



State of the VC-Backed CFO

Benchmarking trends and best practices among
finance leaders in the innovation economy.

April 2025



You're CFOs, of Course You Adapt to Uncertainty



While runway metrics have contracted, more companies are trending favorably toward profitability. Hiring was slow in 2024, but so were layoffs. Only 27% reported reductions in headcount, down from 52% in 2023. The shift suggests a maturation in the ecosystem, with companies responding to market pressures by accelerating their path to self-sustainability.”

With a hazy economic outlook in 2025, adaptability feels like the only sure bet. For finance leaders in the innovation economy, that means ratcheting belts that are already cinched tight and planning for optionality wherever possible.

To better understand how executives are navigating this new landscape, we surveyed more than 200 finance leaders from top-performing venture capital (VC)-backed companies. Our inaugural *State of the VC-Backed CFO* report dives into the operations, tools and growth trends that are top of mind for CFOs. The narrative emerging from our data shows an ecosystem in flux. Now more than ever, top CFOs are doing more with less — and they’re getting the job done.

While runway metrics have contracted, more companies are trending favorably toward profitability ([page 16](#)). Hiring was slow in 2024, but so were layoffs. Only 27% reported reductions in headcount, down from 53% in 2023. The shift suggests a maturation in the ecosystem, with companies responding to market pressures by accelerating their path to self-sustainability.

Amid volatile markets, a shifting regulatory landscape and tectonic disruptions in AI, venture-backed CFOs face unparalleled complexity. Macro concerns dominate CFO mindshare. Inflation and AI disruption rank as two of the universally shared concerns. However, priorities vary greatly by sector ([page 10](#)).

Hardware-dependent sectors such as frontier tech and climate tech face distinct challenges. Tariffs, government regulations and supply chain resilience represent critical pain points. For enterprise software companies, AI adoption represents the most impactful macro factor, followed by inflation and interest rates.

AI usage and integration is a complex picture. Two-thirds of employers said they encourage AI usage at work (with 30% neutral and only 3% opposing). Despite that encouragement, spending on AI tools is still low among this group, with the median AI spend at \$2K per year ([page 11](#)). The gap between strategic intent and financial commitment suggests companies are still figuring out how to translate theoretical value into measurable return on investment (ROI).

When it comes to vendors, software utilization data offers unmatched visibility into the tools and brands winning the battle for market share across VC-backed companies ([pages 18-19](#)). Our analysis shows that tools change significantly as companies mature, underscoring the necessity for adaptability as needs change over time.

As you explore the data, we hope the practical insights and strategic perspectives prove useful as you navigate your own challenges throughout the year. We are witnessing not only tactical adjustments, but also strategic realignments that will shape the VC landscape for years to come.



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Survey Highlights and Key Takeaways

Talking Points From Our Survey of 200+ Tech Finance Leaders

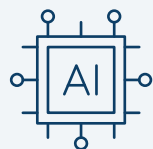


Finance Execs: Roles and Experience

The years to prove it. CFOs have **11.2 years of experience on average**, about 2x more than heads of finance.

Selling a company? They've done that. M&A experience is 3x more prevalent than IPO experience among finance execs. **Three out of four respondents had at least one M&A under their belt**, as opposed to only one in four with a public exit.

Managing more than the books. **Half of survey respondents oversee the legal department**, and about a third are responsible for HR, facilities and IT, among other roles.



Operations, Staffing and AI Usage

Don't tell Jamie Dimon. Work from home policies are alive and well among startups. Of those surveyed, **88% allow some level of remote work**, with about half of this group fully remote and the other half requiring some in-office days.

Layoffs down; hiring returns. Only **27% of companies reported employee reductions in 2024, down from 53% in 2023**. Companies that are hiring grew headcount by 20%, the same level they expect to grow this year.

AI usage encouraged. **Two-thirds of the companies we surveyed encourage employees to use AI at work** (only 2% oppose). Spending on AI tools is expected to jump 10x next year.



Sales, Revenue and Capital Stack

Raising more bridges. **A quarter of surveyed companies raised a bridge or extension round in 2024, up from 17% the prior year.** These non-named rounds are becoming common pit stops on the startup journey.

A surge in profitability. For companies with over \$50M in revenue, **nearly half (44%) reported positive EBITDA, up from 31% last year.** For companies with less revenue, profitability is still rare, with 1 in 10 above breakeven.

All about the subs. Companies with recurring revenue earn more and grow faster. **Subscription-based revenue grew 42% YoY, compared to 26% YoY for one-time sales.**

About the Survey:

We conducted an online survey over two weeks in February 2025.

The survey was sent to finance leaders at VC-backed US tech companies within SVB's Advantage program, an invite-only peer group for VC-backed finance executives.

We received more than 200 complete responses, with CFOs and heads of finance comprising 97% of the responses.

All respondents entered a valid email to complete the survey.

All answers were self-reported by respondents and not independently verified by SVB.

Data was screened for obvious input errors during analysis.

Perspectives on the CFO Mindset in 2025

M&A Still the Most Viable Exit Route

“There are more CFOs, founders and executive teams exploring M&A right now. We’re seeing more talks about acquisitions and fewer pre-IPO talks. We were expecting to have more of those conversations than we are. **Back in November and December, I was very optimistic going into the year that we would see more pre-IPO discussions, but we’re seeing more caution given the geopolitical and market uncertainty.** Most seem to put those ideas on pause.”

Stanley Kong
Principal



Optimizing WFH Policies for Productivity

“Work-from-home is good for retention and good for recruiting. **Honestly, the toothpaste is out of the tube, and it is hard to put it back in. For most of us, it is about optimizing around the edges.** We’ve found other ways to get together in person that don’t require being in the office all the time. There is a productivity component to consider. For some jobs you certainly give up productivity by being in the office.”

Evan Fein
Global Chairman



AI Tools Provided and Usage Encouraged

“We’re constantly focusing on ways we can leverage AI models and tooling to improve business efficiency and outcomes across the organization and do expect to increase our spend against the category. **We’ve seen strong returns in areas like underwriting and developer tooling, and encourage usage of AI tools across each function by providing all employees with a license for an enterprise LLM subscription.** We continue to experiment in areas where agents may be useful, including customer support deflection, and proactive customer outreach.”

Daniel Pham
Head of Finance



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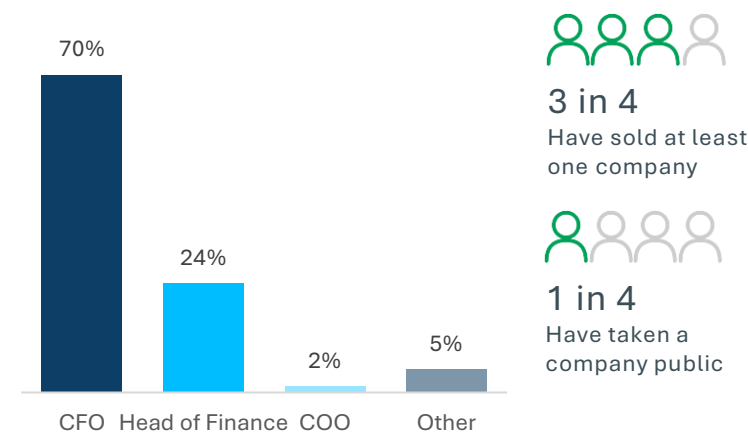
Survey Demographics

An Impressive Pool of Respondents

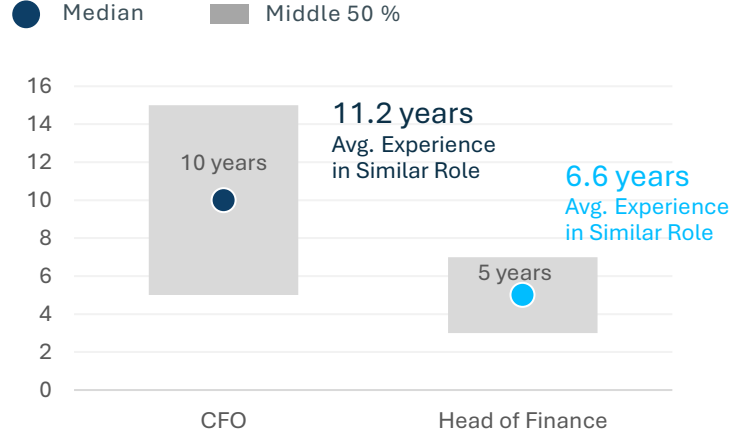
We surveyed more than 200 senior financial officers at top-performing VC-backed companies. Most respondents were highly seasoned. Three in four have led a company through and M&A transaction, and one in four have taken a company public. CFOs in the survey, 70% of the sample, have an average of 11 years of experience — twice as much as finance heads outside the C-suite. Yet senior financial leaders are generally highly mobile, moving from one company to the next; the average is under 4 years.

