CFO 2023 Outlook: Cautious optimism amid recession, cost cutting, and workforce challenges

500 Respondents Provide a 360° View of Finance Team Roles and Goals

CFO | ORACLE NETSUITE

Executive Summary

Respondents

500 U.S.-based executives and managers, both in finance and non-finance roles, completed the full CFO.com 2023 CFO Outlook Survey conducted by Wakefield and sponsored by Oracle NetSuite. Of those leaders, 300 were CFOs, 100 were non-finance executives (VP level or higher), and 100 were managers (finance and non-finance). Respondents came from key sectors, including: Advertising & Marketing, Manufacturing, Media & Publishing, Retail, Professional Services, Software, and Distribution & Logistics.

Among the 500 respondents, 65% are at companies with annual revenue under $50 million and 35% fall between $50 million and $250 million in annual revenue. Most respondents' companies (67%) are privately held.

Survey Goals

Gauge how businesses with $250 million or less in annual revenue are setting priorities for 2023 and managing their current realities. In addition, *CFO* asked about:

- Expectations for investments and budget cuts in 2023.
- Expectations for the U.S. economy and current impacts to the economy.
- Top challenges for the finance team, based on company size.

Summary of Findings

The recession is a very real concern for business leaders, with nearly all (99%) predicting budget cuts due to these concerns, and more than 3 in 5 (61%) anticipating cuts to hiring or talent retention investments.. But businesses may be exacerbating oncoming workforce challenges with these cuts as 4 in 5 business leaders (83%) say they will face critical hiring needs in the first half of 2023.

Not all companies are making cuts; some plan to invest more in existing employees. That includes nearly half (47%) investing more in offering opportunities for remote, hybrid and flexible work and (32%) investing in increased wages or salaries. However, there will be attention to workforce monitoring with 26% anticipating increased monitoring.

Other Key Findings

- There is tangible unease over employee morale. **78% of CFOs and 59% of non-finance executives say "quiet quitting"** is an issue for their company, with some employees doing only the minimum requirements of their job.
- 85% of managers say they're motivated in their jobs, yet some are looking to quit [1] for real, with **half of managers (50%) admitting they are actively looking for new jobs**.
- Most surveyed think the U.S. economy will actually expand next year and most expect their company to grow. They **have confidence in the finance team to guide the ship through a possible recession**.
- There will be a higher focus on cost, investment in tech — and that tech will replace headcount. **Cost cutting is back in vogue**.

Introduction

Each quarter, CFO.com, sponsored by Oracle NetSuite, conducts a Wakefield survey of small to midsize enterprises (SMEs) to understand how finance leaders, their teams, and their executive peers interpret and respond to economic trends. CFO.com is a business publication serving financial executives with research, insights, and analysis for 30+ years.

The headline financial news of 2022 included:

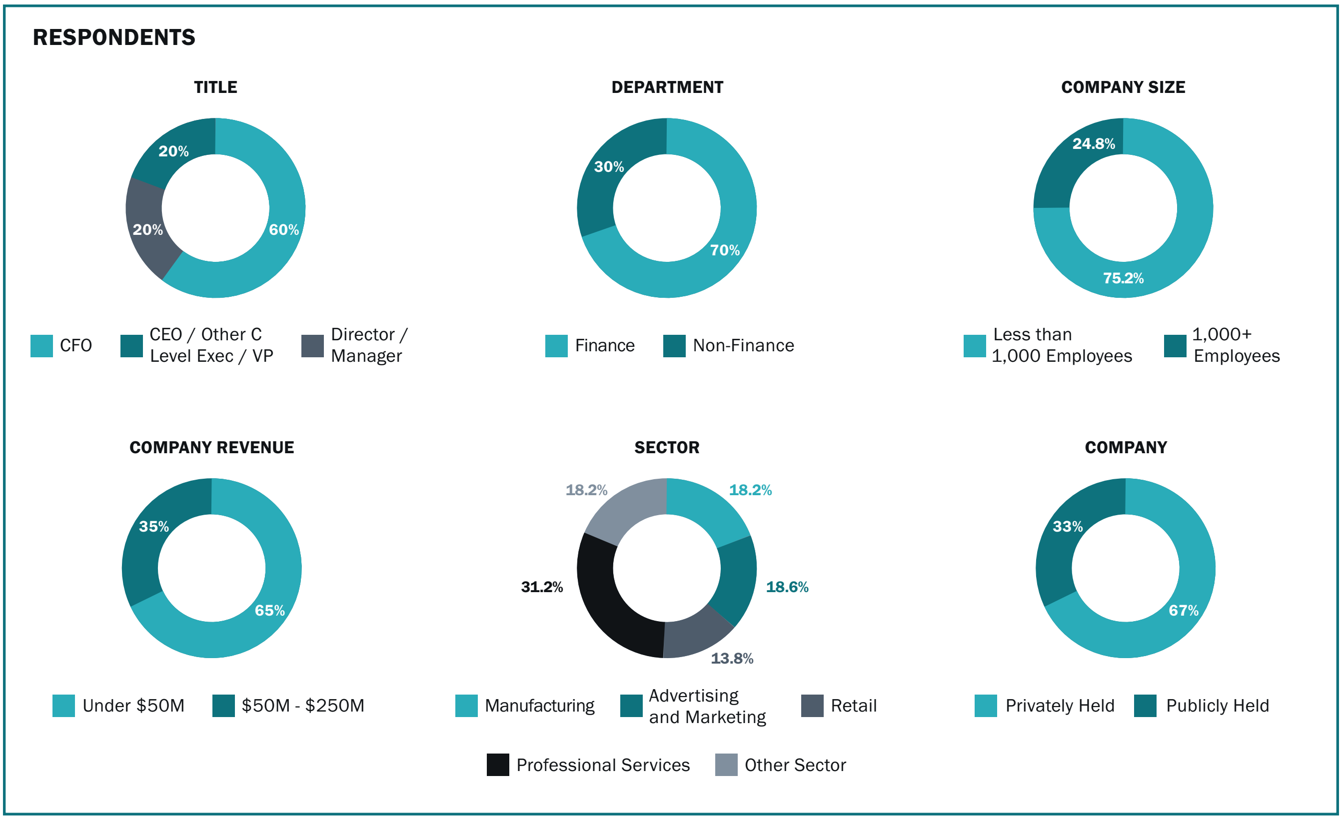
- A volatile economy
- Continued pressures from inflation
- Rising interest rates led by the Federal Reserve
- Geopolitics
- Changes in workers' expectations and habits
- Falling productivity per employee
- A persistently tight labor market

None of these will be a surprise, but understanding how these factors shape business goals is revealed in the survey.

As we look to 2023, we examine how CFOs and their C-suite peers view the outlook for their businesses and continue to work to acquire talent in the tight labor market, manage cost cuts, and map out technology spend to increase productivity and relieve pressures on overworked employees. We also look at how non-executive managers view the performance of their finance chiefs and their outlook on their company's performance.

Timing and demographic overview

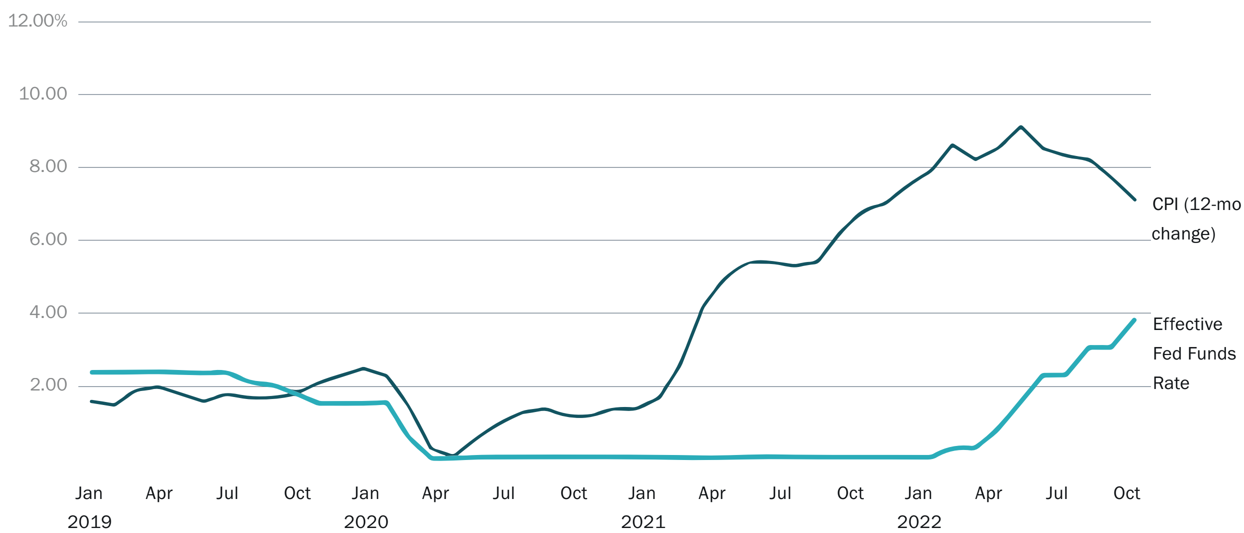
The CFO survey was fielded between November 17th and November 30th, 2022. Respondents were segmented into three categories: finance executives (CFOs); non-finance executives (CEOs and other C-Suite executives and VPs); and directors and managers. We divided responses this way and found disagreements over priorities, particularly between executives and managers outside of the finance department.



