



FINANCIAL DECISION-MAKERS OUTLOOK

OneStream Software, LLC

October 2022

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EXECUTIVE SUMMARY

STUDY OVERVIEW

KEY OBJECTIVES

- ✓ How have financial decision-makers responded to economic changes and the COVID-19 pandemic?
- ✓ What are financial decision-makers' outlooks towards the post COVID recovery?
- ✓ What have decision-makers' companies done to invest in and attract talent during The Great Resignation? What tools are they using?
- ✓ What is the future outlook of the financial landscape among decision-makers and what steps are they taking? What tools do they plan on adopting, if any?

SURVEY ADMINISTRATION & SURVEY SAMPLE

- The survey was administered online in September 2022 and respondents were recruited via a third-party panel and a contact list.
- The analysis includes a total of 657 respondents following data cleaning and quality control.


RESPONDENT QUALIFICATIONS

- Age 18+
- Employed full-time
- Currently employed in the US, Canada, or Mexico (Panel respondents only; list respondents employed in any country)
- Currently holds a management position (C-level executive (CFO), VP, Director, Controller) in finance
- A primary or shared decision-maker in their company's finance OR influential in decision making

KEY SEGMENTATIONS

KEY SEGMENTATIONS

This analysis includes questions segmented by survey wave. Statistically significant differences are calculated at the 95% confidence level and are denoted by superscript letters (e.g., ^A, ^B, ^C). Corresponding letters indicate significant differences between groups.

SURVEY WAVE	
	Fall 2021 (n=249) 22%
	Spring 2022 (n=257) 22%
	Fall 2022 (n=657)* 56%

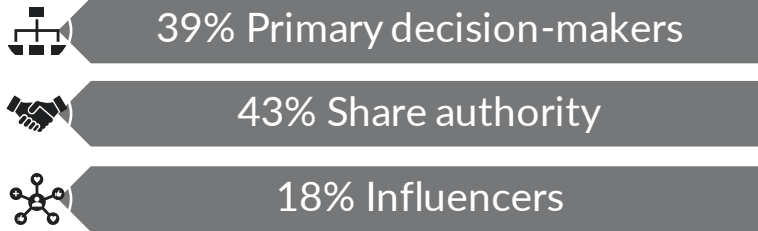


*Note: Changes to the sampling procedure were made in this (Fall 2022) iteration of the survey, specifically, the inclusion of respondents on OneStream's contact list, from countries other than the U.S., Canada, and Mexico, and who participated in decision-making process of their company's finances by giving input/feedback but had no decision-making authority. Segmentations based on country, decision making authority, and source (i.e., panel vs. list recruitment) are also presented in the data supplement.

KEY FINDINGS

- **Economic disruptions are seen as the biggest risk to businesses to 2023.** Price increases are the number one way that businesses have dealt with inflation (56%), followed by slowed hiring or reduced specific operational costs (47%). Meanwhile, half of businesses are reducing corporate spending and updating tax planning and provisions to prepare for updated tax reforms (both 53%).
- **Three-quarters of financial leaders both expect inflation to continue until mid-2023 or later and expect COVID-19-related supply chain disruptions to continue into 2023.** Most businesses have already made alterations to their financial forecasts and strategies in anticipation of an impending recession (85%), and nearly two-thirds of businesses (64%) expect a recession to last until late 2023 or later, similar to projected inflation timelines.
- **Most businesses plan to invest as much or more in ESG and DEI initiatives in 2023 compared to their current spending in 2022.** Over half (58%) of financial decision makers believe that the large gender pay gap is an issue for recruiting women into finance roles.
- **Additionally, although costs/budget support is seen as the biggest obstacle to investing in new technologies, financial leaders also anticipate greater investment in data analysis tools in 2023.** Currently, most (90%) businesses use cloud-based planning and reporting solutions regularly (61%) or intermittently (29%), while a little under two-thirds (64%) use machine learning (regularly 20%; intermittently 43%).
 - Specifically, a quarter of businesses have already adapted automated machine learning (AutoML; 28%) while half (48%) plan to adapt in the future. Financial leaders see financial reporting as the top opportunity for using AutoML (48%).

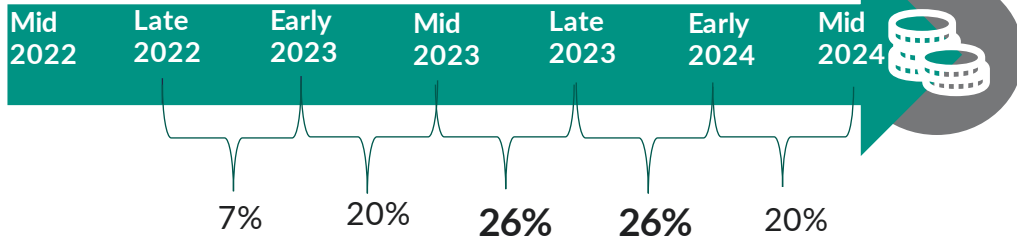
FINANCIAL LEADER SNAPSHOT



Job Role



EXPECTED INFLATION RATE DECREASE



2023 INVESTMENT DECISIONS

ESG/DEI Investment Plans

More or Same ESG spending	Less or No ESG spending	More or Same DEI spending	Less or No DEI spending
87%	13%	85%	16%

2023 Increased Investments (Top 2)

Cloud-based planning and reporting solutions	Predictive Analytics	Artificial Intelligence	Machine Learning
57%	48%	43%	37%

To prepare for inflation, they ...

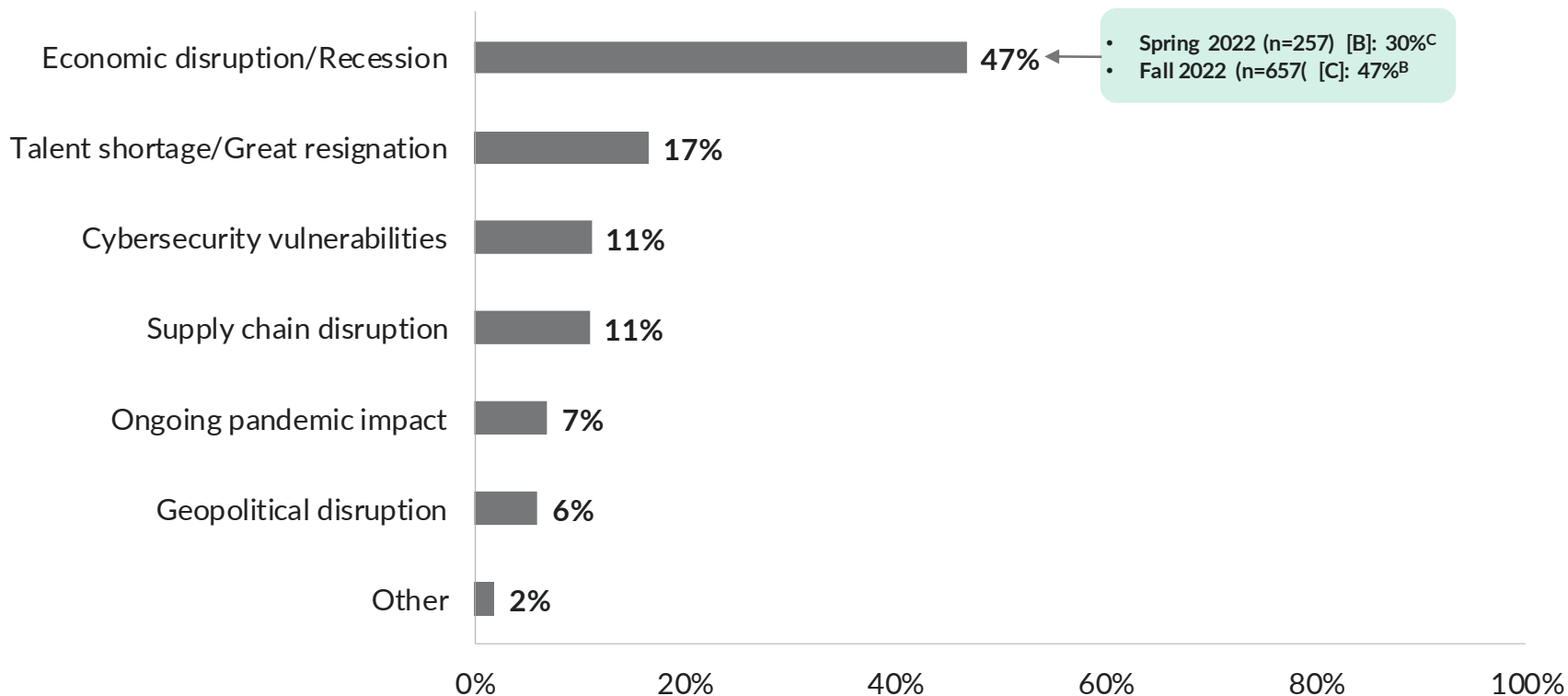


ECONOMIC CONDITIONS

ECONOMIC DISRUPTIONS ARE STILL THE TOP CONCERN FOR NEARLY HALF OF BUSINESSES IN 2022

- This was also the top concern earlier this year; however, even more financial leaders currently predict this concern.*
- Few financial leaders say other issues will be the largest business risk in 2023.

