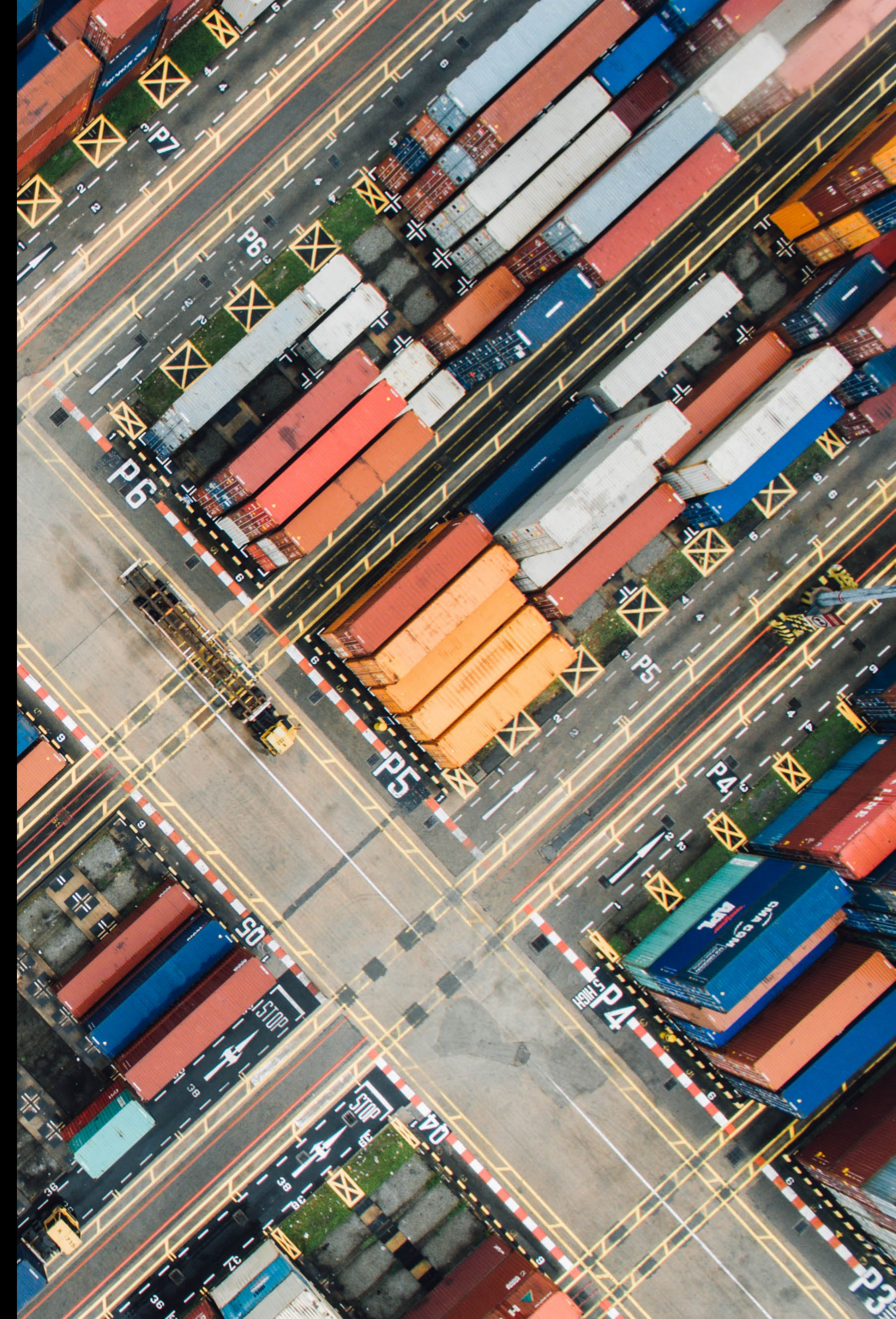


CFO EXECUTIVE OUTLOOK REPORT

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 Sample & Administration

- *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.

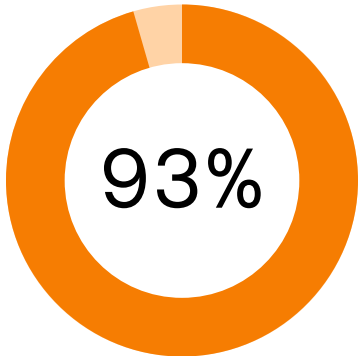
Many businesses are continuing to invest in data analytics tools, including machine learning and AutoML, but some are withholding investments due to costs/budget support amidst broader spending cuts.

