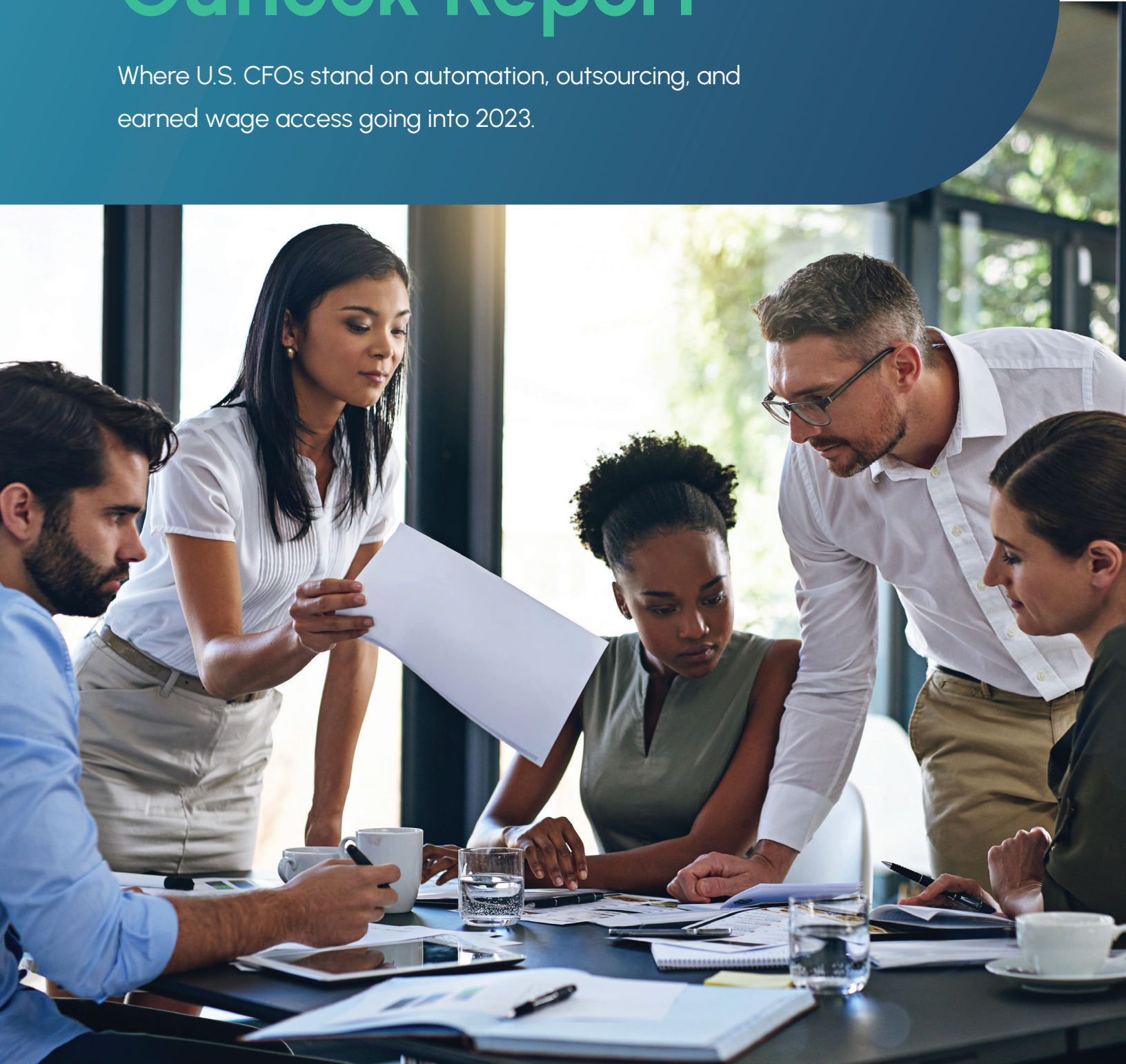


# 2023 CFO Outlook Report

Where U.S. CFOs stand on automation, outsourcing, and earned wage access going into 2023.