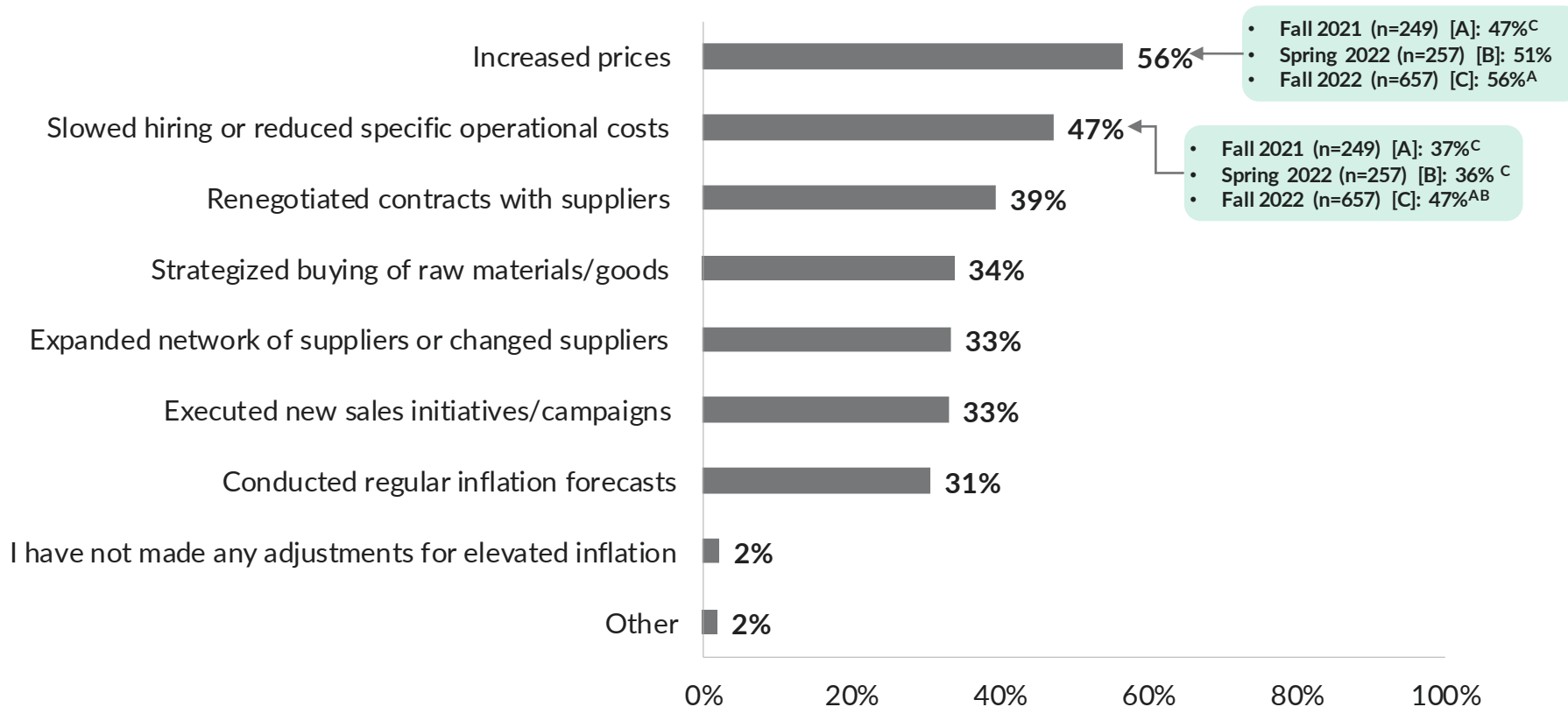
2023 BUSINESS RISKS



PRICE INCREASES ARE THE NUMBER ONE WAY THAT BUSINESSES HAVE DEALT WITH INFLATION

- Price increases have become gradually more common this year, with increases from the fall of 2021 to now.*
- Nearly half of businesses have slowed hiring or reduced specific operational costs, another significant increase from last Spring.

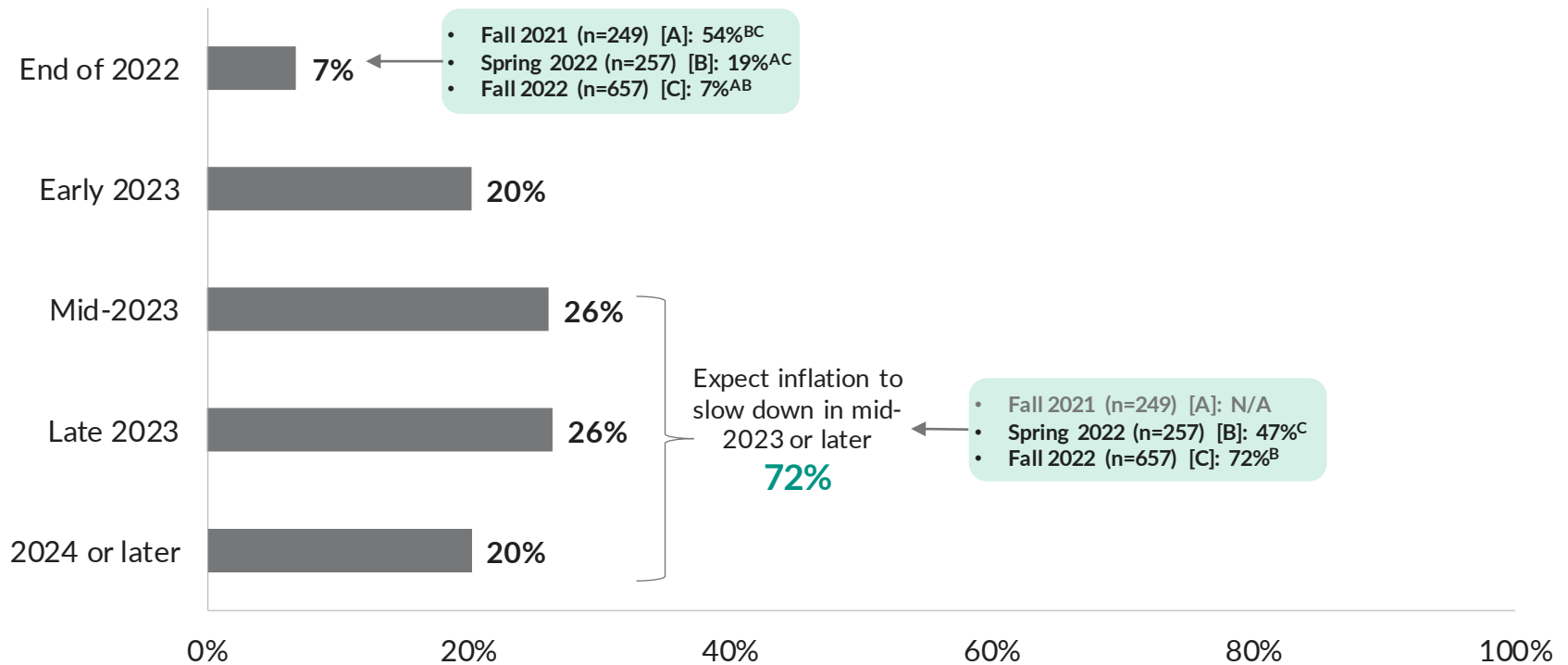
PREPARATIONS FOR CHANGING INFLATION RATES



THREE-QUARTERS OF FINANCIAL LEADERS DO NOT EXPECT INFLATION TO SLOW DOWN UNTIL MID-2023 OR LATER

- This includes the one-fifth (20%) who do not expect inflation to slow down until 2024 or later.
- This timeline has shifted from last fall, when half (54%) believed inflation would stabilize by the end of 2022, and earlier this year, when under half (47%) expected it to slow mid-2023 or later.*

