



CFO EXECUTIVE OUTLOOK REPORT:

# Navigating Uncertainty & Prioritizing What Matters



# Study OVERVIEW

## KEY OBJECTIVES

**How have financial decision-makers responded to economic changes and the COVID-19 pandemic?**

What outlooks do financial decision-makers have toward the post-COVID recovery?

**What have companies done to invest in and attract talent during The Great Resignation? What tools are companies using?**

What is the outlook of the future financial landscape among decision-makers, and what steps are they taking? What tools do decision-makers plan to adopt, if any?

## SURVEY ADMINISTRATION & SURVEY SAMPLE

**The survey was administered online in Q4 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+ and 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.





# Recommendations

## With increased economic uncertainty in recent months

(e.g., inflation, tax reform, supply chain shortages, the lingering effects of the COVID-19 pandemic and a potential recession), **businesses continue to reallocate spending** within their businesses.

## BENEFITS OF MACHINE LEARNING

Machine learning and AI offer many potential benefits for organizations aiming to strengthen business operations in the face of a potential recession and other economic disruptions.

Many businesses are continuing to invest in data analytics tools, including machine learning and AutoML, but some are withholding investments due to costs/budget support amidst broader spending cuts.

Highlighting the benefits of machine learning solutions for businesses, specifically for financial operations, will entice more companies to consider adopting the solutions.

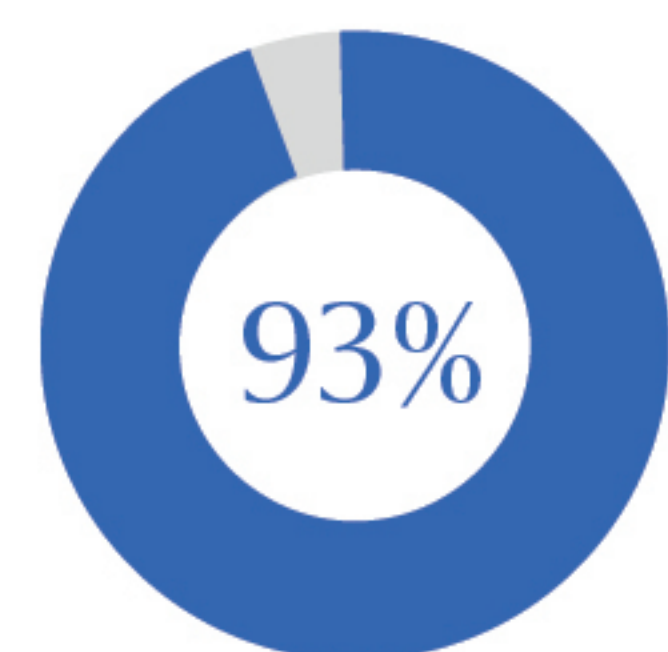
**OneStream** has an opportunity to assist businesses with new **investment demands and priorities.**



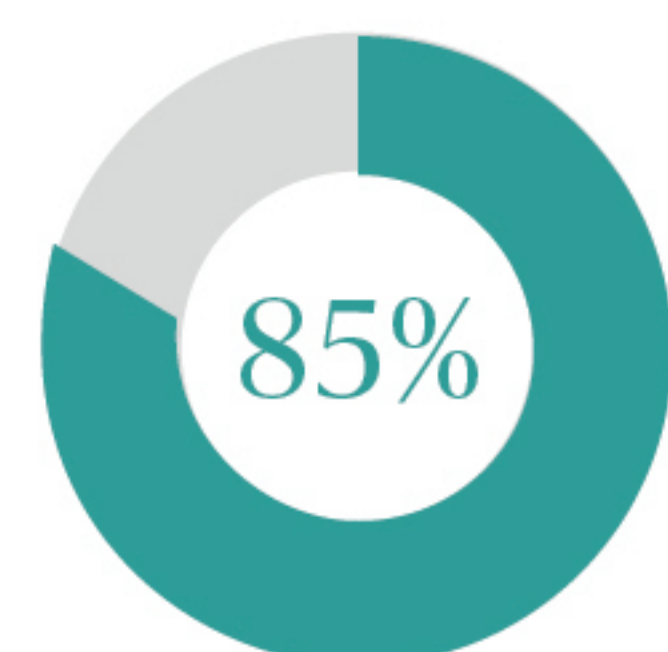


# Key

# FINDINGS

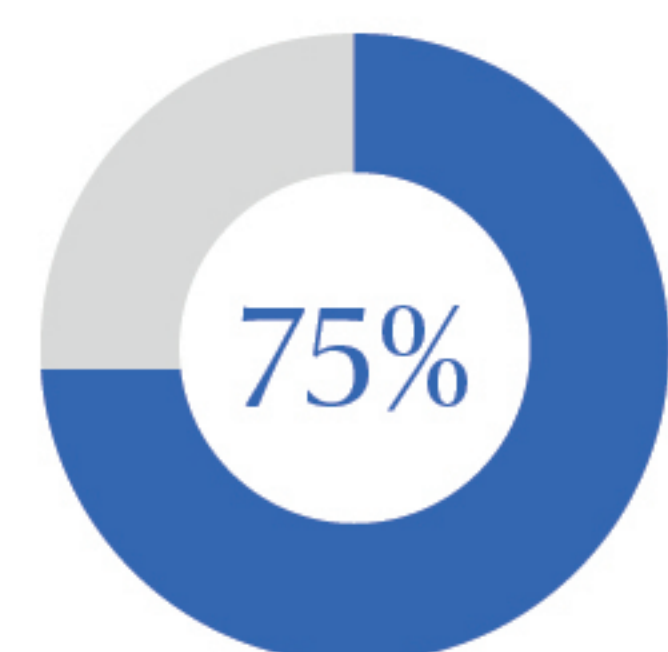


**93%** of Financial Leaders Predict **Inflation to Remain Elevated** into 2023

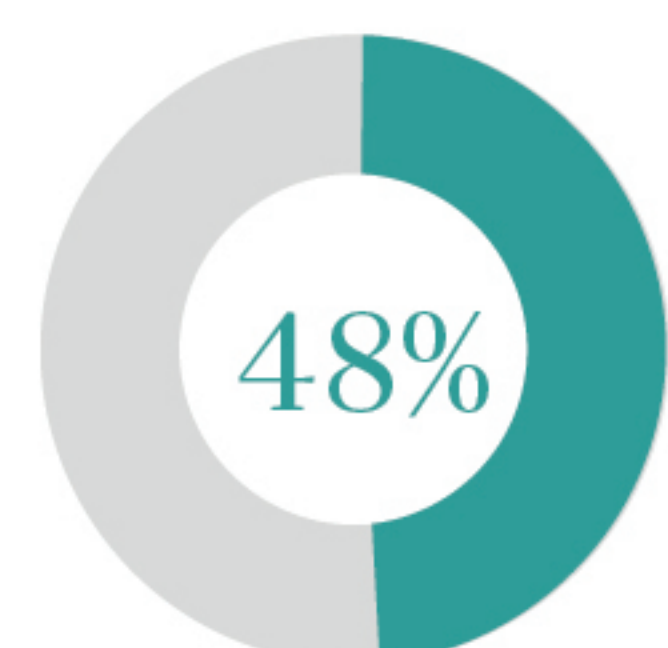


Financial Leaders **preparing for an impending recession**, with **85%** re-forecasting as a result

- Another 11% have already developed a 2023 financial plan with a recession in mind



**75%** of Financial Leaders Expect Ongoing Economic and **Supply Chain Challenges** Through Late 2023 and Beyond



**48%** of Financial Leaders Welcome Technology to **Streamline Financial Reporting Tasks**



# Key FINDINGS

## 1 Economy

**Economic disruptions are seen as the biggest risk to organizations in 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 the businesses are reducing corporate spending and updating tax planning and provisions to prepare for updated tax reforms (both 53%).

## 2 Inflation

**Three-quarters of financial leaders expect inflation to continue until mid-2023** or later and expect COVID-19-related supply chain disruptions to continue into 2023.