Fitting with the startup ethos of wearing many hats, finance leaders are in charge of more than keeping the books. Many manage multiple teams. More than half handle investor relations and the legal team, and more than a quarter run human resources, facilities and IT. More rare, some finance leaders take charge of business development, security, and marketing, among other tasks.

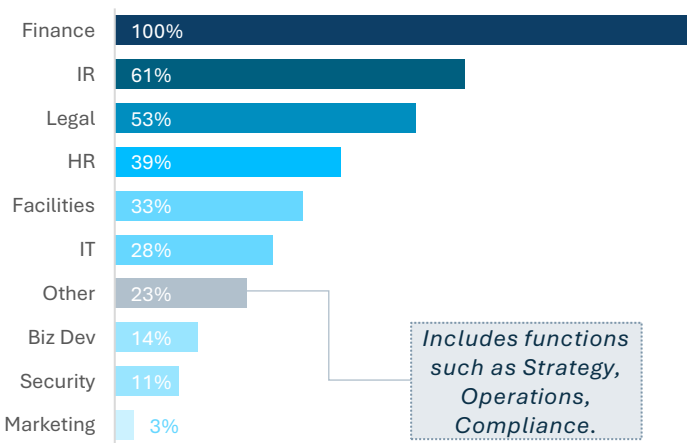
Over 200 Finance Leaders Surveyed
Role of Respondent



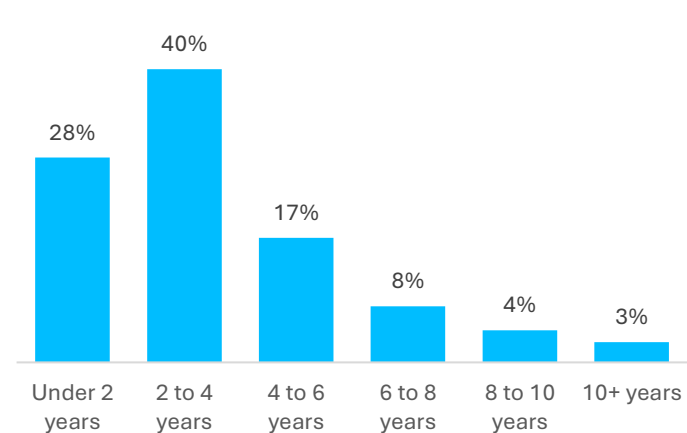
CFOs: 2x the Experience of Finance Heads
Years of Experience in a Similar Role



Managing More Than Money
Roles Reporting to Respondent



Most Have Under Four Years in Current Role
Years With Current Company

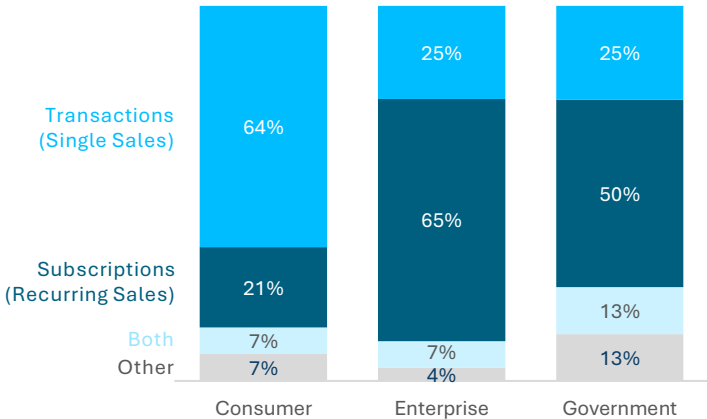
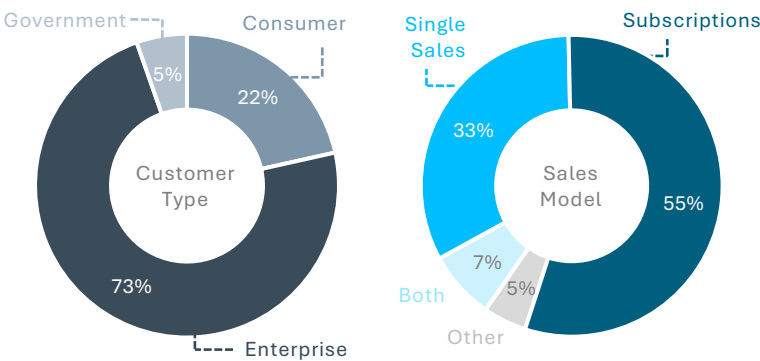


About the Companies

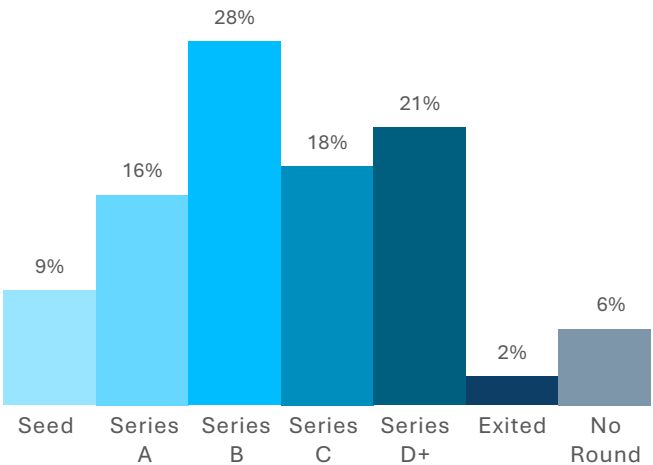
We sampled the best of the best. Our survey pool included companies within the SVB Advantage program, a peer group for finance executives from high-performing SVB clients. Responding companies skew toward the later stage compared to the overall innovation ecosystem. Respondents have twice the median revenue of the venture ecosystem overall at every stage.¹ However, when it comes to other characteristics such as sales models, customer type and sector breakdown, the sampled group is fairly representative of the innovation economy as a whole.

Three quarters of respondents work for B2B companies, so it's little surprise that subscription sales models represent over half of our surveyed data set. Among consumer-focused companies, two-thirds use a transaction, or single-sales model. While recurring sales (subscription) models tend to generate higher growth rates, better customer retention, and more predictable cashflow, not all business are able to harness the benefits of subscription models. Only one in five consumer companies use a subscription based model, speaking to the fact that many consumer packaged goods are hard to sell on a subscription basis.

