



# 2023 – Q1 FINANCIAL DECISION MAKER OUTLOOK STUDY

Prepared for OneStream Software, LLC

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# EXECUTIVE SUMMARY

# 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., <sup>A</sup>, <sup>B</sup>, <sup>C</sup>). Corresponding letters indicate significant differences between groups.

SURVEY WAVE*		
	Spring 2022 (n=257)	18%
	Fall 2022 (n=657)	46%
	Spring 2023 (n=516)	36%

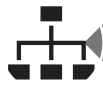
# KEY FINDINGS (1/2)

- **Continued inflation and economic disruption are seen as the largest business risks in 2023.** Cybersecurity is the next biggest risk/challenge both to organizations overall (18%) and to financial leaders themselves (19%). In response to the Inflation Reduction Act and increases in corporate tax rates, many organizations have reduced corporate spending (63%), raised the prices of products and services (53%), and/or updated financial reporting processes (51%).
- **If the US were to enter a recession, three-quarters of financial leaders would expect it to end within a year.** More than half of financial leaders, however, expect COVID-related supply chain disruptions to continue into 2024 (54%) or beyond (6%). Despite this, nearly all financial leaders expect their organization's revenue to increase (60%) or stay the same (32%) this year, compared to last year.
- **More than half of organizations plan to invest more in both DEI and ESG initiatives this year than in 2022, while a third plan to invest the same, and very few plan to invest less in each area.** Around half of organizations plan to hire more staff (46%) or contract workers (6%) in 2023, while a third are freezing hiring (31%), and few are reducing staff (10%) or unsure (7%). Staffing plans are similar for finance departments specifically.

# KEY FINDINGS (2/2)

- **Although there are obstacles organizations are facing when investing in new technologies, such as cost/ROI and technical skill level of employees, trends foreshadow an increased usage of tech going forward.** Cloud-based planning and reporting solutions remain the most used data analysis tools (91%), however, most organizations also use predictive analytics (85%), business intelligence (84%), and ML/AI (75%) tools at least intermittently, and about half of organizations are planning to invest more in each of these tools this year, compared to 2022 (45-51%).
  - Two-thirds of organizations (68%) have adopted an automated machine learning (AutoML) solution to supplement some of their workforce needs, a significant uptick from Fall 2022 (28%).
  - Financial leaders see opportunities for improvement in many areas with the help of AI/ML, including ChatGPT. The tasks/processes they believe these technologies will be most useful for include financial planning/analysis/reporting, sales/marketing, customer service, and cybersecurity/privacy.
- **Along with investing in new technology for the organization overall, almost all organizations are investing or planning to invest in new tech solutions to support finance functions specifically.** The most common solutions they are investing in are cloud-based applications (52%), AI/ML (43%), advanced predictive analytics (42%), and budgeting/planning systems (42%).

# FINANCIAL LEADERS SNAPSHOT



68% primary decision-makers



32% share authority

Job Role

50% Manager/Sr. Manager

28% Director

5% Vice President/Sr. Vice Pres.

8% C-Suite Executive

5% President/CEO

4% Owner

## EXPECTED END OF POTENTIAL RECESSION

Mid 2023

Late 2023

Early 2024

Mid 2024

12%

33%

28%

26%

## 2023 INVESTMENT DECISIONS

### ESG/DEI Investment Plans

More or Same ESG spending

90%

Less or No ESG spending

10%

More or Same DEI spending

91%

Less or No DEI spending

9%

### 2023 Increased Investments (Top 2)

Cloud-based planning and reporting solutions

51%

Machine Learning (ML)/ Artificial Intelligence (AI)

47%

Business Intelligence

47%

Predictive Analytics

45%

### To address tax reforms, they ...

59% Concerned about inflation or economic disruption

63%

Reduced corporate spending

53%

Raised the price of products

51%

Updated reporting processes



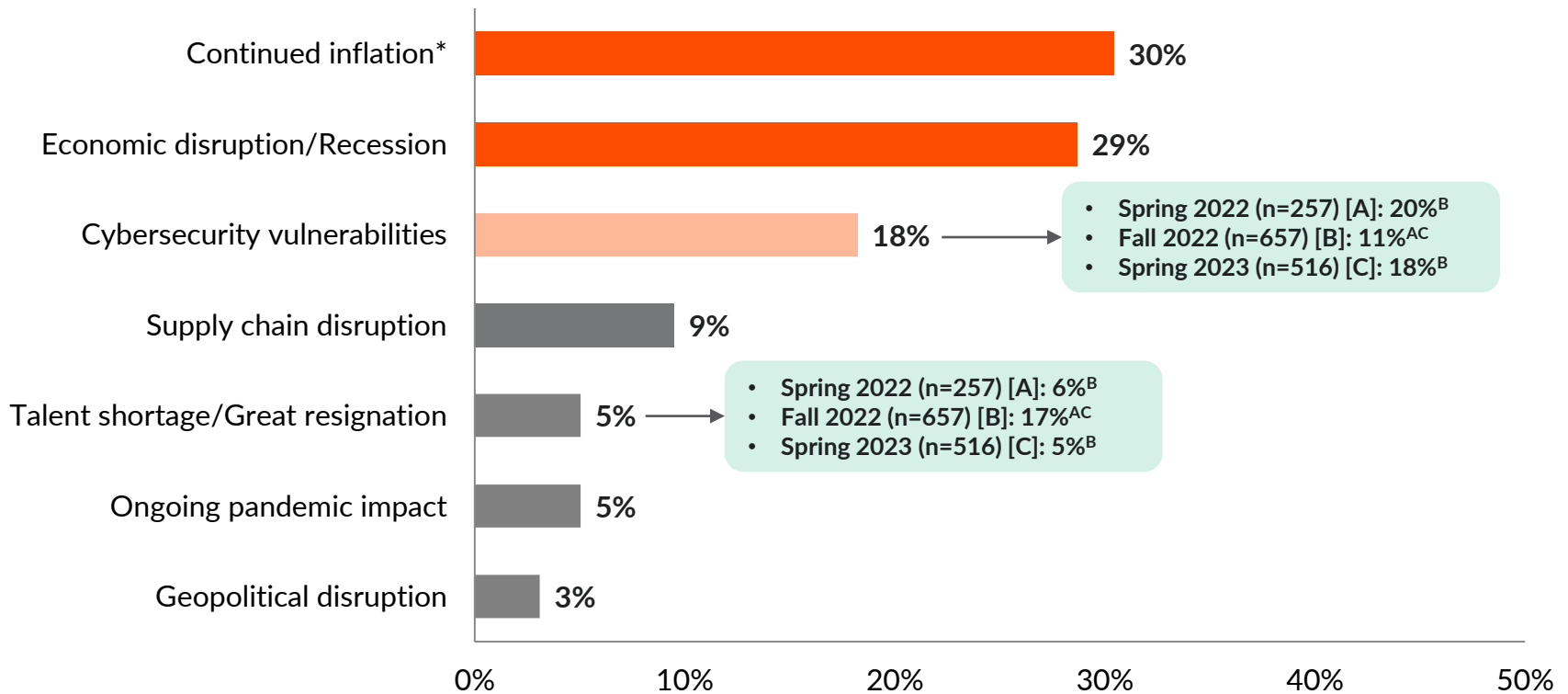
# TOP CHALLENGES



# CONTINUED INFLATION AND ECONOMIC DISRUPTIONS ARE THE TOP CONCERNS FOR MORE THAN HALF OF ORGANIZATIONS IN 2023

- Cybersecurity is the next biggest concern (18%), returning to around Spring 2022 level (20%) after a dip in Fall 2022 (11%).
- Encouragingly, concerns about supply chain disruption (9%), the ongoing pandemic impact (5%), and geopolitical disruption (3%) have all steadily decreased since Spring 2022, and the concern around talent shortage (5%) has returned to Spring 2022 level (6%) after spiking in Fall 2022 (17%).

