



FINANCIAL DECISION-MAKERS OUTLOOK

OneStream Software, LLC

May 2022

TABLE OF CONTENTS

- 3** / Executive Summary
- 8** / Economic Condition
- 15** / Talent Retention
- 18** / ESG & DEI Plans
- 21** / Machine Learning and Technology
- 30** / Demographics

To navigate to these sections in slideshow mode, click the slide. In edit mode, CTRL+Click

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 outlook 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 April 2022 and respondents were recruited via a third-party panel.
- The analysis includes a total of 257 respondents following data cleaning and quality control.
- Due to the limited statistical power of the small sample, results should be interpreted directionally.

RESPONDENT QUALIFICATIONS

- Age 18+
- Employed full-time
- Currently resides in the US, Canada, or Mexico
- 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

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	
	Spring 2022 (n=257)	35%
	Fall 2021 (n=249)	34%
	Spring 2021 (n=222)	30%

KEY FINDINGS

- **Economic disruptions (30%) are considered the largest threat to business in 2022.** To cope with elevated inflation rates, companies are increasing prices (51%), executing new sales initiatives (48%), and expanding supplier networks (47%). While the supply chain disruption and the increasing inflation rates are expected to continue into 2023, companies are planning on resuming business travel in 2022 (80%), especially for client-related events.
 - To prepare for updated tax reform, companies are revisiting their financial forecasts and many are updating tax planning processes, reducing spending, and raising the price of products or services.
- **Companies are increasing employee training (56%) and improving workspaces (52%) to combat the “Great Resignation.”** Few financial leaders (12%) are planning on making a career move outside of their current company, but they would be most likely to move for better compensation (23%) and a better work/life balance (22%).
- **Most organizations are planning on investing in ESG this year and preparing for a potential ESG ruling.** Nearly all organizations are also investing in DEI initiatives (91%) either more or the same as in 2021.
- **While half of organizations regularly use cloud-based solutions (55%) and predictive analysis (45%), only a third regularly use machine learning (37%) and artificial intelligence (35%).** Half of organizations are increasing investments for each of these data analysis tools, although rates of increased investments are overall decreasing compared to rates during the COVID-19 pandemic.
 - Financial leaders report that the primary barrier to technological advancements in their organizations is budget support (42%).
- **Although only a third of organizations (37%) regularly use machine learning, over half (56%) are currently using AutoML.** Two-thirds of organizations that have adopted an AutoML solution (63%) have fully embraced it and have seen returns on their investments. Those who do not plan on adopting an AutoML solution say their current system is working and there is no need to change (36%).
 - Financial leaders view intelligent process operations as the most opportune area for machine learning investments (45%).

FINANCIAL LEADER SNAPSHOT



Job Role



2022 INVESTMENT DECISIONS

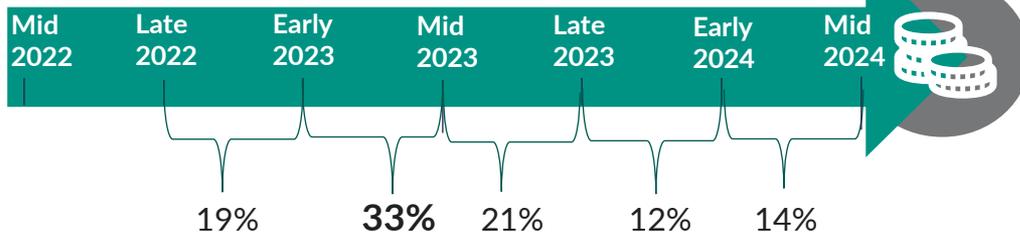
Steps Taken to Address Workforce Shortage

Training/ employee development	Improving workspaces	Building company culture	Expanding recruitment workforce	Software/ technical support
56%	52%	47%	44%	44%

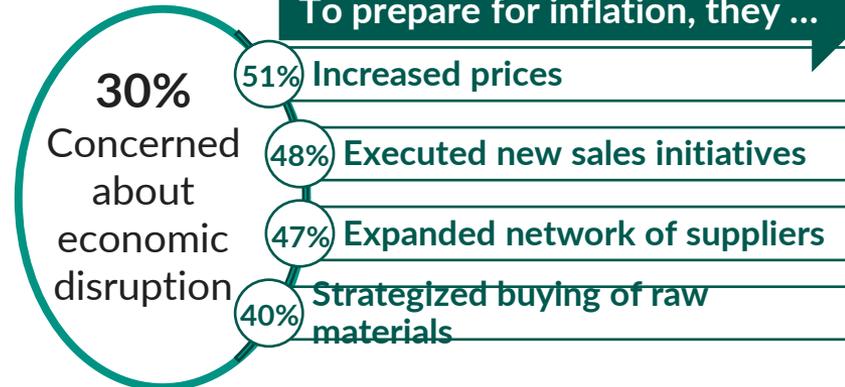
2022 Increased Investments (Top 2)

Predictive Analytics	Cloud-based planning and reporting solutions	Artificial Intelligence	Machine Learning
50%	50%	48%	47%

EXPECTED INFLATION RATE DECREASE



To prepare for inflation, they ...

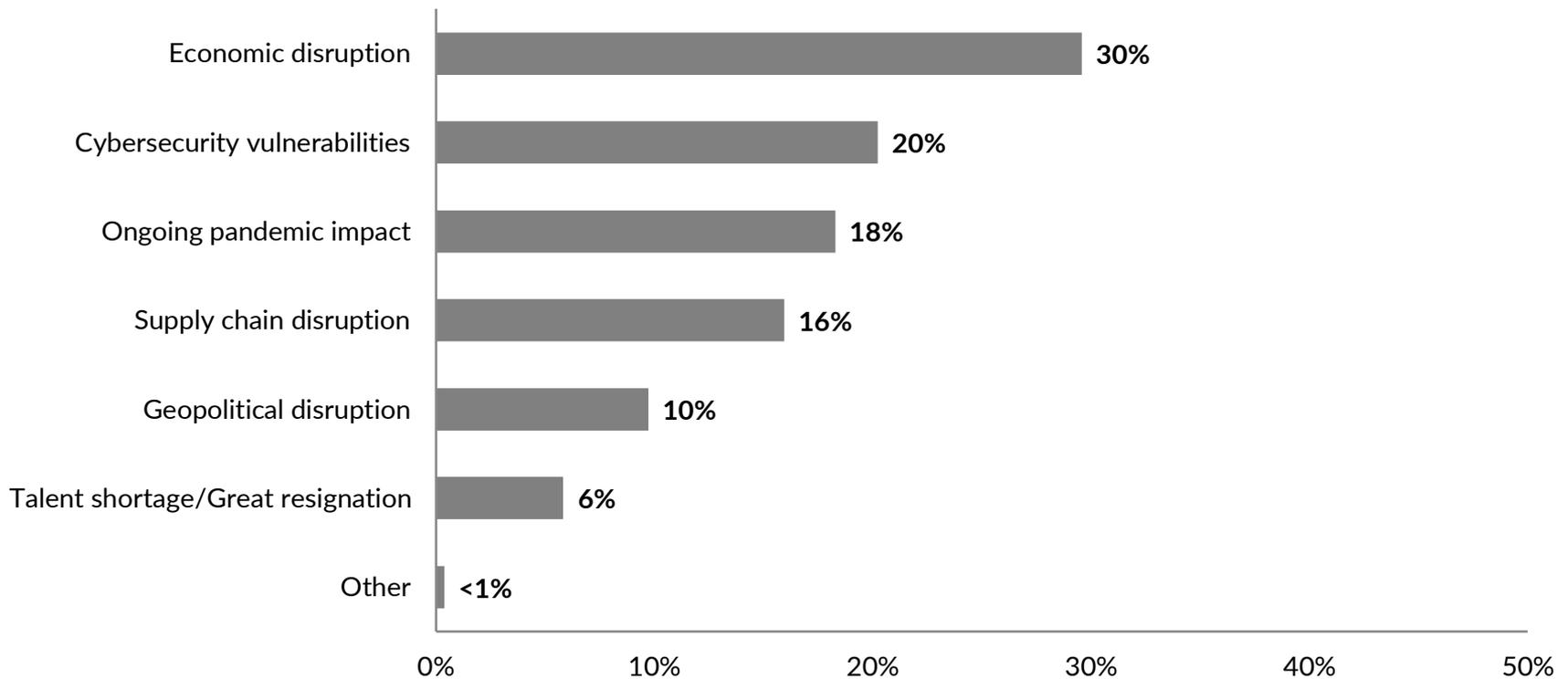


ECONOMIC CONDITION

ECONOMIC DISRUPTIONS ARE THE TOP CONCERN FOR BUSINESSES IN 2022, FOLLOWED BY CYBERSECURITY AND LINGERING PANDEMIC IMPACTS

- Few financial leaders believe that supply chain and geopolitical disruptions are the largest risks in 2022.