EXPECTED INFLATION RATE DECREASE



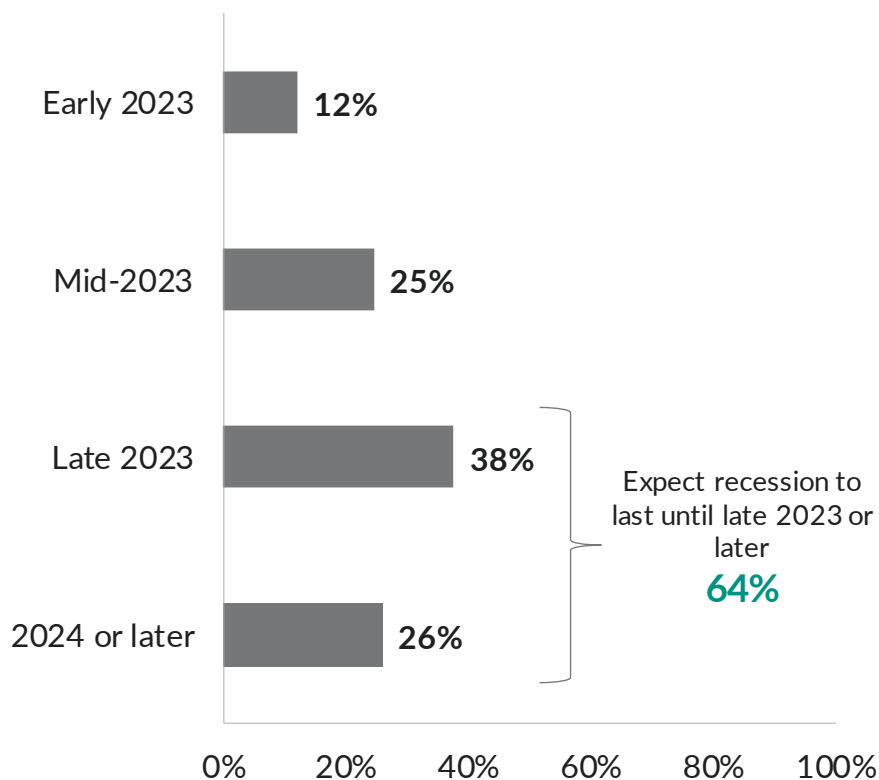
Q: When do you expect the elevated inflation to slow down? (n=657)

*Note: Comparisons are presented for directional purposes only. Changes to the sampling procedure in this iteration of the survey reduce comparability to prior iterations. Question wording and answer options also changed between Fall 2021 and Spring 2022 iterations.

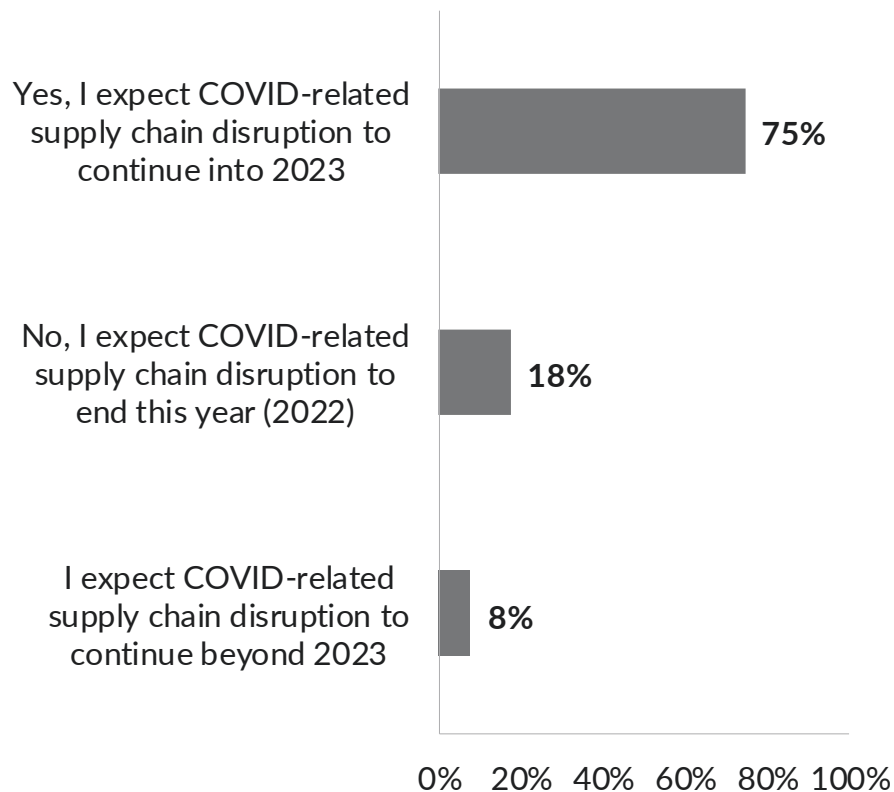
SIMILARLY, TWO-THIRDS OF BUSINESSES EXPECT THE RECESSION TO LAST UNTIL LATE 2023 OR LATER

- Three-quarters of financial leaders also expect the pandemic-related supply chain issues to continue into 2023; however, very few (8%) expect it to extend beyond 2023.

EXPECTED RECESSION LENGTH



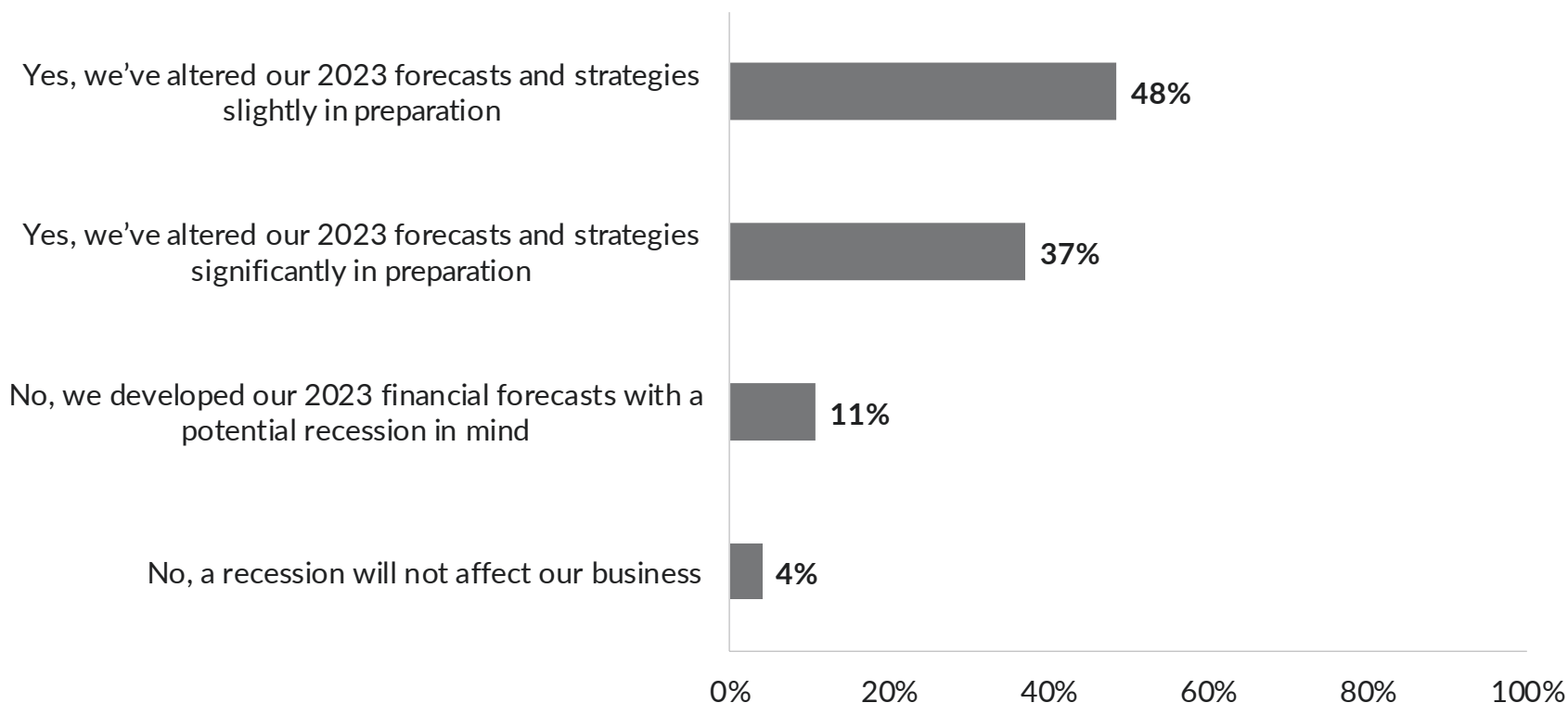
SUPPLY CHAIN EXPECTATIONS



MOST BUSINESSES HAVE MADE AT LEAST SLIGHT ALTERATIONS TO THEIR 2023 FORECASTS AND STRATEGIES IN PREPARATION OF AN IMPENDING RECESSION

- Additionally, few (11%) had already made their initial 2023 forecasts with a potential recession in mind.