Most organizations have already made alterations to their financial forecasts and strategies in anticipation of an impending recession (85%), and nearly two-thirds of organizations (64%) expect a recession to last until late 2023 or later, similar to projected inflation timelines.

## 3 Technology

**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%) organizations regularly (61%) or intermittently (29%) use cloud-based planning and reporting solutions, while a little under two-thirds (64%) use machine learning (regularly 20%; intermittently 43%).

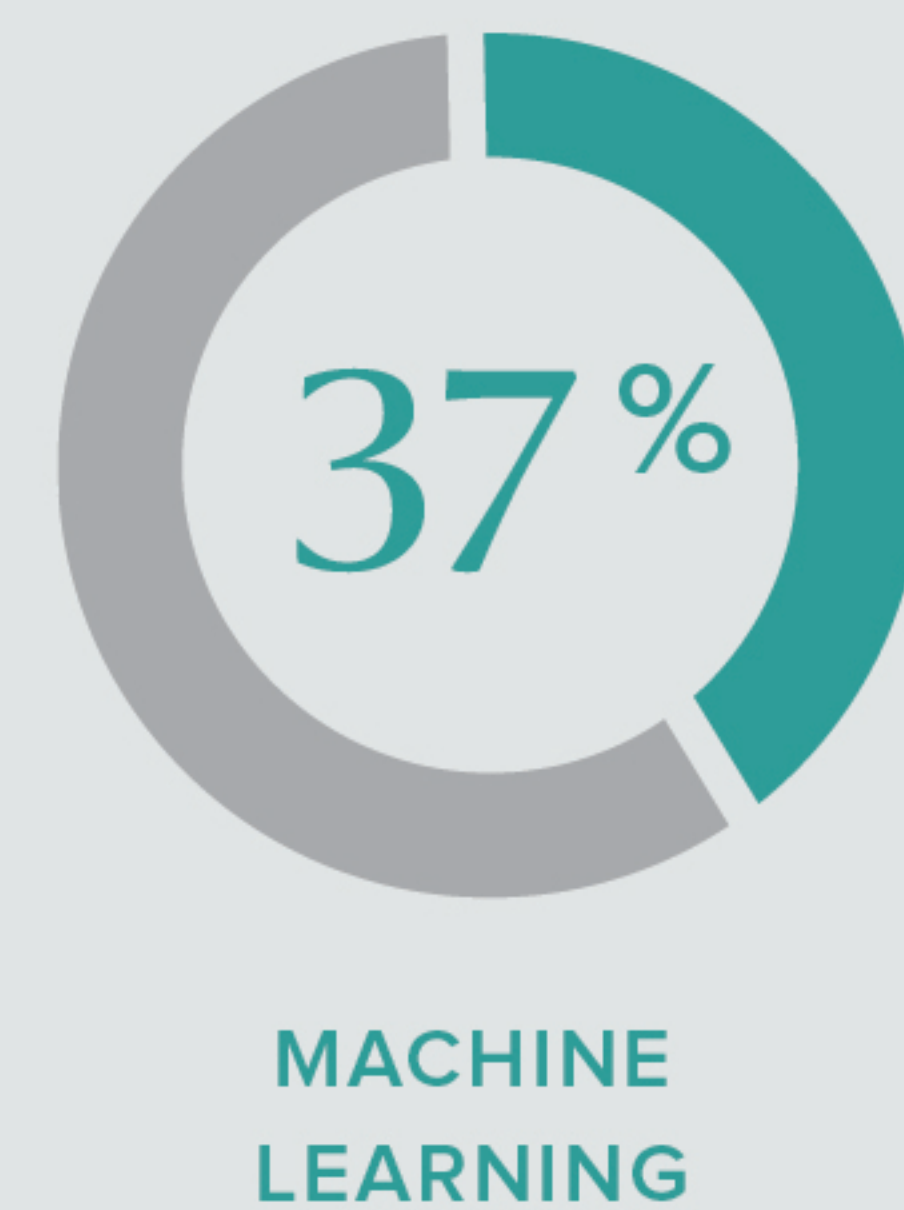
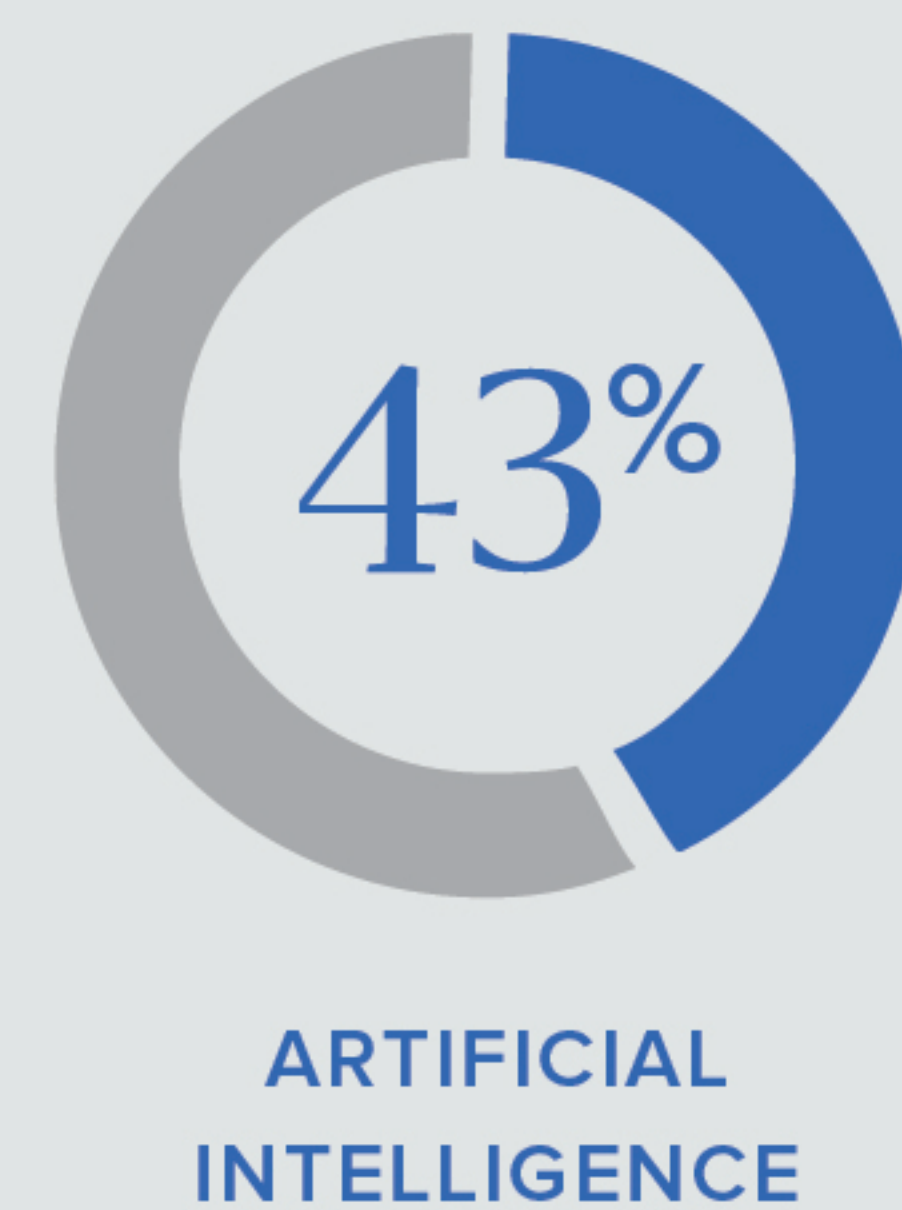
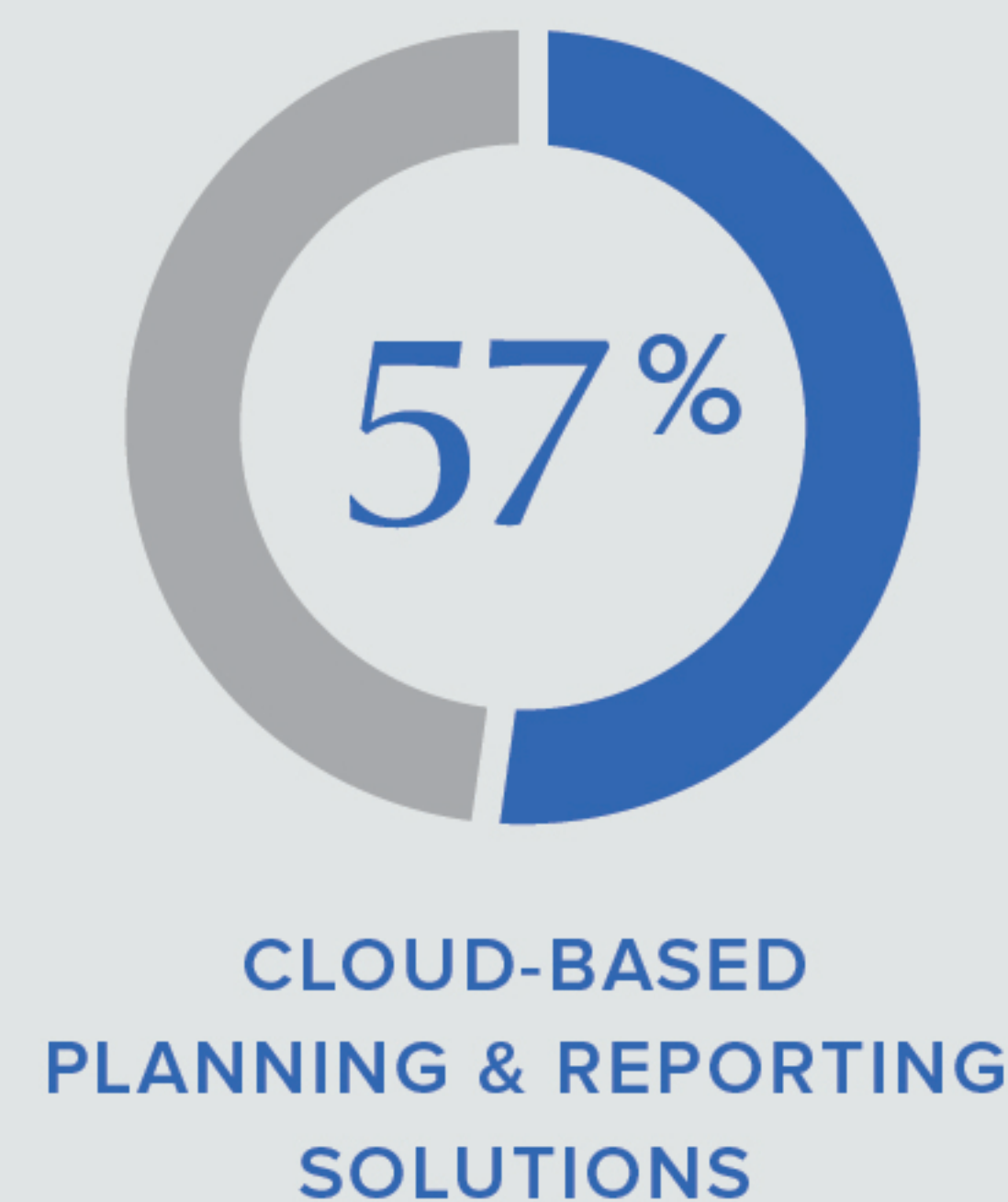