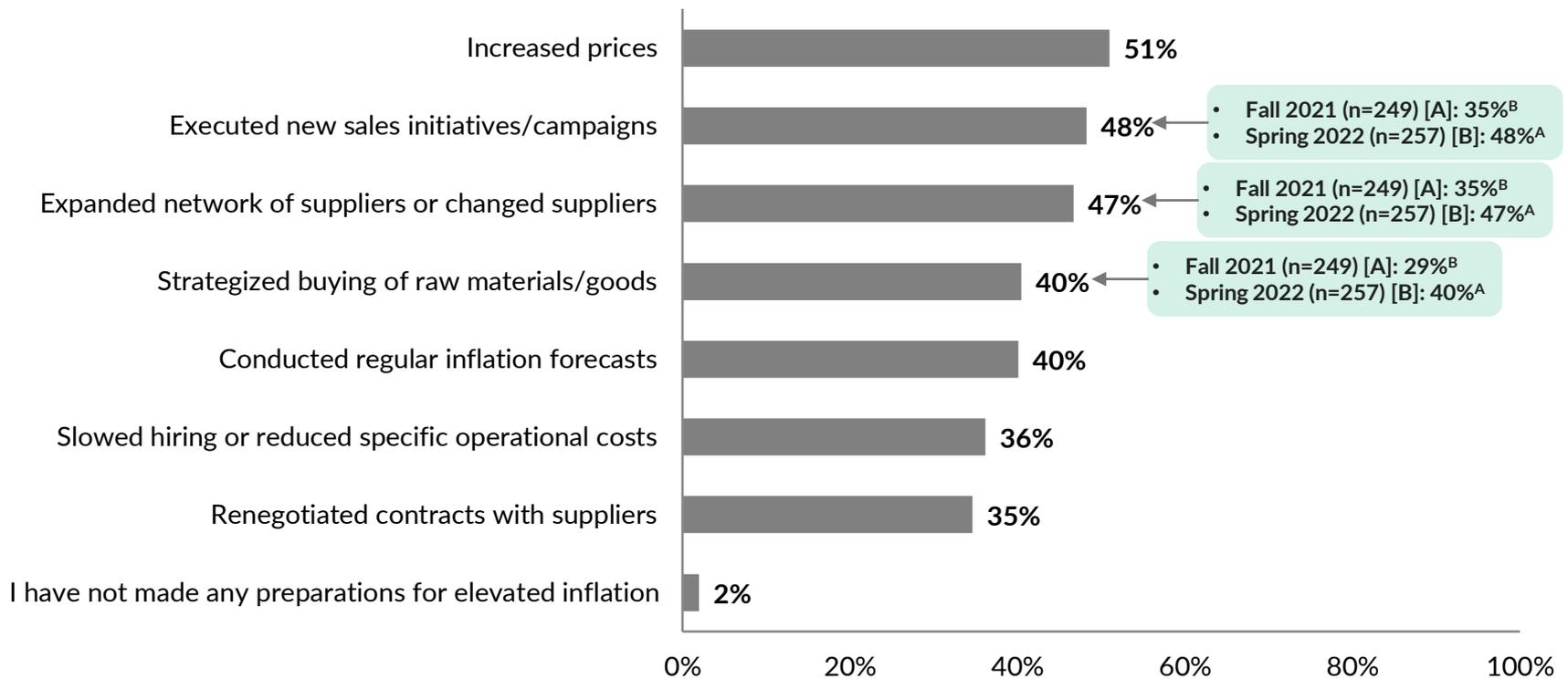
2022 BUSINESS RISKS



PRICE INCREASES ARE THE PRIMARY METHOD FOR HANDLING THE RECENT INFLATION

- Compared to Fall 2021, significantly more organizations are executing new sales initiatives, expanding supplier networks, and strategizing raw goods purchases.

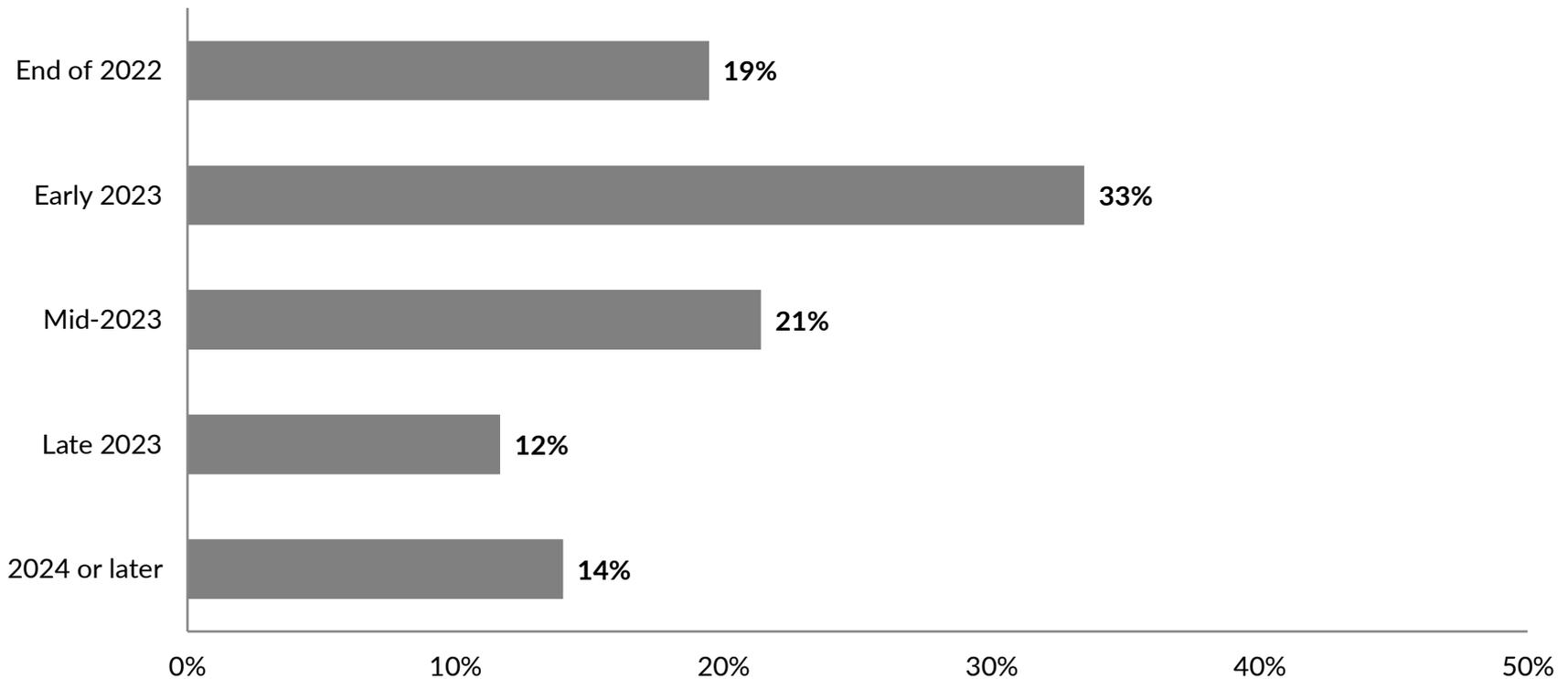
PREPARATIONS FOR CHANGING INFLATION RATES



ONE-THIRD OF FINANCIAL LEADERS EXPECT THE INFLATION RATES TO SLOW IN EARLY 2023

- Half of financial leaders (47%) expect that inflation rates will continue to be elevated beyond early 2023.

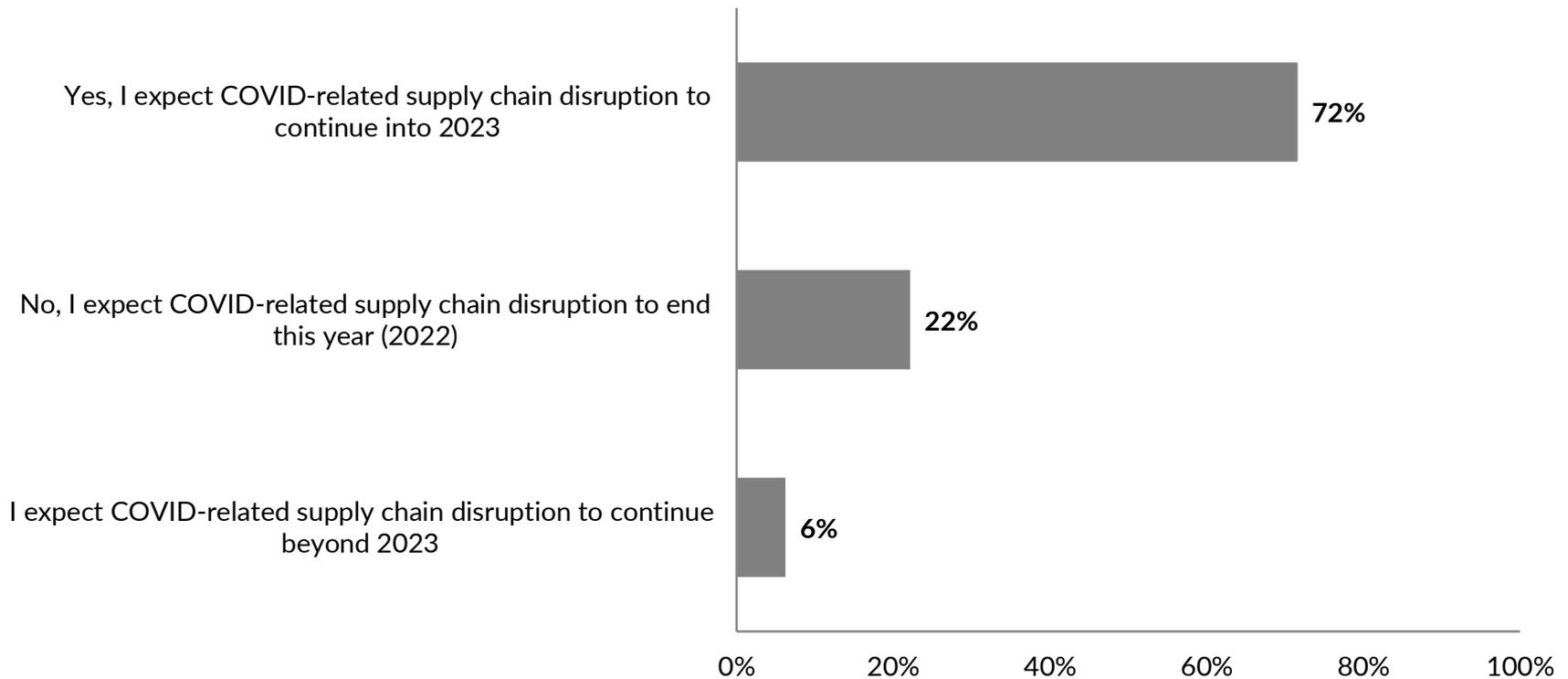
EXPECTED INFLATION RATE DECREASE



THREE-QUARTERS OF FINANCIAL LEADERS EXPECT THAT THE PANDEMIC-RELATED SUPPLY CHAIN ISSUES WILL CONTINUE INTO 2023

- Very few financial leaders expect supply chain disruptions to continue past 2023.