# Critical for Finance

## Automation & outsourcing

Faced with a skills shortage and a looming recession, CFOs agree that **automation and outsourcing are critical for Finance.**

The last few years have ushered in dramatic changes regarding work. COVID-19 was the beginning, but by no means the end. In the last two years **how, where, and when employees work has changed dramatically** as remote and hybrid arrangements have gone from a necessity to a preference for many.



Rising levels of burnout and a serious skills shortage have brought new challenges as well. The Great Resignation fueled a competitive job market that highlighted just how important it is for companies to not only attract workers but retain them. And looming in the background this whole time have been questions about the next recession: **When is it coming, and how bad will it be?**

As these changes have occurred, CFOs have seen their priorities shift away from simple bean counting and looking in the rearview mirror at their company's performance.

Today's **CFOs are expected to be more strategic** and forward-looking. In 2022 and beyond, growth and talent retention will be higher on the CFO's list of priorities than in years past. So will digital transformation as companies invest in new technology for purposes ranging from reducing costs to equipping their employees with remote and hybrid-friendly solutions.

It's within this context that **we surveyed just over 100 U.S. CFOs** to see where they stand on automating and outsourcing their finance tasks and leveraging earned wage access as a retention tool.

# Key takeaways

- 1 Finance teams need more help, either through automation, extra resources, or both.
- 2 With a potential recession on the horizon, most CFOs are preparing for a hiring freeze.
- 3 Understaffed teams will continue to feel pinched when the recession hits.
- 4 Outsourcing can provide relief for understaffed teams.
- 5 Companies need earned wage access because employees are starting to expect it.
- 6 A lack of time and resources are among the biggest obstacles to automating finance and implementing earned wage access.

*"In 2022 we witnessed CFOs' priorities shift to the workforce coming out of Covid and dealing with the Great Resignation. In 2023, a potential recession and skills shortage will see their focus remaining on the workforce, their own departments included. Although the survey reveals some stark results with 4 in every 5 CFOs looking at implementing a hiring freeze, we also see potential for business growth through 2023 with outsourcing, co-sourcing, and automation. For CFOs who are wondering where their peers are at when it comes to these obstacles and the various solutions to them, we believe these results reveal a clear picture of what other CFOs are gravitating towards to support their teams and the businesses they're a part of."*

**Courtney Cloeter, OSV Chief Revenue Officer**





## What CFOs want

With growth, digital transformation, and retention all important priorities for CFOs, there is a **clear need for modern finance solutions** that are more cost effective and that reduce the amount of time employees have to spend on routine, repeatable tasks.



## Automation and outsourcing

Based on the results of our survey, automation and outsourcing are both viewed **favorably as helpful solutions**.

Faced with a potential recession—and the hiring freezes that often accompany one—companies will need to ensure that all their critical tasks are completed accurately and on time. If hiring more employees isn't an option, **automation and outsourcing represent a way forward**, one that creates opportunities for existing employees.





## Retention

Creating opportunities internally can **positively impact a company's retention efforts** as employees are able to spend less time on work that is typically considered routine or mundane and more time on other projects.

According to our survey, this was the **number one reason for outsourcing** a company's finance and accounting tasks—to create more capacity for existing employees.

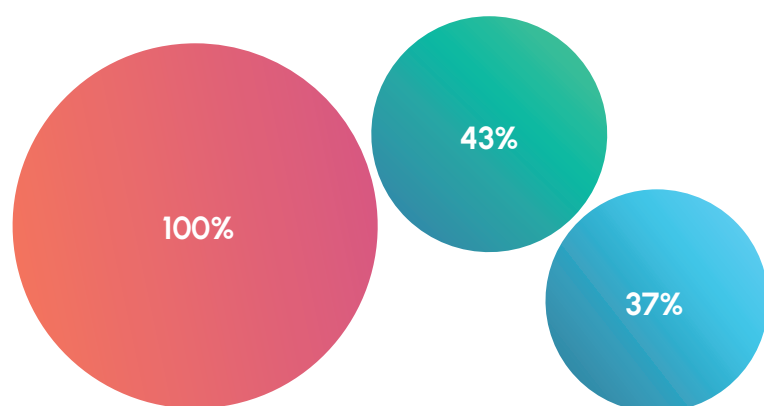
Our survey also identifies earned wage access as a tool for **attracting and retaining employees**, in large part because employees expect for companies to have an earned wage access benefit in place.