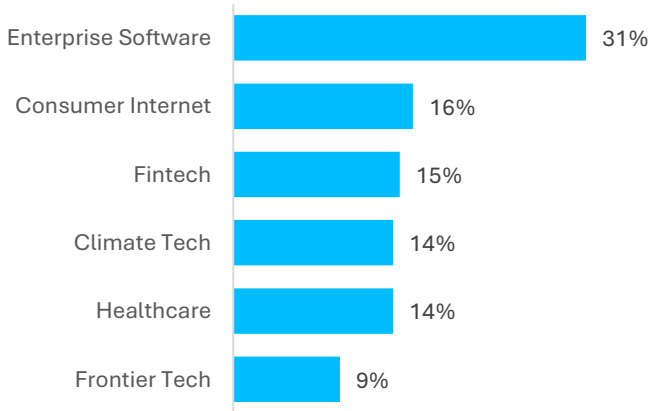
Most Respondents Are Subscription-Based, Though Sales Models Vary by Customer Type
Primary Customer Type and Sales Model



Companies Skew Toward Later Stage
Distribution of Companies by Latest VC Funding Round



Companies Span Innovation Sectors
Respondents by SVB Industry Taxonomy



Notes: 1) Based on analysis of SVB’s proprietary data published in SVB’s State of the Markets H1 2025 report.
Sources: SVB Advantage CFO Survey 2025, SVB State of the Markets H1 2025 and SVB analysis.



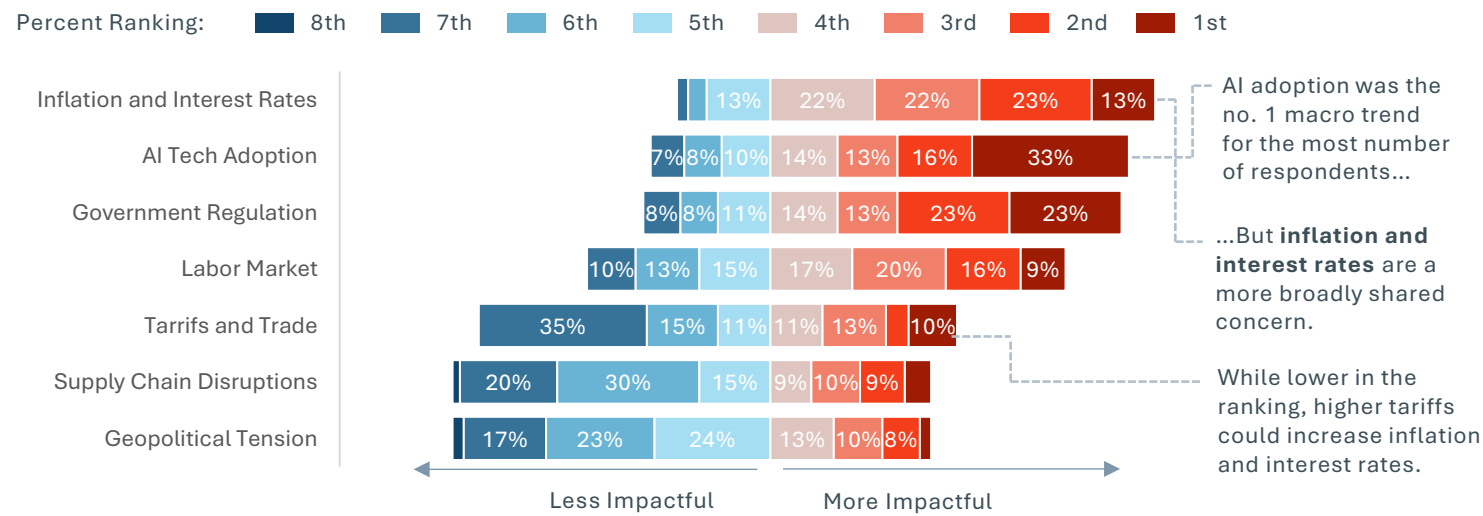
Macro Environment

Macro Fog With a Chance of Pain

CFOs are always called to balance macro-economic risks, but the current climate of uncertainty is proving especially challenging. **With markets sliding, government regulations in flux and the economy showing signs of softening, finance leaders rank inflation and interest rates as the most widely held concern with the potential to impact their business.** Beyond that, concerns largely varied based on industry. AI adoption was rated the most impactful macro factor for enterprise software-as-a-service (SaaS) companies, while climate tech companies, now grappling with potential major reforms to tax incentives and critical government funding sources, rated government regulation as the most critical macro issue.

We administered the survey before the current Canada and Mexico tariffs were put into place. It’s likely that tariff concerns have risen for CFOs, even those without direct exposure to supply chains. With retaliatory tariffs on American goods imposed by other countries, tariffs implemented by the US could have second and third order effects. One such effect — lower exports — could prove detrimental to B2B companies in unforeseen ways. As one finance executive told us, “There is no direct tariff impact to anything that we do, but naturally we care a lot about consumer sentiment and business’s ability to repay. That, tied with an inflationary environment, is a pretty bad thing for us.”

Most Common Concern for 2025: Interest Rates and Inflation
 Ranking Macro Factors¹ by Expected Impact to Your Business in 2025



Pick Your Poison: Macro Concerns Diverge by Sector
 Ranking Macro Factors¹ by Tech Sector

	Climate Tech/ Sustainability	Consumer Internet	Enterprise Software	Fintech	Frontier Tech	Healthcare
Inflation/ Interest Rates	5 (Tie)	1	2	1	2 (Tie)	2 (Tie)
Government Regulation	1	2	3	3	6	1
AI Adoption	4	3	1	2	5	4
Labor Markets	5 (Tie)	5	4	4	4	2 (Tie)
Supply Chain	3	6 (Tie)	6	7	1	5
Tariffs and Trade	2	4	7	6	2 (Tie)	7
Geopolitical Tension	7	6 (Tie)	5	5	7	6

Notes: 1) The 8th category was “Other”. Findings based on a survey of more than 200 finance leaders across the innovation economy, conducted in February 2025.
 Sources: SVB Advantage CFO Survey 2025 and SVB analysis.

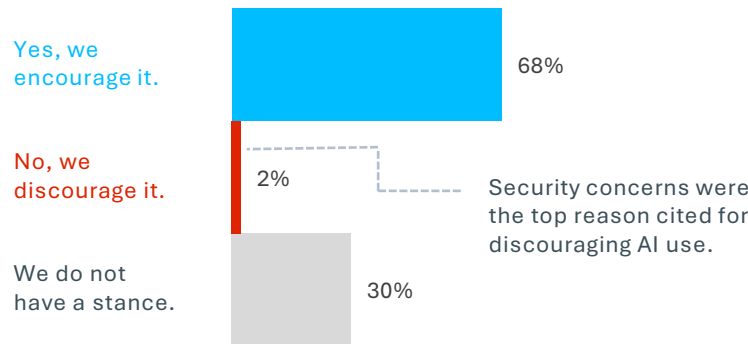
AI Tools Welcome, Just Don't Bill Me

Companies are largely encouraging AI usage among employees, yet spending on AI-specific tools is relatively low. While 68% of respondents said they encourage AI usage at work, the median spend on AI tools was only \$2K. Only the top 25% spent more than \$20K on AI software.