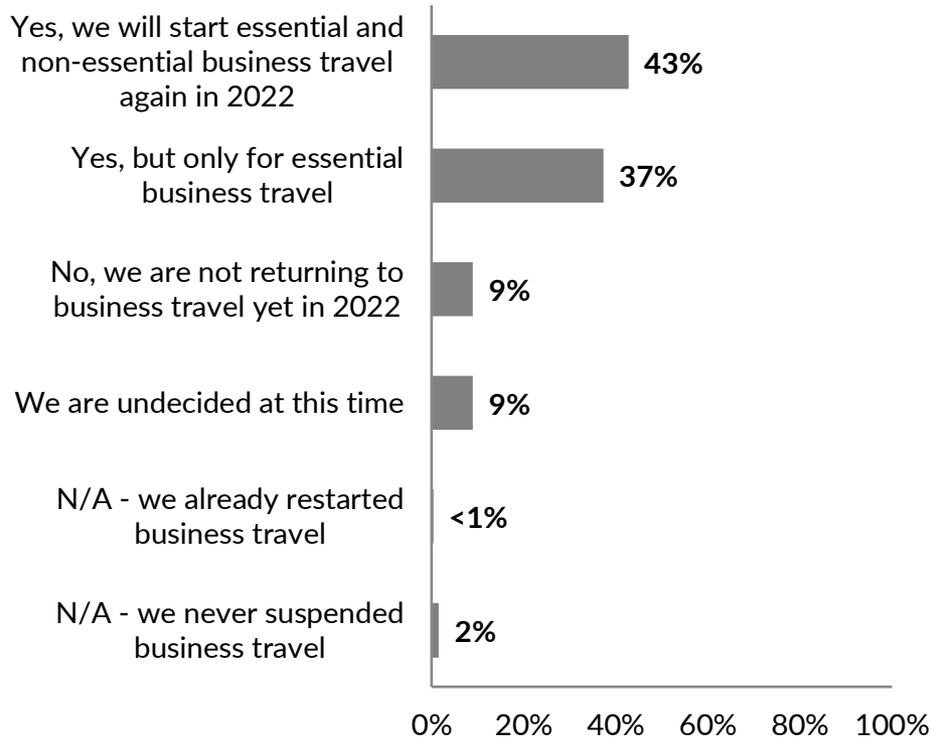
SUPPLY CHAIN EXPECTATIONS



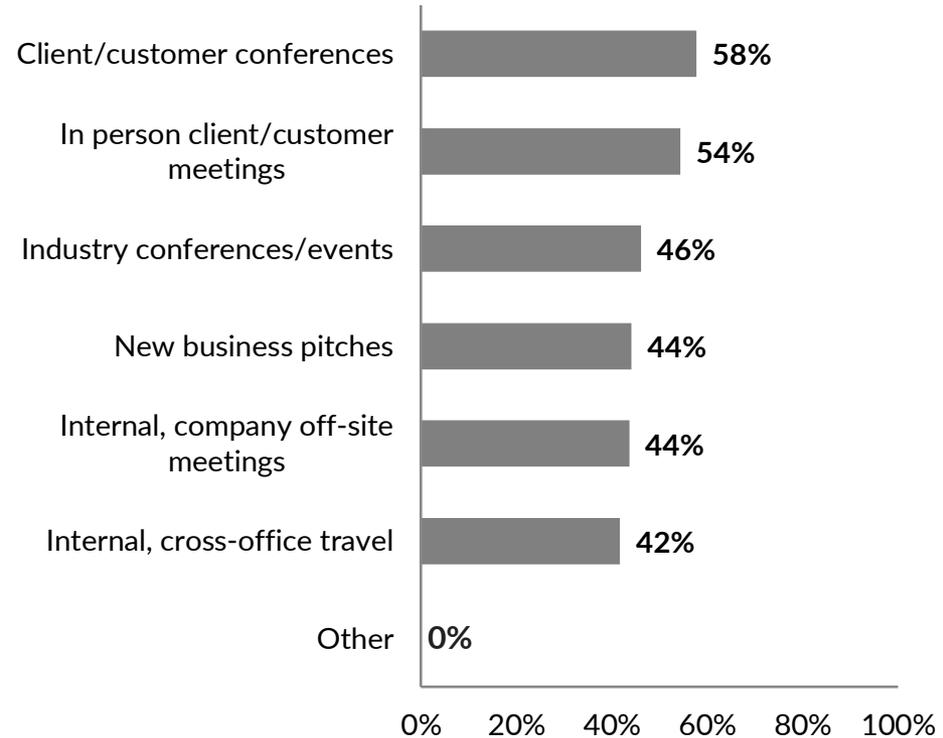
MOST BUSINESSES WILL RESUME BUSINESS TRAVEL IN 2022, INCLUDING ESSENTIAL AND NON-ESSENTIAL TRAVEL

- Client-related conferences and meetings are the most anticipated form of business travel for 2022.

BUSINESS TRAVEL RESTARTS



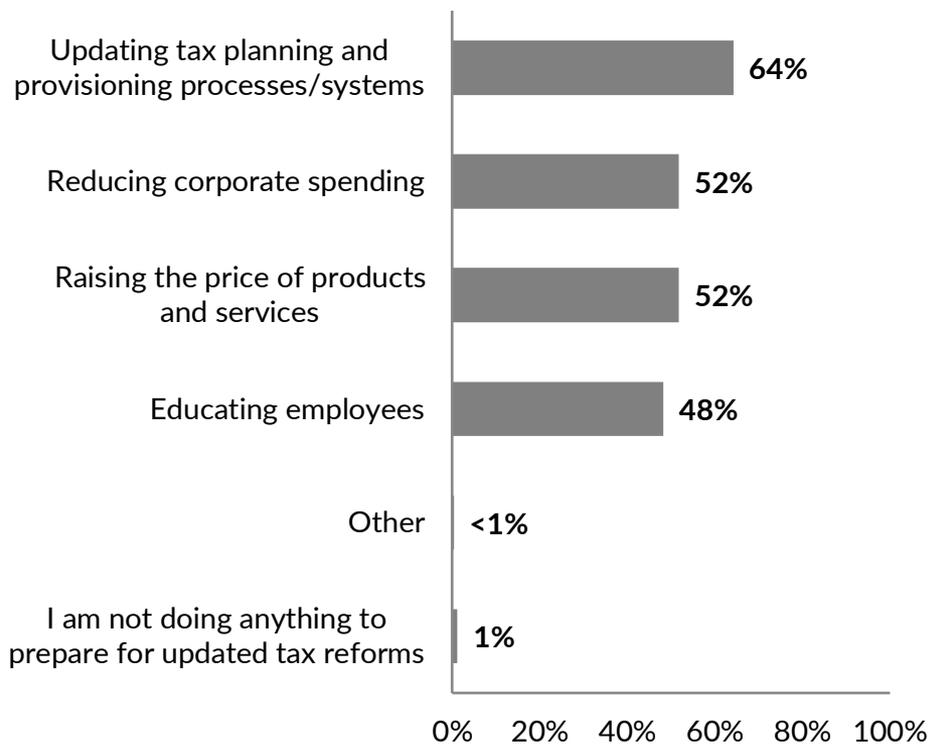
2022 BUSINESS TRAVEL



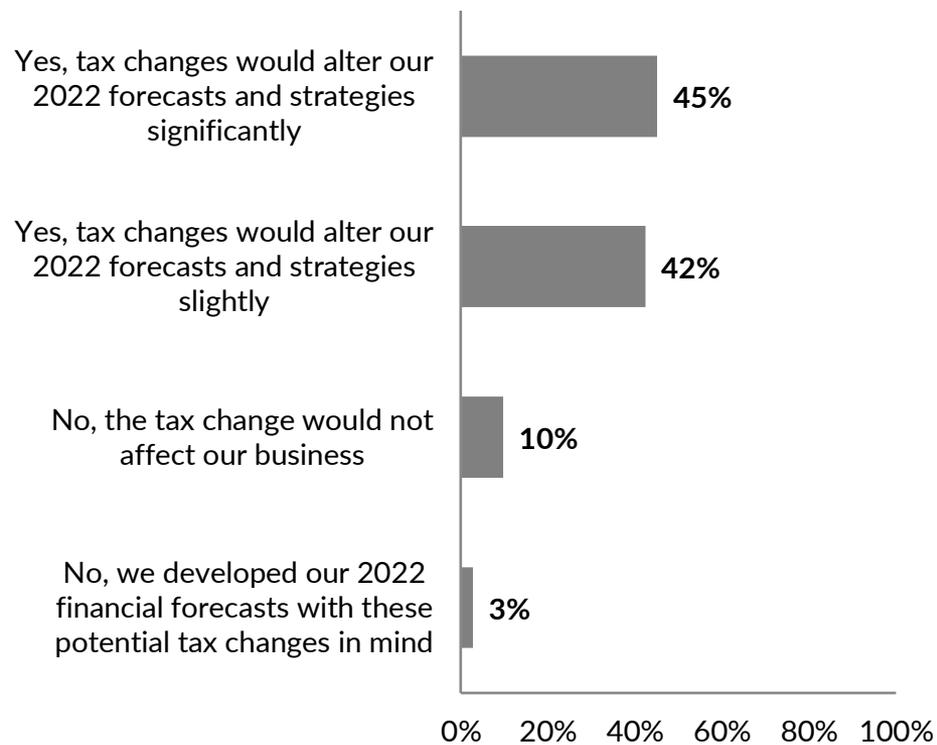
TWO-THIRDS OF BUSINESSES ARE UPDATING TAX PLANNING IN PREPARATION FOR TAX REFORMS

- Half of businesses would need to change their 2022 strategies in the event of a tax reform, as well as reduce spending, raise prices, and provide employee education.