**Let's take a closer look at some key takeaways** and the individual questions from our survey.

# Key findings from the results

## Key finding 1

Finance teams need more help, either through automation, extra resources, or both.



- 100% of surveyed CFOs agree - automating finance is important.
- 43% recognize that they won't be able to focus on more strategic initiatives until they start leveraging it.
- 37% will not be able to meet their growth ambitions without adding more staff.

## Key finding 2

With a potential recession on the horizon, most CFOs are preparing for a hiring freeze.

**83%**

of CFOs expect to enact a hiring freeze - either they have one already or will soon.



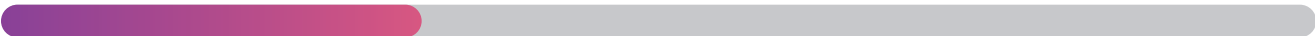
Key finding 3

Understaffed teams will continue to feel pinched when the recession hits.

53% of CFOs felt their team was **staffed appropriately**.

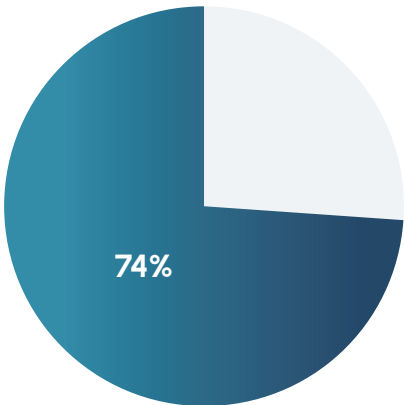


32% of CFOs described their team as **understaffed**. As companies enact hiring freezes, understaffed teams hoping for relief may be disappointed.



Key finding 4

Outsourcing can provide relief for understaffed teams.

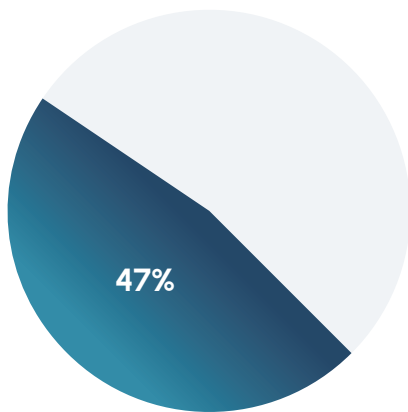


74% of surveyed CFOs identified **extra capacity as the top reason for outsourcing** their finance and accounting tasks. **For understaffed teams, this could be a lifesaver.**



### Key finding 5

Companies need earned wage access because employees are starting to expect it.



- 47% of CFOs are either **considering earned wage access or have it already**, not just because it helps them compete for talent but because their employees expect to have it.

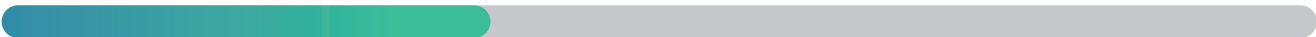




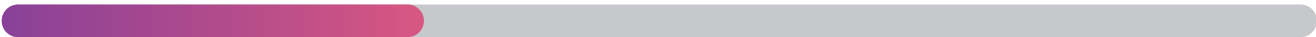
Key finding 6

While the reasons for not already automating finance or implementing earned wage access are varied, the biggest obstacles appear to be a lack of time and resources.

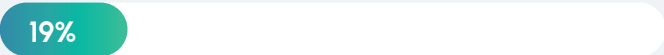
38% of surveyed CFOs identified **time and resources** as the **primary reason for not automating** finance so far.



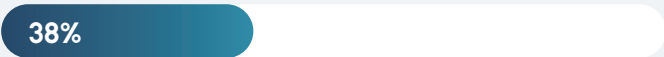
32% of surveyed CFOs identified **resources** as their **primary reason for not implementing** an earned wage access solution.