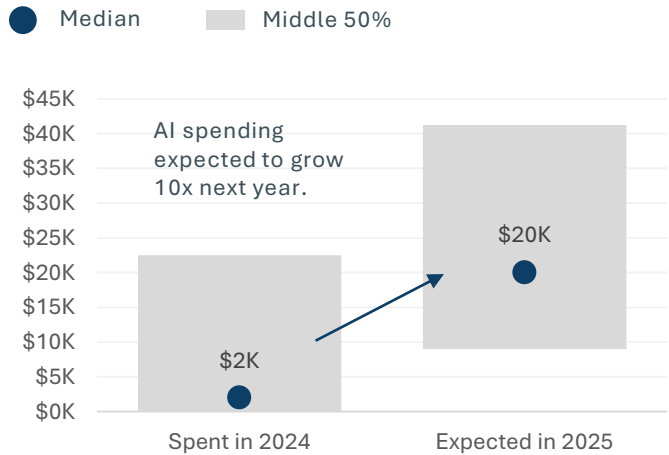
Why isn't AI spending higher? For one thing, AI tools are being incorporated into other software, such as Microsoft's Copilot, which are not considered AI-specific line items. "Our developers use Copilot, but it's integrated into everything else. I don't even have an AI tool, per se. I just have tools," said Evan Fein, a longtime CFO and Global Chairman of the F Suite, a network for CFOs. But as more AI-specific tools are developed, spending should increase. **Finance leaders expect spending on AI tools to jump as much as 10x this year, with a median expected spend of \$20K.**

Among tech sectors, it's no surprise that enterprise software companies are spending the most on internal AI tools; the top quartile spent \$56K last year. They're also incorporating AI more heavily into their offerings, with 74% infusing AI into products or services. Hardware-focused companies are trailing behind in AI adoption. Frontier tech and climate tech companies have the lowest rates of AI utilization among companies we surveyed.

Most Companies Encourage AI Usage ... Stance on AI Usage for Employees at Work

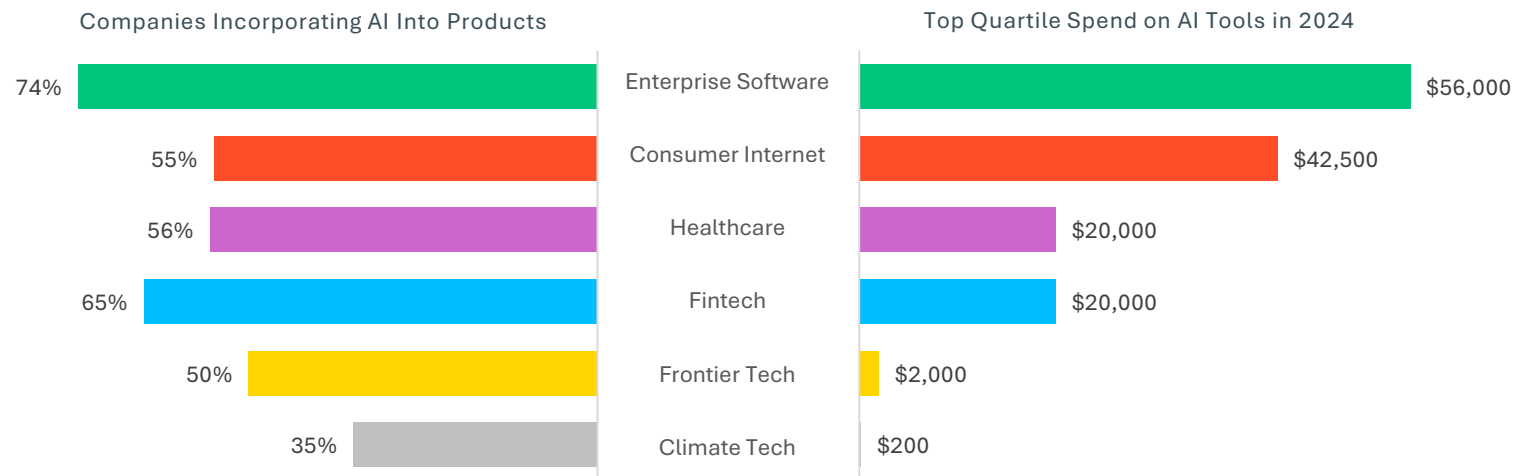


... But Fewer Are Spending on AI Tools Spending on AI Tools and Products



SaaS Companies Are Embracing AI in Both Products and Productivity Tools

Percentage Incorporating AI Into Products and Top Quartile Spending on AI for Productivity Tools by Company Sector



Employers Feeling Homeward Bound

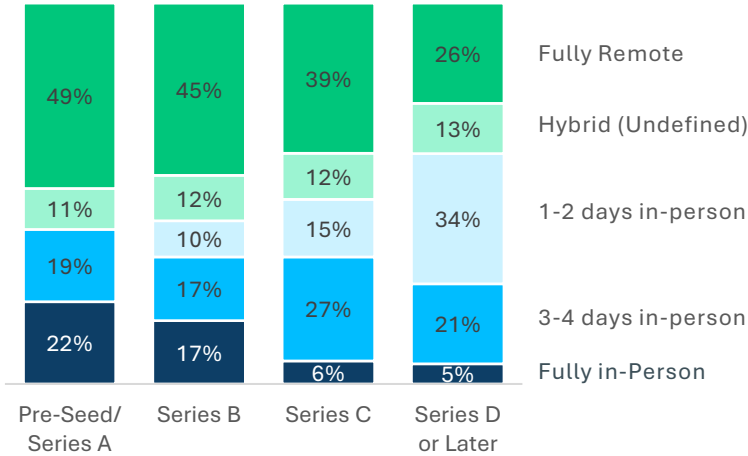
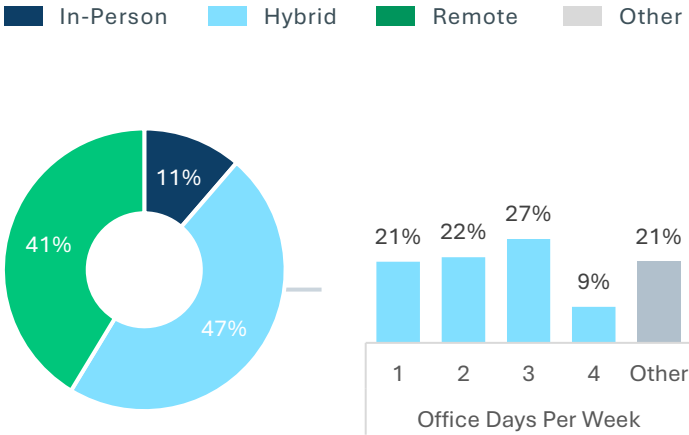
Five years since the pandemic first sent tech workers home, many are staying firmly put. Work from home (WFH) policies remain largely intact. More than 88% of responding companies allow some degree of remote work, with 41% fully remote. But that doesn't mean everyone's happy about it.

Some startup executives see WFH policies as a double-edged sword. While they help attract and retain employees, they may detract from the collaborative culture that many founders view as key to startup building. This division is best reflected at the earliest stage. Seed and Series A companies had the most polarity when it comes to WFH policies. The earliest-stage companies we surveyed had the most in-office (more than three days per week) and the most fully remote, with the fewest hybrid. **It seems founders pick a path: either heavily in-person or fully remote. The trend shifts at later stage, with most adopting a hybrid model at Series D or later.**

Those who keep remote work policies despite reservations acknowledge that these policies are simply hard to unwind once in place. Some CFOs said they are incentivizing employees to return to the office with cash bonuses, or offering to relocate remote workers to their hub locations.