# Financial Leader

# SNAPSHOT

## 2023 Investment Decisions

### 2023 INCREASED INVESTMENTS



47%

CONCERNED  
ABOUT **ECONOMIC  
DISRUPTION**

## To Prepare For Inflation, They...

39%

**SLOWED HIRING  
OR REDUCED COSTS**

47%

**RENEGOTIATED  
WITH SUPPLIERS**

56%

**INCREASED  
PRICES**



STORMY ECONOMIC  
CONDITIONS  
AHEAD

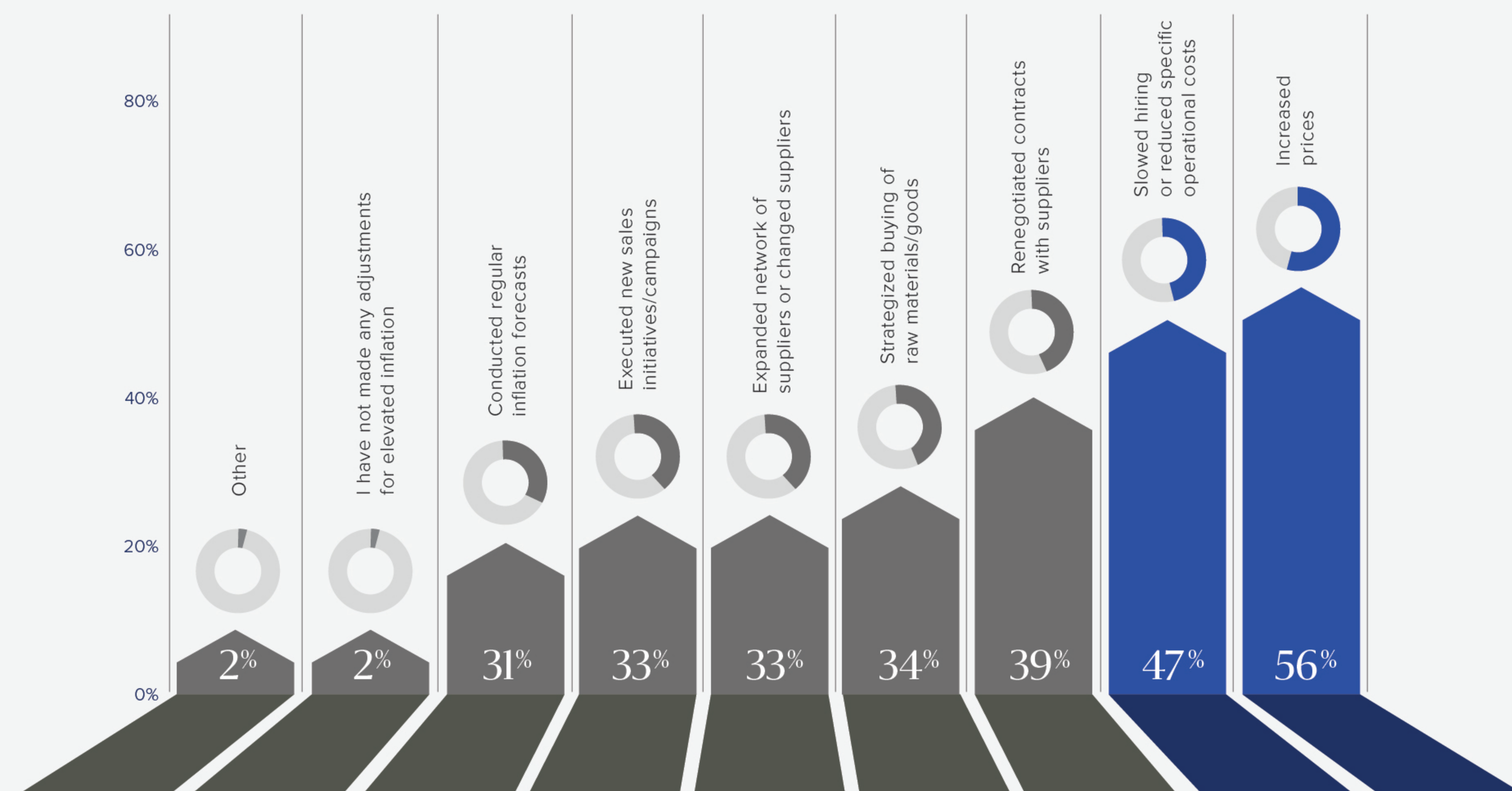
—  
Stormy Economic  
CONDITIONS AHEAD



# Stormy

## ECONOMIC CONDITIONS AHEAD

### PREPARATIONS FOR CHANGING INFLATION RATES



With inflation continuing to plague both individuals and enterprises, price increases are the number one-way organizations have addressed inflation **(56%)**, followed by slowed hiring or reduced specific operational costs **(47%)**.