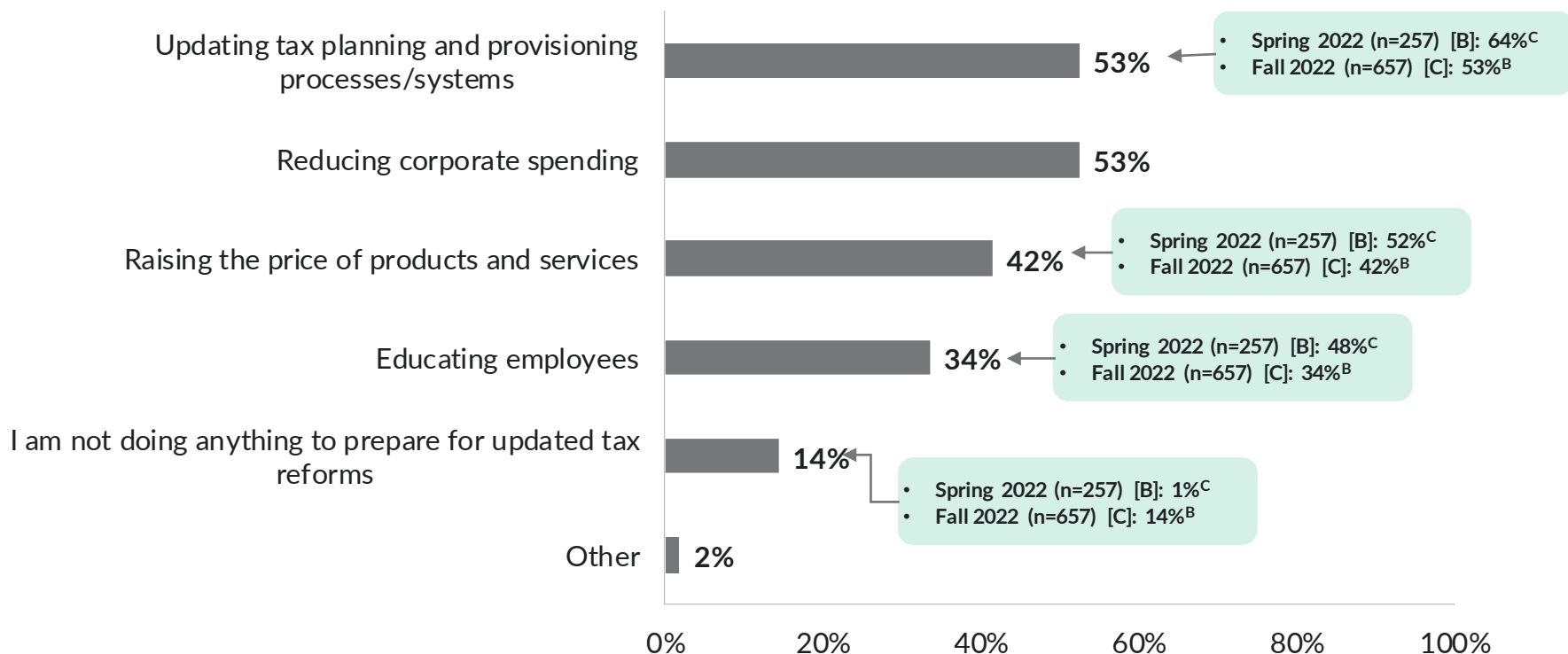
REVISITING FINANCIAL FORECASTS



REDUCING CORPORATE SPENDING AND UPDATING TAX PLANNING AND PROVISIONS ARE THE TOP WAYS BUSINESSES ARE PREPARING FOR UPDATED TAX REFORMS

- Additionally, nearly half (42%) are also raising prices of products and services.
- Significantly fewer businesses are updating tax planning and provisioning processes and systems, raising prices, and educating employees compared to earlier this year, while more businesses are not doing anything to prepare for updated tax reform.*

PREPARATIONS FOR TAX REFORMS



Q: With potential new U.S. and global tax policies on the horizon, companies need to plan and map out the implications this will have on finances as it is implemented. What are you doing to prepare for updated tax reforms and expected increase in corporate tax rates? Select all that apply. (n=657)

*Note: Comparisons are presented for directional purposes only. Changes to the sampling procedure in this iteration of the survey reduce comparability to prior iterations. This question was new to the Spring 2022 iteration.

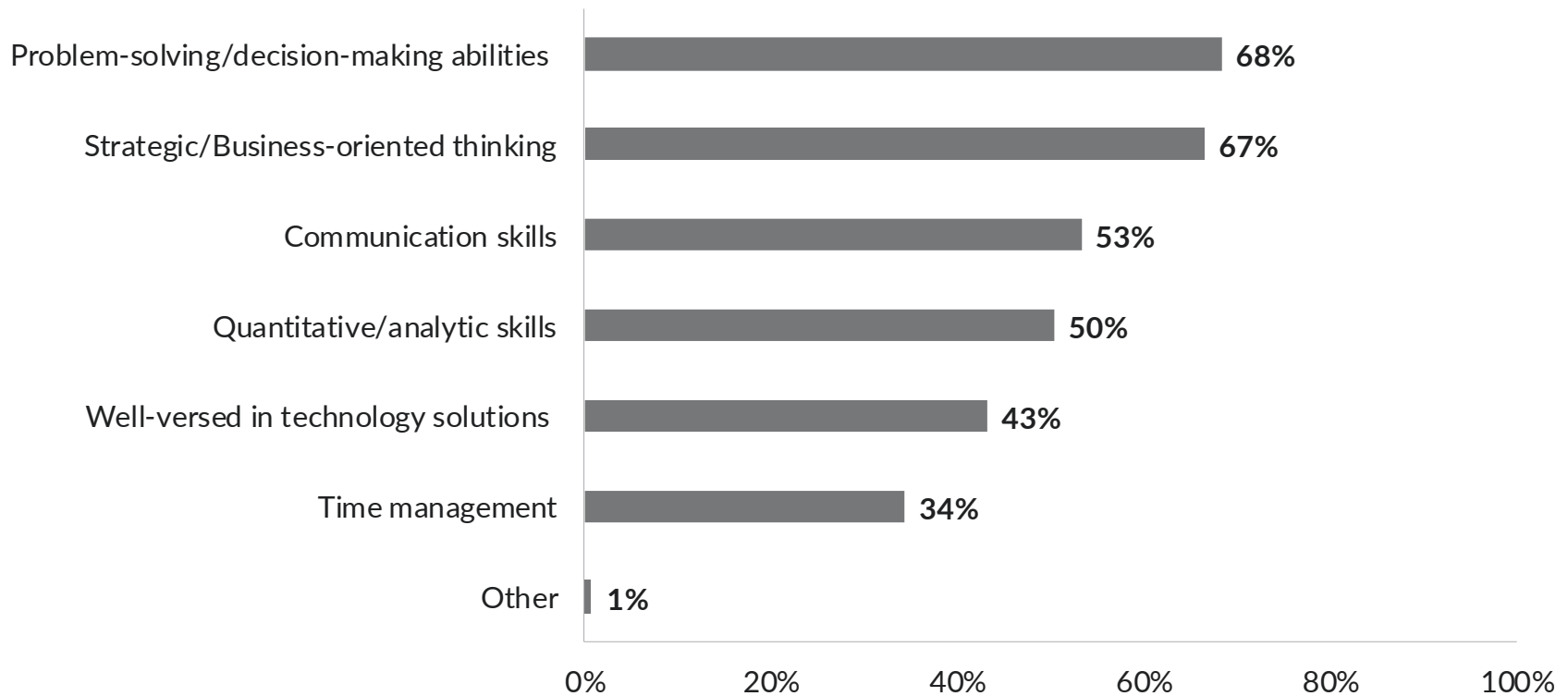


TALENT

PROBLEM SOLVING/DECISION MAKING AND STRATEGIC/BUSINESS-ORIENTED THINKING ARE CONSIDERED THE MOST VALUABLE SKILLS FOR FINANCIAL LEADERS

- Communication skills (53%) and quantitative/analytic skills (50%) are also cited by half or more.

MOST VALUABLE SKILLS FOR FINANCIAL LEADER/TEAM

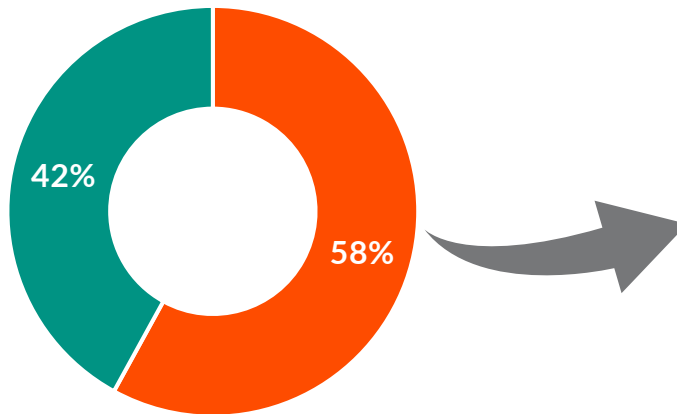


OVER HALF OF FINANCIAL LEADERS BELIEVE LARGE GENDER PAY GAPS ARE AN ISSUE FOR RECRUITING WOMEN TO FINANCIAL ROLES

- Just over half (53%) of those who hold this belief also believe it is a deterrent for financial roles *within their own* organizations.

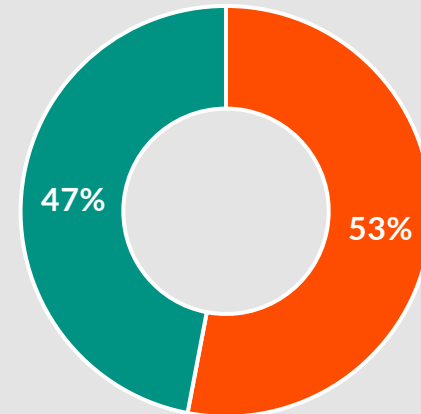
IS LARGE GENDER PAY GAP AN ISSUE FOR RECRUITMENT?