PREPARATIONS FOR TAX REFORMS



REVISITING FINANCIAL FORECASTS

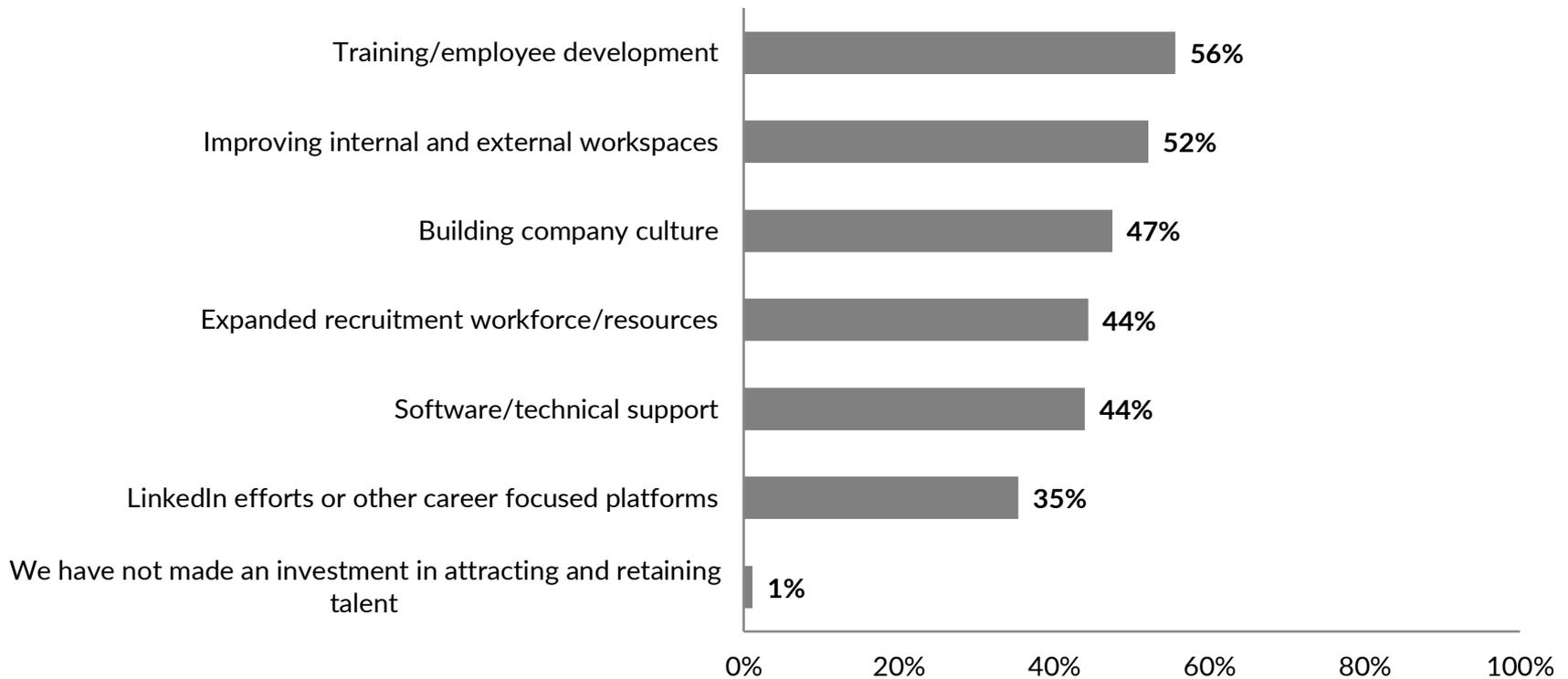


TALENT RETENTION

HALF OF ORGANIZATIONS HAVE INCREASED TRAINING AND IMPROVED WORKSPACES IN AN EFFORT TO RETAIN EMPLOYEES

- Additionally, nearly half of organizations have expanded recruitment resources.

TALENT ATTRACTION INVESTMENTS

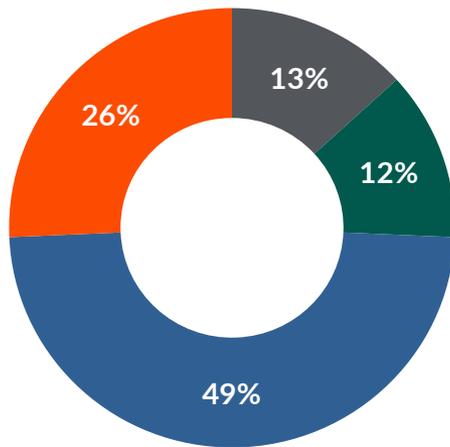


A QUARTER OF FINANCIAL LEADERS WOULD BE MORE LIKELY TO LOOK FOR NEW JOBS OFFERING BETTER COMPENSATION

- While one-quarter of financial leaders are not planning on making a career move, half are planning on exploring career moves within their company.

CAREER MOVE PLANS

- I'm undecided at this time
- Yes, I plan to explore a career move outside of my company
- Yes, I plan to explore a career move within my company
- No



CAREER MOVE MOTIVATIONS

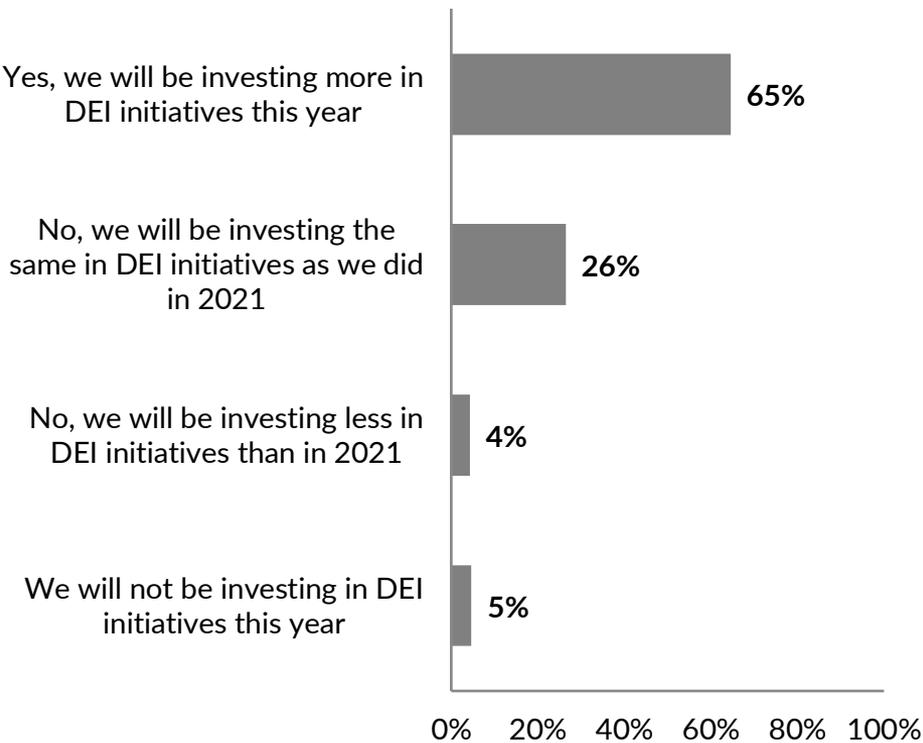


ESG & DEI PLANS

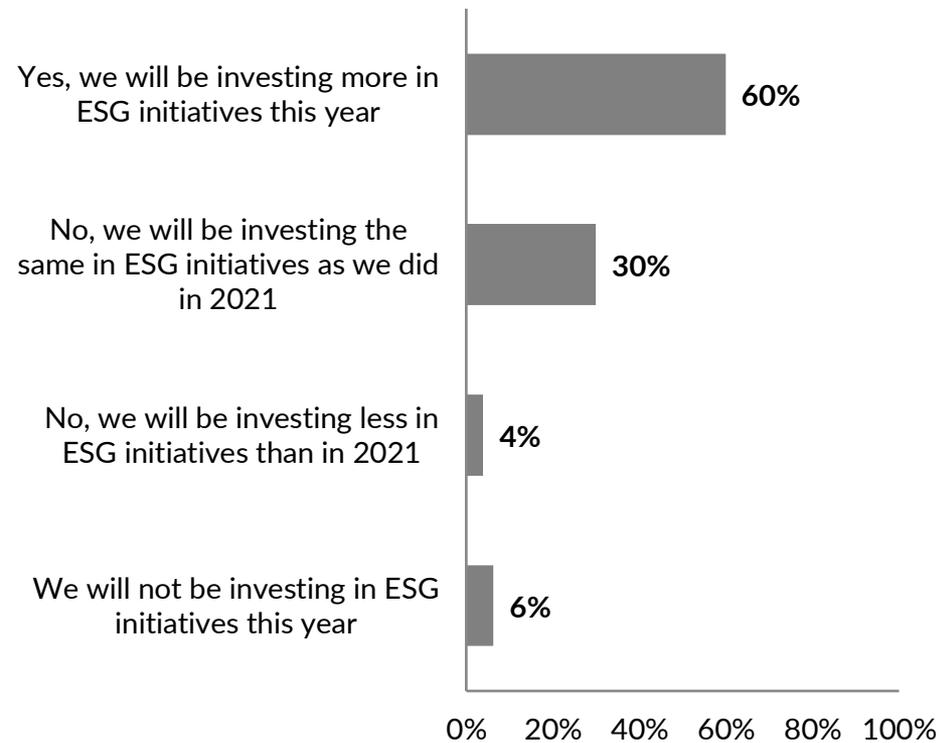
TWO-THIRDS OF ORGANIZATIONS PLAN TO INCREASE DEI OR ESG INVESTMENTS IN 2022

- There was not a significant change in the number of companies planning to increase DEI or ESG investments compared to Spring 2021.