Nearly half of organizations have **slowed hiring or reduced specific operational costs**, another significant increase from a year ago

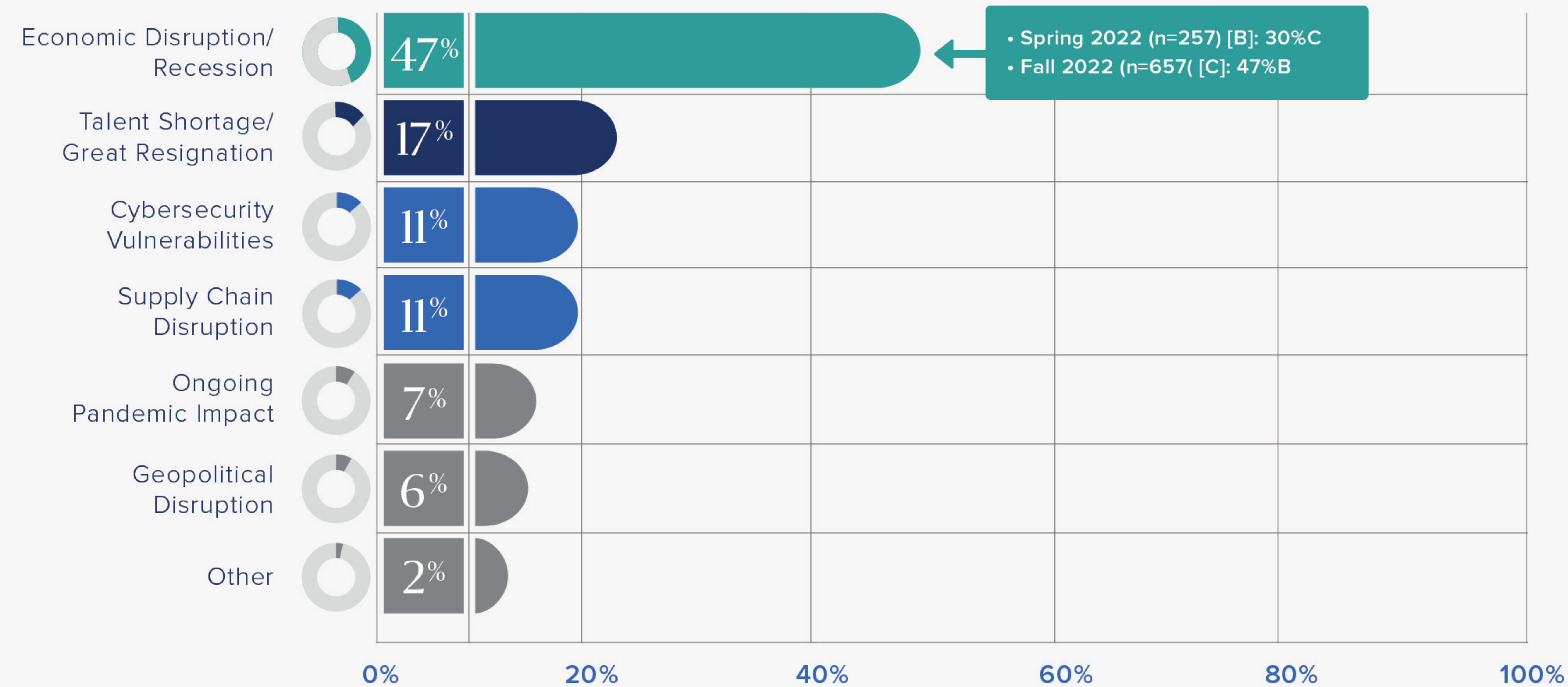


# Stormy

## ECONOMIC CONDITIONS AHEAD

According to the survey, economic disruptions/recession remains the top 2023 concern for nearly half of the organizations, far outdistancing concerns about talent shortages, cybersecurity supply chain disruption and geopolitical disruption.

### 2023 Business Risks



This was also the top concern earlier this year at 30%; **however, in the Fall 2022 survey, this rose to 47% of respondents**



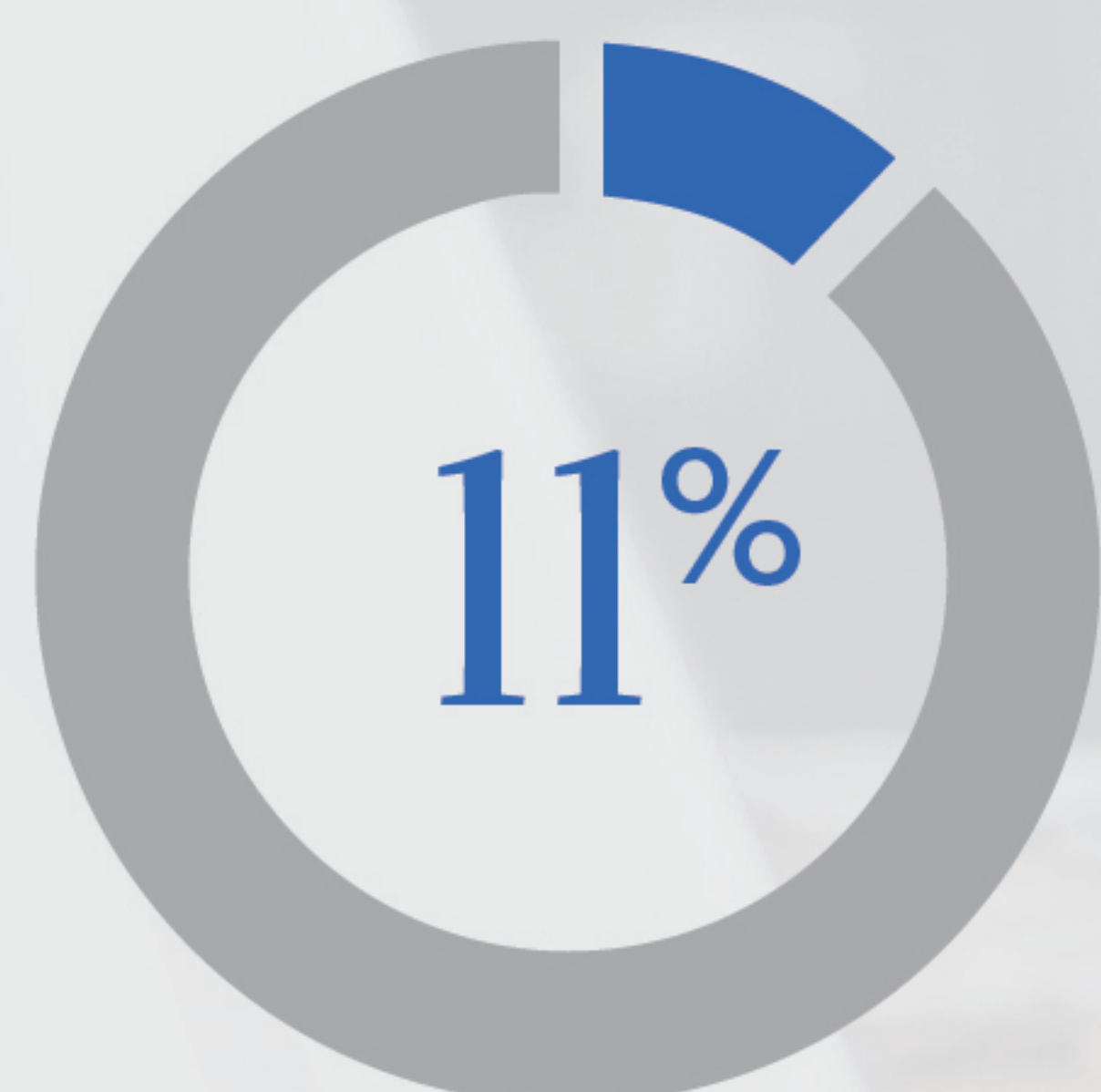
# Stormy Economic CONDITIONS AHEAD

Regarding the potential for recession, **two-thirds of financial leaders expect a recession to occur and last until late 2023 or later.** Three-quarters of financial leaders also expect the pandemic-related supply chain issues to continue into 2023, but very few (8%) expect the issues to extend beyond 2023.

