels. Even as tariff policies fluctuate, Federal Reserve Chair Jerome Powell's April 8th comments left little room for interpretation when he stated that tariffs would cause "at least a temporary rise in inflation" with potentially "more persistent" effects.

Financial leaders are responding decisively as a result. **59% are actively strengthening financial positions through cash reserves and debt restructuring, and 60% are reducing discretionary spending and capital investments.**

The markets themselves offer ample justification for this fiscal caution. Wall Street has become extraordinarily responsive to tariff policy shifts, with the S&P 500 and Dow Jones swinging through dramatic cycles in early Q2. These weren't minor fluctuations – they were seismic moves that saw indices plummet and then surge to near-record levels within the span of days, leaving financial leaders scrambling to adapt their strategies mid-execution.

Tariff Impacts Drive Multifaceted Response Strategies

The impact of shifting trade policies and tariff changes is further illustrated in our data. Even as policies ebb and flow, the underlying uncertainty remains a constant concern. **25% of decision-makers ranked trade policy changes – including tariffs – as having the greatest impact on their strategic planning**, second only to inflation persistence at 38%.

The material impact has been substantial, with **83% of financial decision makers reporting moderate to significant cost increases from tariff changes** over the past six months. Most notably, nearly a quarter (23%) report cost increases exceeding 15% – a level that demands comprehensive strategic response.

Financial leaders have implemented sophisticated strategies in reaction, with **84% saying they're actively managing these challenges**. While price adjustments to customers (55%) provide immediate relief, the

most forward-thinking executives are implementing structural solutions: rebuilding supplier networks (40%), transforming inventory approaches (34%), and reconfiguring manufacturing footprints (30%).

It's not just financial leaders managing the stresses of tariffs. **65% of all finance professionals we surveyed say they've had to implement at least one tariff mitigation strategy** in their roles.

With economists increasingly concerned about potential "stagflation" conditions – where sluggish growth combines with elevated inflation – these adaptive approaches may prove essential regardless of how specific trade policies evolve in the months ahead. What matters isn't predicting the next policy shift but building financial systems resilient enough to withstand whatever changes emerge.

25%

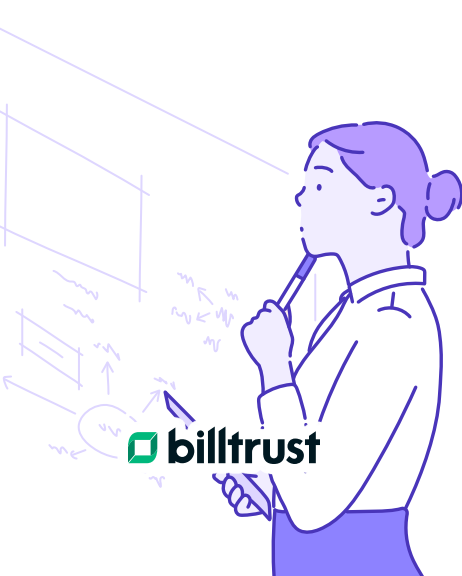
rank tariffs as having the **greatest impact on strategic planning**

83%

report **moderate to significant cost increases** from tariff changes

84%

say they're **actively managing** these tariff challenges



Despite Uncertainty, AI Investment Prevails

Despite the economic headwinds, one area stands apart from the prevailing caution: AI and automation. Financial leaders are placing substantial bets in this arena, with **67% dedicating over 10% of their 2025 budget to these technologies**. More remarkably, nearly one in five executives (18%) are going all-in, committing more than a quarter of their budget.