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

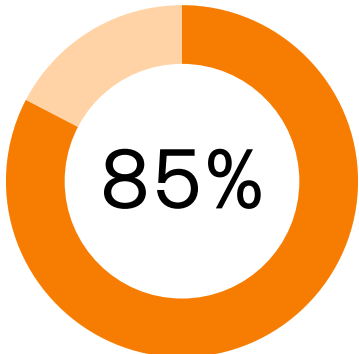
OneStream has an opportunity to assist businesses with new investment demands and priorities.



Key Findings

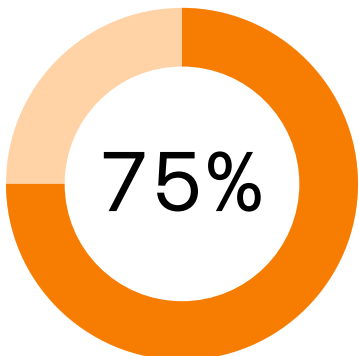


93% of financial leaders predict inflation to remain elevated into 2023

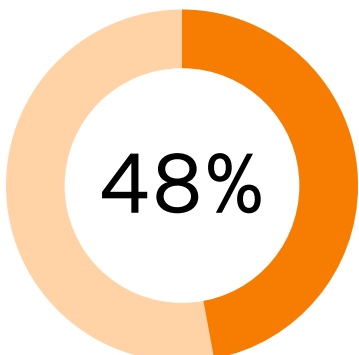


Financial leaders preparing for an impending recession, with 85% re-forecasting as a result.

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



75% of financial leaders expect ongoing economic & supply chain challenges through late 2023 & beyond



48% of financial leaders welcome technology to streamline financial reporting tasks

Key Findings

01

Economy

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 the businesses are reducing corporate spending and updating tax planning and provisions to prepare for updated tax reforms (both 53%).

02

Inflation

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.

03

Technology

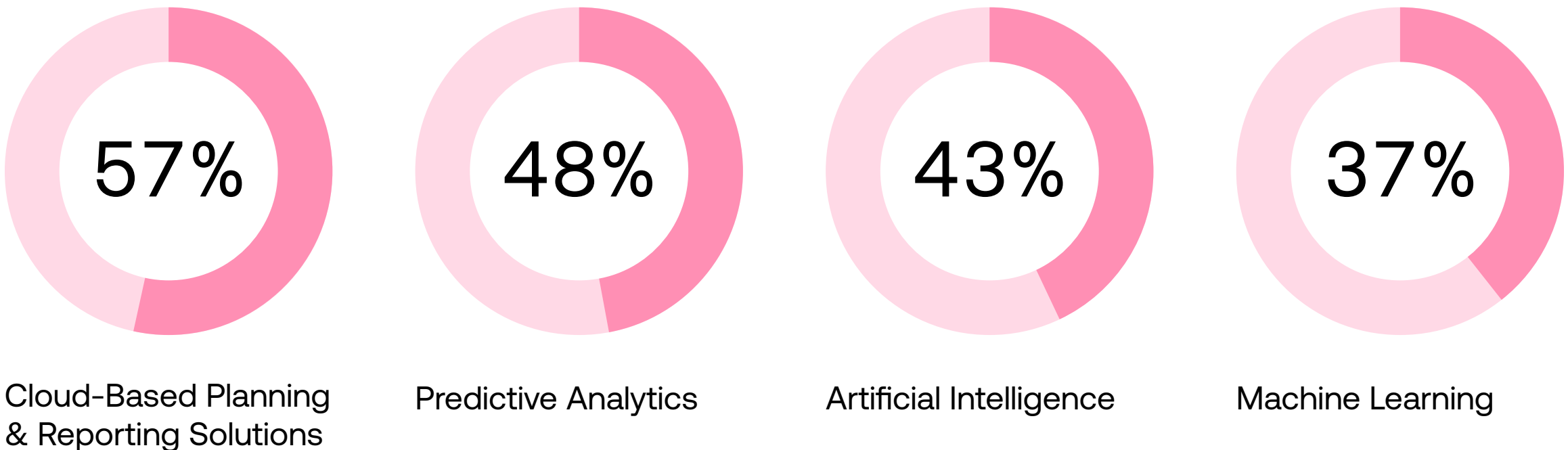
Additionally, although costs/budget support is seen as the biggest obstacle to investing in new technologies, financial leaders also anticipate greater investment in data analysis tools in 2023.