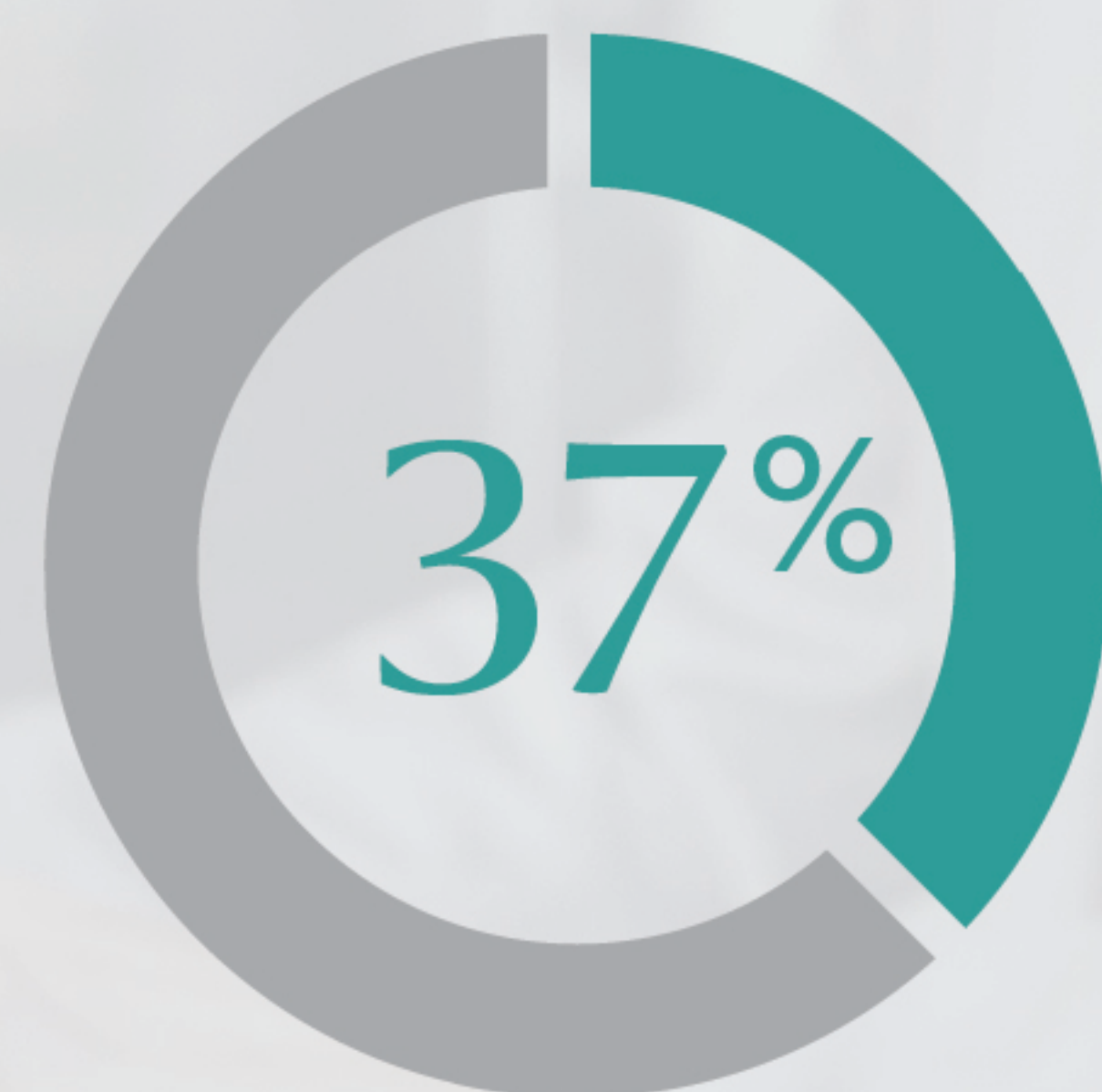
## Revisiting Financial Forecasts



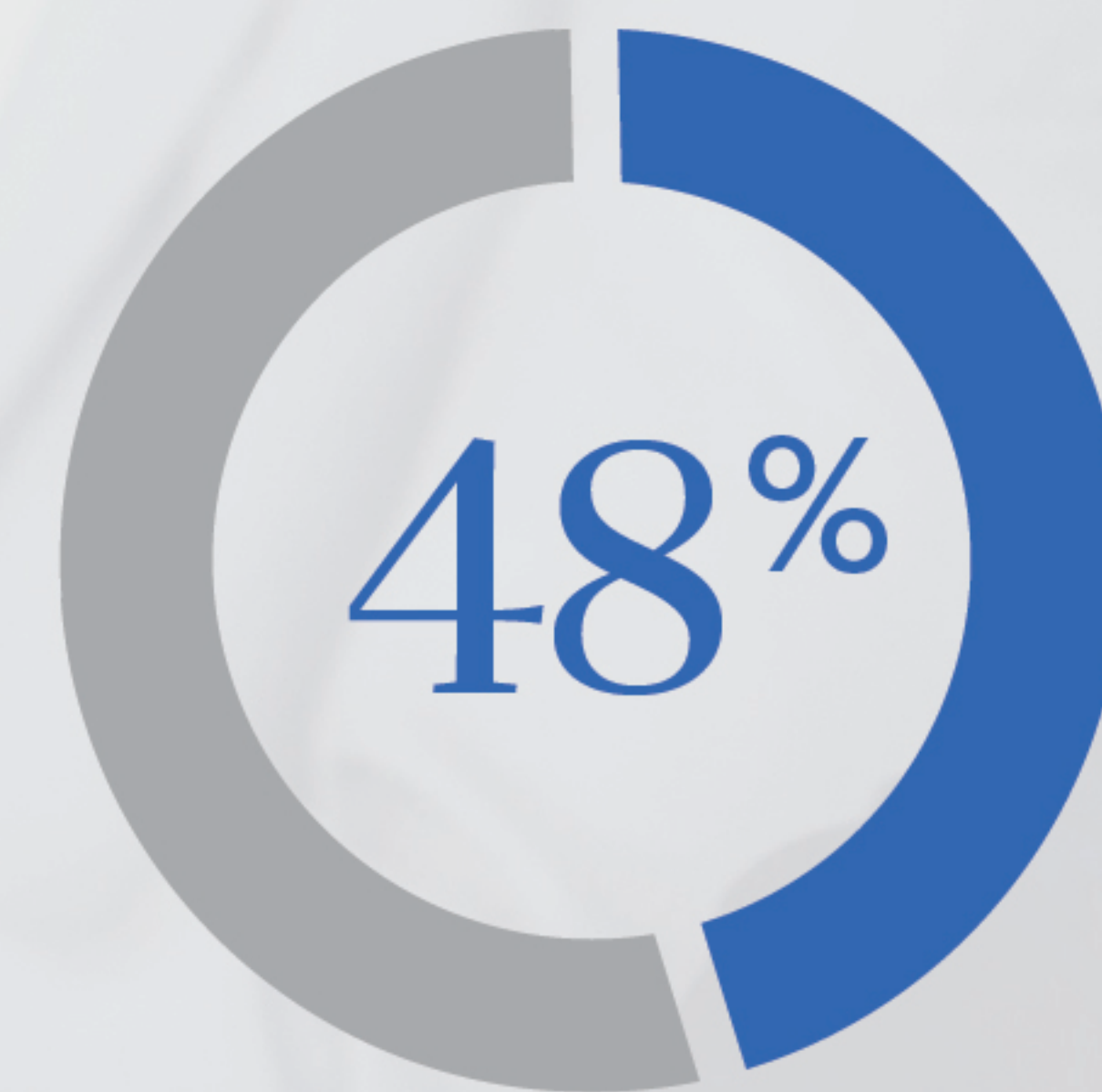
**NO, A RECESSION WILL NOT AFFECT OUR BUSINESS**



**NO, WE DEVELOPED OUR 2023 FINANCIAL FORECASTS WITH A POTENTIAL RECESSION IN MIND**



**YES, WE'VE ALTERED OUR 2023 FORECASTS AND STRATEGIES SIGNIFICANTLY IN PREPARATION**



**YES, WE'VE ALTERED OUR 2023 FORECASTS & STRATEGIES SLIGHTLY IN PREPARATION**

**\*85%**

**of financial leaders** have made at least slight alterations to their 2023 forecasts and strategies in preparation for an impending recession, according to the survey.