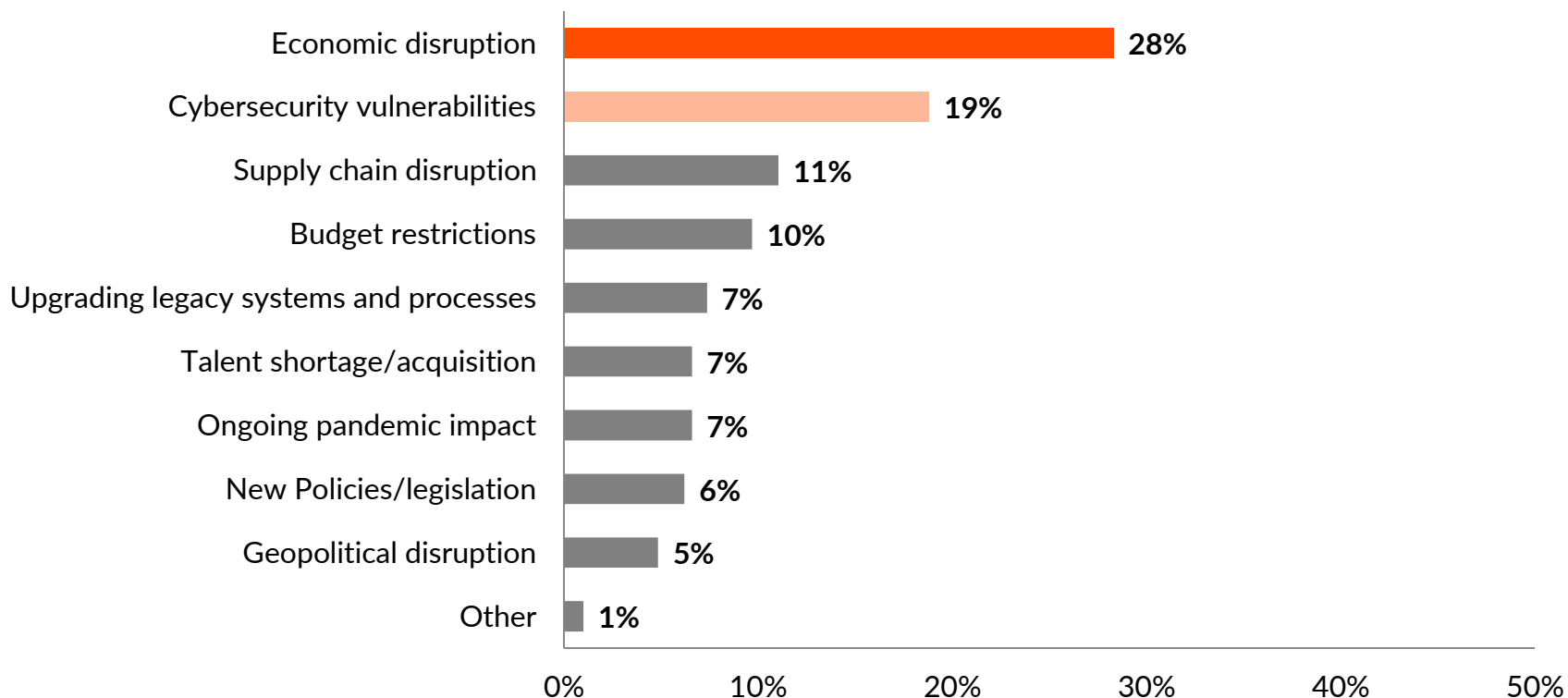
## 2023 BUSINESS RISKS



# FOR FINANCIAL LEADERS SPECIFICALLY, ECONOMIC DISRUPTION IS THE TOP CHALLENGE

- Cybersecurity vulnerabilities (19%), supply chain disruption (11%), and budget restrictions (10%) are the next greatest challenges, and this is consistent within each sector (i.e., private and public).

## TOP CHALLENGES FOR FINANCIAL LEADERS IN 2023



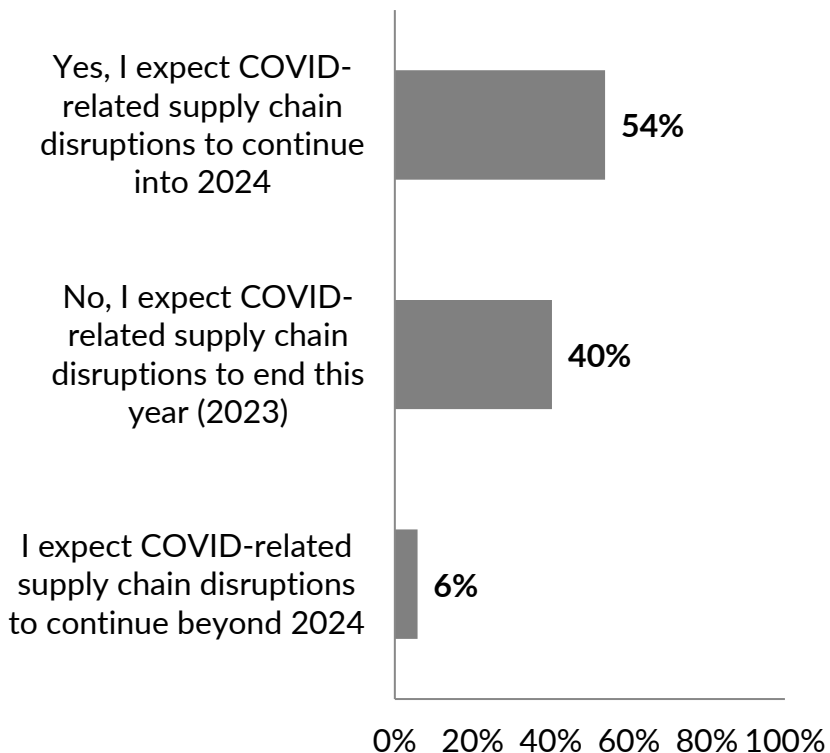
# 2023 FORECASTING

# **COVID, INFLATION, POTENTIAL RECESSION**

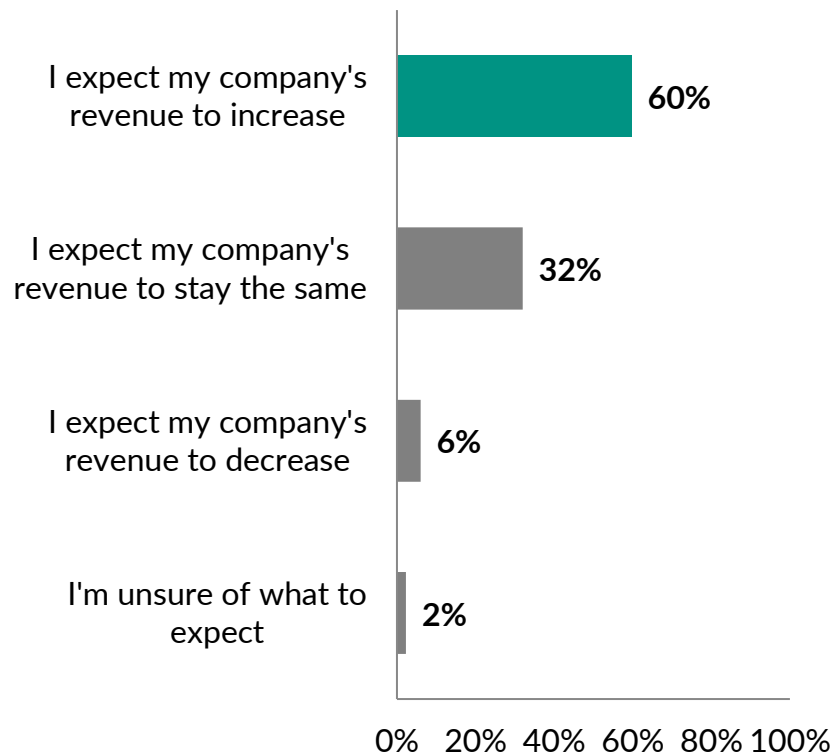
# MORE THAN HALF OF FINANCIAL LEADERS EXPECT COVID-RELATED SUPPLY CHAIN DISRUPTIONS TO CONTINUE INTO 2024 OR BEYOND

- In Spring 2022, almost no financial leaders (6%) expected disruption to continue *beyond 2023*, portraying a clear underestimation of the extent of this issue.
- Despite supply chain disruptions, nearly all organizations expect their revenues to either increase (60%) or stay the same (32%) this year, compared to last year.