DEI INVESTMENT PLANS



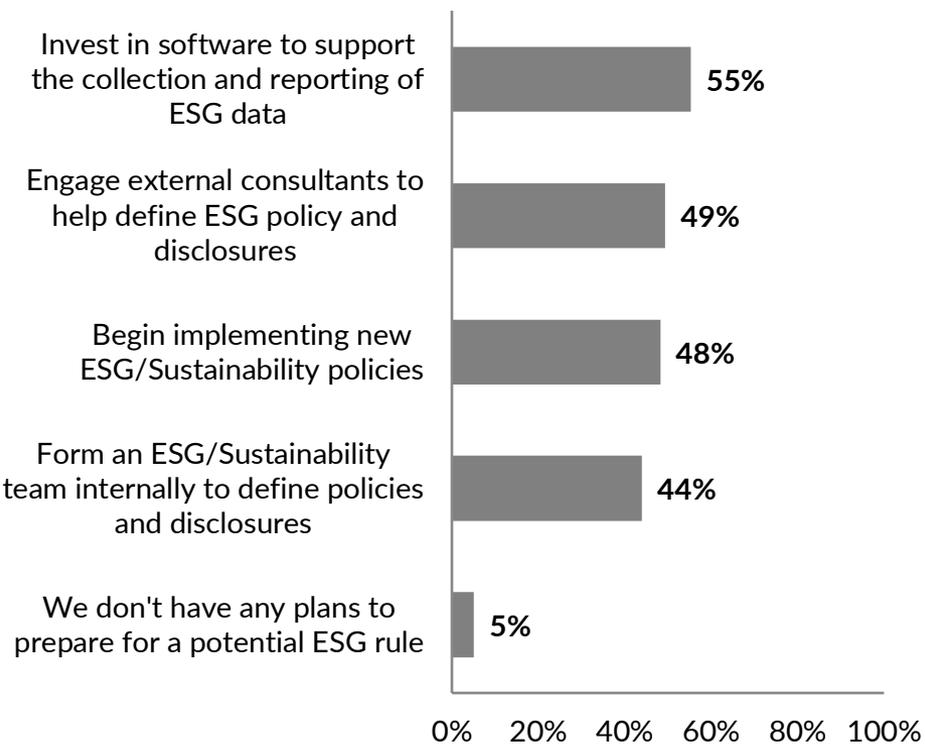
ESG INVESTMENT PLANS



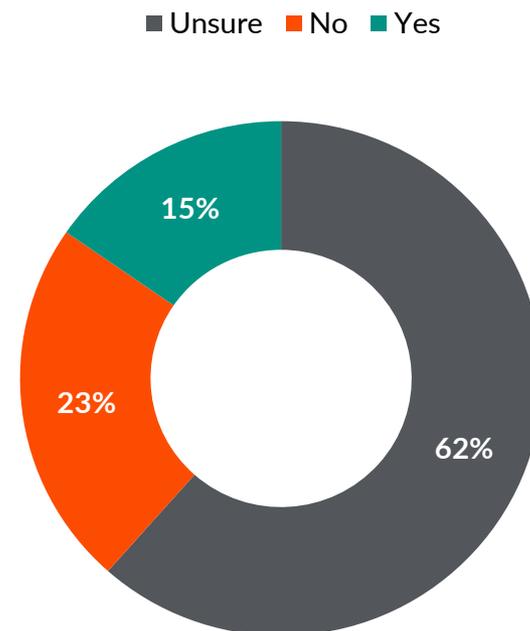
HALF OF BUSINESSES PLAN TO INVEST IN SOFTWARE AND ENGAGE EXTERNAL CONSULTANTS IN PREPARATION FOR ESG CHANGES

- Two-thirds of financial leaders report uncertainty about the planning needs for ESG rulings.

PREPARATIONS FOR ESG CHANGE



ESG RULING PLANS*



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? Select all that apply. (n=257)

Q: If you don't have a plan in place, will that change if an ESG ruling is made? (n=13) Displayed to respondents who indicated no ESG ruling plans*

*Small sample size (n<50); interpret results with caution.



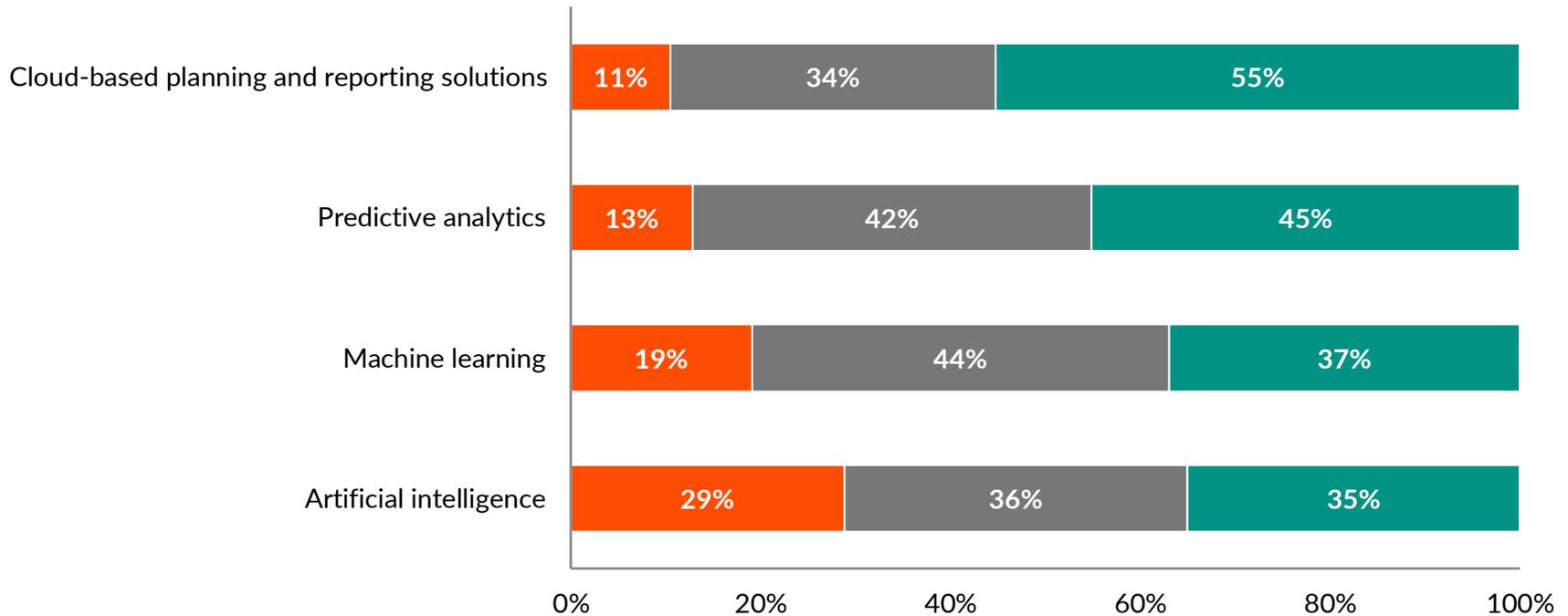
MACHINE LEARNING & TECHNOLOGY

COMPANIES USE CLOUD-BASED SOLUTIONS AND PREDICTIVE ANALYTICS MOST FREQUENTLY

- One-third of organizations regularly use machine learning and artificial intelligence.