■ Yes ■ No



IS GENDER PAY GAP A DETERRENT AT YOUR ORGANIZATION?

■ Yes ■ No

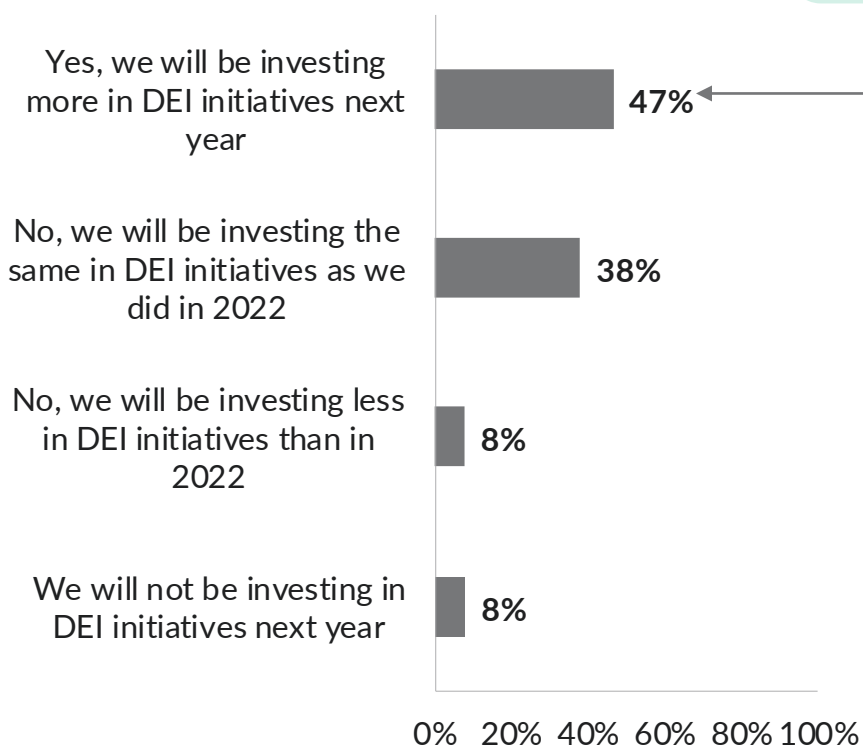


ESG & DEI PLANS

HALF OF ORGANIZATIONS EXPECT TO INVEST MORE IN DEI AND ESG GOALS AND INITIATIVES IN 2023 THAN IN 2022

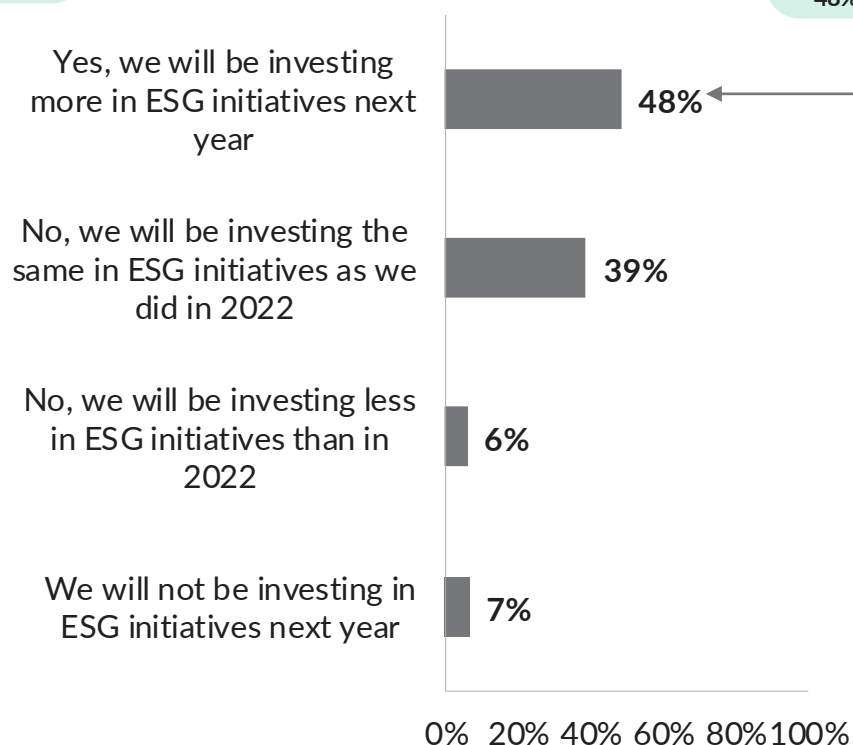
- This is a significant drop compared to expectations from earlier this year (65% in DEI and 60% in ESG).
- Still, over a third of businesses expect to invest the same in DEI and ESG in 2023 (38% and 39%, respectively).

DEI INVESTMENT PLANS



• Spring 2022 (n=257) [B]: 65%^C
 • Fall 2022 (n=657) [C]: 47%^B

ESG INVESTMENT PLANS



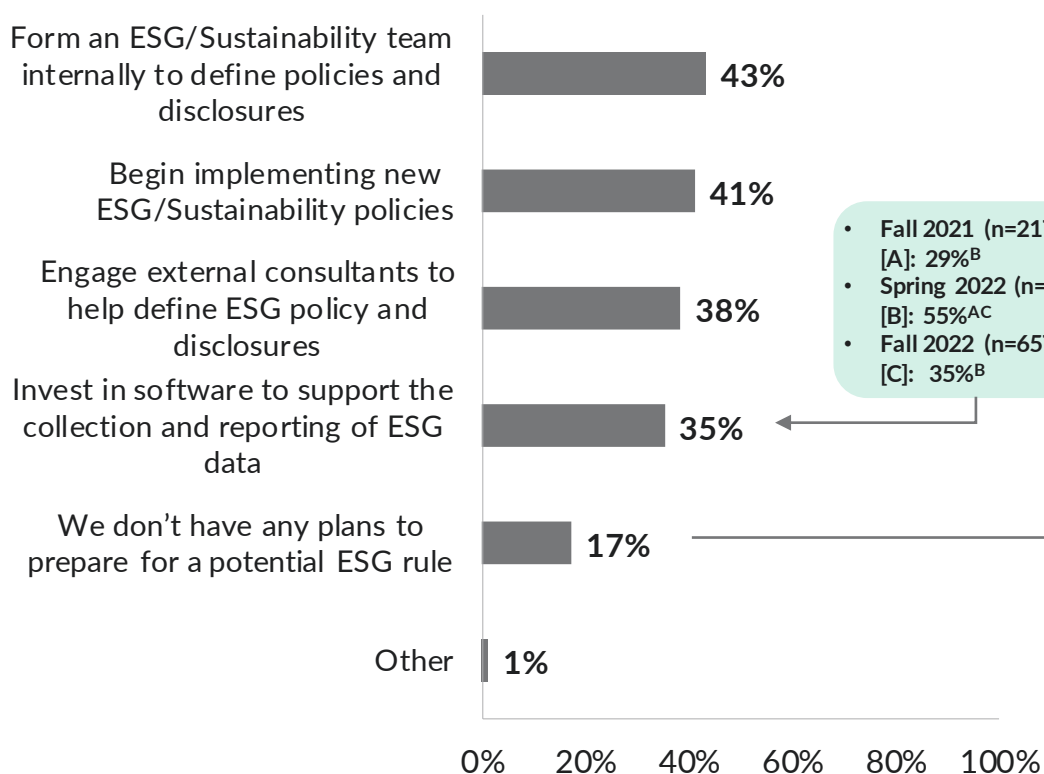
• Spring 2022 (n=257) [B]: 60%^C
 • Fall 2022 (n=657) [C]: 48%^B



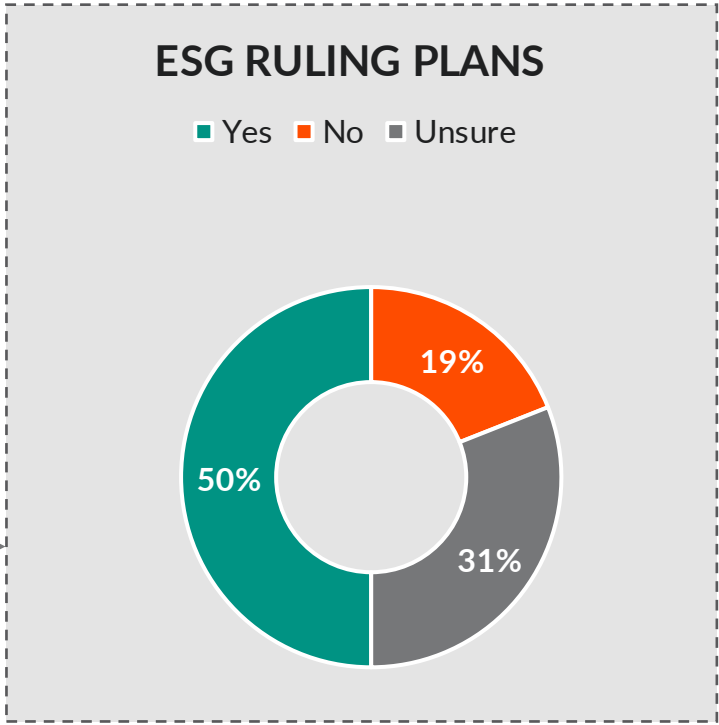
NEARLY HALF HAVE STARTED OR PLAN TO START FORMING AN INTERNAL ESG/SUSTAINABILITY TEAM

- A similar proportion (41%) will begin (or have already begun) implementing new ESG/sustainability policies.
- Compared to earlier this year, fewer are planning to invest in software to support ESG data collection and reporting.*
- Among those who currently don't have a plan in place, half (50%) indicate they may implement a plan if ESG reporting mandate impacts their organizations.