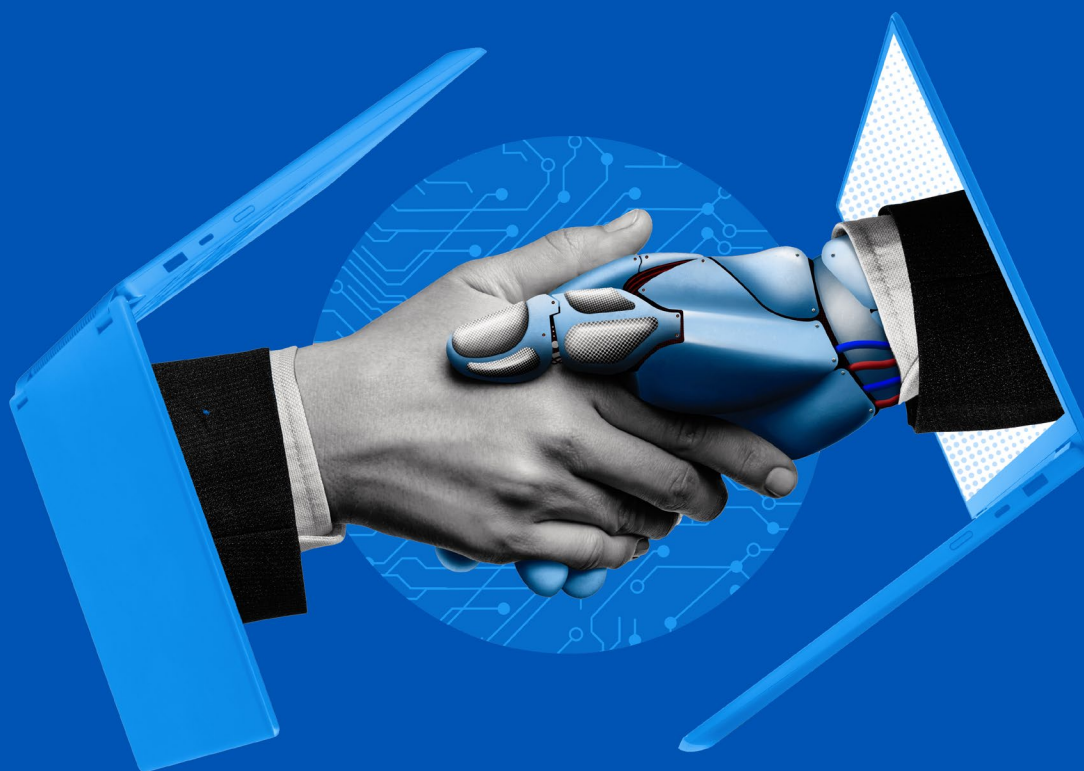
This substantial investment spans a broad range of financial applications, reflecting leaders' strategic priorities:

- 55% are implementing AI-powered financial forecasting and scenario planning
- 49% are deploying automated risk analysis and fraud detection
- 47% are utilizing AI-driven cost optimization strategies
- 43% are investing in workforce automation
- 37% are enhancing liquidity and cash flow management through AI

The shift from cautious piloting to full-scale implementation is nearly complete. Our findings reveal **90% of financial decision-makers now rely on AI for financial decisions** – a clear indication that AI has moved from experimental to essential in financial leadership practice.

The results of this adoption are equally striking. Among financial leaders, **83% report AI has positively influenced their approach to managing financial risk** in 2025. This includes 57% who specifically noted it has enhanced real-time risk assessment capabilities and 45% who say AI has reduced operational costs and improved forecasting accuracy. These outcomes help explain why AI investment continues to accelerate despite the otherwise conservative financial climate.

What's telling is that these technology investments continue even as other expenditures face cuts. Despite economic uncertainty, AI remains protected – a clear sign that leaders view it as essential infrastructure rather than an optional upgrade.



Strategic Vigilance and Economic Preparation

Gone are the days of annual planning cycles. **85% of today's financial leaders review forecasts at least quarterly**, while 38% reassess monthly or more frequently. This frequent monitoring is strategic, not just procedural, allowing leaders to pivot quickly as markets change.

Their outlook remains distinctly cautious, too. A substantial **82% of financial decision-makers see recession as either likely or possible within the next year**. This perspective reflects broader market sentiment, where recession probabilities fluctuate with each economic release and policy shift. Which is undoubtedly why many are focusing on building resilience regardless of forecasts.

With this in mind, our research also uncovered what separates top-performing financial leaders from their

peers. The answer? A balanced portfolio of defensive and offensive moves.

- 60% are reducing expenditures while selectively protecting strategic investments
- 59% are strengthening balance sheets through cash reserves and debt restructuring
- 49% are enhancing operational efficiency through technology adoption
- 31% are diversifying revenue streams or pursuing strategic acquisitions

Most tellingly, **97% of financial decision-makers report having specific preparations in place** for potential economic headwinds – a clear indication that proactive planning has become a fundamental requirement of financial leadership.

82%

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The Financial Leadership Imperative for 2025

What emerges from this comprehensive analysis is a clear picture of financial leadership priorities for navigating 2025's complex environment. The most successful financial leaders are taking these actions.

For CFOs, AR professionals, and corporate finance executives, the message is clear: in 2025's complex environment, financial leadership requires both prudent defense and strategic investment. By balancing these imperatives effectively, financial leaders are not only positioning their organizations to weather potential economic headwinds but to emerge stronger in the inevitable recovery.

1

Strengthening Financial Foundations

Building cash reserves and optimizing debt structures while reducing discretionary expenditures

2

Implementing Sophisticated Risk Mitigation

Addressing tariff challenges through multi-faceted approaches rather than simple price adjustments

3

Accelerating Digital Transformation

Making substantial investments in AI and automation despite overall conservative financial postures

4

Maintaining Enhanced Vigilance

Conducting more frequent strategic reassessments to enable nimble adjustments as conditions evolve

5

Balancing Defense and Offense

Protecting financial resilience while strategically investing in capabilities that could create competitive advantage