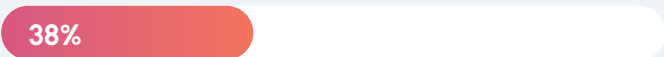
I haven't automated my AP processes because of:



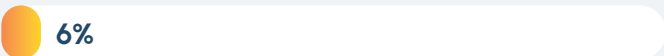
Competing projects



Time



Energy / Resources



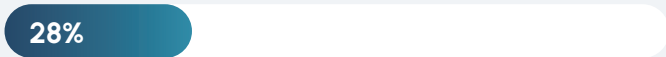
A perception that it's too costly



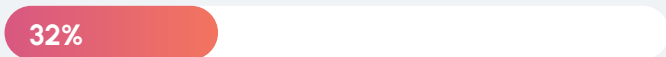
I haven't implimented earned wage access because of:



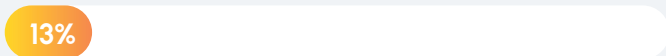
Competing projects



Time



Energy / Resources



A perception that it's too costly

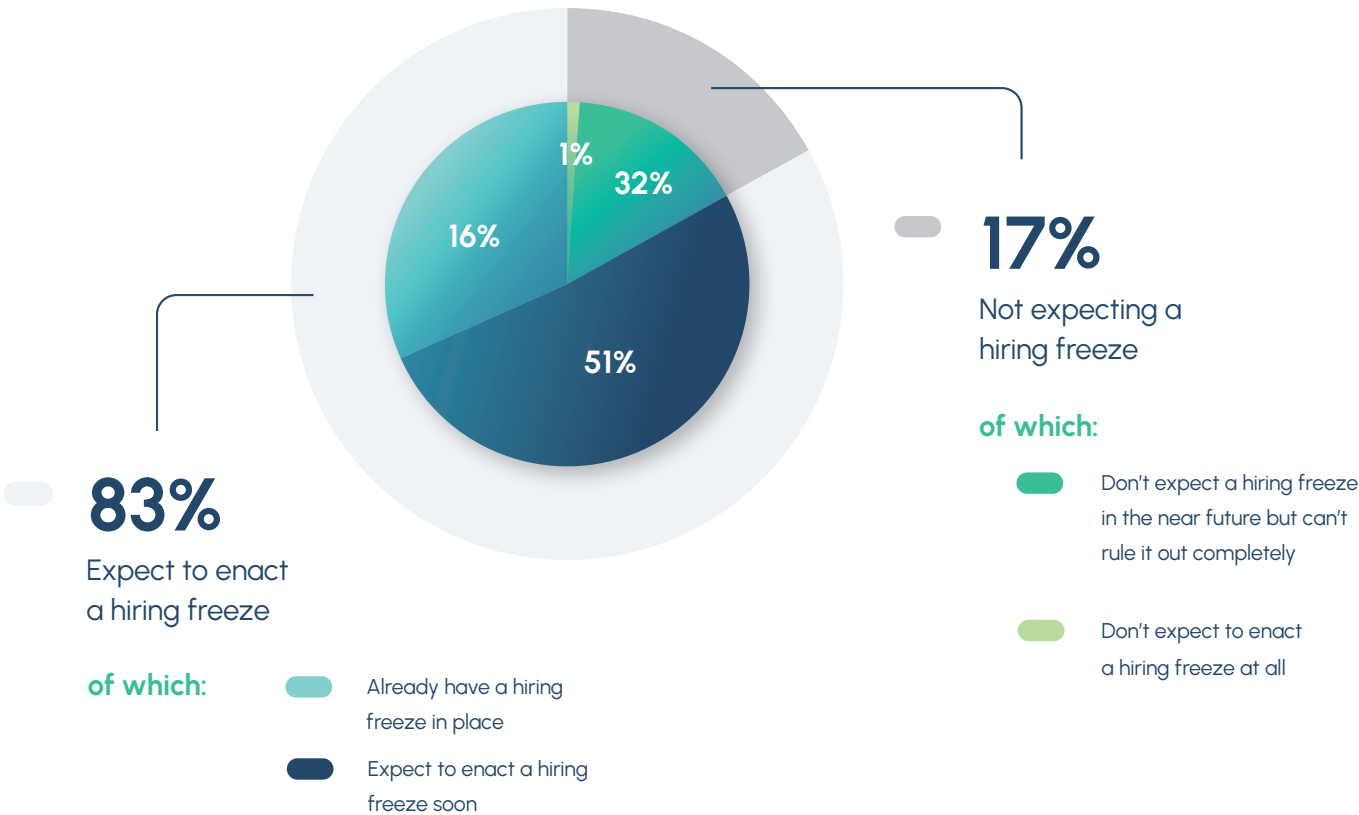
# What questions were asked

## Question 1

When thinking about the potential upcoming recession, do you expect your company to activate a hiring freeze?

Concerns about hiring freezes go up when there's a potential recession on the way. And that's true now as the world braces for the next one. Of the CFOs we surveyed, the majority either have a hiring freeze in place already or they expect to have one in the near future.

No one wants to enact a hiring freeze, but making that call is part of prioritizing—and protecting—a company's growth and profitability. The challenge for any company with a hiring freeze, though, is making sure you have the resources you need to complete all critical tasks accurately and on time.



Question 2

When thinking about your current team, select the statement that is most applicable to your current situation.

According to our survey, most CFOs feel that their teams are staffed appropriately, while a much smaller number thinks they may be overstaffed.

Between these two extremes is a significant number of CFOs who believe their team is currently understaffed, with employees having to wear multiple hats to make sure everything gets done.

Paired together, question one and question two highlight a serious challenge many companies will be facing—they're heading into a potential recession with fewer employees than they would like, and that may be unlikely to change once a hiring freeze is put in place.





Question 3