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%).

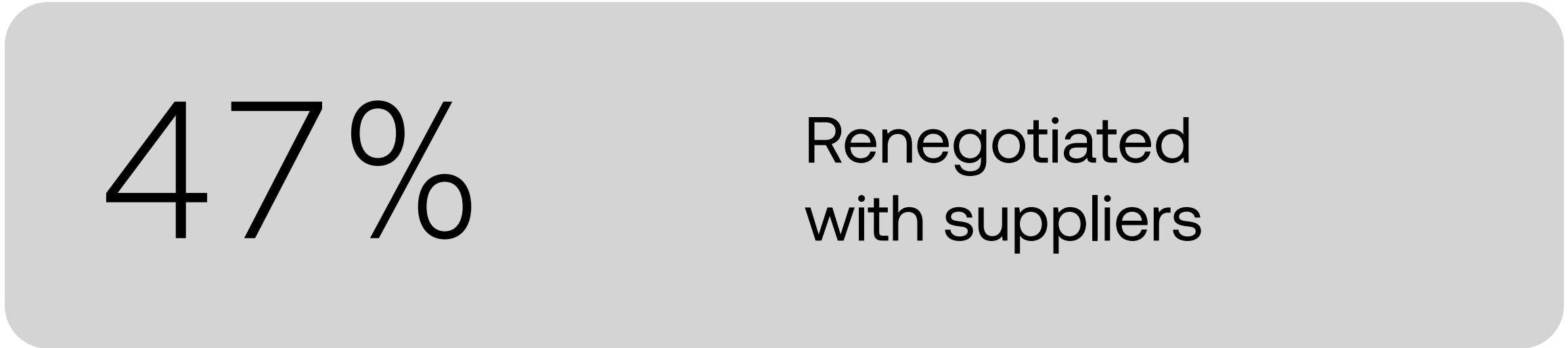
Financial Leader Snapshot

2023 Investment Decisions

2023 INCREASED INVESTMENTS



To Prepare For Inflation, They...