At the time the survey was fielded, the headline consumer price index (CPI) rose 0.1%, down from 0.4% in October. The twelve-month CPI fell to 7.1%,[1] the smallest increase since December 2021, according to Bureau of Labor Statistics (BLS) data. Inflation remained high, but pressures loosened.

THE FED'S RATE HIKES AT WORK

THE EFFECTIVE FEDERAL FUNDS RATE AND THE CONSUMER PRICE INDEX



The Effective Federal Funds Rate number is for the last day of each month. The data pre-date the Dec. 14 rates decision.
CPI data is not seasonally adjusted.

Source: Federal Reserve Bank of New York, Bureau of Labor Statistics

A potential 2023 recession remains on peoples' radars, though likelihood and duration remain a question mark. According to the "October 2022 Outlook"[2] report released by the National Association for Business Economics (NABE), 87% of forecasters place a more than 25% probability of a recession occurring in 2023. Meanwhile, the Conference Board[3] states, "we still expect that the US economy will fall into recession soon. We currently expect to see three quarters of negative GDP growth starting in Q1 2023." However, Goldman Sachs says we may escape a recession,[4] rating likelihood at a mere 35%. And the federal reserve shares some of the sentiment:[5]

> "Our analysis has highlighted that the predictive power of the NTFS mostly stems from the information contained in the current monetary policy stance and the slope of expected inflation. Using data through early June 2022, we estimate a largely accommodative current policy gap that lowers the odds of an incipient economic downturn."

We asked about the external factors that could negatively impact businesses. CFOs and non-finance executives do not agree on their top concern. Executives are much more worried about the economy than the finance department, with 42% versus 27% respectively, seeing the economy contracting. Managers were more concerned about the regulatory environment than CFOs.

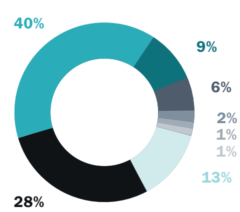
PART 1: A FOCUS ON FINANCE CFO RESPONSES

Outlook

CFOs and the finance department are notably confident heading into 2023, with 82% expecting revenue growth this year, though with modest expectations. A plurality (40%) are projecting a 1% to 5% increase in revenue growth. And 64% of CFOs think the near-term U.S. economic environment will affect their company positively; only 19% expect a negative impact.

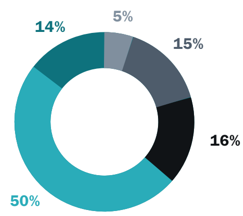
CFO EXPECTATIONS & REPORTS

CFOS REVENUE GROWTH EXPECTATIONS FOR 2023



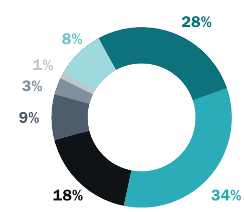
Over 20% increase
11% - 20% increase
6% - 10% increase
1% - 5% increase
Flat / no change
1% - 5% decrease
6% - 10% decrease
11% - 20% decrease

HOW CFOS EXPECT THE NEAR-TERM US ECONOMIC ENVIRONMENT TO AFFECT THEIR COMPANY



We expect negative effects for the next two years
We expect negative effects for the next year
No effect
We expect positive effects for the next year
We expect positive effects for the next two years

CFOS REPORT REVENUE PER EMPLOYEE

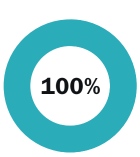


Under $50,000
$50,000 to under $100,000
$100,000 to under $200,000
$200,000 to under $300,000
$300,000 to under 400,000
$400,000 to under $500,000
Over $500,000

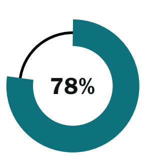
What concerns the finance department in 2023? While 100% of CFOs felt inflation will continue to be a primary issue, 39% said their main tools against inflation will be to optimize cash flow, 36% will cut costs across the board and cut low margin products, and 35% will cut costs in targeted ways and adjust their capital spend. Only 34% of CFOs will look to increase prices, a priority which previously held the number one spot in CFO.com's summer of 2022 survey.

CFOs

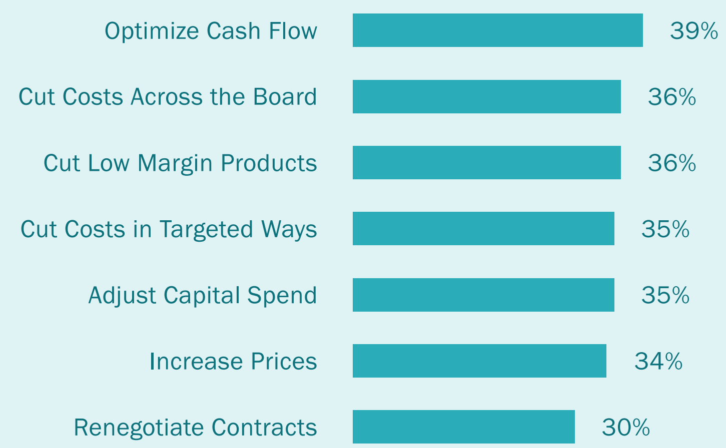
believe inflation will be an issue in 2023



will cut costs / products



CFO's Main Tools Against Inflation in 2023*

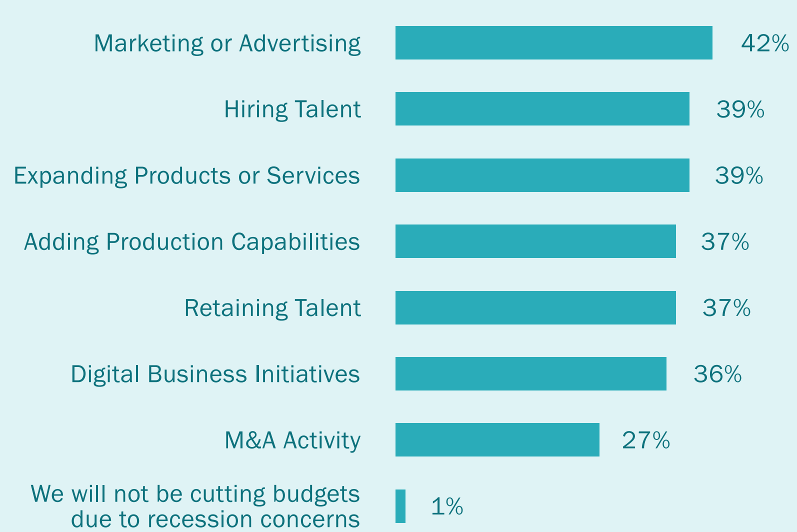


*Respondents selected up to three answers

Where will CFOs be looking to cut costs? Marketing and advertising tops the list at 42%, 39% from hiring talent, 39% from expanding products or services, 37% chose cuts to adding production capabilities and 37% also from retaining talent. Said one survey respondent:

> "The biggest financial challenge our company will face in 2023 is finding ways to cut costs and increase efficiency. We need to find ways to do more with less and make our operation as lean and mean as possible."