When thinking about your finance team’s ability to support with growth and scalability in the next year, which of the following statements best describes your current situation (select up to two).

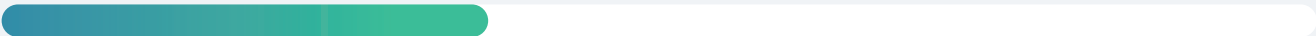
The concerns about matching their growth ambitions and having time to focus on more strategic tasks are both in line with today's trend that CFOs have a different role to play than in the past.

While more than half of respondents feel primed for growth, significant numbers feel that something is missing from their operations.

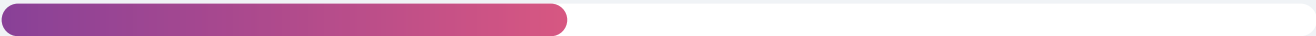
For some respondents, the missing ingredient is automation. For others, there is a need for more staff.

These figures reveal an understanding that their current situation isn't enough. And because respondents could choose up to two answers, there is a high probability of overlap between these groups—it is not necessarily either-or.

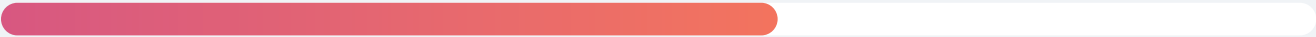
37% Will not be able to match their growth ambitions without more staff.



43% Will not be able to focus on more strategic tasks unless they start automating their accounts payable tasks.



59% Believe their current situation is primed for growth.



Question 4

How automated would you say your current finance function is?

All the CFOs we surveyed believe that automation is important for finance, and a large majority of them have already begun automating their processes. Only a small percentage reported their operations as “not automated.”

The high number of respondents describing their operations as either “very automated” or “somewhat automated” reflects the rising

importance of digital transformation for CFOs. Even if companies are at different stages of the process or require varying levels of automation, CFOs are acting on their belief that automation is important.

But while most respondents have taken some steps to start automating finance, a solid majority—54%—could do more to automate their operations than they already have.