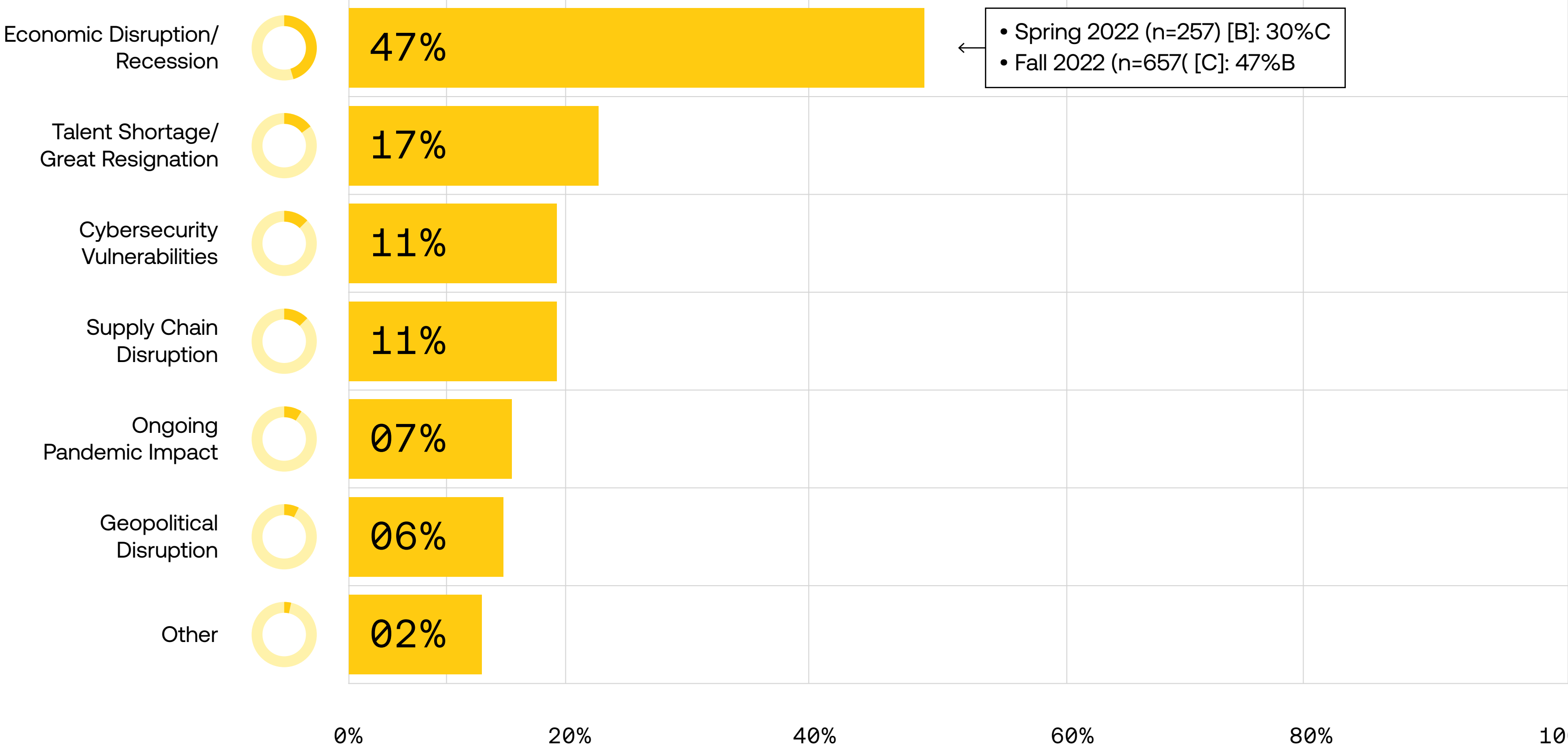
Stormy Economic Conditions Ahead

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.