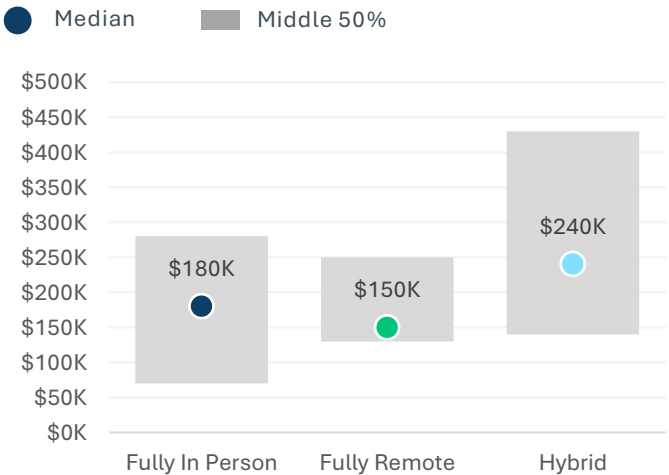
Remote Work Persists, Hybrid Model Less Common at Early Stage

Location Based Work Policies by Stage¹



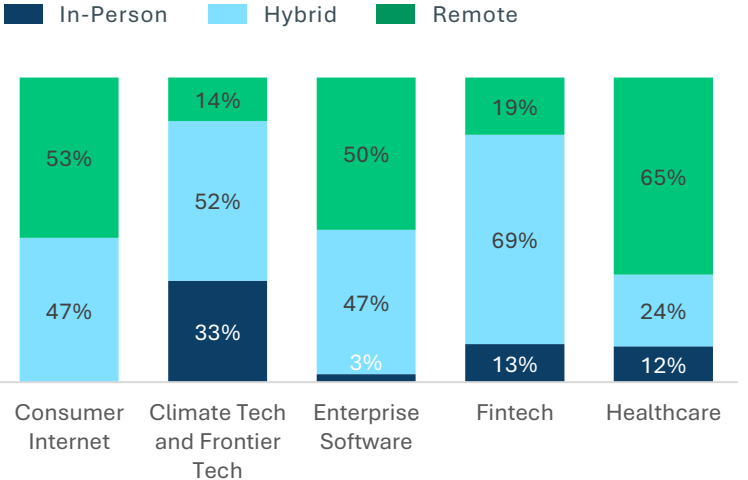
Is Hybrid the Sweet Spot for Productivity?

Revenue per Employee for Companies With at Least 100 FTEs²



Hardware Sectors Are In-Person More Often

Work Location Policy by Company Sector¹



Notes: 1) Numbers may not sum to 100% due to rounding. 2) Full-time employees.
Sources: SVB Advantage CFO Survey 2025 and SVB analysis.



Revenue and Capital Stack

Engineering the Top Line

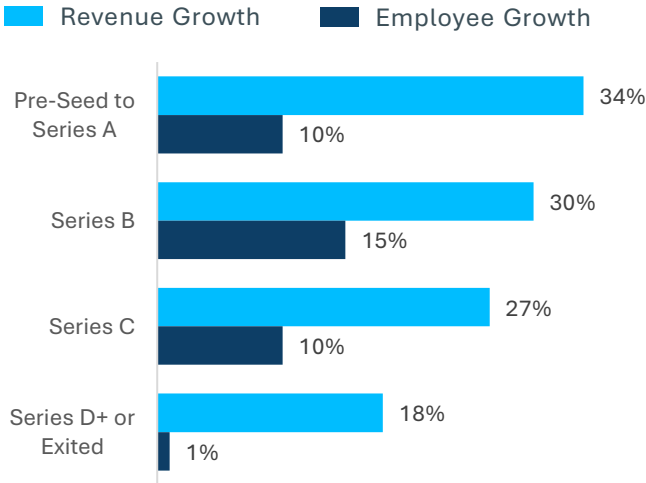
Given the economic uncertainty and continued capital constraints, CFOs are cautious in adding expenses, including headcount. The revenue growth rate outpaced the median headcount growth by at least 2:1 across all stages. At later stages, where growth is slower and there is a pressure to become profitable, hiring has been paused nearly completely. “For each area that needs a hire, there needs to be a clear explanation of need,” said Stanley Kong, principal at the startup-focused accounting firm KongBasileConsulting. “That’s a big difference from pre-2023 — now it’s much more methodical.”

Subscription companies continued to show an edge of transactional revenue. **Recurring revenue companies reported higher revenue and faster growth last year. Consumer-facing companies show a tendency to get to quicker revenue in the earlier stages than enterprise companies, which catch up in the later stages.** This quicker cash flow combined with a higher focus on profitability could incentivize earlier M&A sales in the consumer sector.

International sales are down as companies draw back due to geopolitical concerns and seek to streamline expenses and complexity in their businesses. Fewer than half of respondents reported international sales this year, compared to nearly 60% last year.

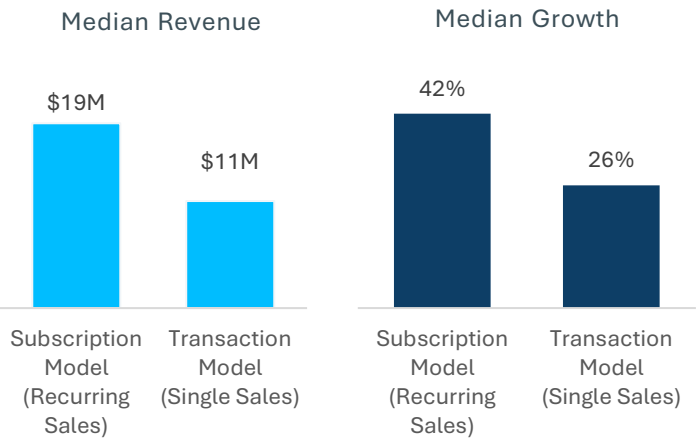
CFOs Cautious in Adding Headcount

Median YoY Change in Revenue and Employee Count, 2024



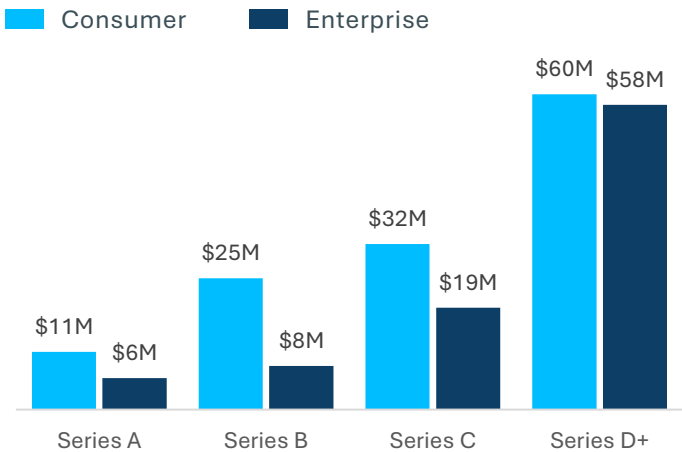
Subscriptions Boost Revenue and Growth

Median Revenue and Revenue Growth by Sales Model, 2024



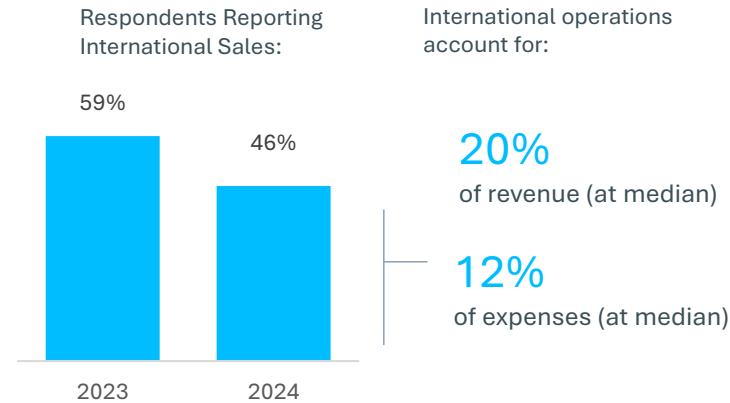
Consumer Revenue: Faster Off the Blocks

Median Revenue by Customer Type and Stage



Fewer Companies Selling Overseas

Share of Companies With International Sales and Median Share of Expenses and Revenue From International Operations



Modest Hiring Ahead

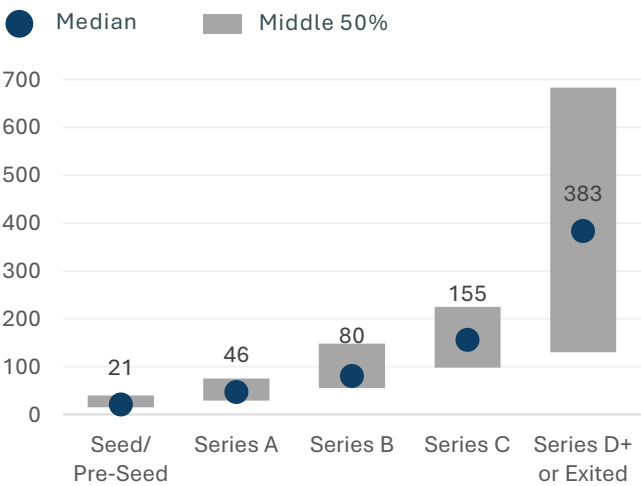
With a laser focus on efficiency putting all line items in the crosshairs, hiring is receiving strong scrutiny. VC-backed companies tend to double their headcount between named series, but last year, companies increased their employee counts by a median of just 10%. More than a quarter of companies said they reduced headcount last year, though this was an improvement from 2023, when half of companies conducted layoffs.