## SUPPLY CHAIN EXPECTATIONS



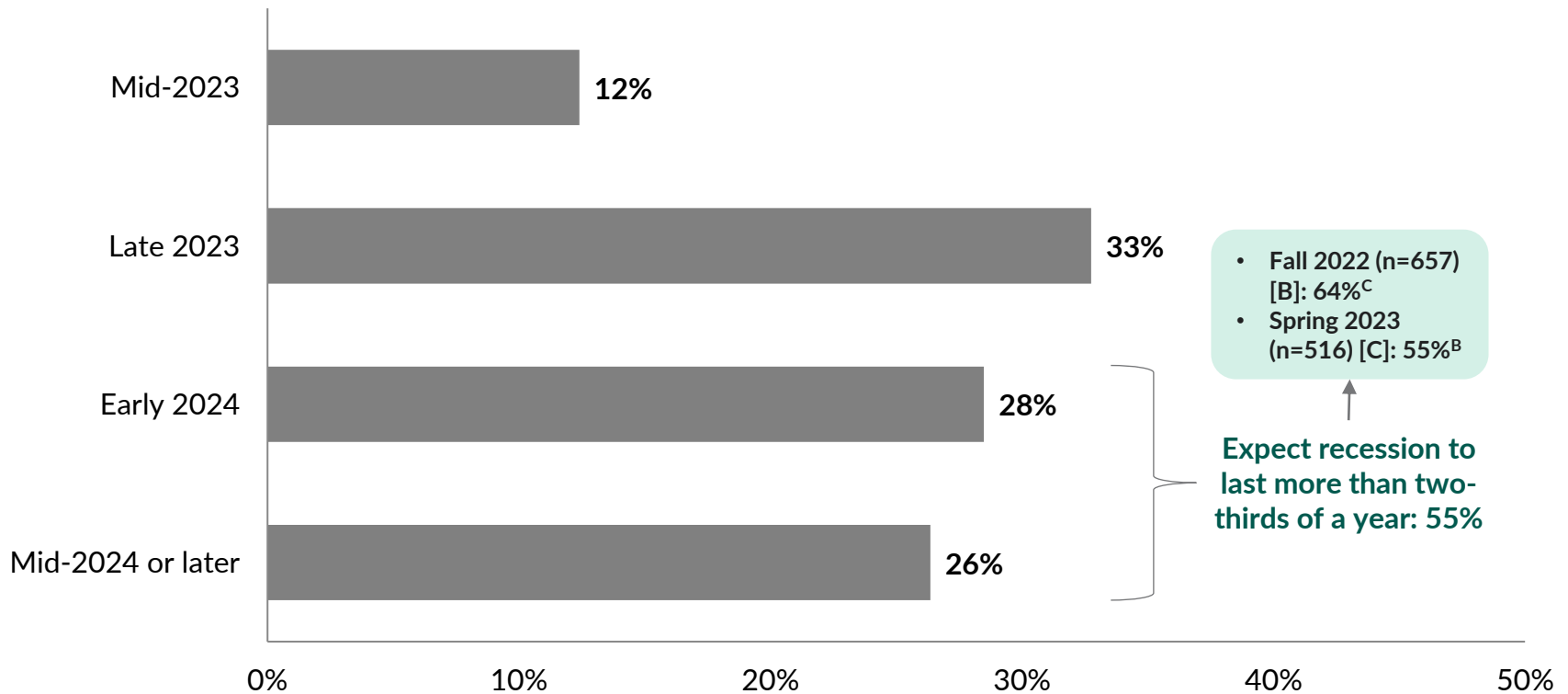
## 2023 REVENUE EXPECTATIONS



# EXPECTATIONS OF HOW LONG A POTENTIAL RECESSION WOULD LAST VARY ACROSS FINANCIAL LEADERS

- Specifically, if the US were to enter an official recession, about half (45%) believe it would end in 2023, while the rest (55%) think it would extend into 2024 or beyond.
- This is encouraging because in Fall 2022, financial leaders were significantly more likely to believe the recession would last more than two-thirds of a year if the US were to enter one (64%).

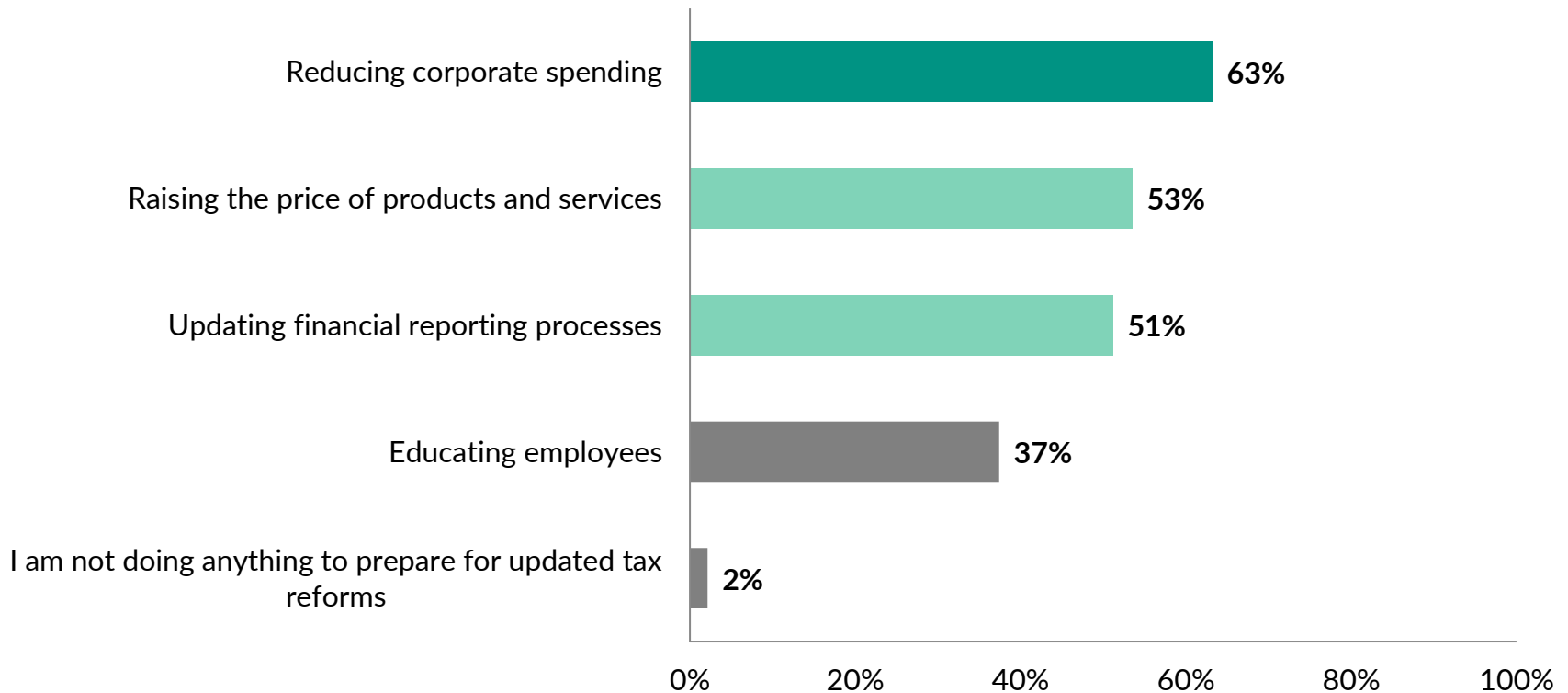
## EXPECTED RECESSION LENGTH



# TWO-THIRDS OF ORGANIZATIONS HAVE RESPONDED TO THE INFLATION REDUCTION ACT BY REDUCING CORPORATE SPENDING

- Around half have raised the prices of products and services (53%) and/or updated financial reporting processes (51%), while a third have educated employees (37%).
- This generally corresponds with financial leaders' preparations in the spring and fall of 2022.\*