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

2023 BUSINESS RISKS

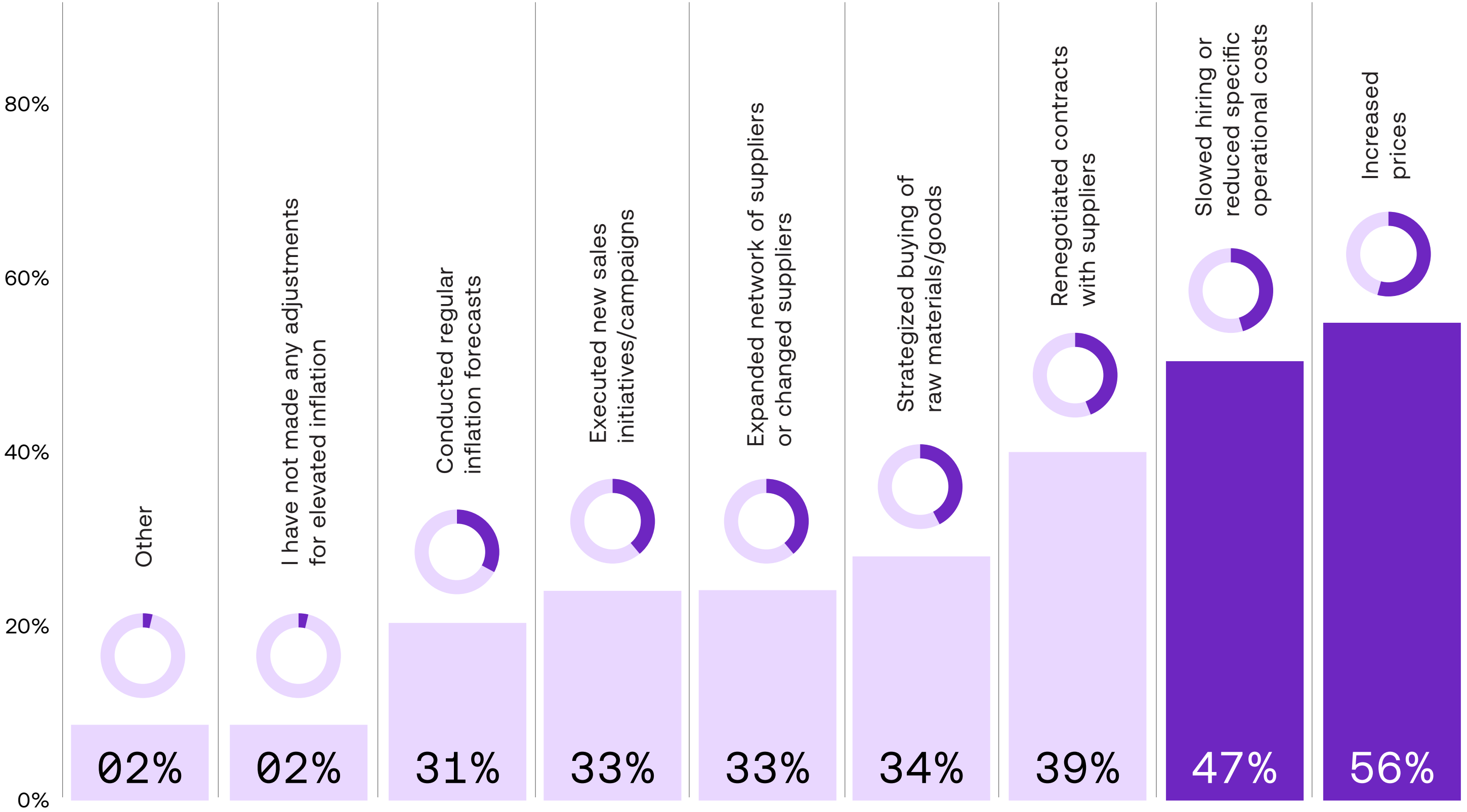


Stormy Economic Conditions Ahead

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

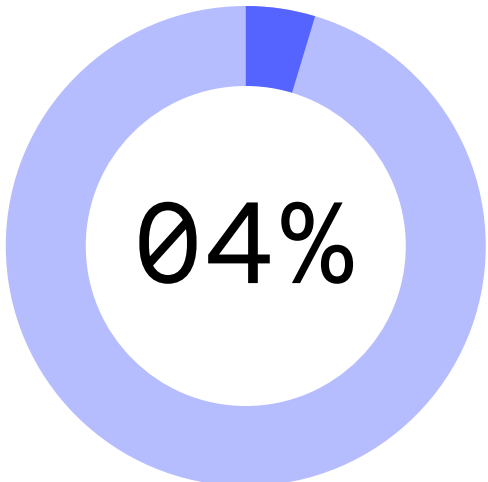
PREPARATIONS FOR CHANGING INFLATION RATES



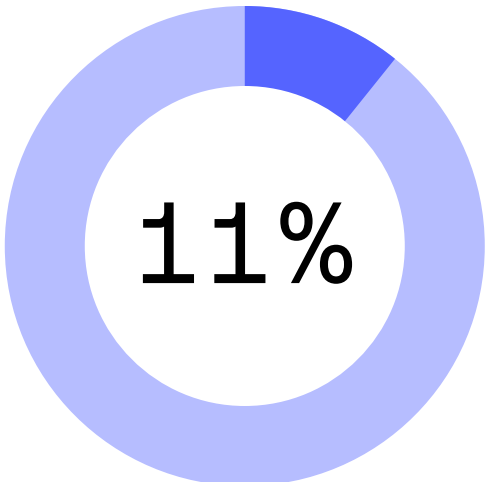
Stormy Economic Conditions Ahead

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.

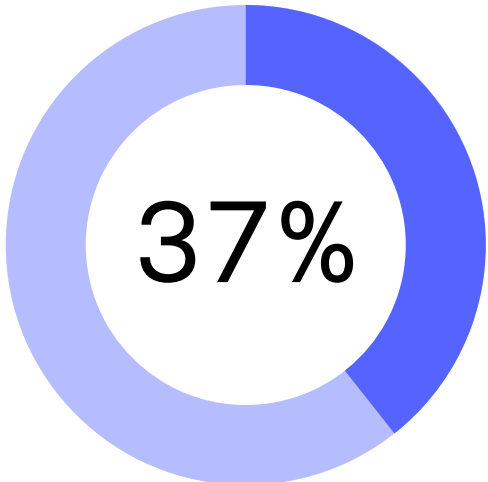
Revisiting Financial Forecasts



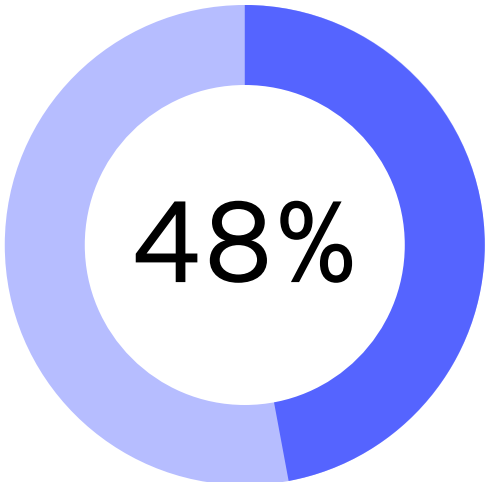
No, a recession will not affect our business.



No, we developed our 2023 financial forecasts with a potential recession in mind.