Where CFOs Believe Budget Cuts May Happen Due to Recession Concerns*

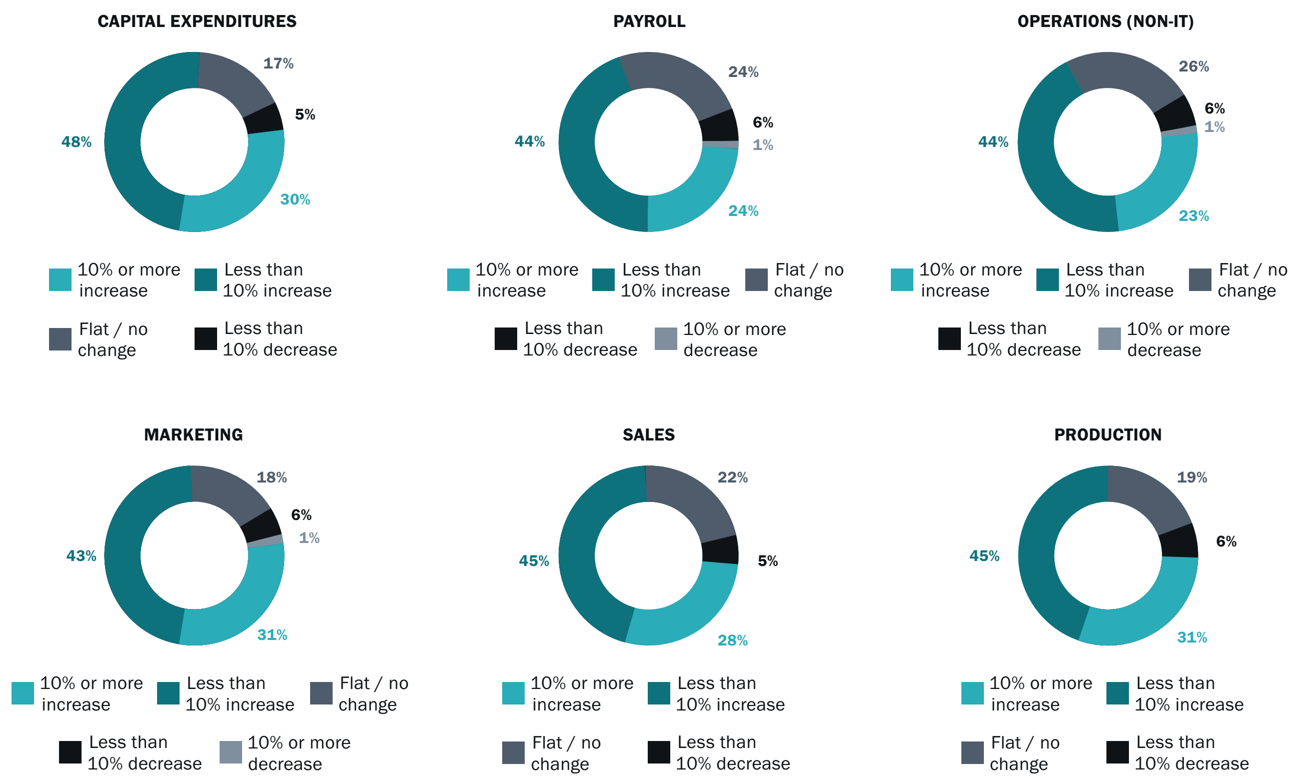


*Respondents selected all that applied

Business Investment

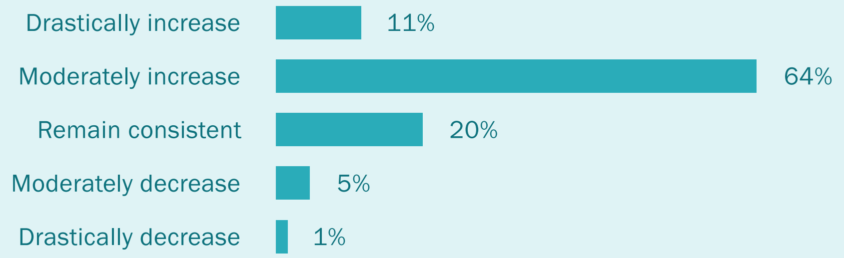
When CFOs were asked about spending changes in the next 12 months, most reported increases in all major business areas. About three quarters (78%) of CFOs are set to increase capital expenditures; 69%, payroll expenditures; 67%, non-tech operational expenditures; 74%, marketing; 73%, sales spending; and 76%, production spending.

CFO SPENDING CHANGES IN THE NEXT 12 MONTHS



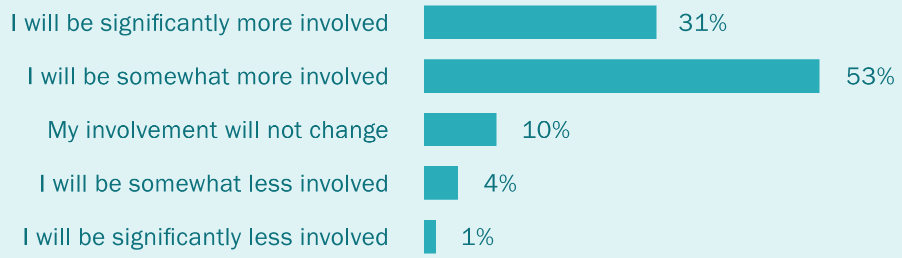
Capital spend in technology for the finance team ranks high among the priorities. Three-quarters of CFOs anticipate an overall increase — 11% look to drastically increase spending, 64% to moderately increase spending, and 20% to spend about the same amount as last year.

CFO's Capital Spend in Technology for the Finance Team



And when it comes to the CFO's role in developing a tech strategy, an overwhelming majority (84%) say they will be more involved in 2023 than they were in 2022.

CFO's Role in Developing a Technology Strategy



Talent

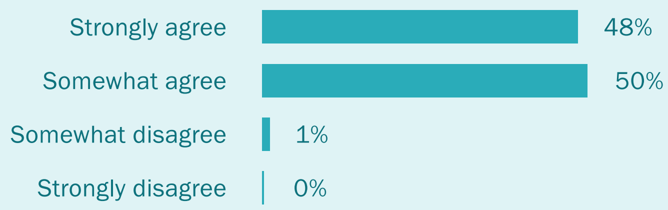
In the CFO.com 2022 summer survey, CFOs said finding and hiring accounting professionals was their number one labor challenge in the finance department.[6] They continue to rank accounting as the most important skill when recruiting for their team, with 32% ranking it number one. But nearly as many CFOs (31%) said industry knowledge was the most important attribute, and 29% said it was project management. Leadership, tech acumen, and data analysis also ranked highly.

Most Important Skills and Attributes When Recruiting for the Finance Team*

*Respondents selected up to two answers

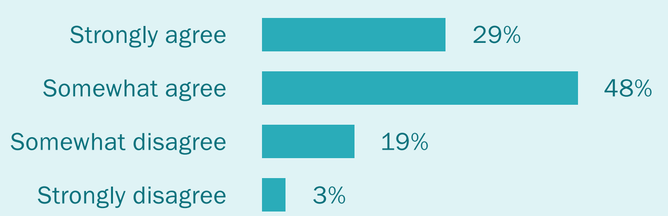
Finance teams continue to face hiring challenges, consistent with the broader labor market. As of November 2022, there are 10.5 million job openings, according to the Bureau of Labor Statistics[7] (BLS). Companies still struggle to fill all available openings that enable them to continue growth prospects. For finance teams, despite facing a shortage of qualified accounting professionals, 98% of CFOs strongly or somewhat agreed that communication within their team is effective.

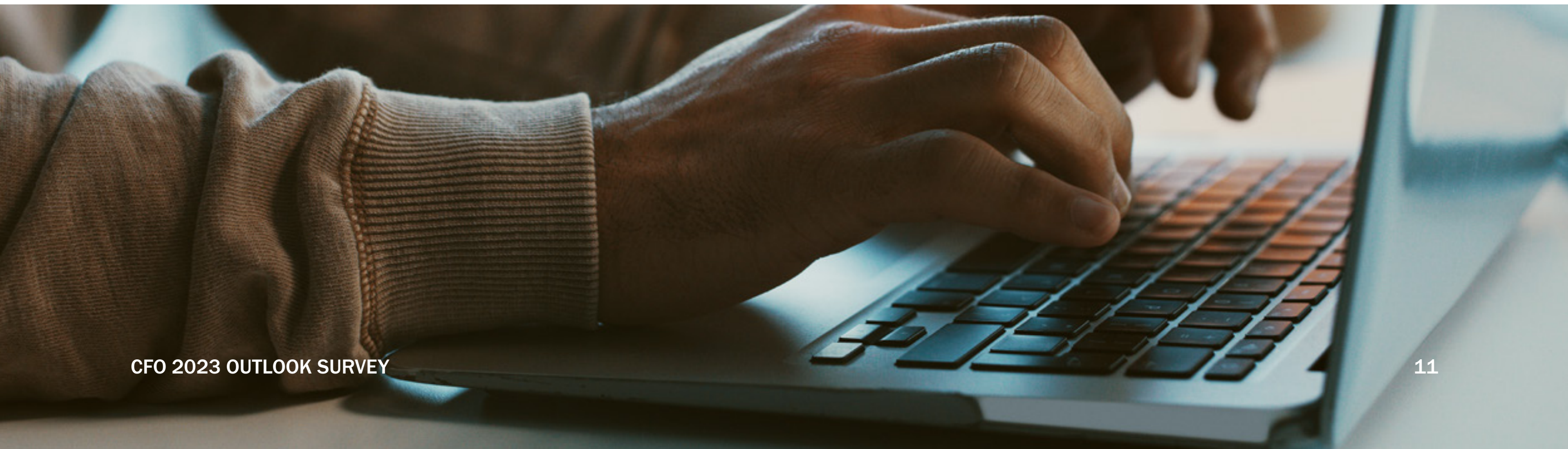
CFOs: “I Communicate Effectively With My Finance Team”



However, “quiet quitting” — a new 2022 term reflecting worker dissatisfaction is discussed in the context of worker dissatisfaction, burnout, disengagement, and the deprioritization of work in favor of other aspects of life — remains a team concern. Of those CFOs surveyed, 78% say it’s a problem. While quiet quitting isn’t turnover, this kind of dissatisfaction can lead to talent churn and it certainly means loss in productivity, two factors that can directly impede company profit prospects.