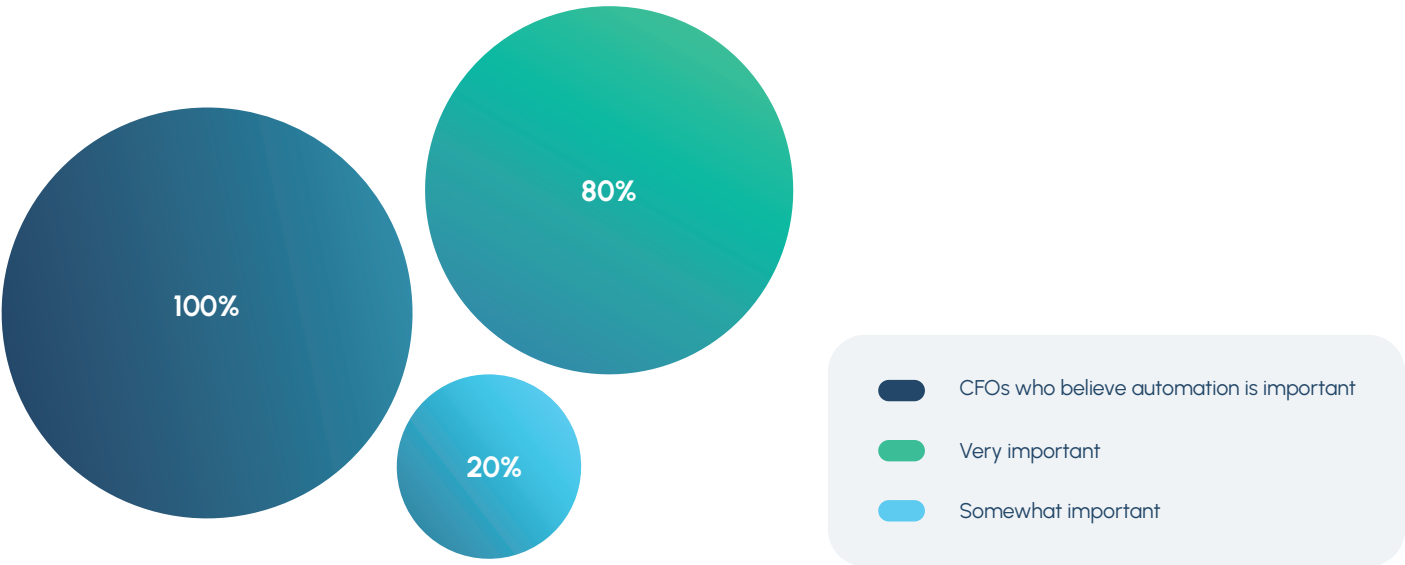
Question 5

How important, if at all, is automation in the finance department to you?

It's unanimous—every CFO who participated in our survey believes that automation is important for finance.

How important is another question. But while our respondents may be divided, a clear majority believes it is "very important."

As with question four, the responses to question five reflect that digital transformation is important for today's CFOs. What's more, the consensus behind question five helps to explain why so many respondents have already taken steps to introduce some level of automation into their processes already.