While later-stage companies have substantial team sizes, at the early stage, companies are becoming more efficient with fewer employees earning more revenue. **Annual recurring revenue (ARR) per employee is the new metric to watch, and investors are increasingly focused on lean teams creating more value with fewer resources.**

CFOs expect a slight uptick in hiring in the year ahead. Across all stages, expectations of hiring plans outpaced the actual YoY increase in FTE count for 2024, though expectations are lowest for the later-stage companies. Series D+ companies had a median reduction in FTE count by 3%, but CFOs see a 7% increase on the horizon.

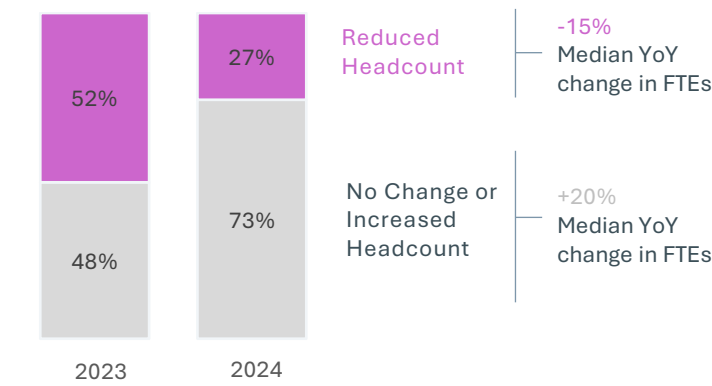
Double Your FTEs at Every Stage?

Employee Count by VC Stage



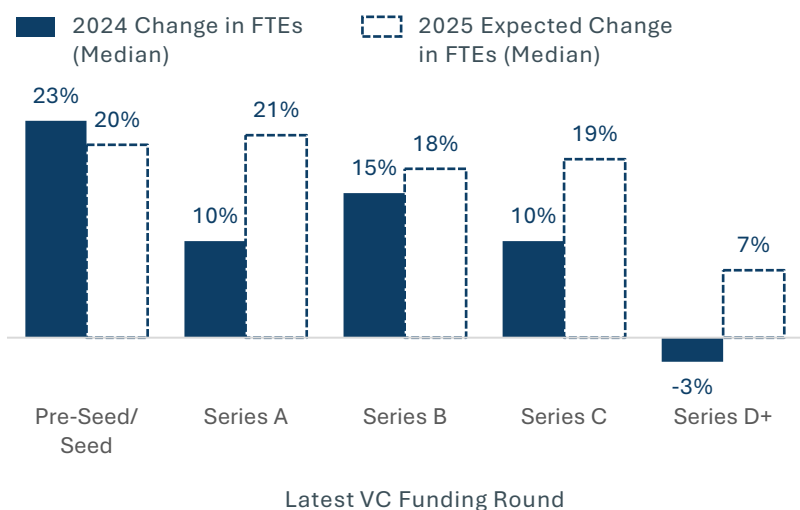
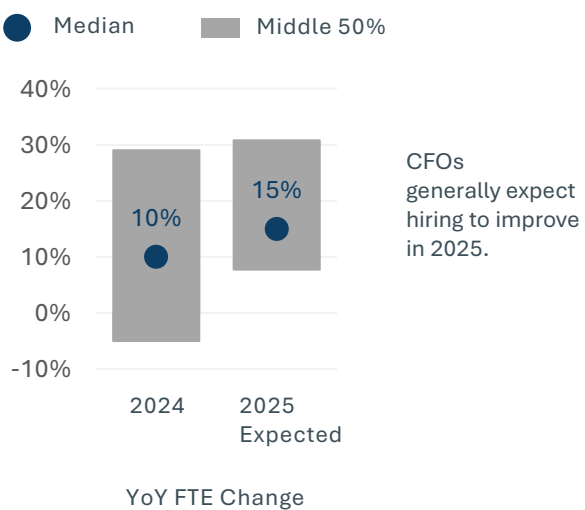
Stream of Layoffs Slows to a Trickle

Percentage of Companies Reducing Headcount in 2024



Great Good Expectations for Hiring in 2025

YoY Change in FTE Count in 2024 and Expected Change in 2025



What's Your Profitability ETA?

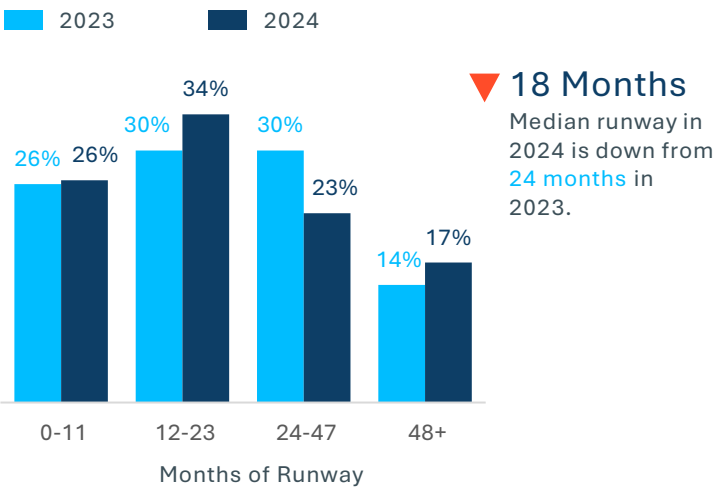
With capital scarce and revenue growth harder to come by, more companies are focusing on gaining profitability to control their own destiny. Nearly 22% of responding companies said they have achieved positive EBITDA as of the end of 2024. That's twice the share of profitable companies from 2022. The trend is most apparent at the later stage. **Among companies with at least \$50M in revenue, 44% were profitable — a bump of 13 percentage points from last year.**

For those that have not reached breakeven, cash runway is dropping, with the median runway down 25% to 18 months to end the year. As a result, bridge and extension rounds are being used more often among top companies to stretch toward their next benchmark. Companies are relying on these non-named rounds to hit investor growth targets to keep momentum going. One in four of our survey respondents completed an extension and bridge round in 2024, up 8 percentage points from the prior year.