CFOs: “‘Quiet Quitting’ is a Problem for My Company”





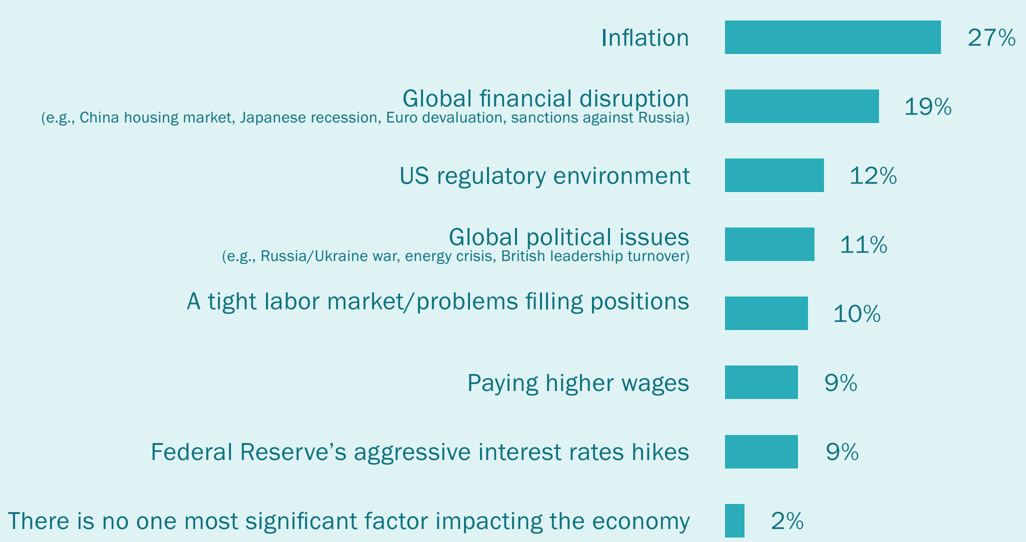
PART 2: BUSINESS LEADERS AS A WHOLE

Business Leaders' Forecast: Partly Sunny

Despite concerns over a possible recession, continued inflation sparking hawkish Federal Reserve moves, and a difficult labor market, business leaders remain upbeat on company growth. There are still questions about how deep the slowdown could be, how widespread, and how long it could last.

In 2023, business executives continue to report inflation as their number one concern impacting the economy (chosen by 27%). Global financial disruption ranked second (19%). The U.S. regulatory environment (12%) and global political issues (11%) came in third and fourth.

The Most Significant Factor Impacting the Economy*



*All respondents

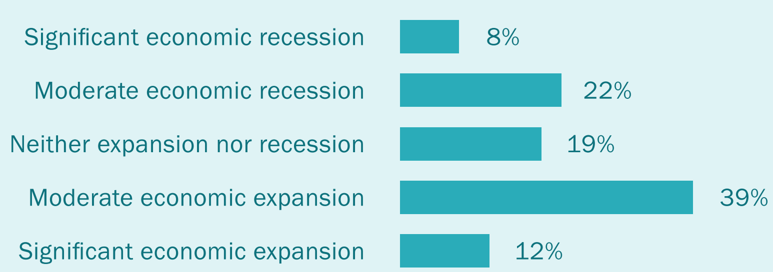
If the Federal Reserve continues to apply rate hikes, business leaders will be closely monitoring prices and will remain cautious about spending. If inflation remains stubborn, CFOs could be waiting well into 2023 for the Federal Reserve to end its rate hike cycle.

So far, the tight U.S. labor market has not responded to monetary policy moves. And in the Fed's most recent FOMC meeting notes in December[8], stated that "an unwarranted easing in financial conditions, especially if driven by a misperception by the public of how the Fed will react to economic developments would complicate the committee's effort to restore price stability."

Respondents also noted that global financial disruption — including the China housing market, the recession in Japan, and economic downturns in Europe[9] and the U.K. — is impacting the U.S. economy. The overall severity and magnitude of financial risks are likely to remain high through 2023.

For the most part, optimism about the 2023 economy among business leaders remains strong. But smaller companies were a little less enthusiastic, which we'll cover in subsequent sections of this report. About half (51%) of all respondents said they see the economy expanding in 2023 (39% moderately, 11% significantly). More than a third (39%) see it receding (8% significantly, 22% moderately) and 19% said the economy would neither expand nor contract.

Where is the Economy Headed in 2023?



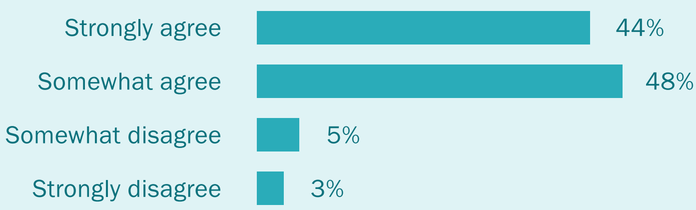
Some business leaders still believe they will grow their companies even if the overall U.S. economy enters a recession. It's also likely that they are looking at 2023 as a tale of two halves: contraction in the first half of 2023 and then rapid growth in the second half during recovery.

You've Gotta Have Faith (in the Finance Department)

Confidence in the finance department is high across the board, with 92% of all respondents (including CFOs themselves) agreeing it is fully prepared to handle a potential recession.

However, CFO peers report that while they have overwhelming confidence in their finance department, it's still not as high as the CFOs have in themselves. When broken out, finance is 94% confident in their abilities versus 87% of non-finance. And 98% of CFOs believe their finance team is doing a great job versus 92% of non-finance executives. This is consistent with our previous survey - finance always grades itself slightly higher.

CFOs: "My Finance Team is Fully Prepared for a Recession"



Asked the biggest financial challenge faced in 2023, total responses varied widely, but cash was top of mind. Managing costs and budgets was the biggest challenge for 16% of respondents. Financial management was second at 15% and inflation/economic downturn third at 14%. Profit and cash flow was next at 13%. Respondents were less concerned about increasing salaries, product pricing, or environmental impacts/sustainability challenges. Only 2% or less of respondents indicated one of those three was their biggest financial challenge.

The Biggest Financial Challenge of 2023*

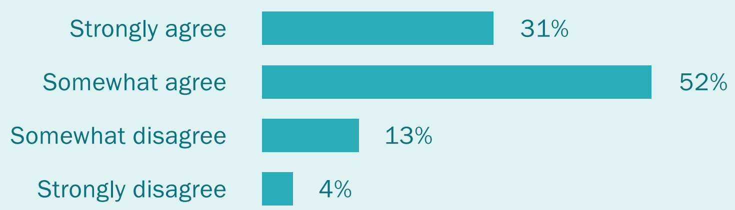
*All respondents

The fundamentals of what the CFO and the finance team do to support the business don't change a lot — but as we'll see, the priorities of functions ebb and flow.

Business Leaders Face Workforce Woes

All respondents expect hiring challenges in 2023, with over 83% believing their company will have a critical talent shortage in the next two quarters.

"My Company Faces Critical Hiring Needs in the First Half of 2023"*



*All respondents

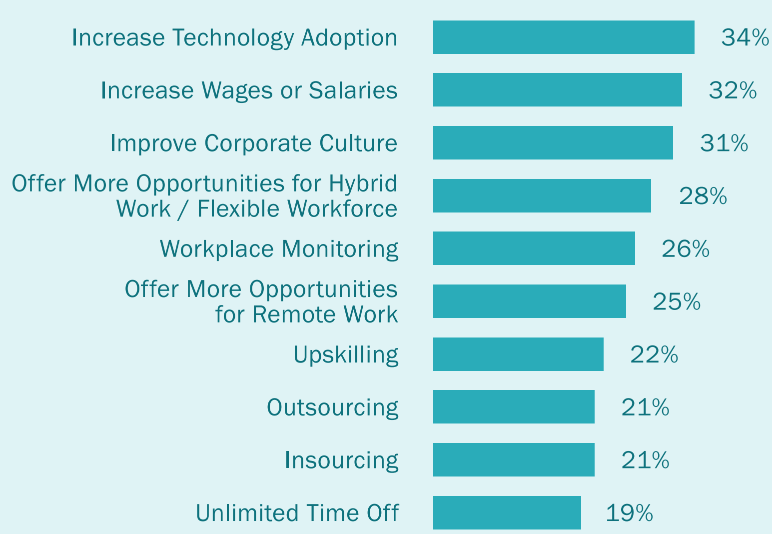
When the survey was fielded, according to the Bureau of Labor Statistics,[10] the unemployment rate edged down to 3.5% in December, and had barely budged throughout 2022. The number of unemployed persons was essentially unchanged at 6.0 million.