## STEPS BEING TAKEN TO ADDRESS TAX REFORMS



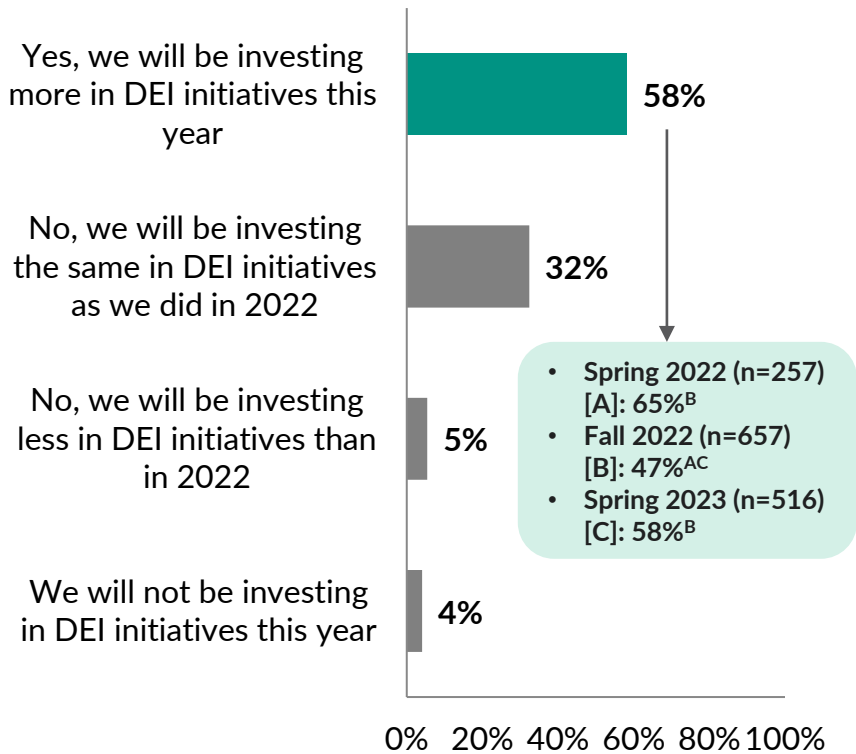
# ESG/DEI



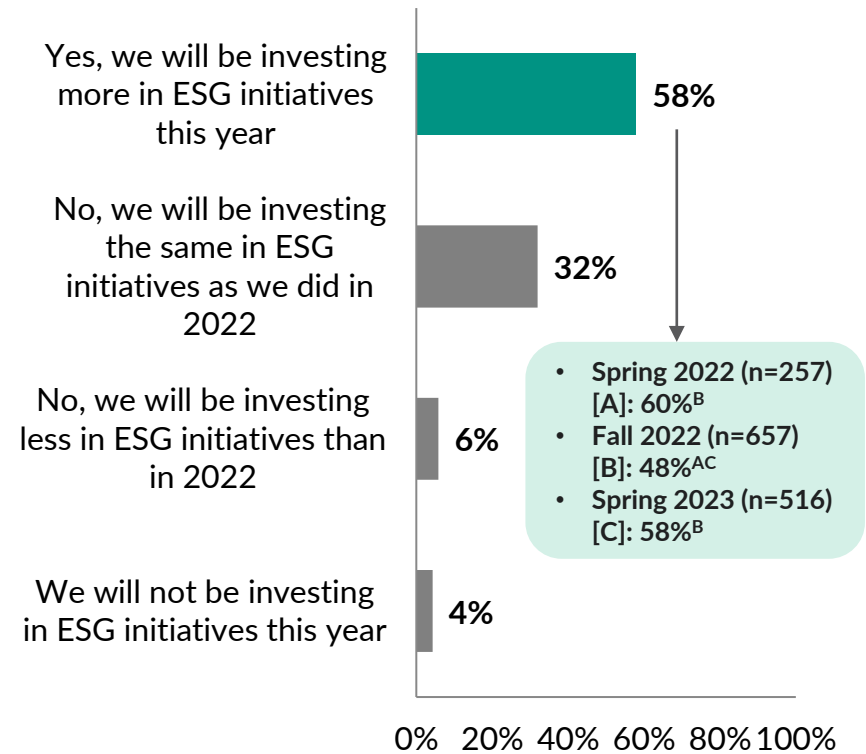
# MORE THAN HALF OF ORGANIZATIONS PLAN TO INVEST MORE IN DEI AND ESG GOALS AND INITIATIVES IN 2023 THAN IN 2022

- These are both significant increases from Fall 2022 (47%, 48%), and are more in line with Spring 2022 plans (65%, 60%).

## DEI INVESTMENT PLANS



## ESG INVESTMENT PLANS

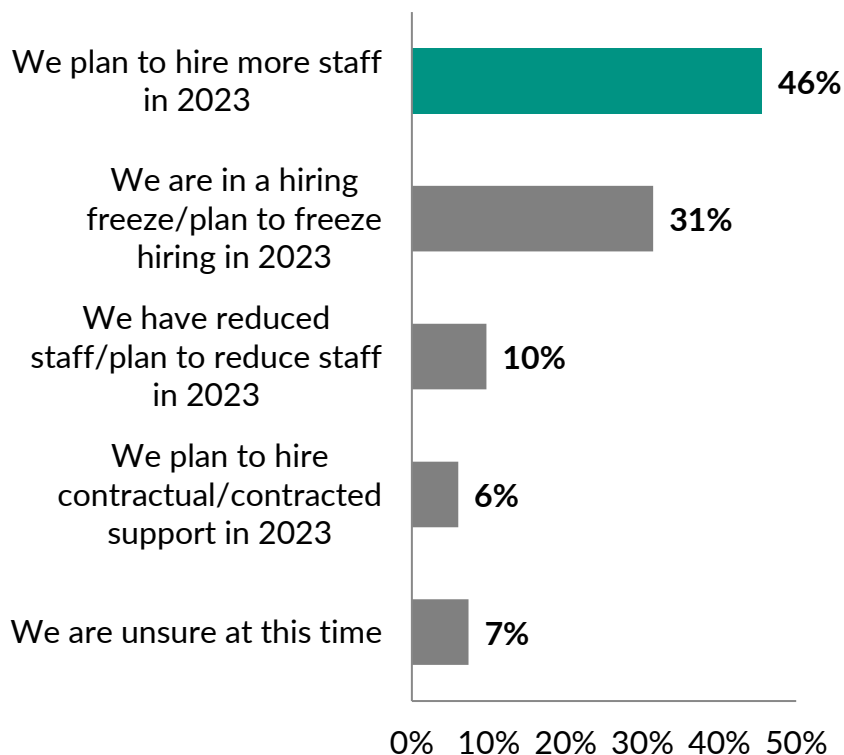


# STAFFING

# HALF OF ORGANIZATIONS ARE PLANNING TO HIRE MORE STAFF IN 2023, WHILE THE REST ARE FREEZING HIRING, REDUCING STAFF, OR UNSURE

- This is true at the organizational level as well as for finance departments specifically, though slightly fewer are planning to hire more staff for finance departments (41%) than for the organization overall (46%).