PREPARATIONS FOR ESG CHANGE



• Fall 2021 (n=217)
 [A]: 29%^B
 • Spring 2022 (n=257)
 [B]: 55%^{AC}
 • Fall 2022 (n=657)
 [C]: 35%^B



Q: Which of the following have you started or plan to start doing to prepare for potential mandatory ESG disclosure requirements from the U.S. SEC or other regulators? Select all that apply. (n=657)

Q: If you don't have a plan in place, will that change if an ESG reporting mandate impacts your organization? (n=113, have no plan to prepare is selected in previous question)

*Note: Comparisons are presented for directional purposes only. Changes to the sampling procedure in this iteration of the survey reduce comparability to prior iterations. Question wording also changed from Fall 2021 to Spring 2022 to Fall 2022.



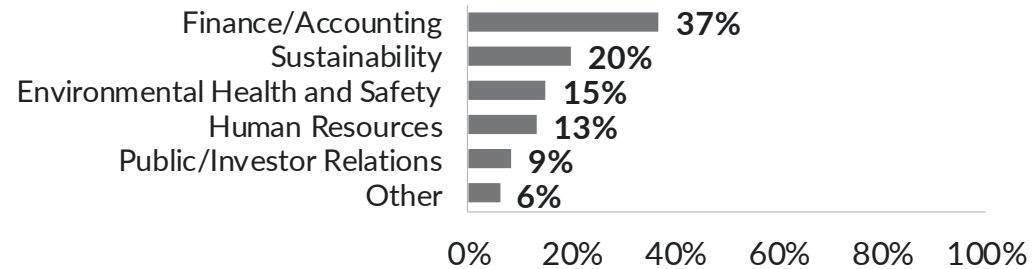
ORGANIZATIONAL VIEWS OF AND FINANCIAL LEADERS' INVOLVEMENT IN ESG VARY

- Only a quarter (23%) view ESG as core to the organizations' mission, while less than one-third view it as a way to proactively communicate initiatives to investors and stakeholders (29%) or as a compliance requirement (28%).
- Although finance/accounting departments are most commonly responsible for ESG initiatives/reporting, this is still only the case for about two in five (37%) businesses. Similarly, less than half (43%) of the financial leaders themselves are highly involved in managing the ESG process or practices.

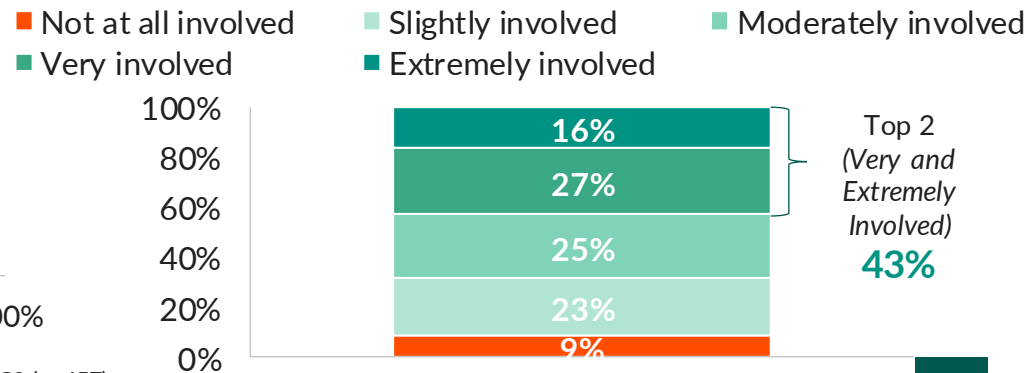
ORGANIZATIONAL VIEW OF ESG



PRIMARY RESPONSIBILITY FOR ESG INITIATIVES AND REPORTING



PERSONAL INVOLVEMENT IN MANAGING ESG PROCESSES/PRACTICES



Q: How does your organization primarily view ESG? (n=657)

Q: Which office/department in your organization has primary responsibility for ESG initiatives and reporting? (n=657)

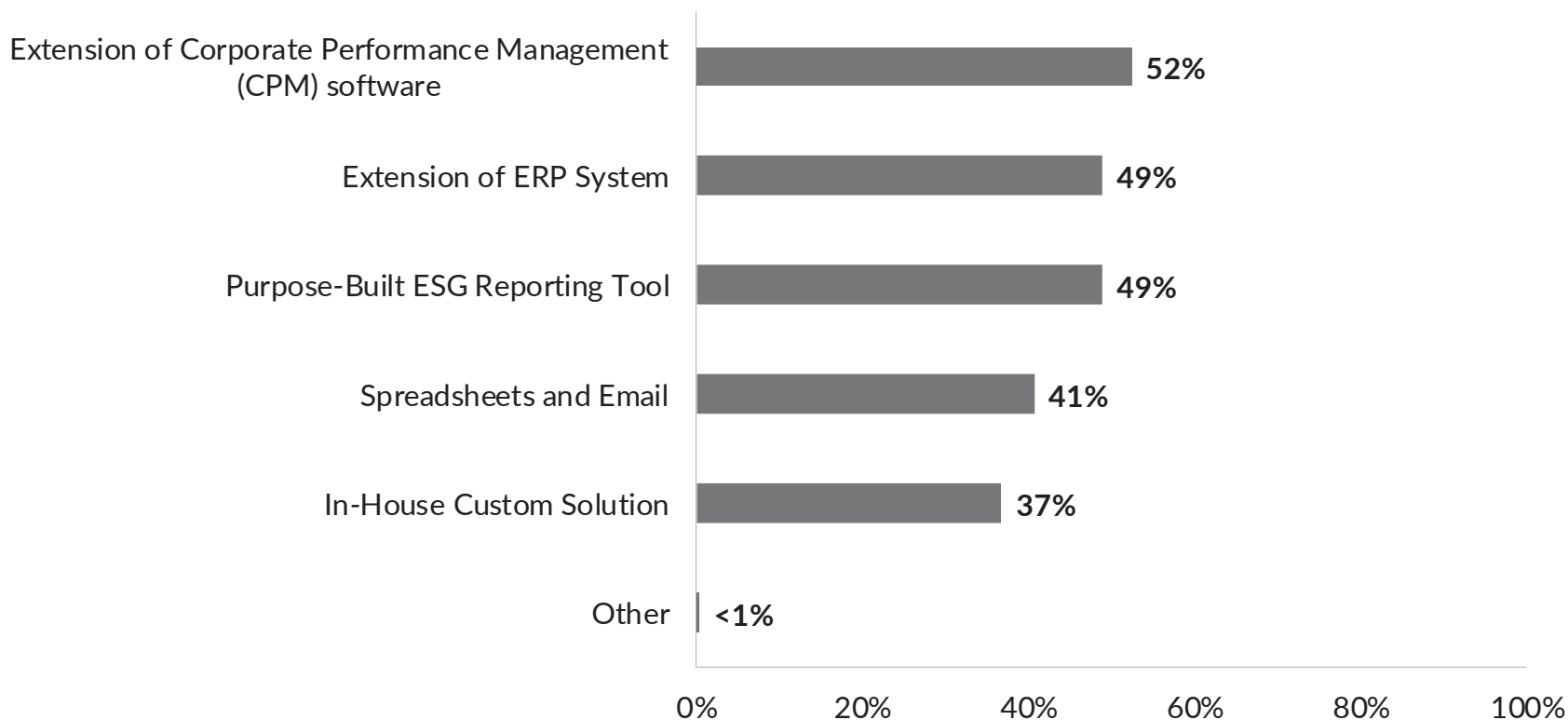
Q: In your role as a financial leader, how involved are you in managing the ESG processes or practices that have been implemented? (n=544, indicated have started or plan to start doing to prepare for potential mandatory ESG disclosure requirements)



EXTENSIONS OF CPM SOFTWARE ARE THE MOST USED SOFTWARE FOR SUPPORTING THE COLLECTION AND REPORTING OF ESG DATA

- Extensions of ERP systems and purpose-built ESG reporting tools are also both used by half of organizations (49% each).