Scarce labor translated into upward pressure on wages. The average pay raise for U.S. workers is projected to be 4.6% for 2023,[11] according to Willis Towers Watson, and the Federal Reserve Bank of Atlanta indicated that wages for workers[12] remaining in their jobs were up 5.5% as of November 2022 compared with 3.7% in January 2022. That represents the highest increase in annual growth in 25 years.

The wage increase, which still falls below November's 12-month CPI reading of 7.1%, means real wages are still falling. But the size of the increase indicates companies are fighting to acquire and retain talent, and willing to pay for it.

Business leaders plan to confront workforce challenges by implementing new policies or investing in workplace changes. Slightly more than one third (34%) will increase technology adoption, 32% are looking to increase wages or salaries, and 31% will improve corporate culture. The next three frequently mentioned policy changes were offering more opportunities for hybrid and flexible work, monitoring the workplace, and offering more remote work. However, the survey question did not specify if "monitoring the workplace" meant monitoring people in the office, or at-home workers.

Workforce Changes and Policies Anticipated in 2023*

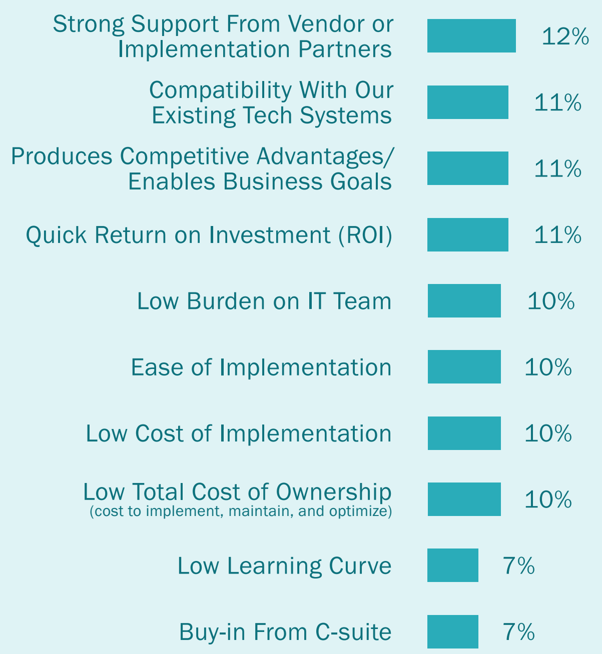


*All respondents selected up to three answers

Tech to the Workforce Rescue

Over the last decade, technology has reshaped the workplace and respondents say they plan to increase use of technology. When ranking the top three responses from most to least important factors when evaluating tech investments, one third (33%) of survey respondents ranked low cost of implementation as most important. A quick return on investment (ROI) (32%) and low total cost of ownership (32%) were ranked equally important, as was compatibility with existing technology systems. Buy-in from the C-suite ranked last.

Top Factor When Evaluating Digital Tech Investments*



*All respondents ranked from most to least important

PART 3: BUSINESS LEADERS BY CATEGORY

Our partnership with Oracle NetSuite and Wakefield on this survey allowed us to reach a large respondent audience with wide representation across management levels and organizational responsibilities.

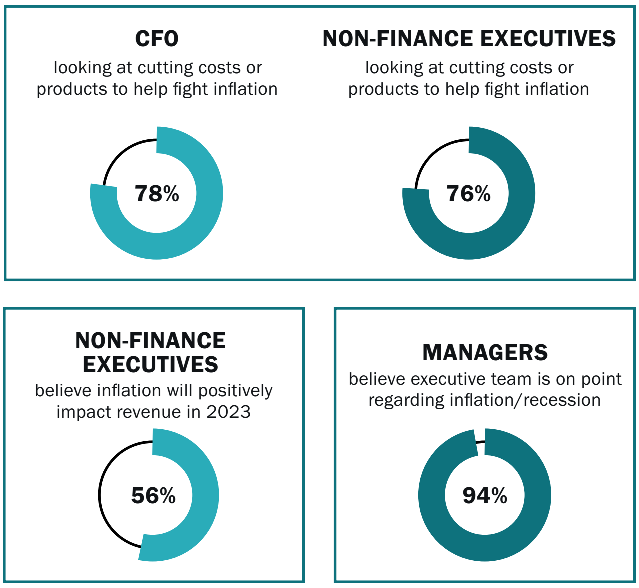
The result is a comparison of viewpoints from 500 respondents. They are broken down into business leaders of companies with annual revenues under $50 million (“small”) and of companies with revenue between $50 million and $250 million (“midsized”). We heard from finance, non-finance management, and C-suite professionals. The data provides a unique — and often surprising — view of how small and midsized companies are addressing an uneven economy. (Please see the chart with the breakdown of respondents on page 4).

A main takeaway from this report is that C-suite, finance, and other management professionals are not necessarily on the same page regarding some key business issues. This disparity can be seen on a macro level (30% believe a recession is likely; 51% believe there will be moderate or significant expansion in 2023), as well as a micro level (83% of all surveyed believe the company faces critical hiring needs, while managers 85% of managers believe their teams are properly staffed).

Given 2023’s uncertainty around the potential for recession, inflationary pressures, and revised growth expectations (40% of CFOs believe their businesses will achieve a moderate 1% to 5% growth in revenue in 2023), it is unsurprising that final survey results indicate a mixture of optimism and inconsistencies in outlook.

Company-wide Cost Concerns

Respondents continue to rank inflation top of mind and cite it as a key driver in finance policies and practices, with 78% of CFOs and 76% of non-finance executives looking at cutting costs or products to help fight higher-than-normal price increases.



However, inflationary pressures may not be completely crippling, at least on the revenue side. In fact, 56% of non-finance executives believe inflation will positively impact revenue in 2023. While this is most likely due to companies' ability to increase prices to keep pace with inflation, respondents may not yet have a heightened fear of actually losing business because of those price increases, allowing for at least some real growth.

The good news: 94% of managers believe their executive team is taking the right action to manage inflation and prepare for a possible recession.

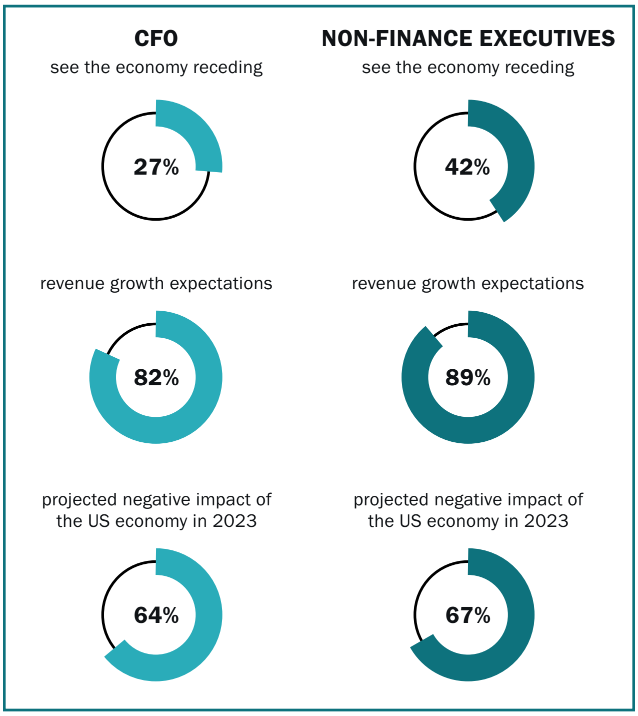
Executives on Growth Forecasts

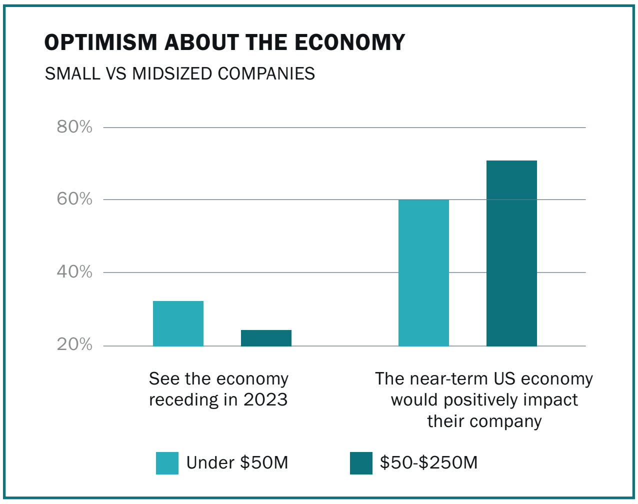
The finance department respondents (CFOs and finance leaders) were far more optimistic about the U.S. economy than their non-finance counterparts. About one-quarter (27%) expect a recession versus 42% of non-finance C-suite executives.

