

Digital-First Business Models Reshape Corporate Strategies.

RGP's Q1 Transformation Barometer survey of finance executives points to a dynamic merger between digital transformation and corporate strategies.



Digital Transformation Tops Strategic Priorities and Investment.

A new future of business model transformation is coming into focus for companies as digital transformation/AI strategy and corporate strategy intertwine, according to a recent **RGP Transformation Barometer survey** of top financial executives. Almost half of respondents said their organization’s digital transformation priorities now shape the actual strategy of their business, while a third said their business strategy informs their digital transformation strategy.

In the past, digital technologies were primarily used to modernize **business as usual** and remained relatively disconnected from the higher levels of strategic decision-making. Now, we believe the increased uplift and integration of digital transformation strategy into the core of corporate business strategy underscores a significant shift toward new business transformation models that are digital-first.

A fifth of executives in our survey said their companies invested \$20 million or more in digital transformation. Digital transformation also tops the list of operational areas that organizations will prioritize for AI investments in the next 12 months. Almost half of executives said that the urgency of leveraging AI and automation will have a major impact on their business in the next 12 months.

With this level of spending and strong sense of urgency, digital transformation/AI is clearly center stage with the C-suite. Responsibility for AI strategy increasingly falls under the domain of the CFO, who plays a growing strategic role in driving revenue growth. **Over half of executives said their CFO either drives or oversees the organization’s AI strategy in partnership with the C-suite.**



Over half of CFOs lead AI strategy with the C-suite





**Generative AI
exposed the
incomplete
nature of digital
transformation
investments,
emphasizing the
pressing need to
transform for an
entirely **new future
of business.****



Brian Solis
Head of Global Innovation at ServiceNow



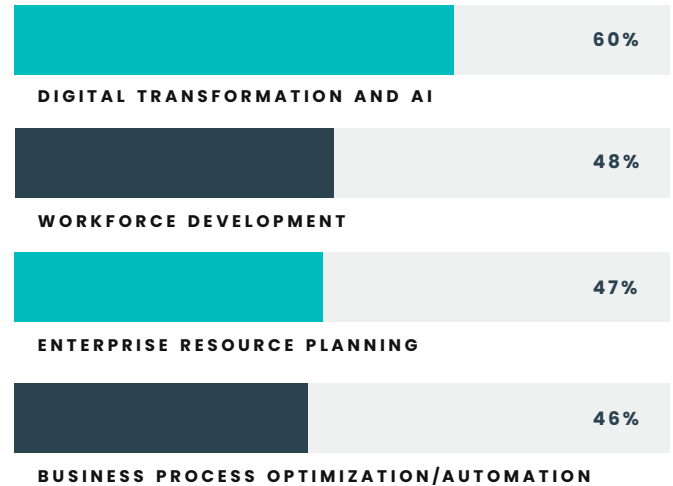
In our recent **Visionary Voices interview**, Microsoft Cloud and AI Leader **Lili Cheng** said, “The most senior people in an organization need to recognize that AI isn’t just about execution but also needs to be part of their strategic planning.” In another **Visionary Voices conversation**, Futurist **Brian Solis** said, “In these moments, a choice emerges: resist change and remain reactive or embrace a new way of thinking to proactively shape the future.

Interest Rate Cuts Release the Investment Dam

Investments tied to interest rate cuts in 2024 are now poised to begin flowing, with **79% of survey respondents anticipating increased investments** by the end of 2025 and 58% expecting them to begin within the first six months of the year.

Where will all those investments dollars go?

The RGP Transformation Barometer, Q1 2025



91%

Of organizations plan to boost workforce investments in 2025

TRANSFORMATION BAROMETER, Q1 2025



The most senior people in an organization need to recognize that AI isn't just about execution but also needs to be **part of their strategic planning.**



Lili Cheng
Corporate Vice President at Microsoft

Widening Skills Gaps Build Momentum for a Dynamic Workforce™

More than 40% of organizations reported increased difficulty acquiring new skillsets over the past year. So it's not surprising that widening skills gaps continue to have a significant impact on investment priorities and that **91% of organizations plan to boost workforce investments** in 2025.

- **26%** said their organization is currently experiencing widening skills gaps - up from 17% in our October survey.
- **63%** expect their organization's skills gaps to increase in 2025.
- **One in four** companies cite AI or data analytics as the biggest talent shortage areas and nearly half of companies expect AI skills gaps to increase.
- **27%** reported that their organization has narrowed its skills gaps with AI and other digital tools.

These gaps highlight the need for a more **Dynamic Workforce**. Of the 91% of organizations that plan to boost workforce investments in 2025, nearly half (46%) remain focused on reskilling and upskilling existing employees, while 22% plan to increase investment in outside talent, and 18% expect to increase investment in internal headcount.

AI and the Growth of Customer Experience (CX)

A stronger emphasis on customer experience has risen in tandem with companies developing a better understanding of how to harness the vast amounts of data they have about their customers. AI has played a key role in helping organizations harness that data.

According to our most recent survey, 67% of respondents believe AI will have a significant positive impact on customer experience and employee experience (EX) in the next 12 months.

Interestingly, almost the same number expect customer service to be the function impacted most by their organization's AI investments in the next year.

66%

Expect customer service to be the function impacted most by their organization's AI investments in the next year



Three-fifths of respondents said their organization has a Chief Experience Officer (CXO), with another 30% saying their CIO, CMO, or some other member of the C-suite is responsible for both CX and EX.

58%

Of respondents said their organization has a Chief Experience Officer

The quality of data is the primary concern around AI's ability to be effective and trustworthy. Almost three-quarters of respondents said ensuring data is clean and accurate is the most critical factor in their organization's ability to implement AI effectively.

73%

Said ensuring data is clean and accurate is the most critical factor in their organization's ability to implement AI effectively



Preparing for the Dynamic Merger of Digital Transformation and Corporate Strategy

A dynamic future of business model transformation is on the horizon as the top financial executives of leading companies put digital transformation and AI strategy at the center of corporate strategy. The release of new capital in the market will help to accelerate this process. Workforce development will continue to be a huge priority as organizations look to upskill employees and garner top talent outside of their organizations to fill increasing skills gaps.

Survey Methodology

The findings are based on a survey of 201 full-time U.S. professionals conducted January 2 to 9, 2025. The survey included respondents at the director level or above who influence finance decision-making at organizations with annual revenue of \$500 million or more.

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