# Investment In Cloud

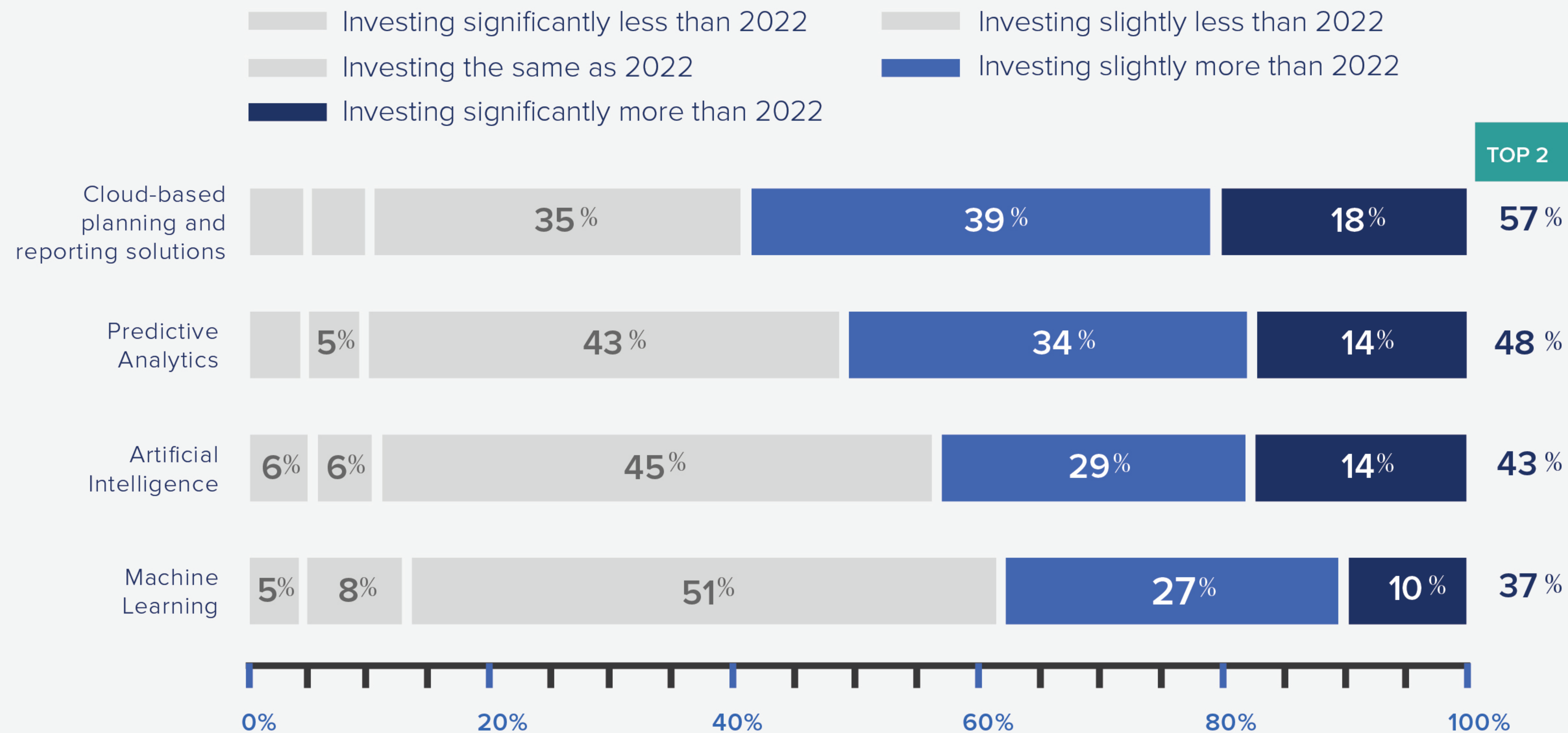
## PLANNING & ANALYSIS TOOLS INCREASING



# Investment in

## CLOUD PLANNING & ANALYSIS TOOLS INCREASING

### DATA ANALYSIS TOOLS INVESTMENT CHANGES



Over two-thirds of businesses regularly use cloud-based planning and reporting, and one in five (20%) report regularly using machine learning within their departments.

Looking forward, over half of financial leaders predict investing more in cloud-based solutions.

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



# Investment in Cloud Planning & Analysis Tools Increasing

When asked about the top use cases for artificial intelligence or machine learning, financial leaders surprisingly identified financial reporting as the top opportunity in the survey.

## AI / MACHINE LEARNING OPPORTUNITIES

Sales / Marketing Optimizations	48%
Demand Planning	41%
Sales/revenue Forecasting	39%
Financial Reporting	38%
Customer Service	36%
Anomaly Detection	30%
Recruitment / Hiring (And Diversification Of Hiring)	21%
Other	1%
I Do Not See Any Opportunities For Artificial Intelligence / Machine Learning To Help My Business	3%



The financial reporting use case was followed by **sales/revenue forecasting (41%)** and **demand planning (39%)** as the second and third largest opportunities for organizations, respectively.