Even among these higher-performing companies, down rounds are becoming more common, with 9% reporting down rounds last year, up from 7% in 2023. Fortunately for these companies, the negative stigma around down rounds is fading. Down rounds typically aren't the end of the line for companies. More than 60% of companies that took a down round from 2015-2021 went on to raise again or exit in the next round.¹

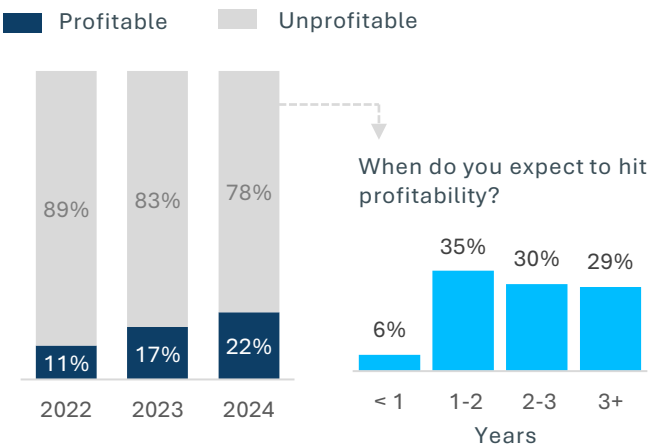
Running Short on Cash Runway

Distribution of Cash Runway



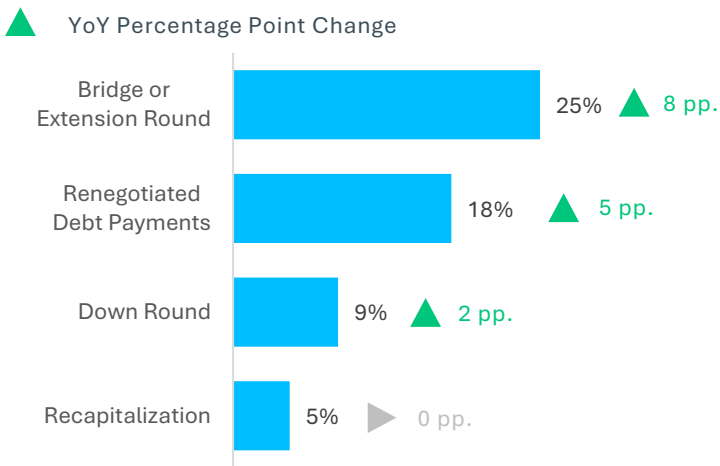
More Companies Are Profitable Today

Percentage of Respondents That Are Profitable



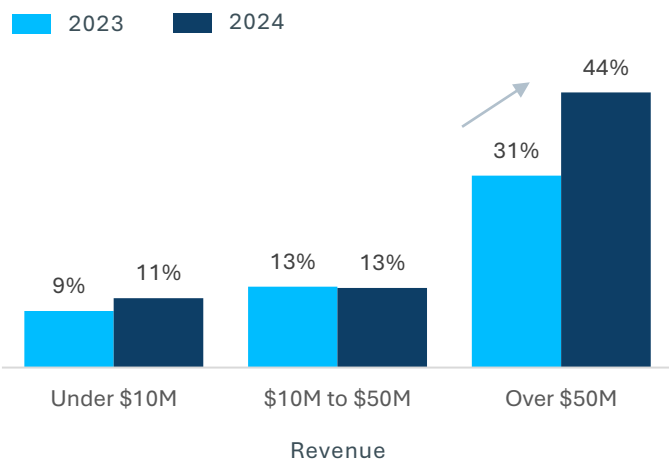
Companies Turn to Extension Rounds

Companies That Completed Actions in the Last 12 Months



A Surge in Profitability at the Later Stage

Percentage of Companies Reporting Profitability by Revenue



Notes: 1) Based on SVB analysis of data from PitchBook Data, Inc.
Sources: SVB Advantage CFO Survey 2025, SVB State of the Markets H1 2024 and SVB analysis.



Vendors and Services

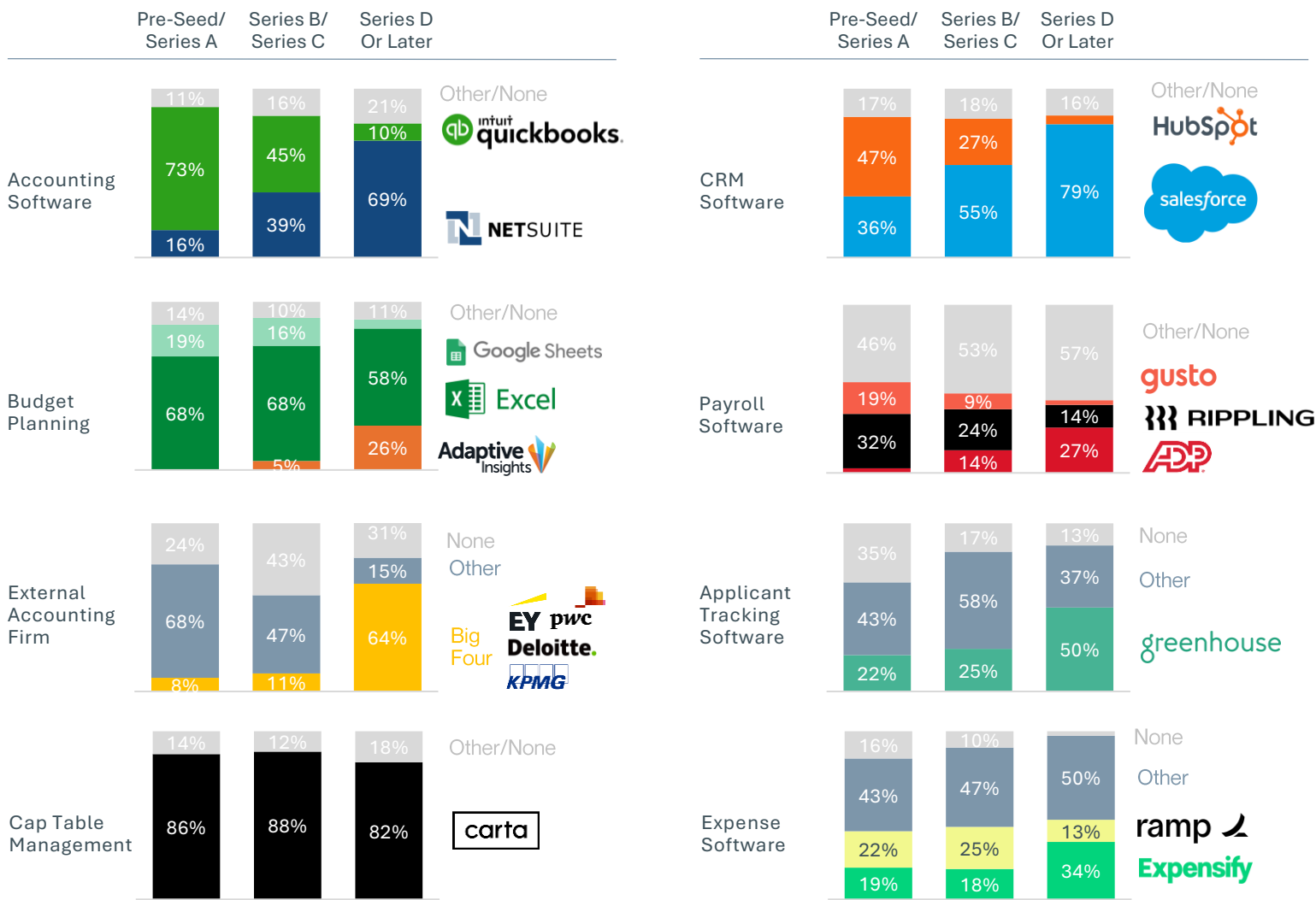
Tools Change as Companies Grow

When picking software, early founders face the challenge of balancing operational needs with financial constraints. Cost-effective tools provide vital functionality so employees can focus on making the beer taste better as Jeff Bezos once said, but as companies mature, so do their tools. Nothing typifies this trend better than accounting software. More than 70% of seed and Series A companies rely on QuickBooks, favoring its affordability and ease of use. By Series D and later, about 70% use NetSuite, a more robust, enterprise solution capable of handling more complex financial operations. Given the burden of transitioning software, some CFOs wonder if they should build their stack with the end in mind.