Yes, we've altered our 2023 forecasts & 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

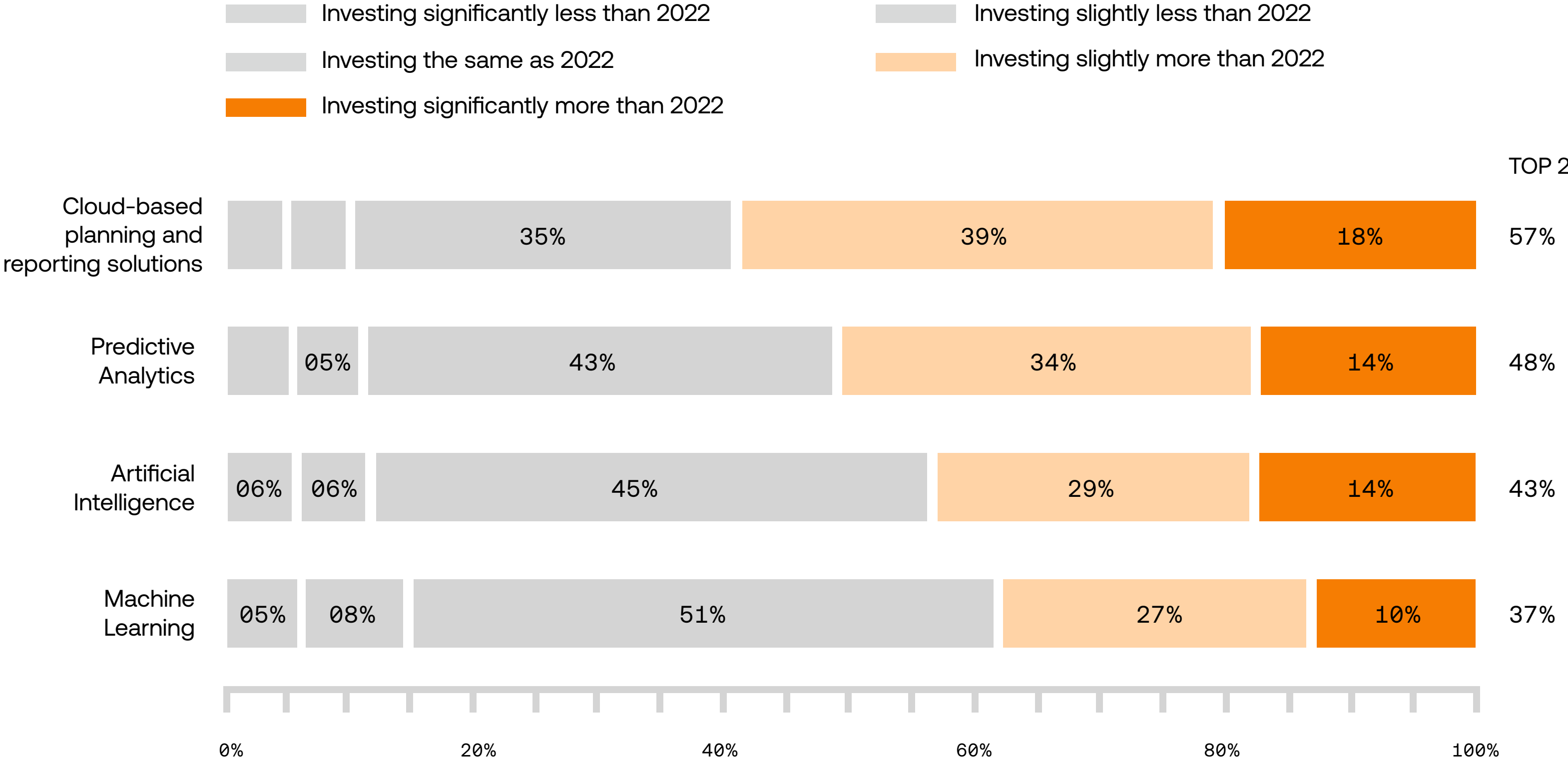
Investment in Cloud Planning & Analysis Tools Increasing

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.

DATA ANALYSIS TOOLS INVESTMENT CHANGES



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.