Finance and non-finance executives are consistent in revenue growth expectations, with 82% and 89%, respectively, projecting growth. Both groups held similar views on the projected impacts of the U.S. economy in 2023. In both groups about two-thirds expect growth.

Respondents at smaller companies were less likely to be optimistic about the economic outlook than larger companies. About one-third (34%) of business leaders at small companies expect a recession in 2023. One-quarter (25%) of midsized companies agree.

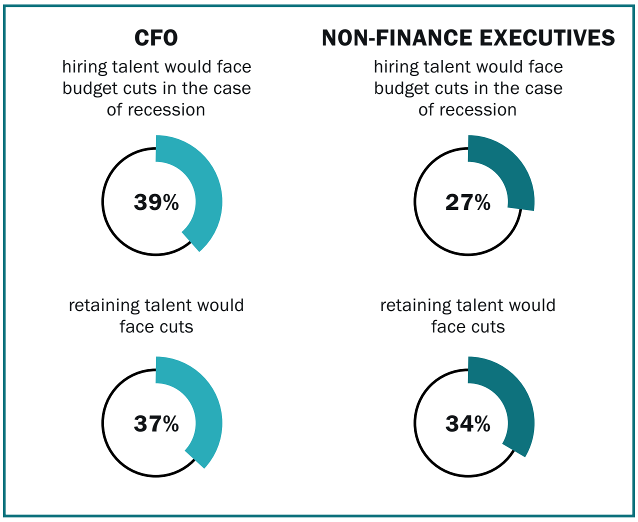
Even as the optimism for continued growth varied by company size, most are in fact optimistic. Sixty percent of CFOs at small companies think the near-term U.S. economy would positively impact their company, and 71% of those at midsized companies held that view. Even though small- and midsized companies tend to be more sensitive to market shocks, this measured optimism remains consistent among CFOs surveyed.





Labor is the Battlefield

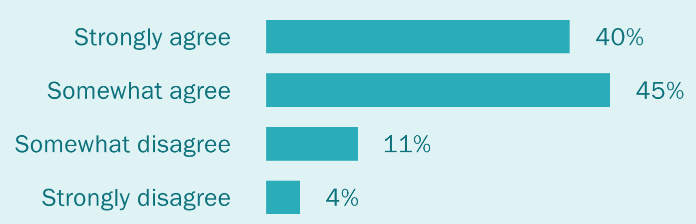
Overall sentiment about talent and hiring seems to be, "We know we need to hire more talent (83% of all surveyed say they face critical hiring needs), but the labor market may prohibit it," as four in 10 (39%) of CFOs surveyed say they expect cuts to hiring budgets in 2023. It seems likely that some businesses are making plans to get by without filling vacant positions, underscored by November's Job Openings and Labor Turnover report, which indicated the labor market still has 10.5 million job openings.

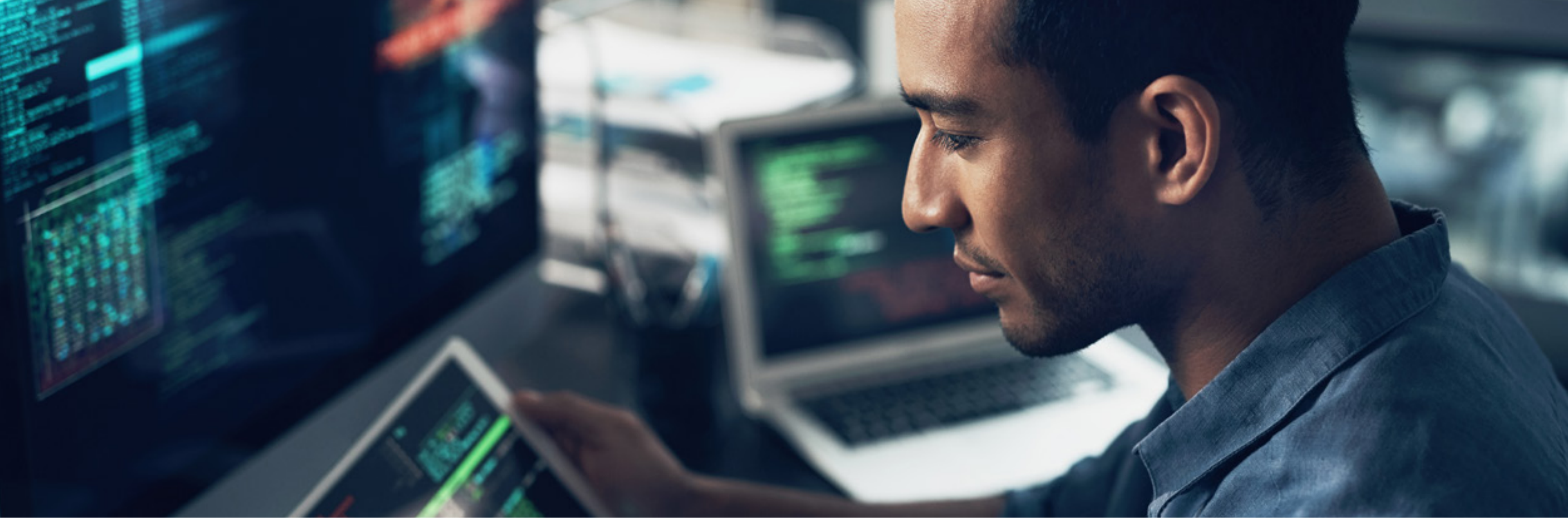


Additionally, and perhaps surprisingly, 37% of CFOs said that expenses aimed at retaining talent would face cuts this year. Non-finance was less likely to believe hiring talent would face cuts (27%) but they are generally on the same page as CFOs on cutting retaining talent (34%). While cost-cutting is going to be part of CFOs' approach, for maintaining a healthy balance sheet in 2023, these responses appear to run counter to recent news that companies are paying some of the largest wage hikes in years to boost retention. If "quiet quitting" is a problem for companies, it may be reflected in companies' decisions on how – and if – to spend money to retain talent.

In an interesting twist, managers (finance and non-finance) agree they have the staffing that they need to do their job — 45% somewhat agreeing and 40% strongly agreeing. Only 15% disagree with the statement.

Managers: "My Team Has the Staffing Needed to Do its Job"



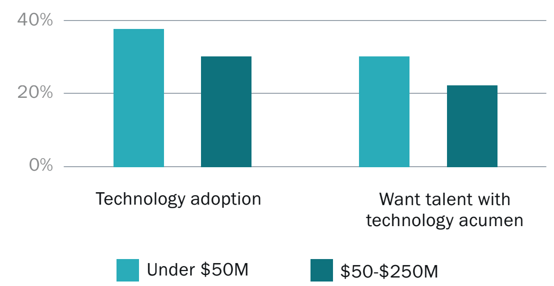


Technology as Support Superhero

Companies under $50M are placing a larger emphasis on technology solutions, likely in part due to struggles finding and hiring talent. Smaller companies were more likely to cite technology adoption as a solution to overworked staff, with 36% of respondents at smaller companies pursuing the strategy, versus 30% at the larger companies. Smaller company CFOs were also more likely to want talent with technology acumen than larger company CFOs at 30% versus 23%, respectively.

EMPHASIS ON TECHNOLOGY SOLUTIONS

SMALL VS MIDSIZED COMPANIES



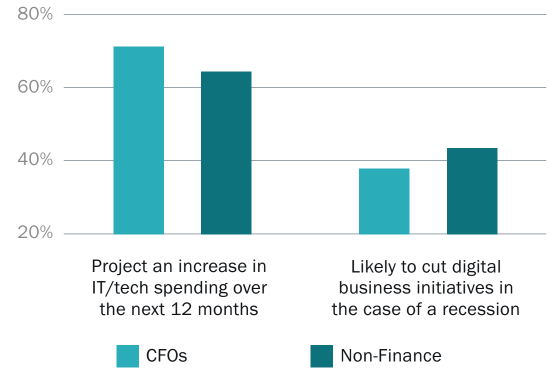
CFOs are Companies' Tech Champs

CFOs surface as the technology champions with 96% of non-finance executives and 89% of managers somewhat agreeing or strongly agreeing that their CFOs CFOs embrace and promote technology throughout the business. More than 8 in 10 CFOs (84%) believe they will be more involved in developing a technology strategy in 2023 than they were last year.