DATA ANALYSIS TOOL USAGE

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

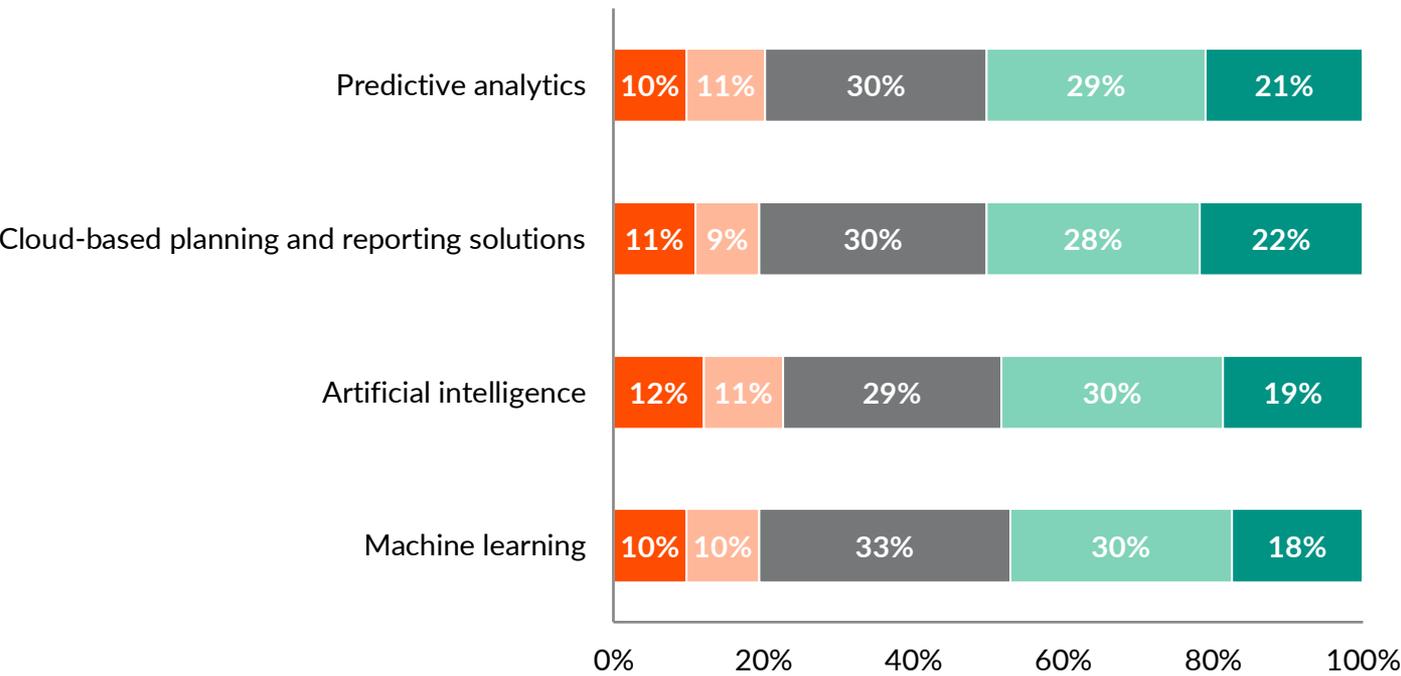


SIMILARLY, CLOUD-BASED SOLUTIONS AND PREDICTIVE ANALYTICS HAVE THE BIGGEST INVESTMENT INCREASES COMPARED TO 2021

- Since the height of the COVID-19 pandemic, organizations have generally slowed their investment increases for data analysis tools.

DATA ANALYSIS TOOLS INVESTMENT CHANGES

- Investing significantly less than 2021
- Investing slightly less than 2021
- Investing the same as 2021
- Investing slightly more than 2021
- Investing significantly more than 2021



Top 2

- Spring 2021 (n=222) [A]: 60%^C
- Fall 2021 (n=249) [B]: 58%
- Spring 2022 (n=257) [C]: 50%^A

50%

- Spring 2021 (n=222) [A]: 55%^B
- Fall 2021 (n=249) [B]: 64%^{AC}
- Spring 2022 (n=257) [C]: 50%^B

50%

- Spring 2021 (n=222) [A]: 59%^C
- Fall 2021 (n=249) [B]: 53%
- Spring 2022 (n=257) [C]: 48%^A

48%

- Spring 2021 (n=222) [A]: 54%
- Fall 2021 (n=224) [B]: 62%^C
- Spring 2022 (n=257) [C]: 47%^B

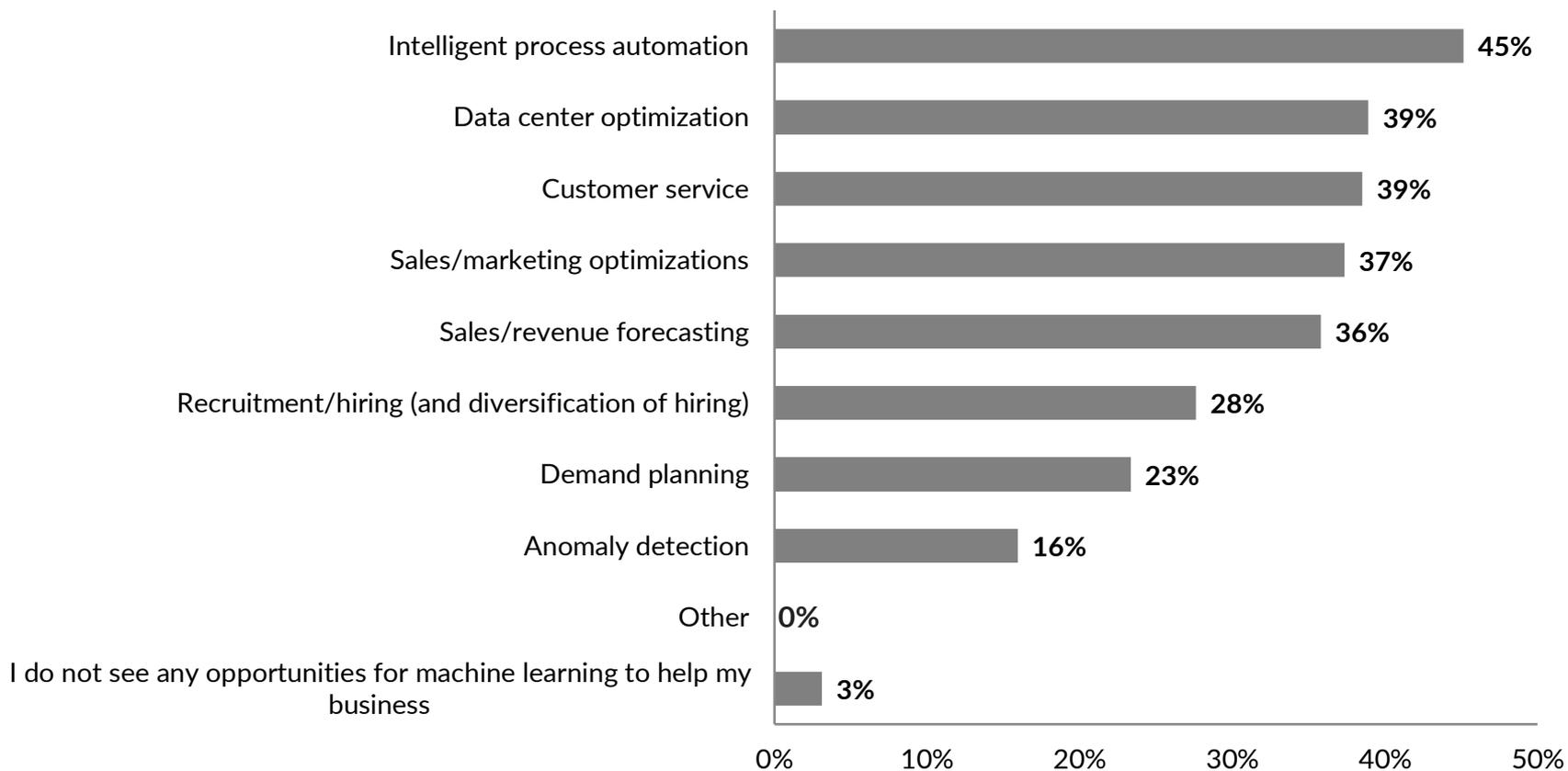
47%



INTELLIGENT PROCESS AUTOMATION IS THE BIGGEST MACHINE LEARNING OPPORTUNITY FOR COMPANIES

- Over one-third of financial leaders also believe data center optimization, customer service, and sales optimizations are valuable machine learning opportunities. Notably, very few financial leaders see no opportunities for machine learning in their businesses.

MACHINE LEARNING OPPORTUNITIES

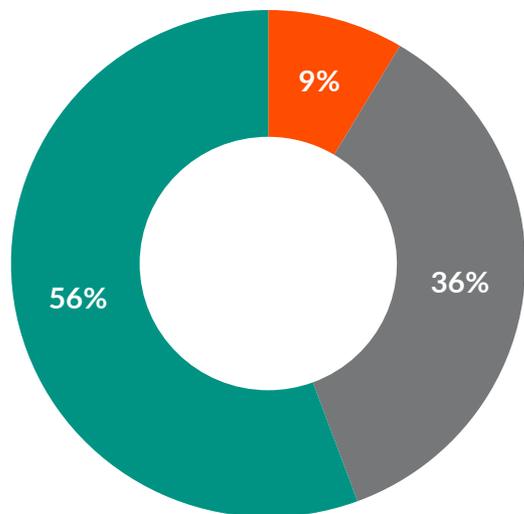


OVER HALF OF COMPANIES HAVE ALREADY ADOPTED AN AUTOML SOLUTION, AND ANOTHER THIRD PLAN TO ADOPT ONE IN THE FUTURE

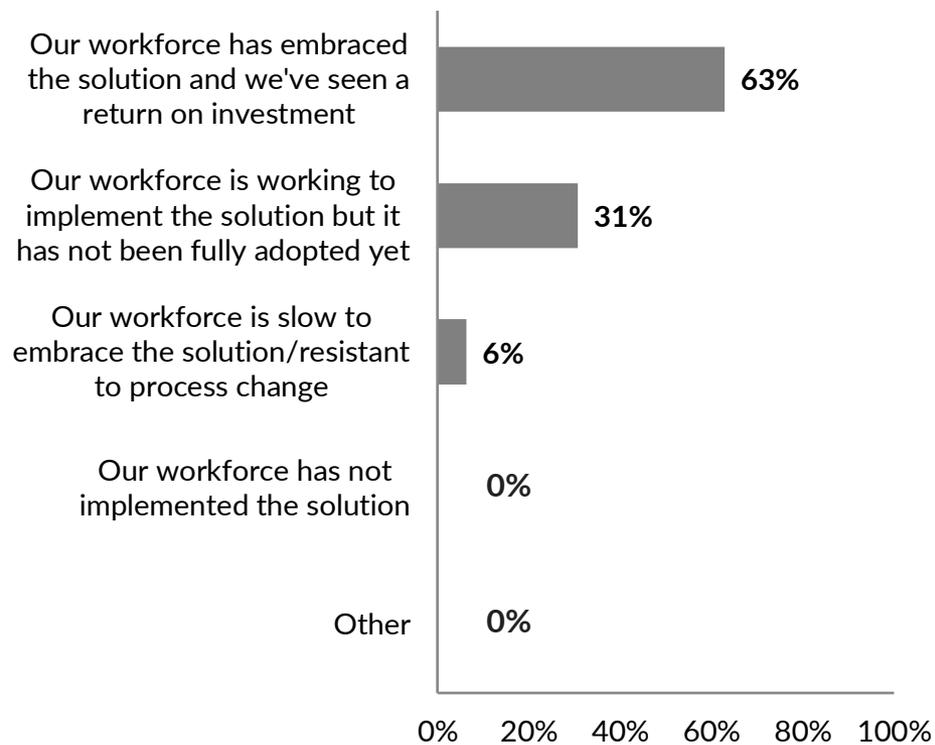
- Two-thirds of those who have adopted an AutoML solution report that it has been fully adopted, and they have seen a return on investment.