## STAFFING PLANS - OVERALL



## STAFFING PLANS - FINANCE DEPARTMENT

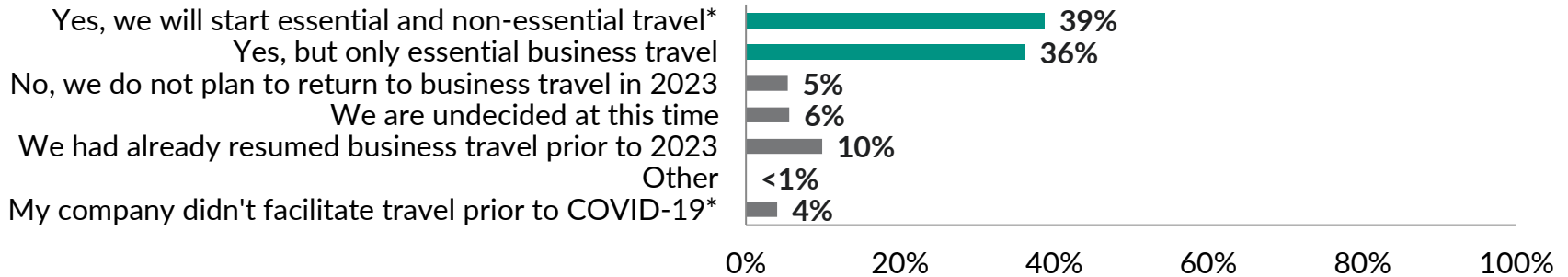


# **BUSINESS TRAVEL**

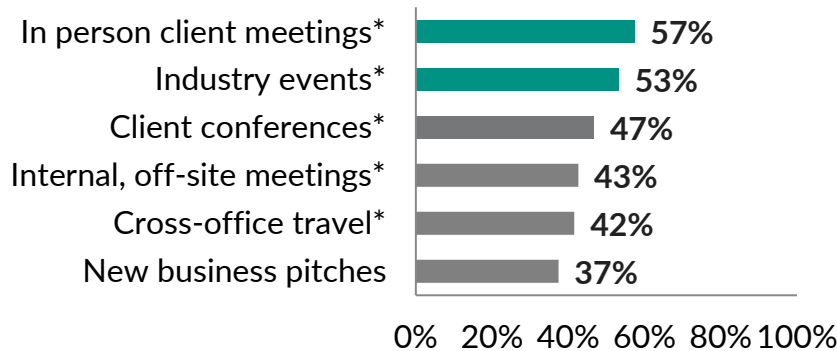
# THREE-QUARTERS OF ORGANIZATIONS PLAN TO RESUME BUSINESS TRAVEL IN 2023

- This finding should be interpreted with caution, however, because in Spring 2022, most organizations (80%) planned to resume business travel in 2022, but very few have actually done so (10%), according to this survey.
- Among those who plan to resume, more than a third plan on resuming each form of travel, with the largest share planning on resuming in person client/customer meetings (57%) and industry conferences/events (53%).
- Flight prices (47%) and hotel and food prices (44%), along with travel not being a necessity (42%), are the top reasons preventing some organizations from resuming travel.

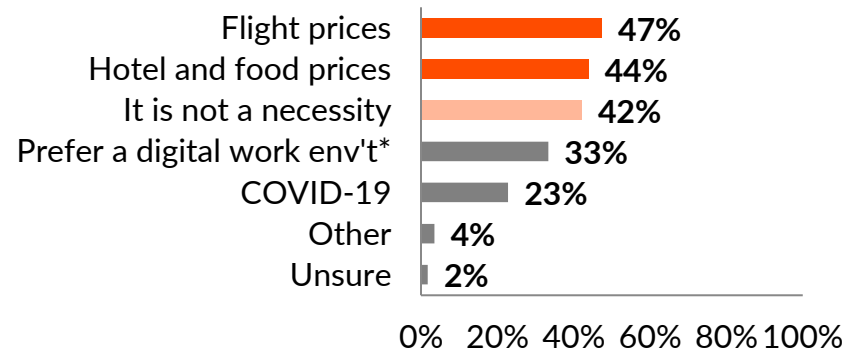
## BUSINESS TRAVEL PLANS



## TYPES OF TRAVEL PLANNING TO RESUME



## REASONS FOR NOT PLANNING TO RESUME TRAVEL



Q4.1 Some organizations have resumed business travel in the past year. Does your organization plan to re-introduce business travel this year? (n=516)

Q4.2 What forms of business travel do you plan to resume in 2023? Select all that apply. (n=387)

Q4.3 Which of the following are reasons you do not plan to resume business travel in 2023? Select all that apply. (n=57)

\*Note: Answer option shortened for brevity.



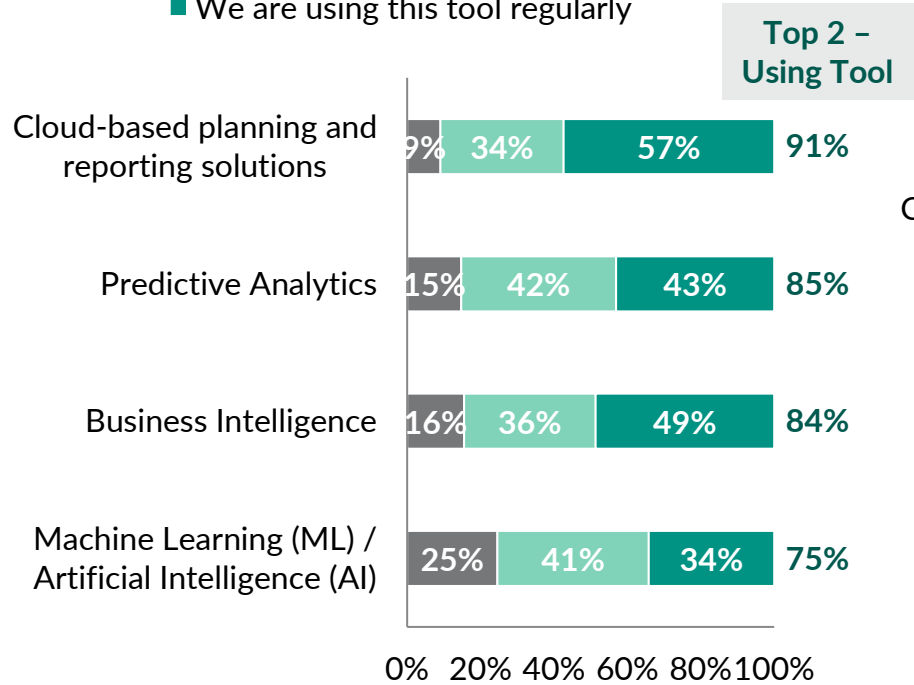
# TECHNOLOGY

# CLOUD-BASED PLANNING AND REPORTING SOLUTIONS REMAIN THE MOST REGULARLY USED TOOLS

- Business intelligence, predictive analytics, and ML/AI tools are also used at least intermittently by most organizations (75-85%), including between a third and half using these tools regularly (34-49%).
- Moving forward, around half of organizations (45-51%) plan on investing more in these tools this year, while fewer than a quarter (16-20%) plan on investing less.