Meanwhile, 73% of all CFOs project an increase in IT/tech spending over the next 12 months versus 66% of non-finance leaders. Only 36% of CFOs were likely to cut digital business initiatives in the case of a recession, versus 45% of non-finance executives.

CFO AS TECHNOLOGY CHAMPION

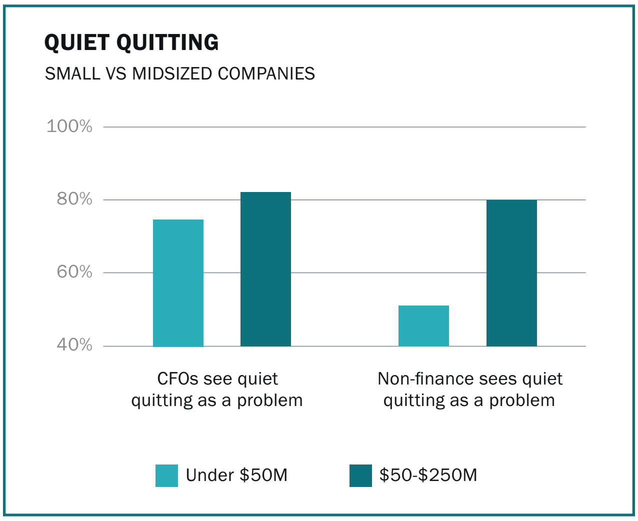
FINANCE VS NON-FINANCE



CFOs Report: Not-So-Quiet Quitting

"Quiet quitting," or the practice workers engage in to just barely satisfy in their job responsibilities, is more likely to be considered a problem by CFOs than non-finance executives in midsized companies rather than smaller companies.

Among CFOs only, 82% of those at midsized companies see it as an issue, versus 74% of CFOs at small companies. The bigger difference is between non-finance executives at midsized companies (80% indicate it's an issue) and those at smaller companies (52%). About three-quarters (78%) of CFOs see quiet quitting as a problem but, only 59% of non-finance professionals do.

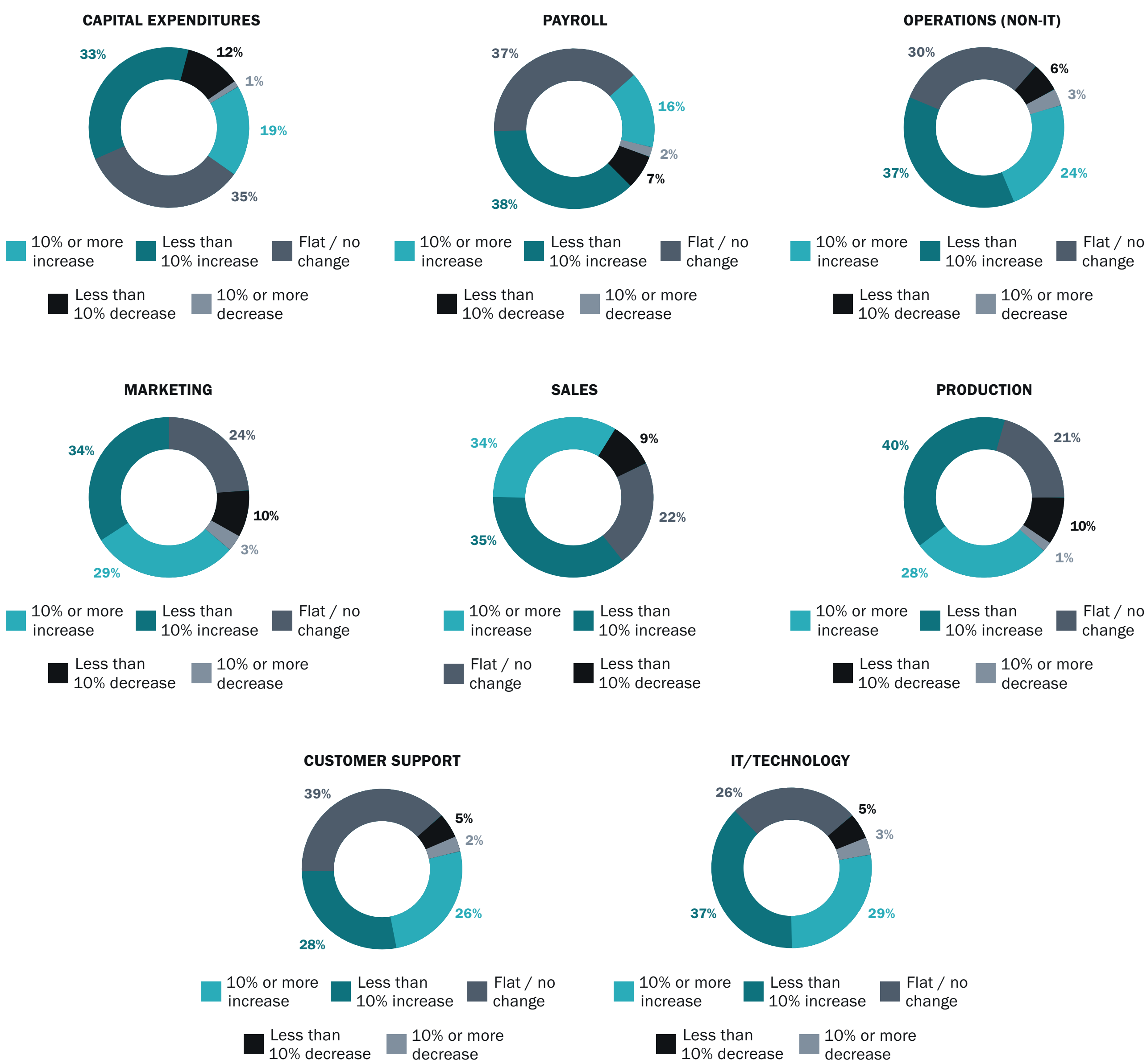


Potentially complicating the issue, a number of states have announced or begun to implement salary transparency laws,[13] which will broadly require companies to disclose pay rate information to job applicants. The goal of these laws is to close the pay gap[14] across groups of employees. From an organizational perspective, transparency laws are believed to increase the likelihood of a solid match between company and employee, thereby lowering the cost of recruitment.

Spending Plans for 2023: Increases Are on the Way

A majority of CFOs plan to increase spending this year, with capital expenditures leading the way at 78% (30% of respondents expect an increase of 10% or greater). The majority of non-finance executives are expecting increases in each area presented – capital expenditures, payroll, non-IT operations, marketing, sales, production, customer support, and IT/technology – as well, but less vociferously than CFOs (percentage of non-finance execs expecting increases averaged between 50-70% versus 60-80% with CFOs). Non-finance executives cited sales as the most likely to see an increase in spending at 69% with production a close second at 68%. The emphasis on sales makes sense since acquiring new customers was cited as the top non-financial goal by non-finance for 2023.

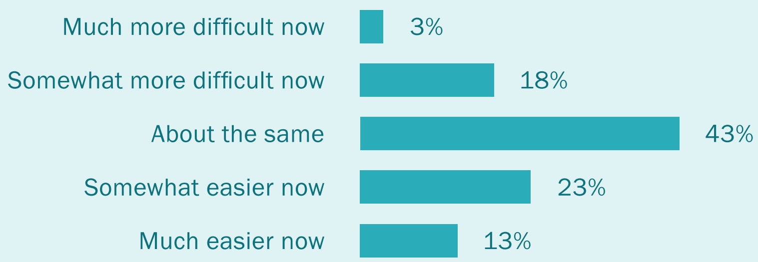
NON-FINANCE EXECUTIVES SPENDING CHANGES IN THE NEXT 12 MONTHS



Managers Are Happy, But Is One Foot Out the Door?

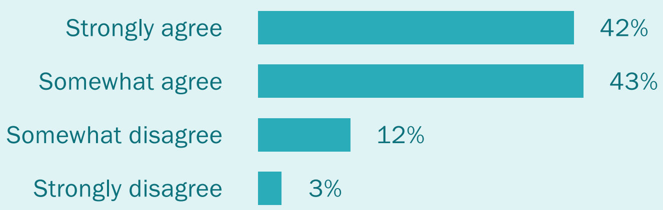
Managers are often tasked with implementing executives' strategies, and therefore it is critical they be on the same page. Currently, manager sentiment is very positive. Manager respondents said that their jobs either stayed largely the same (43%) or got easier (36%) over the previous 12 months. While conclusions are difficult to draw from these data points, it may be an indication of the executive's effectiveness as a leader in helping managers understand responsibilities and creating a work environment that is supportive of those efforts.