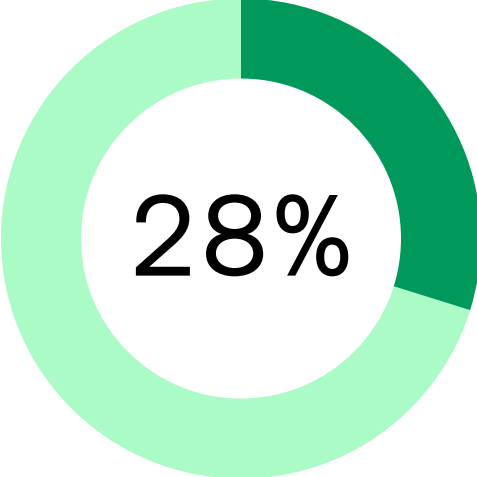
The financial reporting use case was followed by sales/revenue forecasting (41%) and demand planning (39%) as the second and third largest opportunities for organizations, respectively.

AI / MACHINE LEARNING OPPORTUNITIES

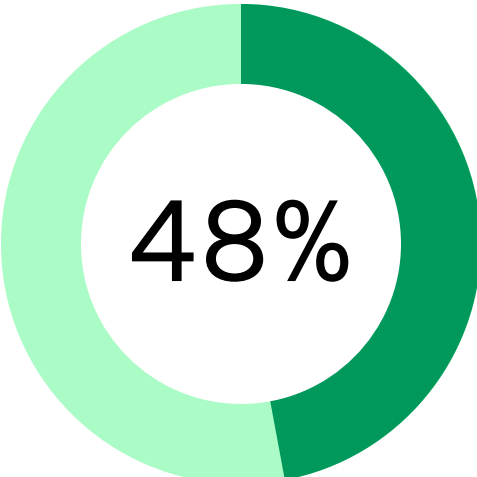
Sales / Marketing Optimizations	48%
Demand Planning	41%
Sales/revenue Forecasting	39%
Financial Reporting	38%
Customer Service	36%
Anomaly Detection	30%
Recruitment / Hiring (And Diversification Of Hiring)	21%
Other	01%
I Do Not See Any Opportunities For Artificial Intelligence / Machine Learning To Help My Business	03%

AutoAI/ML Solutions

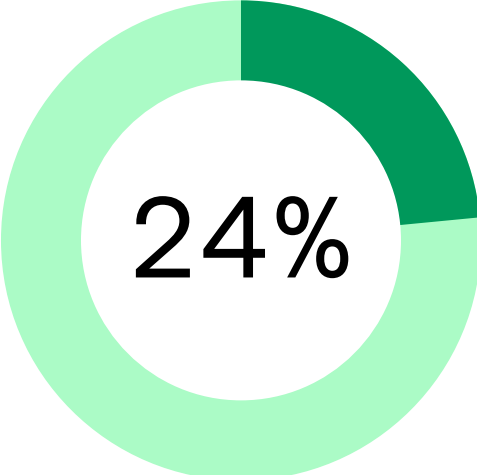
With Auto AI/ML poised to reduce the barriers to adoption of AI/ML in organizations, half of all financial decision-makers say their organizations plan to investigate AutoML solutions. In fact, one-quarter (28%) have already adopted them.