Question 6

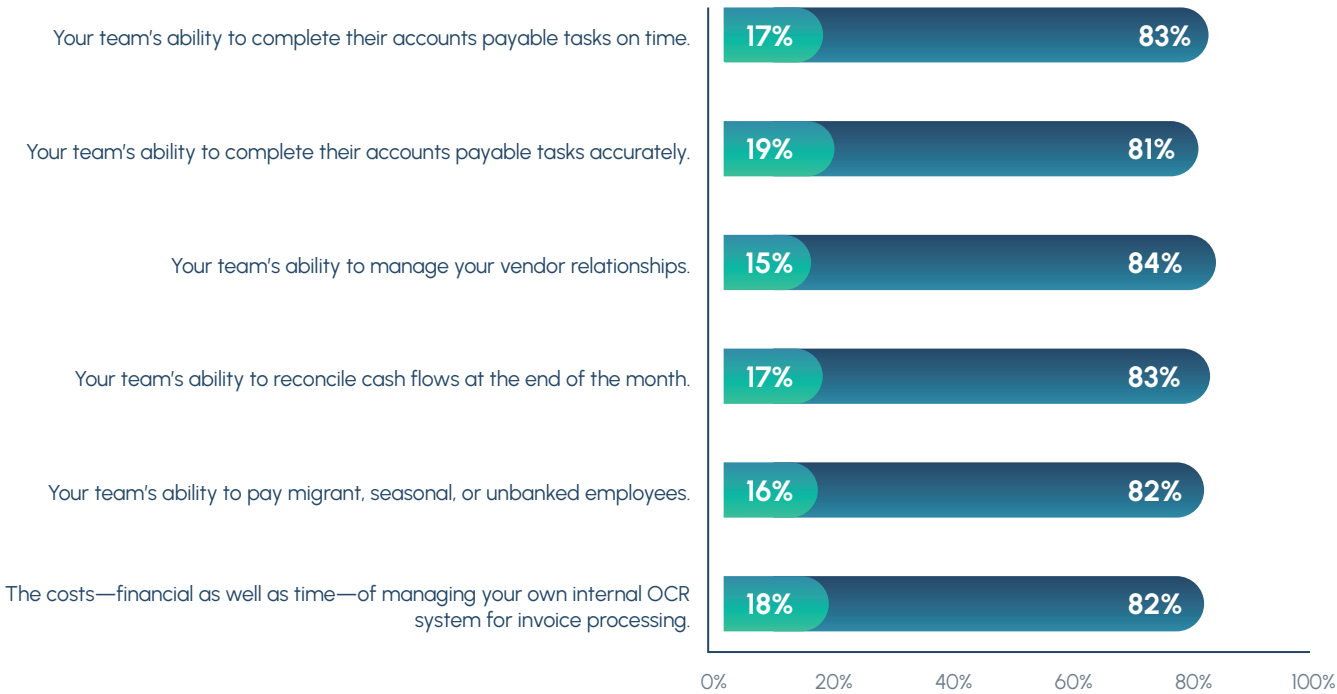
How concerned, if at all, are you about the following?

While the actual percentages across these different options vary, the results are close enough and consistent enough to suggest that most of the respondents share very similar concerns.

The fact that each of the options below can be considered a basic task for any finance department is a further sign that some teams may be understaffed and that some amount

of automation is important for improving a finance team's operations.

Of all the responses here, the one ranking the highest is related to managing vendor relationships. If CFOs are concerned about completing their accounts payable tasks accurately and on time, it makes sense that they might also be concerned—and perhaps moreso—about managing and maintaining their vendor relationships.