Managers: "How My Job Has Changed Over Past 12 Months"



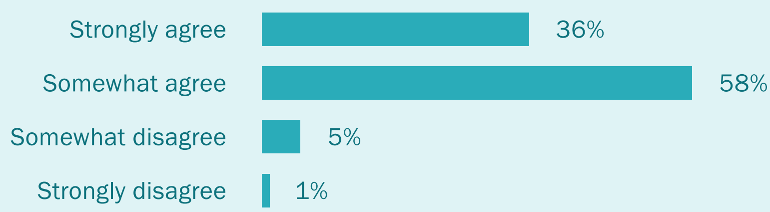
As a vote of confidence in the day-to-day functioning of their companies, the vast majority of managers responded that they remain motivated on the job — 43% somewhat agreeing with that statement and 42% strongly agreeing with it. A total of 15% were in somewhat or strong disagreement.

Managers: "I Remain Highly Motivated in My Job"



The quality of communication between managers and the finance department was ranked very high — with 94% agreeing that there is effective communication. Only 5% somewhat disagreed that there is effective communication, with a scant 1% strongly disagreeing.

Managers: "I Communicate Effectively With My CFO"

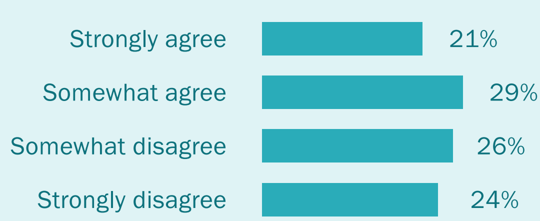


Despite being highly motivated and with good communication, another more disconcerting mixed signal is that half of managers are looking to take their dedication elsewhere — 50% somewhat, or strongly, agree with the statement, "I am actively looking for another job." If the question is, "why would you be looking if you're happy?" the most likely answer is, it is a employee's market for qualified candidates.

As Jim Dinneen of Robert Half[15] noted, "Some of the reasons why they're looking for new roles are pretty consistent. Compensation remains the top one, also greater opportunity for advancement is really high up on the priority list of candidates looking for new roles. Also, they want a job where they feel confident that they can work remotely long term." Financial professionals feel empowered to speak up and ask for more.

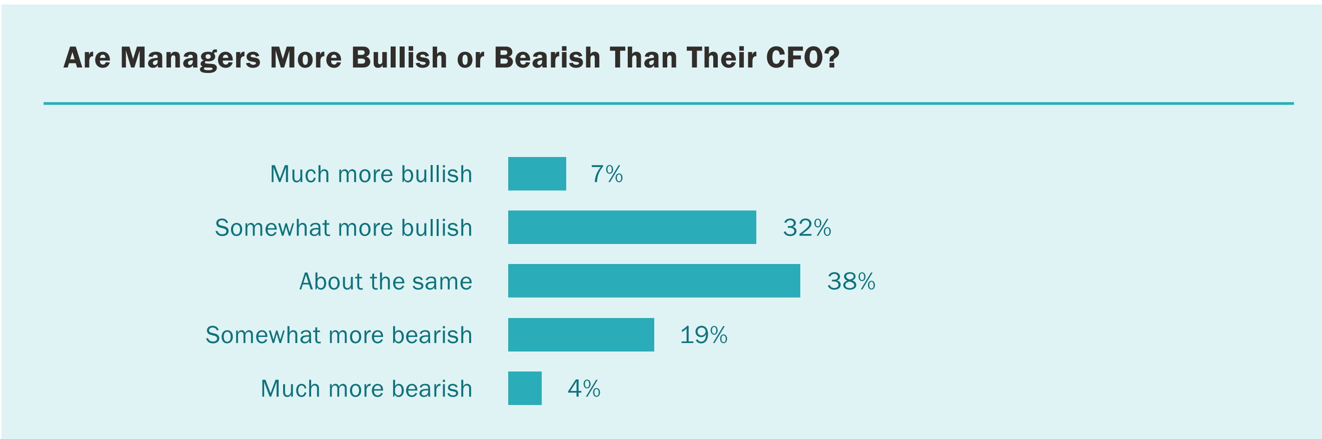
The other half indicated they are not actively seeking another position. Managers at small companies are far more likely to be looking for other roles (58% of them) versus 27% of those at small companies.

Managers: "I Am Actively Looking for Another Job"

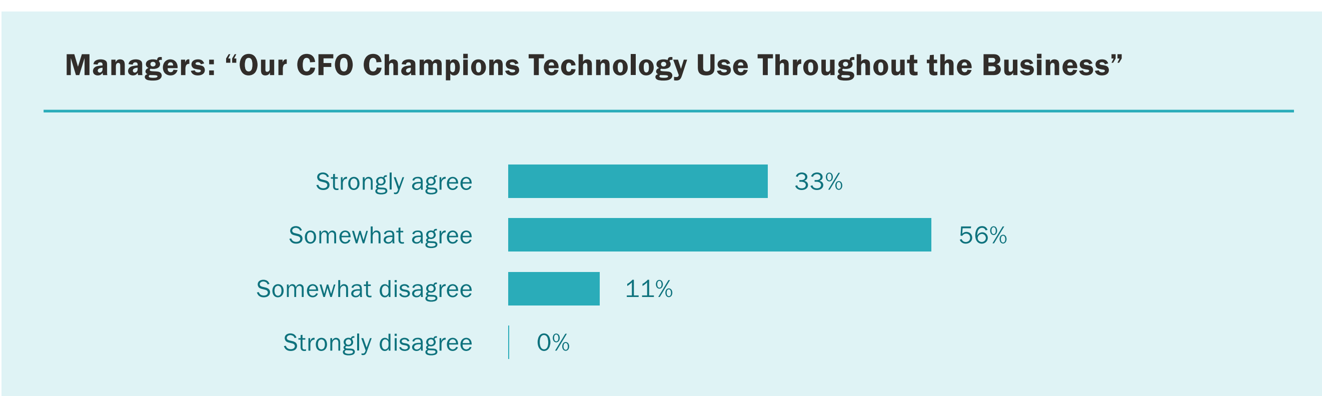


Managers generally agree with the CFOs about the state of the economy, but are somewhat more bullish than the CFO as they look into 2023. Most managers (39%) say they are either much more bullish (7%) or somewhat more bullish (32%). But more than one-third (38%) say they are in sync with their CFO as to economic outlook.

A combined 23% are more bearish than the CFO.



Most managers also feel that their finance chief champions technology use throughout the business with 89% agreeing. 56% somewhat agree, 33% strongly agree and 11% somewhat disagree.

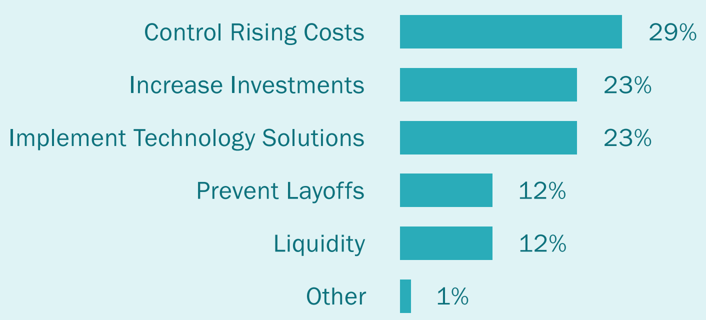


A final question to managers: What should CFOs be focused on amid economic uncertainty?

From the managers' viewpoint, the most important role (29%) for the CFO in such times is controlling rising costs. Nearly one-quarter (23%) indicate the CFO's most important job is to increase investments, and the same percentage said it is to implement technology solutions. While "controlling costs" is a consistent historical attribute CFOs are expected to manage, the increase in investments, and specifically in technology, may be a sign that managers understand at a deeper level what keeps companies afloat during economic down cycles.

Two smaller sets of respondents said a CFO's top job is to prevent layoffs (12%) or secure liquidity (12%). While it is reasonable that managers believe layoffs lie within the CEO's domain, liquidity is historically owned by the CFO.

Managers: "My CFO's Biggest Job During Economic Uncertainty is:"



The Last Line Item

As CFOs continue to closely follow inflation and the Federal Reserve's interest rate moves and carefully gauge signs of a likely recession, there is consensus of a pivot to focus on profit and take a hard look at budgets. That might even lead to reducing staff during a tight labor market.

CFOs face a new reality in the workforce, with a confluence of factors that include inflationary pressures causing workers' demands for higher salaries, fewer potential candidates in circulation with requisite skill sets, and morphing employee demands for work style flexibility. CFOs' managers are both generally satisfied with team dynamics and positive motivations while considering leaving their positions. These workforce stressors may lead many companies to lean further into technology solutions to fortify productivity.

While peer executives want to see their CFOs controlling costs and playing investments safe this year, they report that they communicate well with their finance chief and are overwhelmingly confident that the finance department will successfully lead the company through 2023.

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