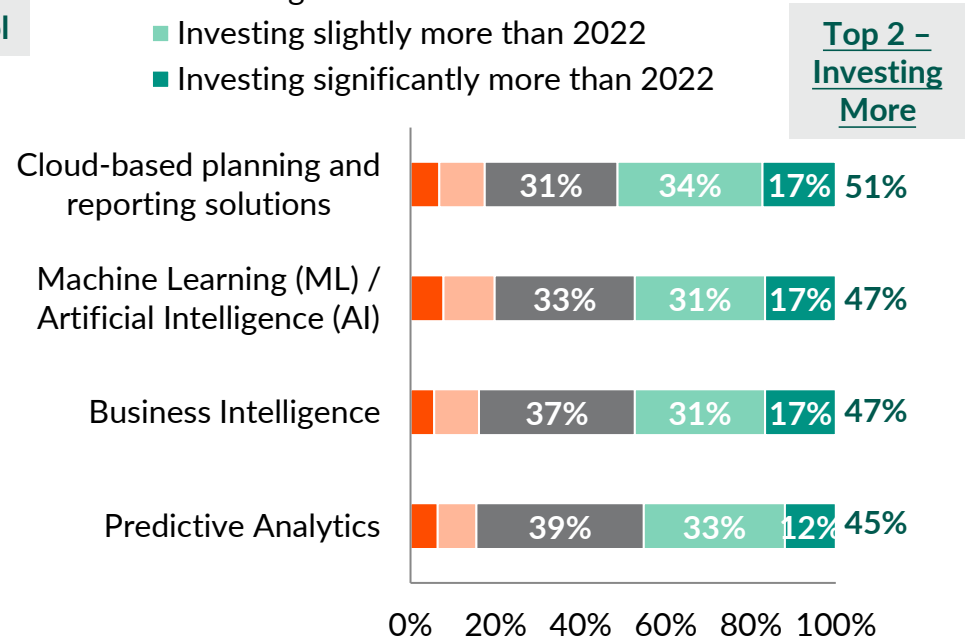
## DATA ANALYSIS TOOL USAGE

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



## DATA ANALYSIS TOOL INVESTMENT CHANGES

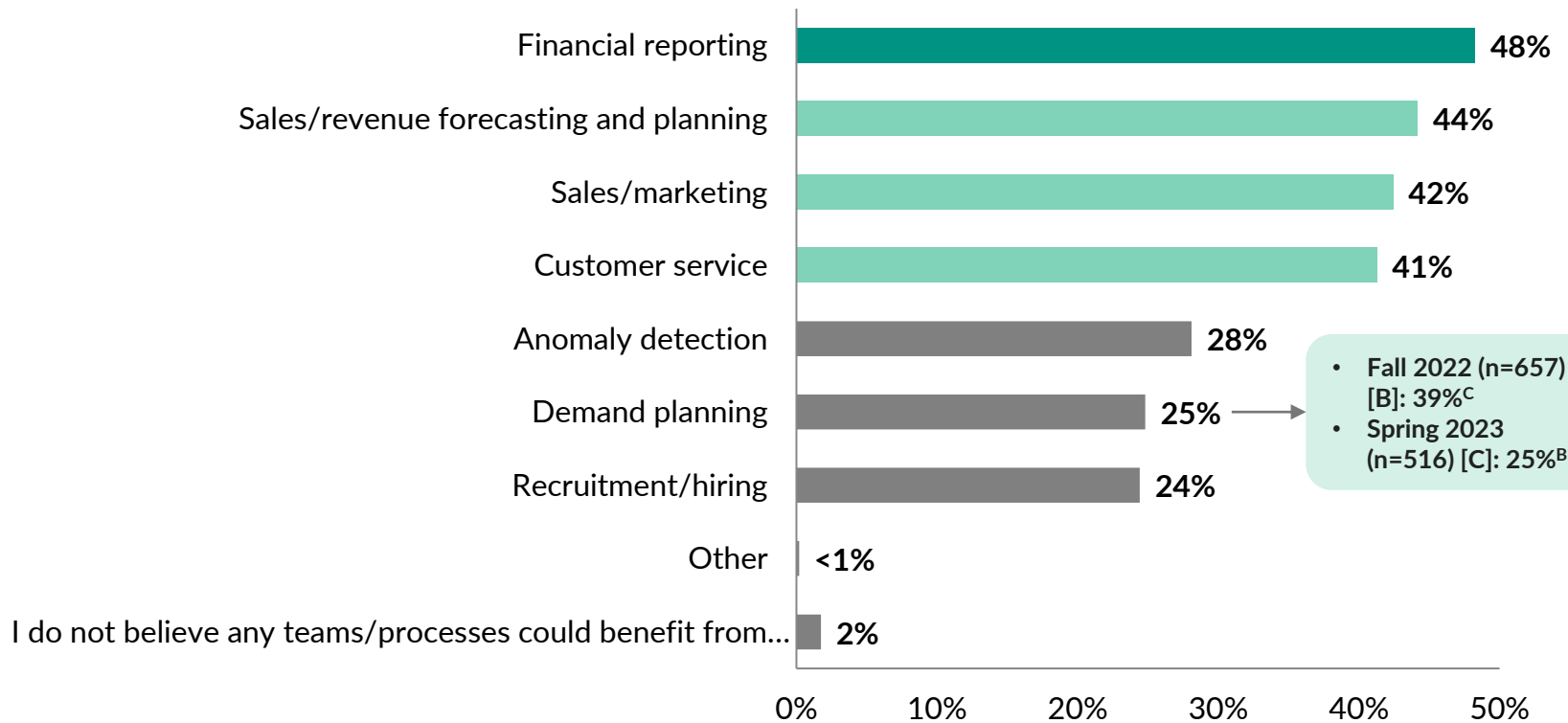
- Investing significantly less than 2022
- Investing slightly less than 2022
- Investing the same as 2022
- Investing slightly more than 2022
- Investing significantly more than 2022



# FINANCIAL LEADERS BELIEVE FINANCIAL REPORTING COULD BENEFIT MOST FROM AI/ML SOLUTIONS

- Slightly fewer than half believe sales/revenue forecasting and planning (44%), sales/marketing (42%), and customer service (41%) could benefit most.
- These findings are highly similar to Fall 2022 results, except for demand planning, for which financial leaders were significantly more likely to see an opportunity then (39%) compared to now (25%).