AUTOML PLANS

- No, we don't use an AutoML solution and we have no future plans to adopt one
- No, but we plan to investigate an AutoML solution in the future
- Yes, we have adopted an AutoML solution



AUTOML PROGRESS



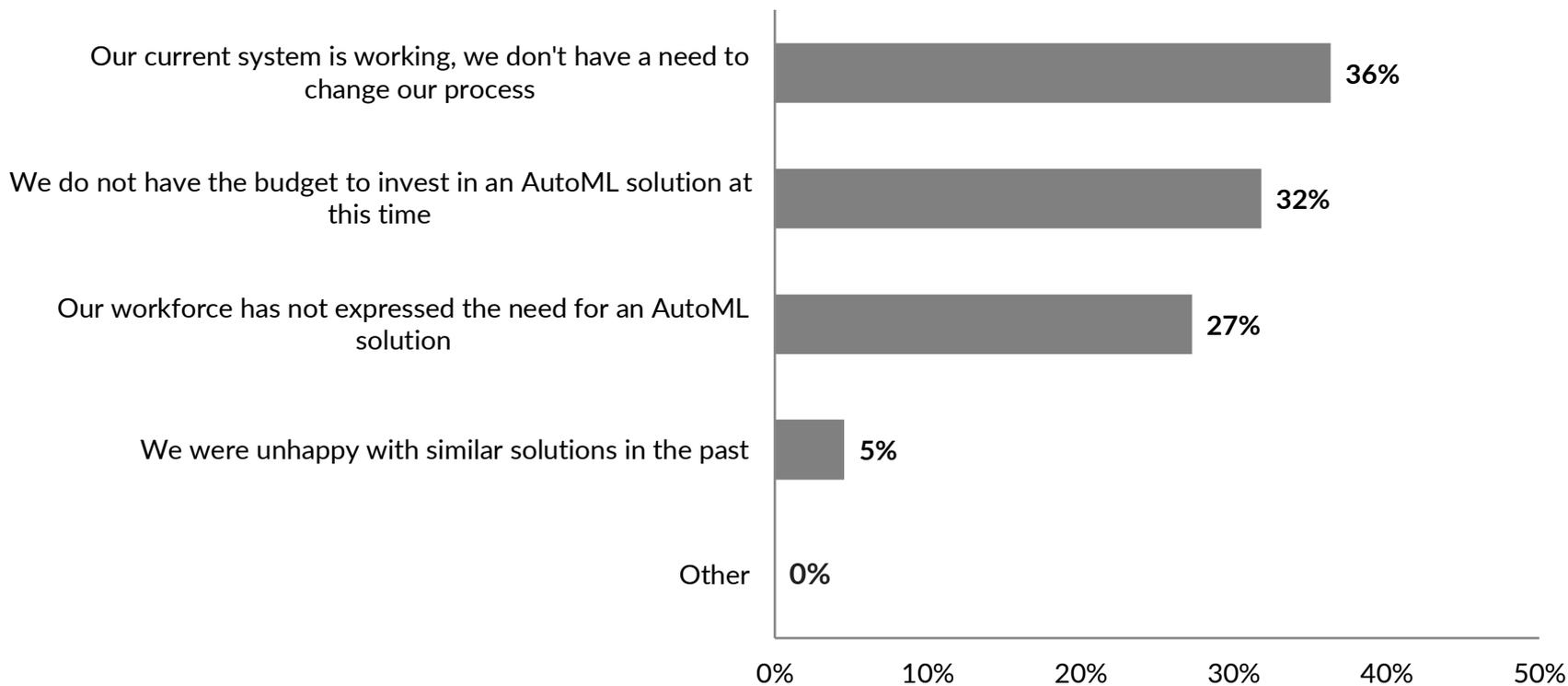
Q: Many companies are embracing automated machine learning (AutoML) as a way to supplement some of their workforce needs (e.g. data scientists). Has your company adopted an AutoML solution? (AutoML automates the selection, composition and parameterization of machine learning models and applies those models to real-world problems.) (n=257)

Q: Since adopting the AutoML solution to support business needs, how has the solution been received internally? (n=143) Displayed to respondents who indicated adopting an AutoML solution.

THOSE WHO DO NOT PLAN ON ADOPTING AN AUTOML SOLUTION DON'T SEE THE NEED OR DO NOT HAVE THE BUDGET

- Very few companies cite dissatisfaction with similar solutions as a reason for not adopting an AutoML solution.

REASONS TO NOT IMPLEMENT AUTOML



CORPORATE

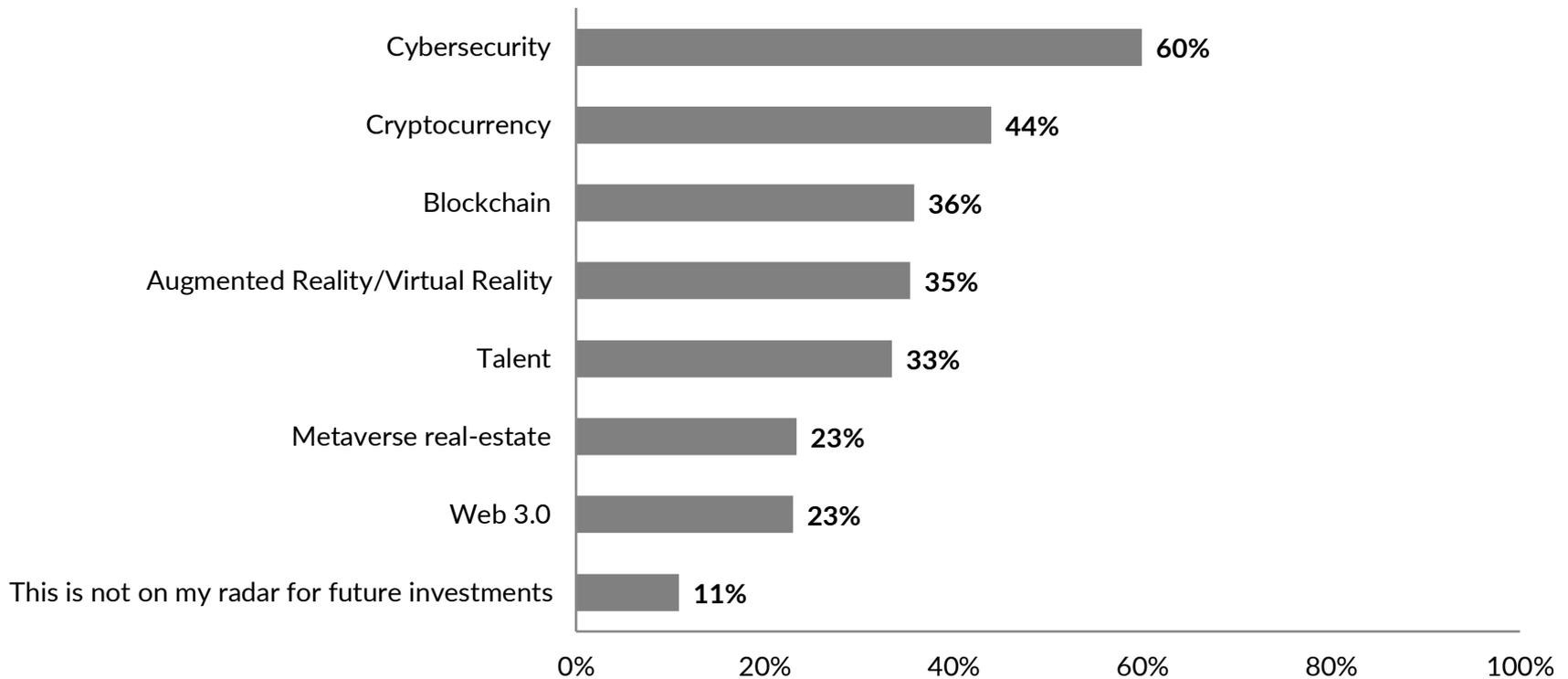
Q: If you do not have plans to implement an AutoML solution, why not? (n=22) Displayed to respondents who indicated no plans to implement an AutoML solution*

*Small sample size (n<50); interpret results with caution.

CYBERSECURITY IS THE LARGEST AREA OF METAVERSE INVESTMENTS, FOLLOWED BY CRYPTOCURRENCY

- One-third of organizations are also investing in blockchain, virtual reality, and talent.