Yes, we have adopted an AutoML solution



No, but we plan to investigate an AutoML

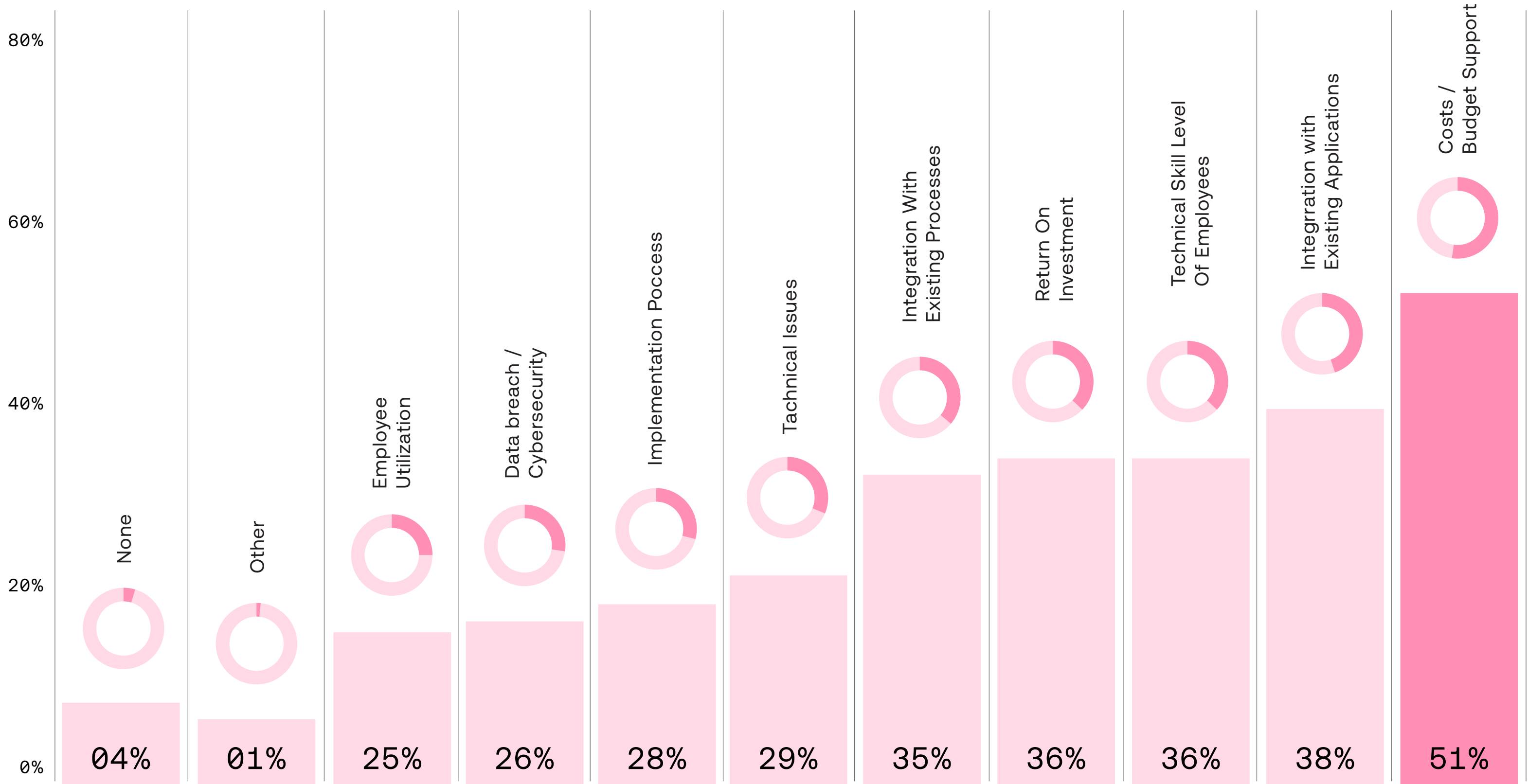


No, we don't use an AutoML solution

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.



Respondent Demographics

Decision-Makers Demographics

(n = 657)

JOB FUNCTION		ROLE IN FINANCIAL DECISION-MAKING	
Chief Financial Officer (CFO)	20%	Primary Decision-Maker	39%
Chief Accounting Officer (CAO)	02%	Share Authority	43%
VP of Finance	07%	Participate by Feedback	18%
VP of Accounting	03%		
Controller	08%		
VP of Financial Reporting	02%	ORGANIZATION 2021 REVENUE	
VP of FP&A	02%	Under \$100m	18%
Director of Finance	13%	\$100m to \$499m	23%
Director of Financial Reporting	05%	\$500m to \$999m	19%
Director of FP&A	03%	\$1b to \$4.99b	18%
Chief Information Officer (CIO)	09%	\$5b to \$10b	08%
VP/Director of Financial Systems	05%	Over \$10b	08%
None of These	21%	Prefer Not to Resond	07%



Industry Demographics

(n = 657)

Accounting	04%	Government / Military	03%
Advertising	< 01%	Healthcare / Medical	07%
Aerospace/Aviation/Automotive	01%	Internet	01%
Agriculture/Forestry/Fishing	< 01%	Legal	< 01%
Biotechnology	< 01%	Manufacturing	11%
Business / Professional Services	04%	Marketing / Research / Public Relations	01%
Business Services (Lodgings, Places)	< 01%	Media / Printing / Publishing	01%
Computers (Hardware, Desktop Software)	06%	Mining	01%
Communications	01%	Non-Profit	01%
Construction / Home Improvement	05%	Pharmaceutical/Chemical	01%
Consulting	04%	Research/Science	< 01%
Education	11%	Real Estate	02%
Engineering / Architecture	02%	Retail	05%
Entertainment / Recreation	01%	Telecommunications	03%
Finance / Banking / Insurance	10%	Transportation / Distribution	04%
Food Service	01%	Utilities	02%
		Wholesale	00%
		Other	05%



**TAKE
FINANCE
FURTHER.**