## AI/ML OPPORTUNITIES

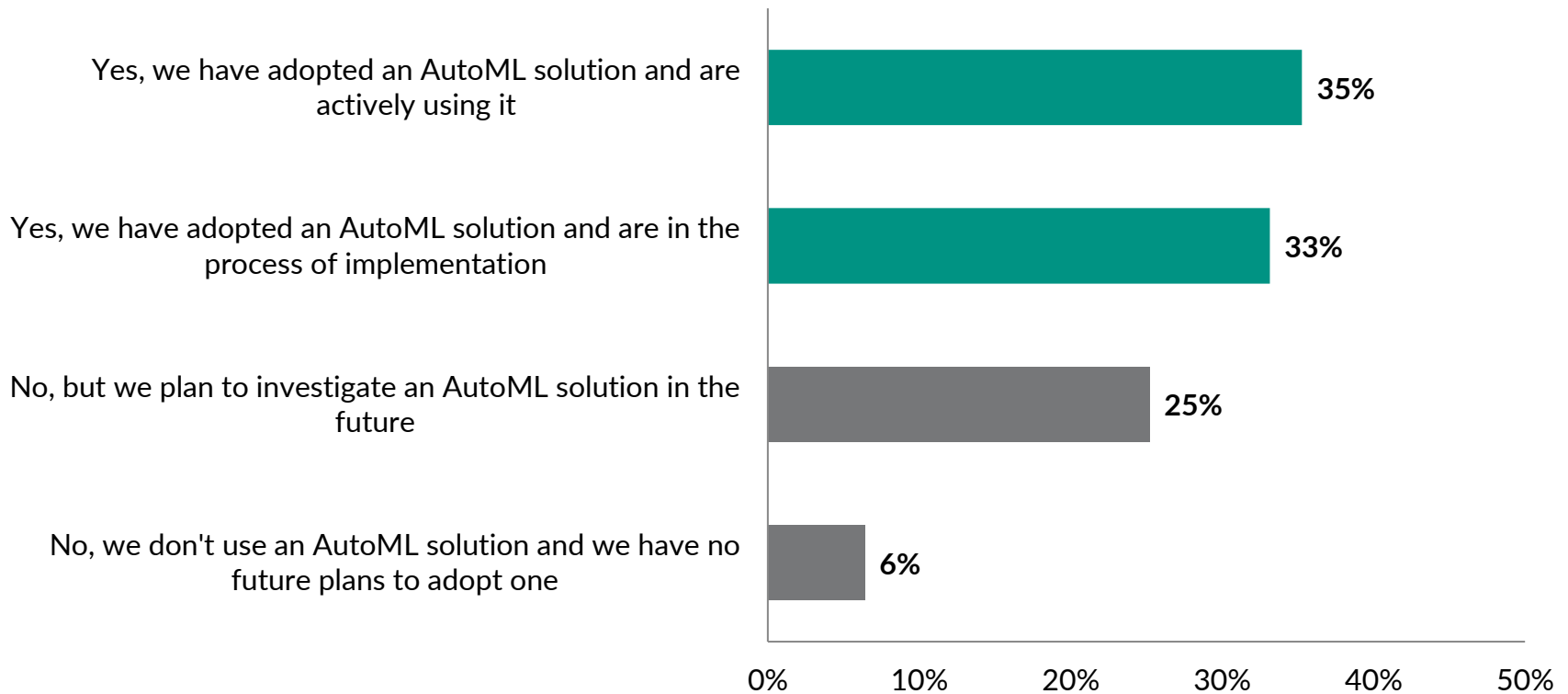




# TWO-THIRDS OF ORGANIZATIONS HAVE ADOPTED AN AUTOML SOLUTION TO SUPPLEMENT SOME OF THEIR WORKFORCE NEEDS

- This is a significant increase from Fall 2022, when most organizations had *not* adopted such solutions (72%), including a quarter of organizations (24%) that had no plans of doing so.\*

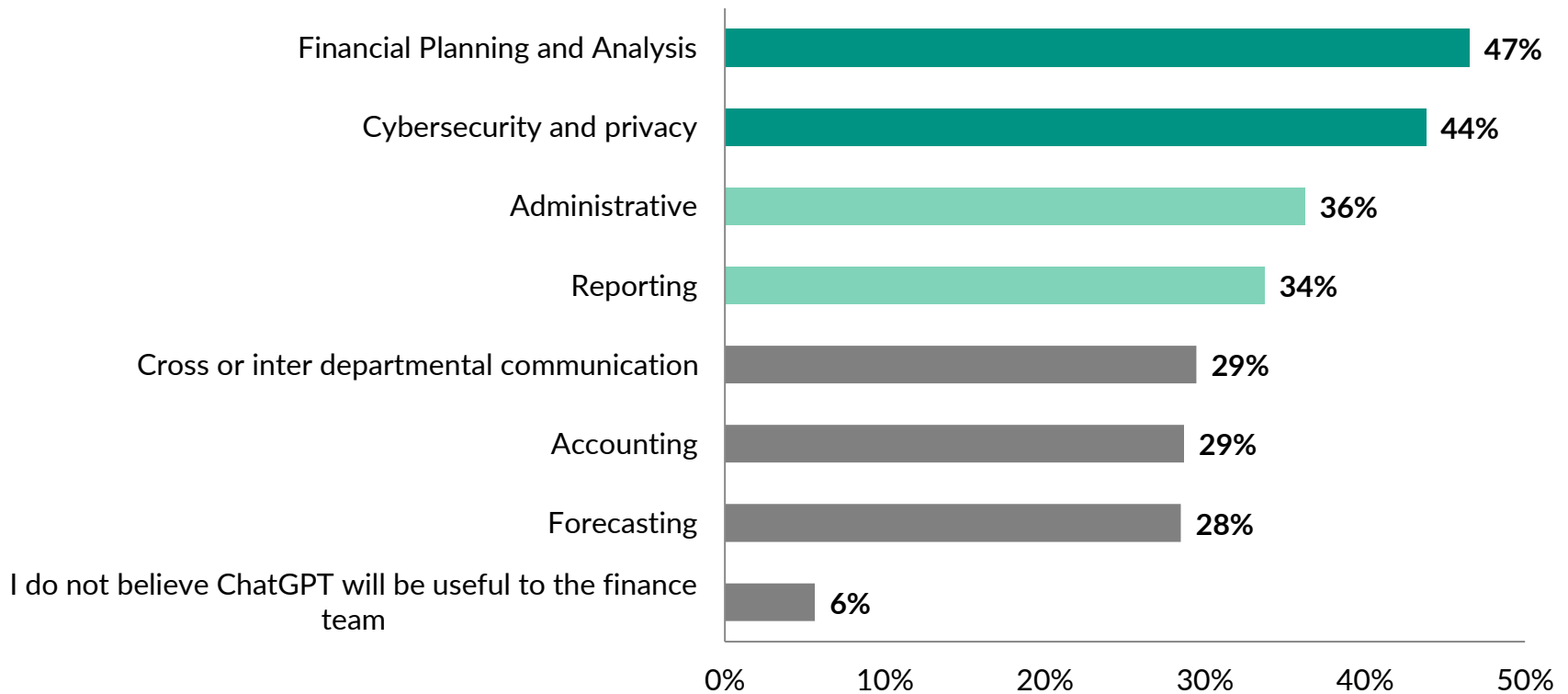
## AUTOML PLANS



# FINANCIAL LEADERS BELIEVE CHATGPT WILL BE MOST USEFUL FOR FINANCIAL PLANNING AND ANALYSIS, CYBERSECURITY, AND PRIVACY

- A third of financial leaders also believe it will be useful for administrative (36%) and reporting (34%) tasks.