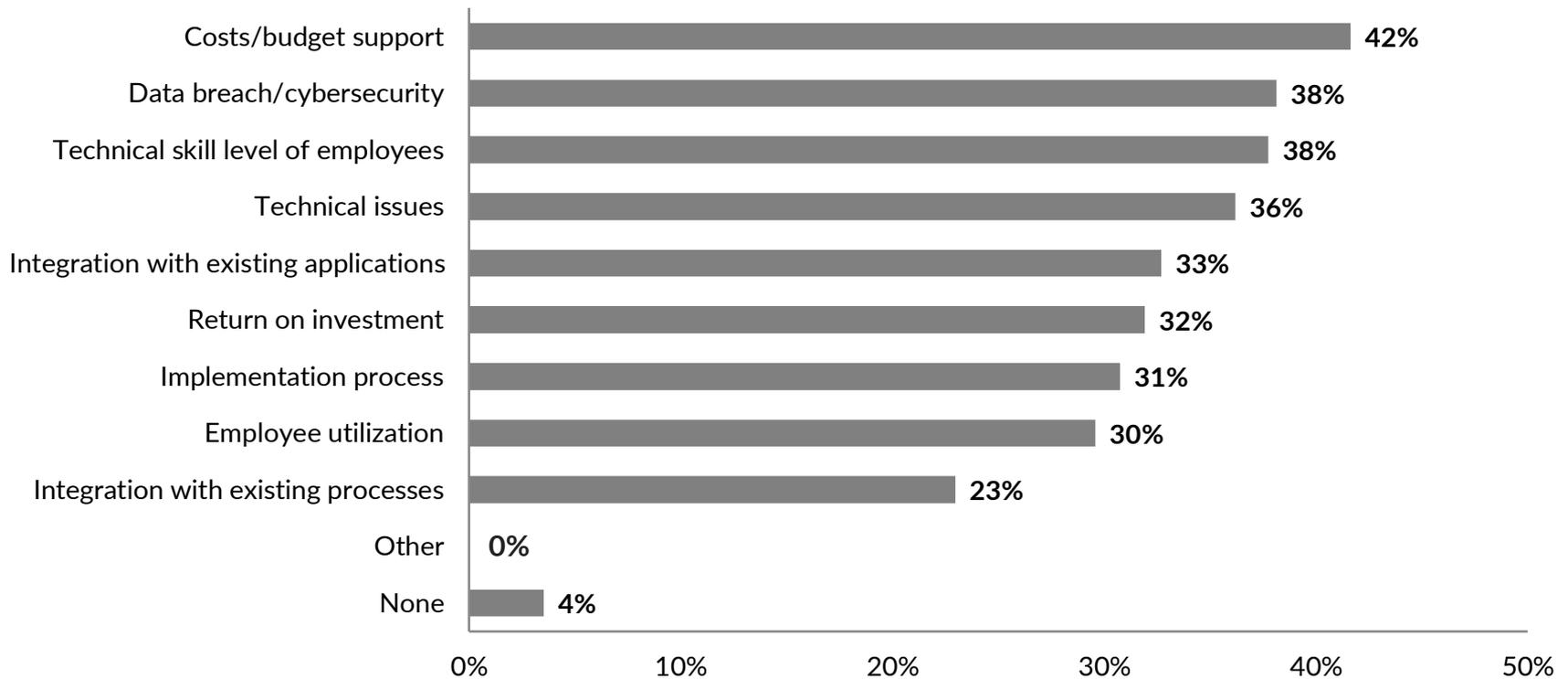
METAVERSE INVESTMENTS



COST IS THE PRIMARY BARRIER TO TECHNOLOGICAL INVESTMENTS

- Over one-third of financial leaders also report concerns about cybersecurity, employees' skill levels, and technical issues.

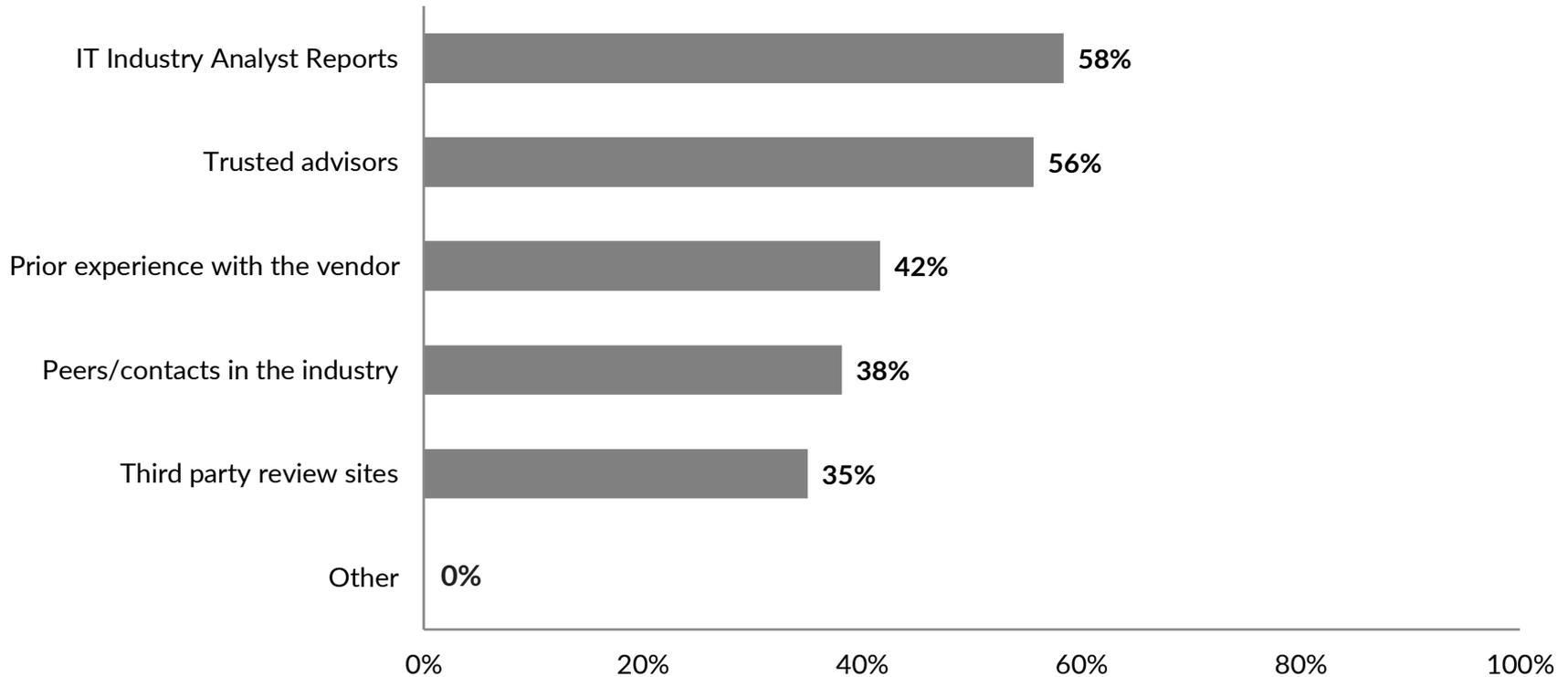
BARRIERS TO TECHNOLOGY INVESTMENTS



WHEN SEARCHING FOR VENDER AND TECHNOLOGY RECOMMENDATIONS, FINANCIAL LEADERS RELY ON IT INDUSTRY ANALYSIS REPORTS

- Over half also look to trusted advisors for recommendations.

TECHNOLOGY INVESTMENT SOURCES



DEMOGRAPHICS

RESPONDENT CHARACTERISTICS (1/2)



Age (n=257)

18 to 34	40%
35 to 54	50%
55+	10%



Country (n=257)

Canada	14%
Mexico	28%
United States	58%



Job Role (n=257)

Manager/Sr. Manager	34%
Director	25%
Vice President/Sr. Vice President	7%
C-Suite Executive	16%
President/CEO	12%
Owner	5%



Role in Financial Decision-Making (n=257)

Primary decision-maker	75%
Share authority	25%



Industry (n=249)

Accounting	2%
Advertising	1%
Agriculture/Forestry/Fishing	1%
Biotechnology	1%
Business / Professional Services	11%
Business Services (Hotels, Lodgings Places)	3%
Computers (Hardware, Desktop Software)	10%
Communications	<1%
Construction / Home Improvement	9%
Consulting	2%
Education	6%
Engineering / Architecture	2%
Entertainment / Recreation	<1%
Finance / Banking / Insurance	8%
Food Service	<1%
Government / Military	<1%
Healthcare / Medical	5%
Internet	<1%
Legal	2%
Manufacturing	6%
Marketing / Market Research / Public Relations	<1%
Media / Printing / Publishing	1%
Non-Profit	1%
Research Science	<1%
Real Estate	<1%
Retail	8%
Telecommunications	4%
Transportation / Distribution	2%
Utilities	1%
Wholesale	3%
Other	10%



RESPONDENT CHARACTERISTICS (2/2)



Organization 2021 Revenue (n=257)

Under \$100M	23%
\$100M to \$499M	24%
\$500M or \$999M	27%
\$1B to \$4.99B	13%
\$5B to \$10B	7%
Over \$10B	6%
I don't know / Prefer not to respond	1%



Job Function (n=257)

Chief Financial Officer (CFO)	19%
Chief Accounting Officer (CAO)	6%
VP of finance	7%
VP of accounting	3%
Controller	6%
VP of Financial Reporting	2%
VP of FP&A	3%
Director of Finance	20%
Director of Financial Reporting	9%
Director of FP&A	6%
VP/Director of Financial Systems	9%
None of these	9%



Thank you.

CONTACT

James Wilcox

Senior Director, Client Engagement

E: jwilcox@hanoverresearch.com

P: 202-795-4037

 hanoverresearch.com