ESG DATA COLLECTION AND REPORTING SOFTWARE



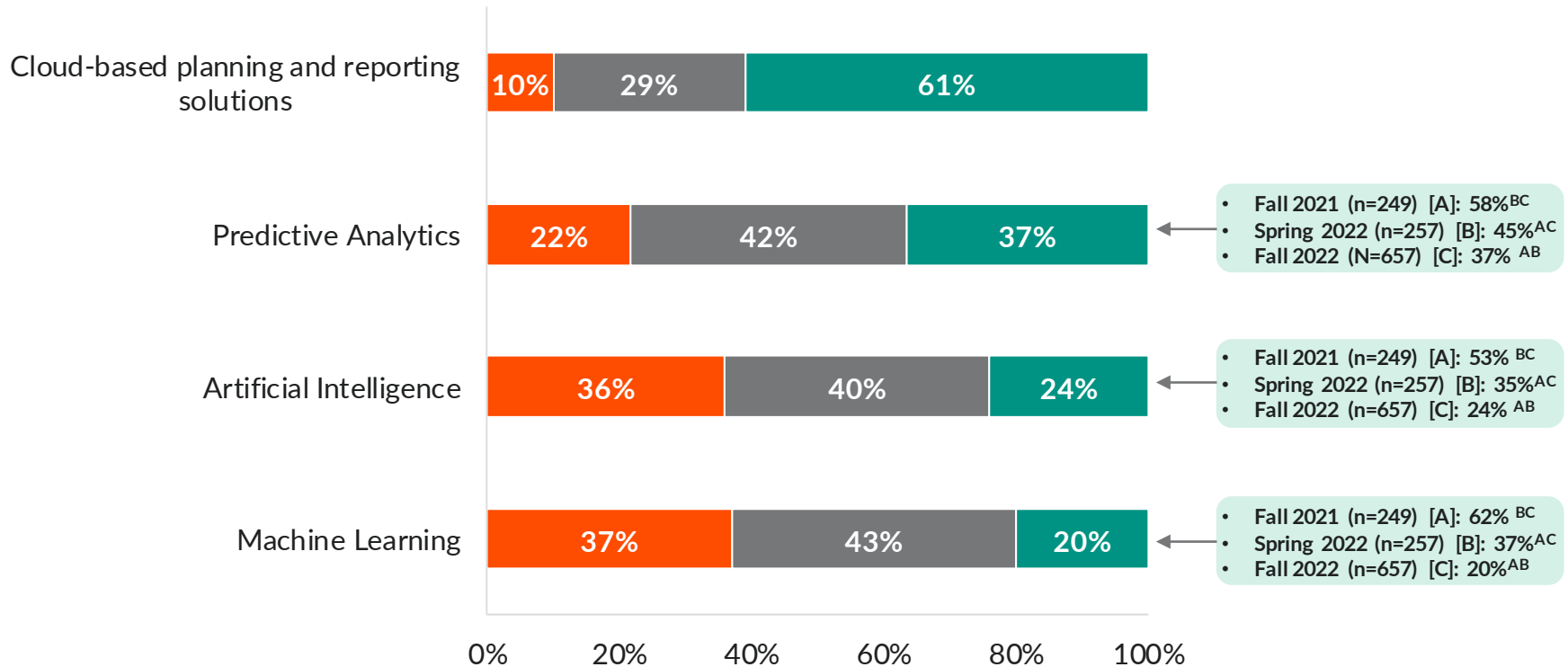
INVESTMENTS IN PLANNING AND ANALYTICS TECHNOLOGY

TWO-THIRDS OF BUSINESSES USE CLOUD-BASED PLANNING AND REPORTING REGULARLY

- One in five (20%) report using machine learning regularly within their departments, however.
- Compared to last fall and earlier this year, fewer businesses report regularly using predictive analysis, artificial intelligence, and machine learning.*

DATA ANALYSIS TOOL USAGE

■ We do not use this tool ■ We are using this tool intermittently ■ We are using this tool regularly

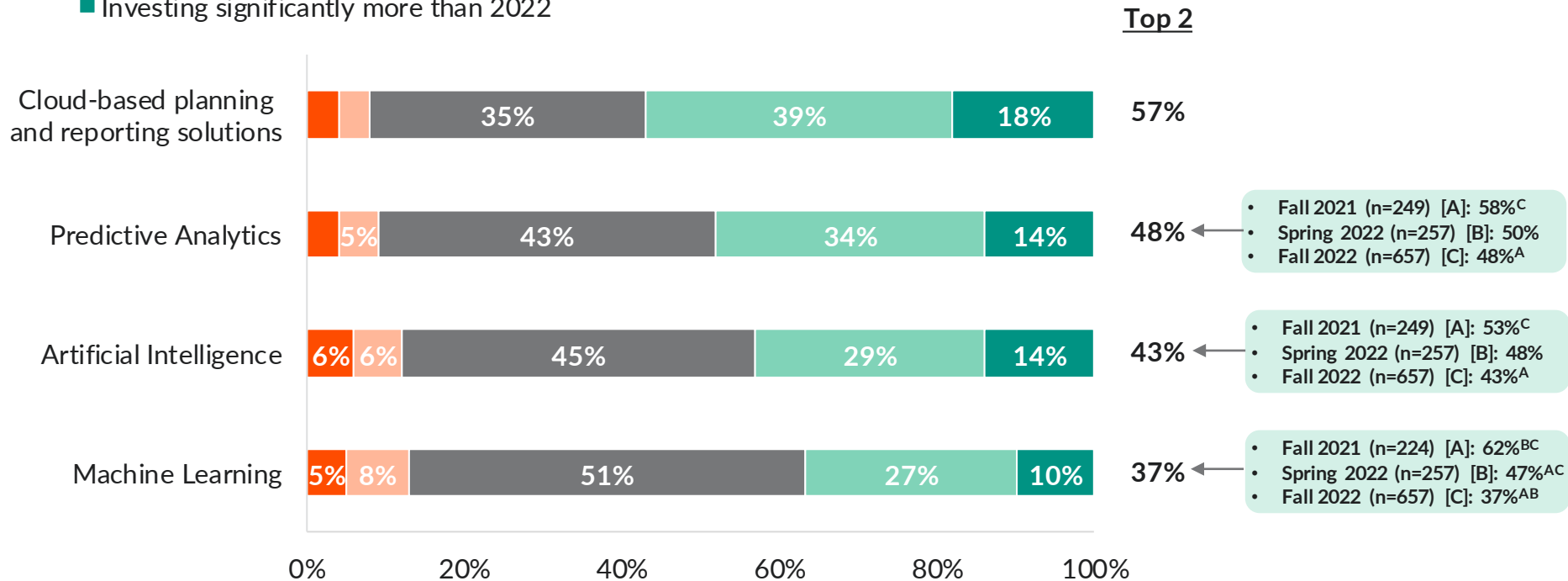


OVER HALF PREDICT INVESTING MORE ON CLOUD-BASED SOLUTIONS IN 2023 THAN IN 2022

- Meanwhile, only one-third of companies (37%) predict investing more on machine learning. This is significantly fewer than predicted both last fall and earlier this year.*

DATA ANALYSIS TOOLS INVESTMENT CHANGES

- Investing significantly less than 2022
- Investing slightly less than 2022
- Investing the same as 2022
- Investing slightly more than 2022
- Investing significantly more than 2022



Q: In 2023, which of the following best describes how your company plans on investing in the following data analysis tools compared to 2022? (n=657). Unlabeled sections each represent 4% of respondents.

*Note: Comparisons are presented for directional purposes only. Changes to the sampling procedure in this iteration of the survey reduce comparability to prior iterations. Wording changed from Fall 2021 to Spring 2022 to Fall 2022. In Fall 2021, predictions were made about 2022 vs. 2021.



FINANCIAL REPORTING IS THE TOP OPPORTUNITY FOR USING ARTIFICIAL INTELLIGENCE OR MACHINE LEARNING

- Sales/revenue forecasting (41%) is the second largest opportunity for organizations.
- Very few (3%) do not see any opportunities for AI/machine learning to help their business.