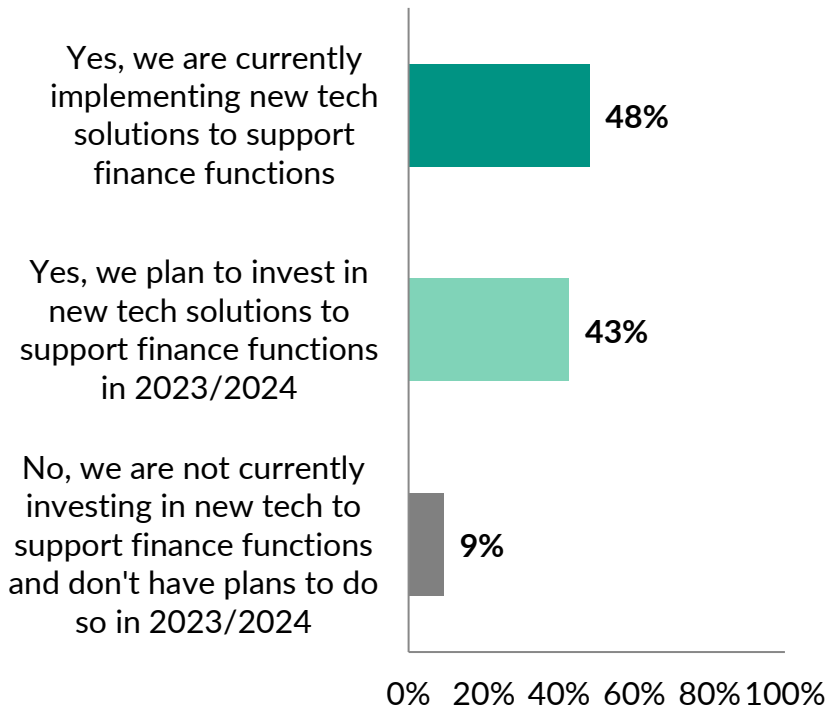
## EXPECTED USES OF CHATGPT



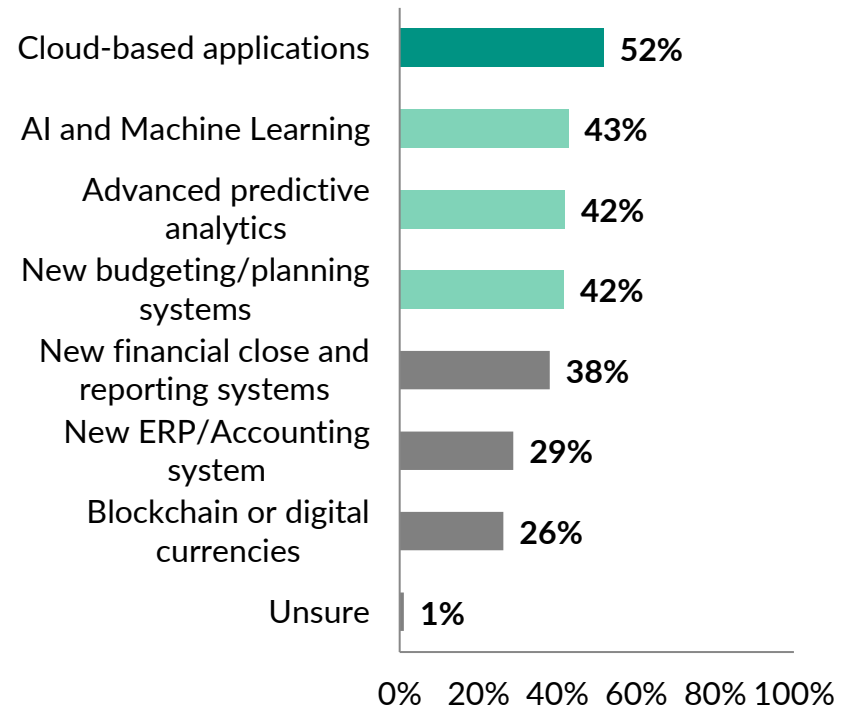
# HALF OF ORGANIZATIONS ARE CURRENTLY IMPLEMENTING NEW TECH SOLUTIONS TO SUPPORT FINANCE FUNCTIONS

- Many of the remaining organizations (43%) are planning to invest in such solutions in 2023/2024.
- Cloud-based applications (52%) are the most common type of technology organizations are investing in or planning to invest in, followed by AI/ML (43%), advanced predictive analytics (42%), and budgeting/planning systems (42%).

## INVESTMENT IN NEW TECHNOLOGY TO SUPPORT FINANCE FUNCTIONS



## TYPES OF TECHNOLOGY BEING INVESTED IN

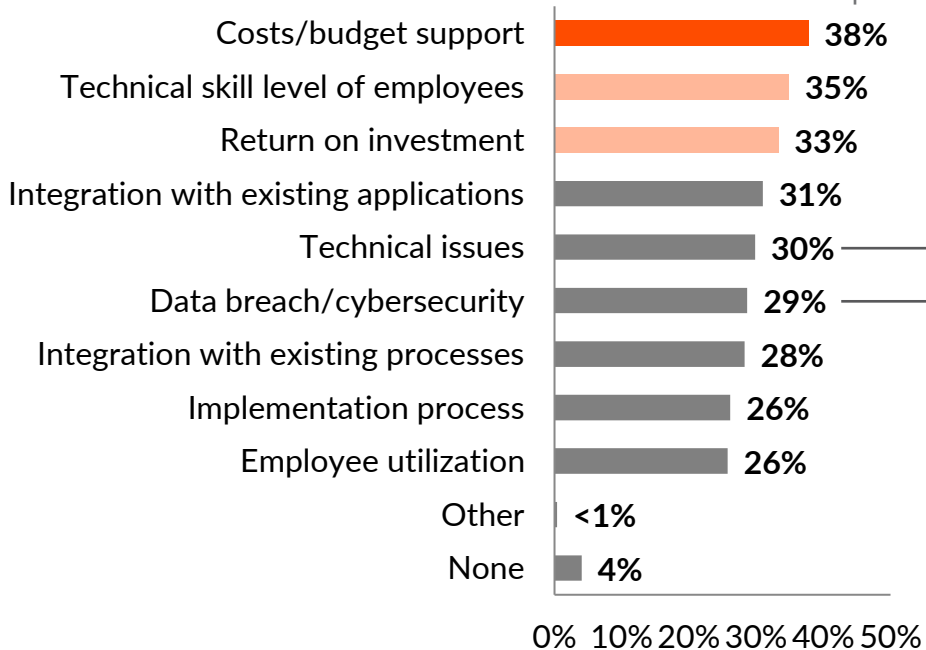


# COST/BUDGET SUPPORT REMAINS THE TOP OBSTACLE TO INVESTING IN NEW TECHNOLOGIES

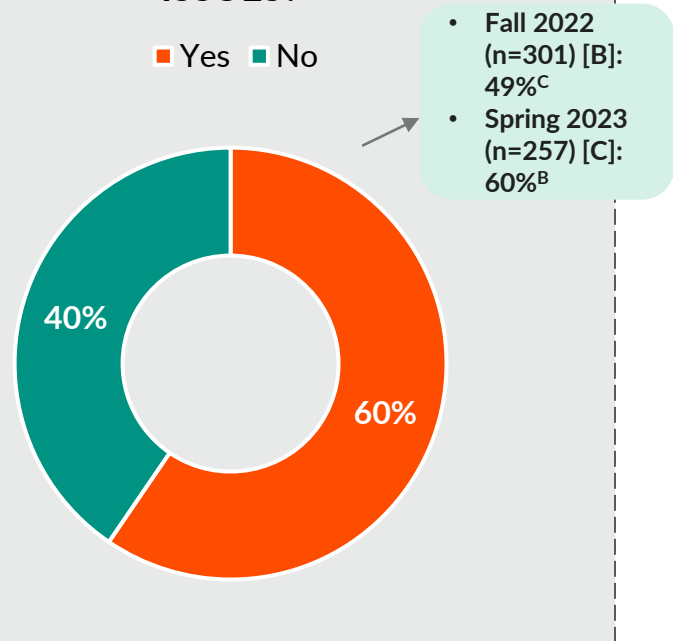
- The share of organizations that report this as an obstacle, however, has decreased significantly from Fall 2022 (51%).
- Still, more than a quarter of organizations report each of the listed obstacles as potentially preventing them from investing in new technologies.
- For those who report technical and/or security issues as obstacles, more than half (60%) say this is due to a lack of trust from new technology solutions.

• Fall 2022 (n=657) [B]: 51%<sup>C</sup>  
 • Spring 2023 (n=516) [C]: 38%<sup>B</sup>

## OBSTACLES TO INVESTMENTS IN NEW TECHNOLOGIES



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



# DEMOGRAPHICS

# RESPONDENT CHARACTERISTICS



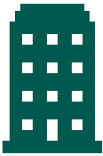
## Age (n=516)

18 to 24	4%
25 to 34	36%
35 to 44	38%
45 to 54	15%
55+	7%



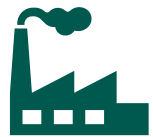
## Country (n=516)

Canada	28%
Mexico	33%
United States	39%



## Sector (n=516)

Private	64%
Public	36%



## Industry (n=516)

Construction/Home Improvement	16%
Manufacturing	14%
Retail	12%
Finance/Banking/Insurance	11%
Engineering/Architecture	6%
Education	5%
Telecommunications	4%
Healthcare/Medical	4%
Accounting	3%
Food Service	3%
Other	22%



## Decision-Making Status (n=516)

Primary decision maker	68%
Shared decision-making authority	32%



## Job Role (n=516)

Manager/Sr. manager	50%
Director	28%
Vice president/Sr. vice president	5%
C-suite executive	8%
President/CEO	5%
Owner	4%



## Job Function (n=516)

Director of finance	18%
Chief Financial Officer (CFO)	11%
Chief Information Officer (CIO)	11%
Director of financial reporting	11%
VP/director of financial systems	9%
Controller	7%
Director of FPA	6%
VP of finance	5%
Chief Accounting Officer (CAO)	4%
VP of financial reporting	2%
VP of accounting	2%
VP of FPA	1%
None of these	15%



## 2022 Revenue (n=516)

Under \$100M	24%
\$100M to \$499M	22%
\$500M to \$999M	22%
\$1B to \$4.99B	15%
\$5B to \$10B	7%
Over \$10B	5%
I don't know/prefer not to respond	3%





Thank you.

## CONTACT

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