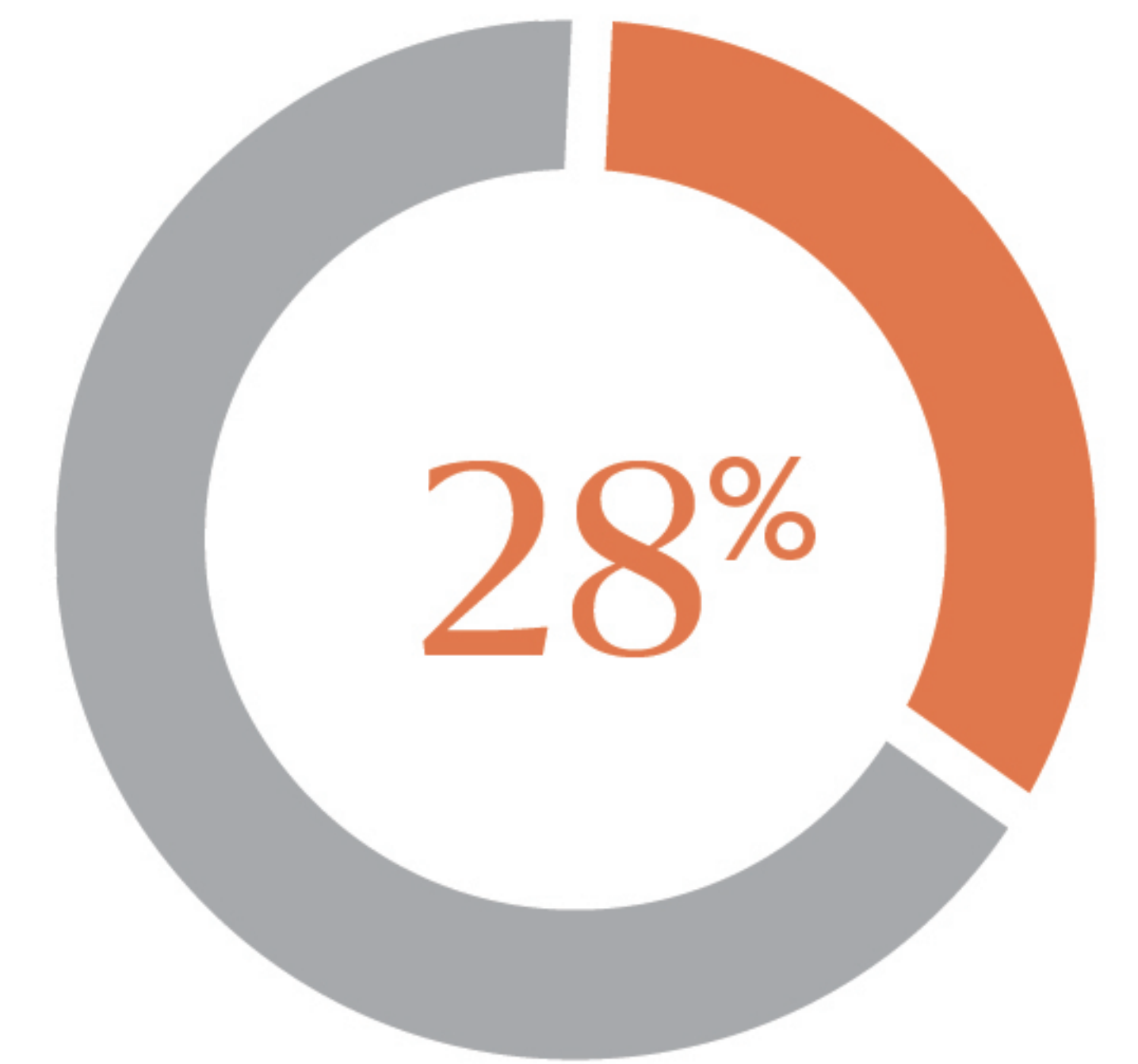


# AutoAI/ML Plans

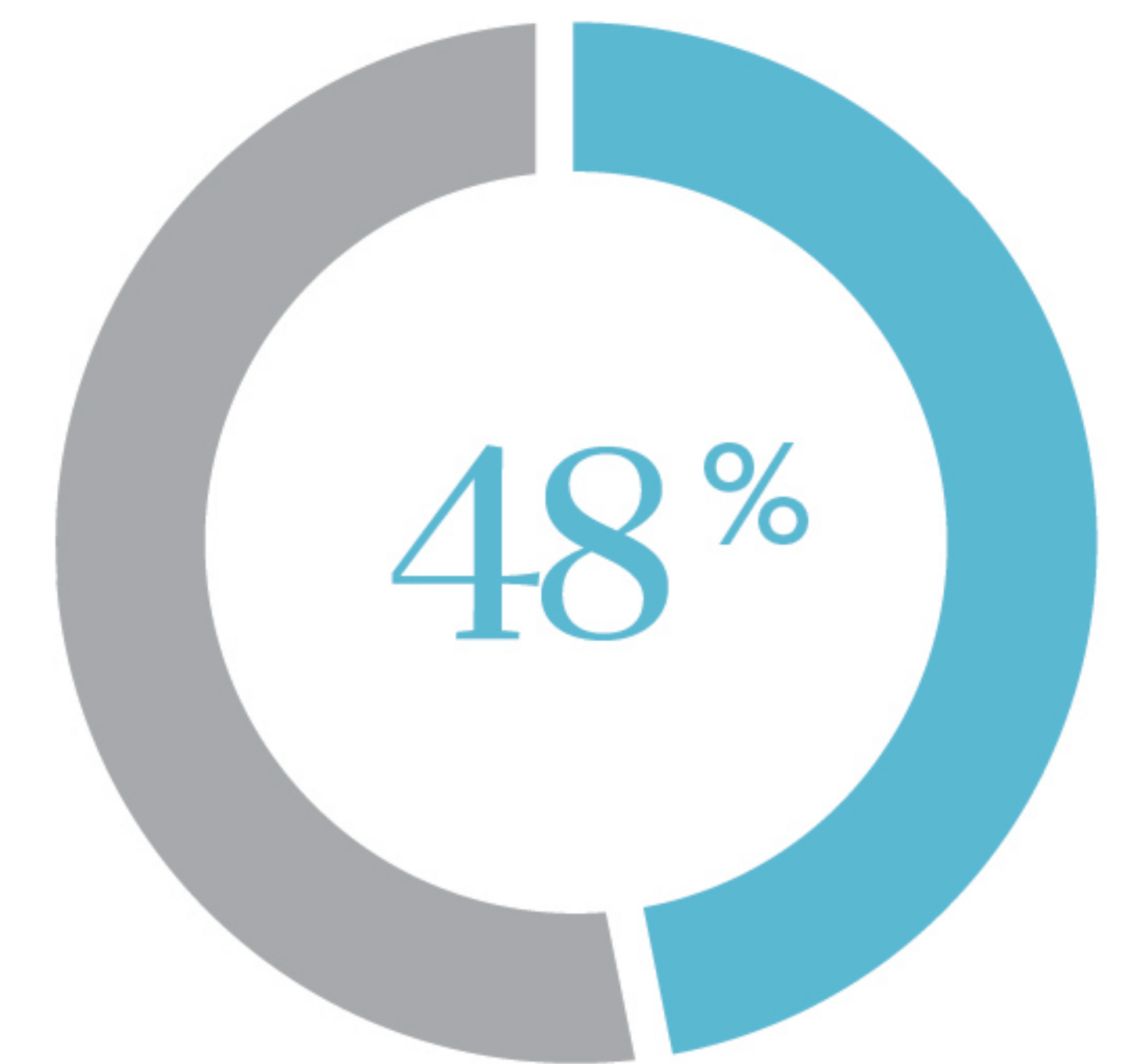
With Auto AI/ML poised to reduce the barriers to adoption of AI/ML in organizations, half of all financial decision-makers say their organizations plan to investigate AutoML solutions. In fact, one-quarter (28%) have already adopted them.

## AutoAI/ML Solutions

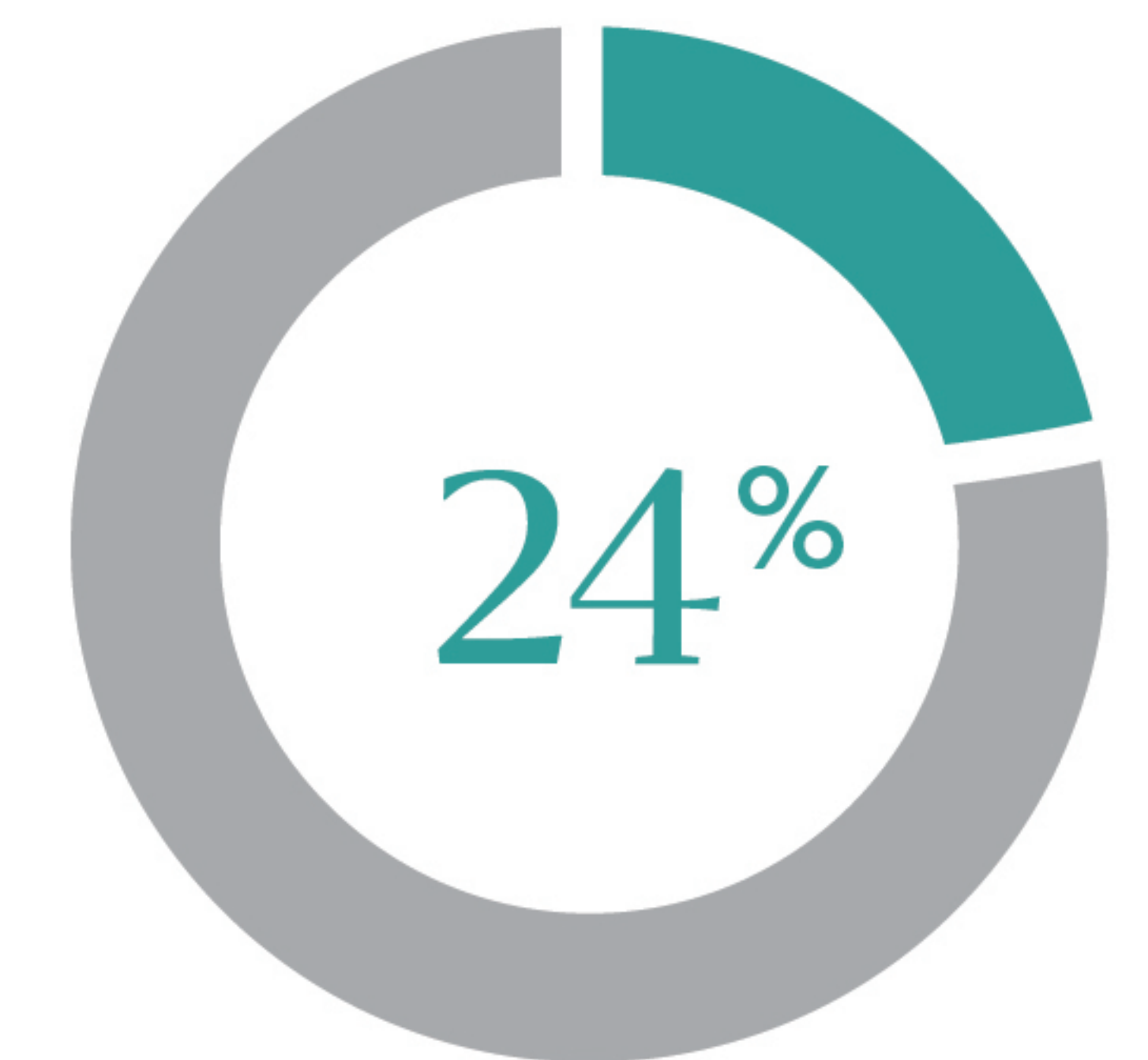
**YES, WE HAVE ADOPTED AN AUTOML SOLUTION**