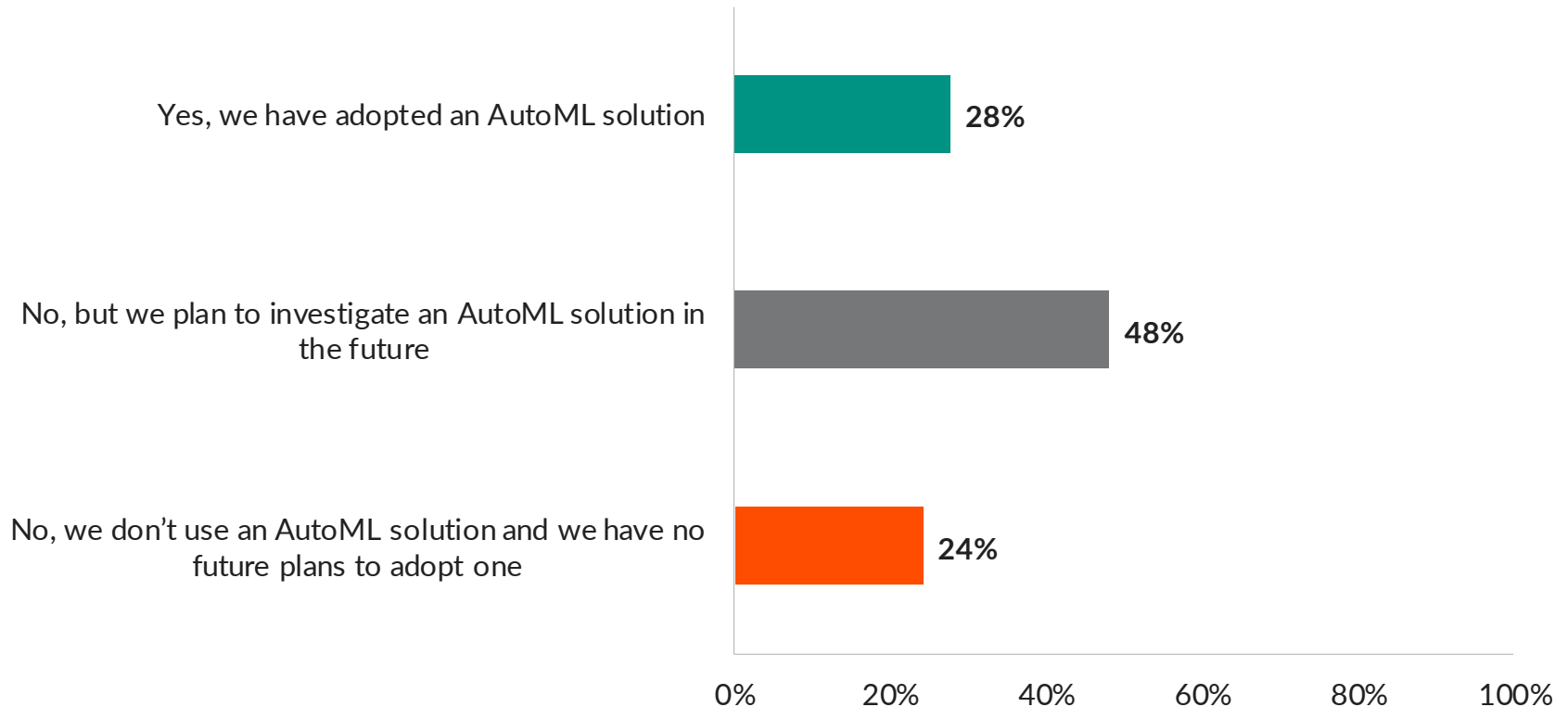
AI/MACHINE LEARNING OPPORTUNITIES



HALF OF ALL FINANCIAL DECISION MAKERS SAY THEIR ORGANIZATIONS PLAN TO INVESTIGATE AUTOML SOLUTIONS

- One-quarter (28%) already have adapted AutoML solutions.

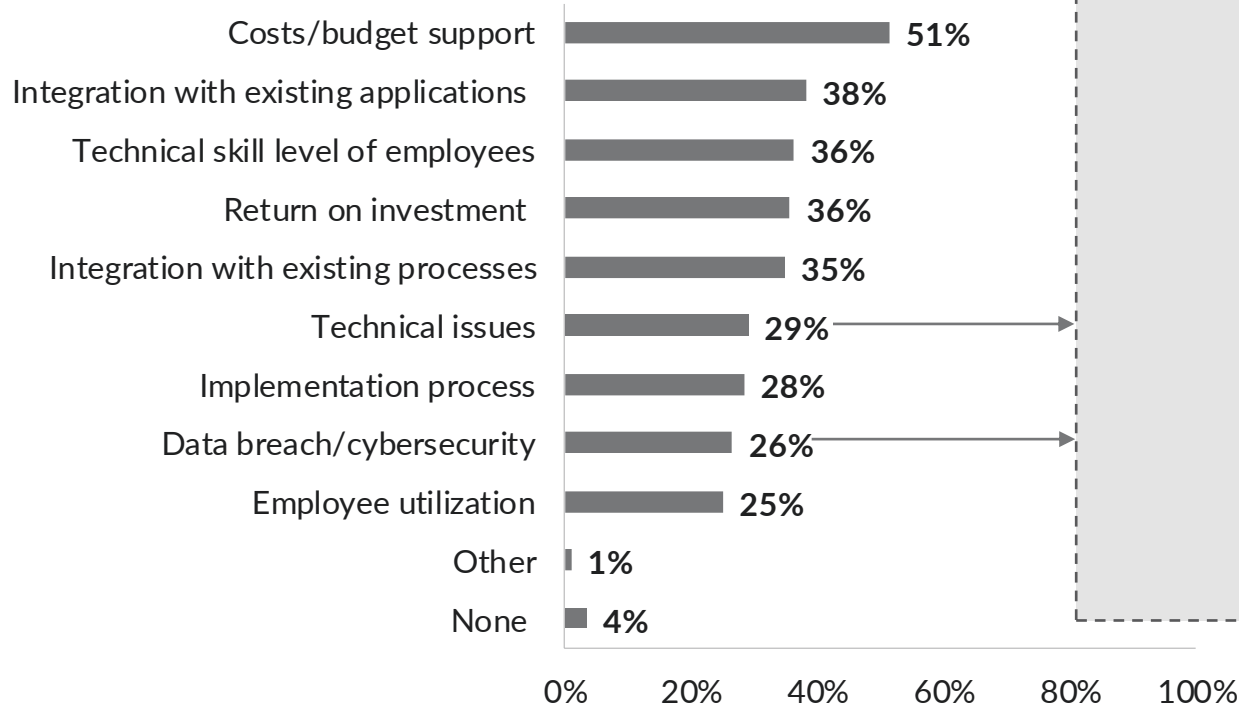
AUTOML PLANS



COSTS/BUDGET SUPPORT IS THE TOP OBSTACLE FOR INVESTING IN NEW TECHNOLOGIES

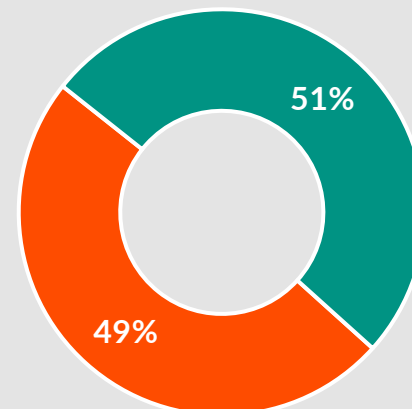
- Businesses facing technical and security issues are split on whether or not there is a lack of trust for new technology solutions.

OBSTACLES TO INVESTMENTS IN NEW TECHNOLOGIES



IS THERE A LACK OF TRUST FROM TECH AND SECURITY ISSUES?

Yes No



DEMOGRAPHICS

RESPONDENT CHARACTERISTICS (1/2)



Age (n=657)

18 to 29	7%
30 to 39	31%
40 to 49	30%
50 to 64	29%
65+	2%



Country (n=657)

CAN/US/MEX	85%
Other*	15%



Job Role (n=657)

Manager/Sr. Manager	36%
Director	27%
Vice President/Sr. Vice President	14%
C-Suite Executive	15%
President/CEO	4%
Owner	3%



Role in Financial Decision-Making (n=657)

Primary decision-maker	39%
Share authority	43%
Participate by giving input/feedback**	18%



Source (n=657)

Panel	36%
List***	64%



Job Function (n=657)

Chief Financial Officer (CFO)	20%
Chief Accounting Officer (CAO)	2%
VP of finance	7%
VP of accounting	3%
Controller	8%
VP of Financial Reporting	2%
VP of FP&A	2%
Director of Finance	13%
Director of Financial Reporting	5%
Director of FP&A	3%
Chief Information Officer (CIO)	9%
VP/Director of Financial Systems	5%
None of these	21%



Organization 2021 Revenue (n=657)

Under \$100M	18%
\$100M to \$499M	23%
\$500M to \$999M	19%
\$1B to \$4.99B	18%
\$5B to \$10B	8%
Over \$10B	8%
I don't know / Prefer not to respond	7%



RESPONDENT CHARACTERISTICS (2/2)

Industry (n=657)

Accounting	4%
Advertising	<1%
Aerospace/Aviation/Automotive	1%
Agriculture/Forestry/Fishing	<1%
Biotechnology	<1%
Business / Professional Services	4%
Business Services (Hotels, Lodgings Places)	<1%
Computers (Hardware, Desktop Software)	6%
Communications	1%
Construction / Home Improvement	5%
Consulting	4%
Education	11%
Engineering / Architecture	2%
Entertainment / Recreation	1%
Finance / Banking / Insurance	10%
Food Service	1%



Industry continued (n=657)

Government / Military	3%
Healthcare / Medical	7%
Internet	1%
Legal	<1%
Manufacturing	11%
Marketing / Market Research / Public Relations	1%
Media / Printing / Publishing	1%
Mining	1%
Non-Profit	1%
Pharmaceutical/Chemical	1%
Research/Science	<1%
Real Estate	2%
Retail	5%
Telecommunications	3%
Transportation / Distribution	4%
Utilities	2%
Wholesale	0%
Other	5%



Thank you.

CONTACT

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