Stanley Kong, principal of KongBasileConsulting and former controller at Airbnb, offers pragmatic advice: **Save money in the early days unless your business has unique complexities such as international operations or complicated supply chains.** “We’re always a big fan of starting with cost-efficient tools that are super easy to use,” Kong said. “There’s no use spending time and cost on expensive software until we really see growth.”

When it comes to services, one demarcation point is auditing. Companies typically don’t require external audits until the later stages. At seed-Series C, just 11% contract with a big four accounting firm, but by Series D or later, that spikes to 64%.

Stacking Software for the Company You Want (or the Company You Have?)
Market Share of Software Vendors by Application Category and Stage of Funding¹

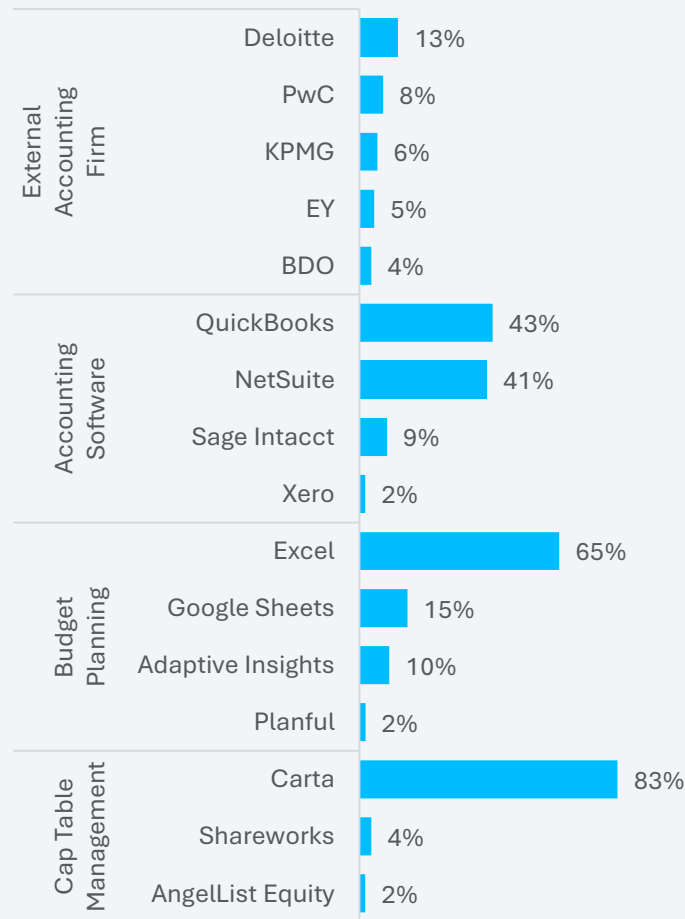


Notes: 1) Percentages may not add to 100% due to rounding.
Sources: SVB Advantage CFO Survey 2025 and SVB analysis.

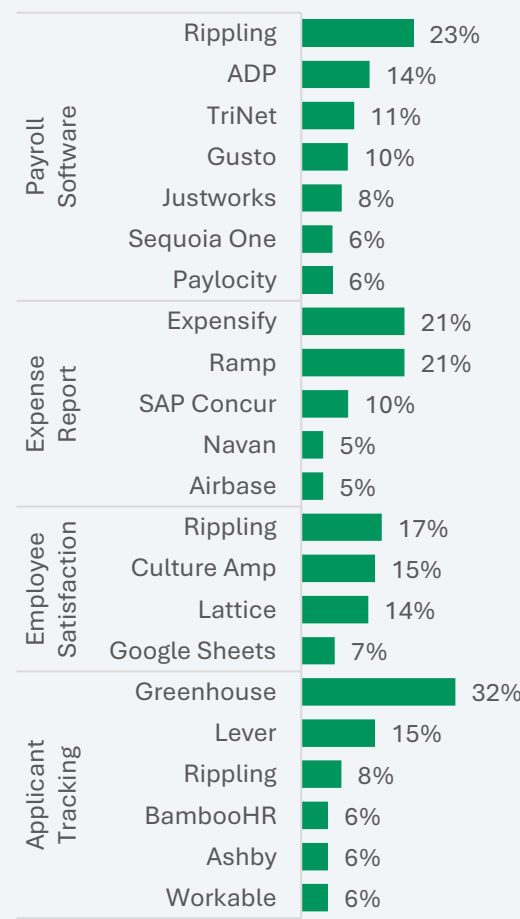
Top Vendors and Services by Market Share

■ Percent of Respondents Who Use the Software or Service

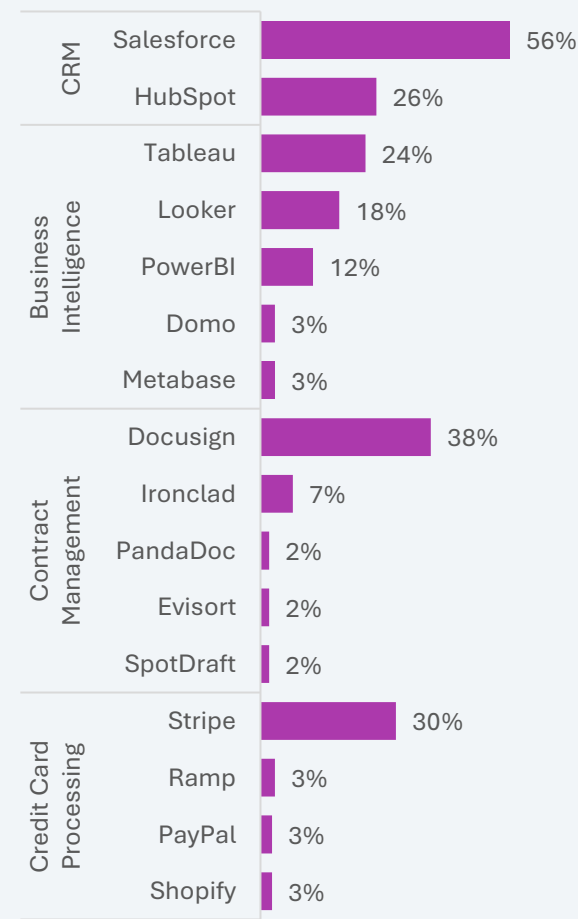
Finance and Accounting



Talent and Payroll



Analytics and Sales Ops



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Jennifer Friel Goldstein is head of Relationship Management, Technology and Healthcare at SVB. In this role, she leverages her 20+ years of experience financing innovation to develop creative capital solutions for SVB's clients, connect VC and industry stakeholders to key business opportunities and operate a dynamic and complex banking P&L.

Since joining SVB in 2012, Jennifer has held a variety of leadership positions across the bank. She played key roles in developing SVB's biotech practice, the expansion into investment banking, launching SVB Capital's first dedicated Life Sciences investment fund as managing partner of Arterial Fund I, and leading the strategic repositioning of several business units following SVB's acquisition by First Citizens Bank.



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Emily Gonsenheim is managing director of the Silicon Valley Bank Advantage program, a select network that positions North America's top CFOs to share insights and support each other as their companies scale.

It's a role Emily knows well. Before joining SVB in January 2021, she managed and marketed an invitation-only founder and CEO network called The Alpha Network. Founded by Crosslink Capital, The Alpha Network connects technology founders, CEOs and industry thought leaders across North America. Under Emily's leadership, The Alpha Network grew from 650 to more than 2,000 members, hosting events where technology influencers could speak candidly and build strong professional relationships that fostered exponential success as their companies scaled.

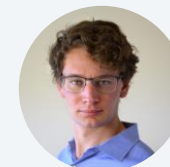
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SVB's market insights team produces industry-leading research on the innovation economy, leveraging SVB's proprietary insights to report on trends in VC fundraising and investment across all innovation sectors.



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