**NO, BUT WE PLAN TO INVESTIGATE AN AUTOML SOLUTION IN THE FUTURE**



**NO, WE DON'T USE AN AUTOML SOLUTION AND WE HAVE NO FUTURE PLANS TO ADOPT ONE**





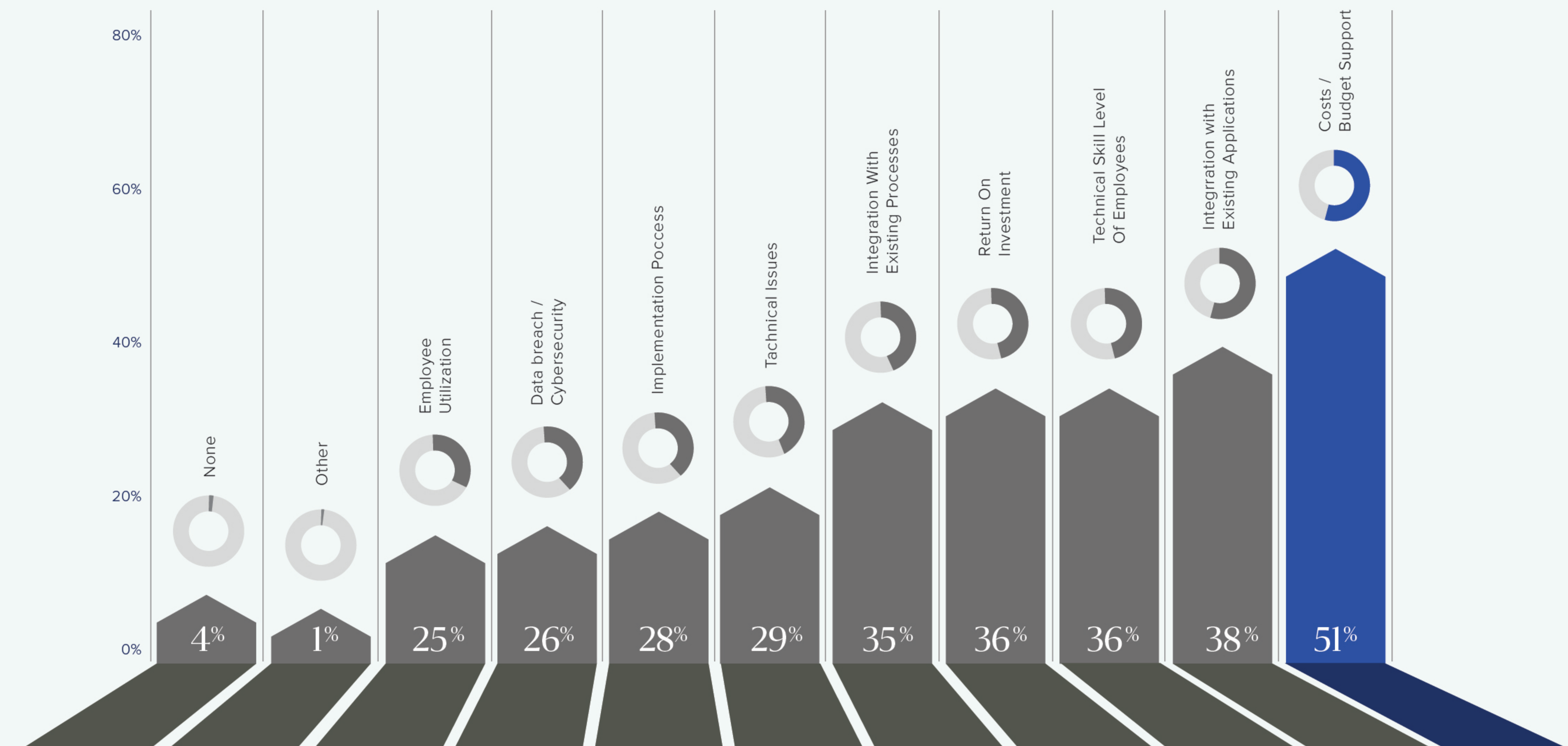
# Investment in

## CLOUD PLANNING & ANALYSIS TOOLS INCREASING



When asked about roadblocks to technology investment this year, financial decision-makers cited **costs/budget support as the top obstacle (51%)** for investing in new technologies

### OBSTACLES TO INVESTMENTS IN NEW TECHNOLOGIES





# Final

# THOUGHTS

The results of the **Financial Decision-Makers Survey** highlighted the **ongoing business challenges CFOs and Finance leaders face** as they plan for what's ahead in 2023.

**Inflation, higher interest rates, supply chain bottlenecks, and recession** are here to stay and most Finance executives expect them to continue into 2023.

The good news is that **today's cloud-based analytical software technologies are seeing increased adoption** and proving their worth in helping Finance teams become more efficient, plan and navigate a volatile economic landscape, and increase their agility to respond.

Artificial intelligence and machine learning adoption still lags mainstream planning and predictive analytics tools. But as these capabilities are embedded into modern planning, reporting and analytical software applications, Finance adoption is poised to expand rapidly.





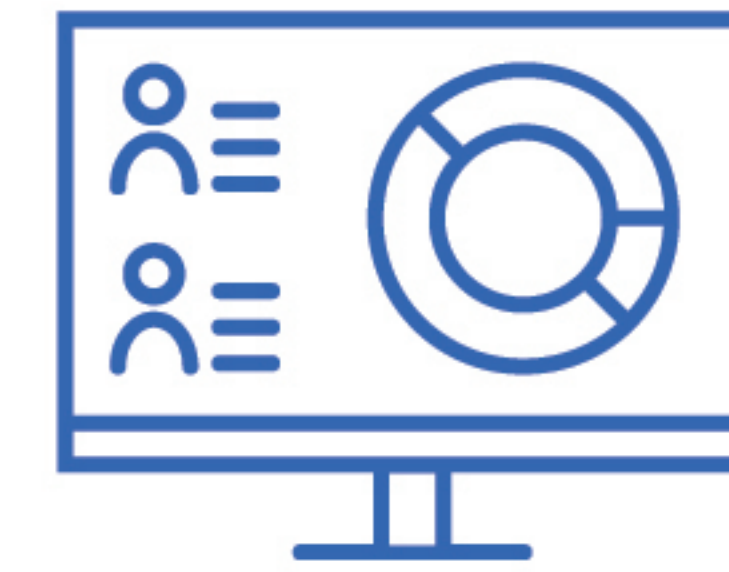
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# Respondent DEMOGRAPHICS



# Decision-Makers DEMOGRAPHICS

(n = 657)



## JOB FUNCTION

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%



## ROLE IN FINANCIAL DECISION-MAKING

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



## ORGANIZATION 2021 REVENUE

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%



# Industry

# DEMOGRAPHICS (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%

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%