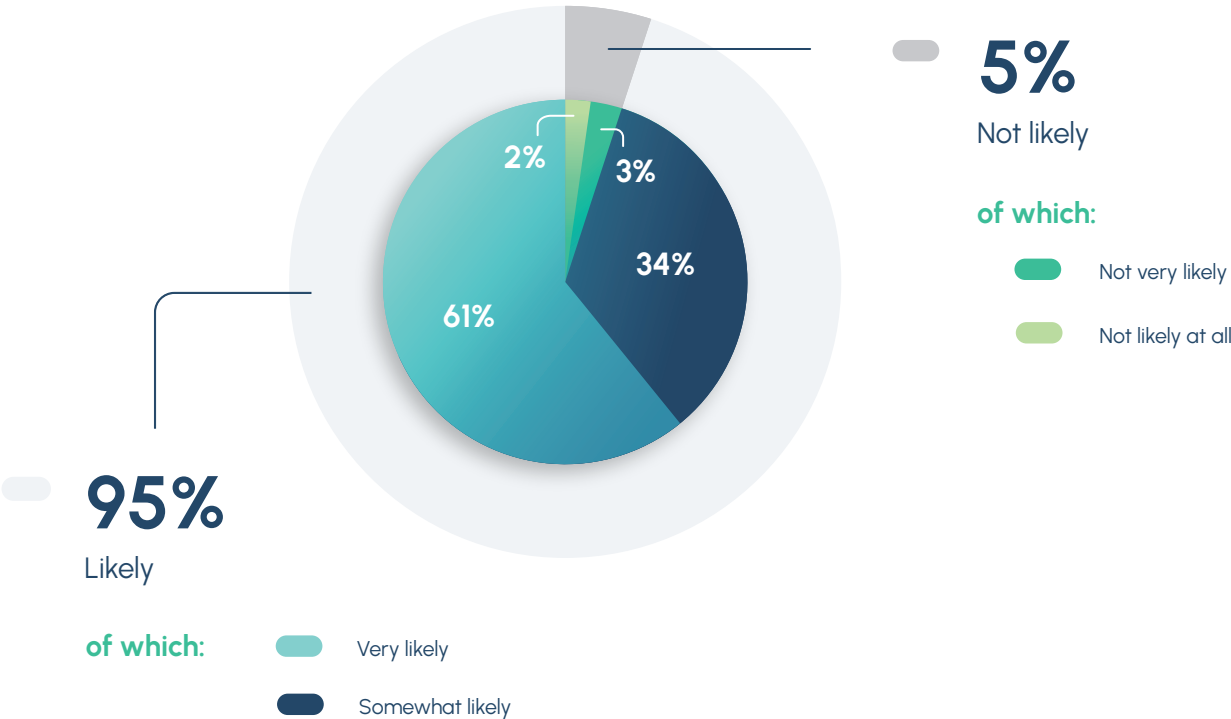
Question 7

How likely is the current skills shortage to impact your decision to outsource finance and accounting tasks like invoice processing and invoice payment, if at all?

We already know from our first question that most CFOs are anticipating a hiring freeze. We also know that a number of teams are already understaffed.

With not enough skilled employees to fill specialized positions, a large majority of the CFOs we surveyed indicated they are likely to consider, or are at least open to considering, outsourcing for certain finance-related tasks like invoice processing and invoice payment.

The high percentage of respondents who are willing to consider this as an option is consistent with previous answers about the importance of automation and concerns about not being able to match growth ambitions without more staff. Outsourcing is one way of gaining extra help without hiring more internal employees, while automation helps teams reduce the amount of time they have to spend on tasks that are routine and repeatable.



Question 8

How interested, if at all, are you in outsourcing the vendor payment process in exchange for rebates on vendor payments made with a credit card?

While not unanimous like question five was, nearly every CFO we surveyed expressed an interest in outsourcing their vendor payments in exchange for rebates made with a credit card.

changing as technology has evolved. Today's CFOs are willing to embrace new forms of payment, especially when leveraging those new forms connects with other priorities, like growth.

Checks have long been the dominant form of payment for companies, but that has been





Question 9

What would be your primary reason for outsourcing any of your finance and accounting tasks?

We already know from question seven that CFOs are willing to consider outsourcing as a way of addressing today's skills shortage. This question shines a light on the specific reasons CFOs would have for making the decision to outsource.

The number one reason—giving their existing team more time for other projects.

With hiring freezes in place or on the way already, a skills shortage, and many teams understaffed, it makes sense that the majority of survey respondents would prioritize this over reducing headcount. Many teams need more help, not less. Outsourcing is one way of achieving this goal.



Question 10

Are you currently considering earned wage access?

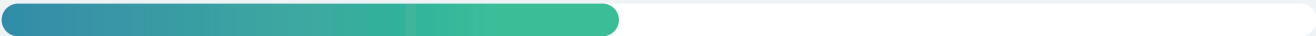
Earned wage access (EWA) is a relatively new payroll solution that provides employees with on-demand access to the wages they've already earned.

Based on the results of this question, there is significant interest in offering EWA to employees. For the most part, our respondents either offer

it already or are considering it. Only a small percentage are not considering it.

Because the percentage who say they offer it already is equal to the percentage that is considering it, it's clear that EWA has people's attention even if it is not yet widely adopted.

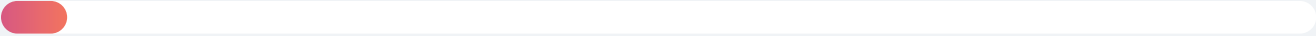
47% Yes, currently have it



47% Yes, considering it



5% Not considering it



Question 11

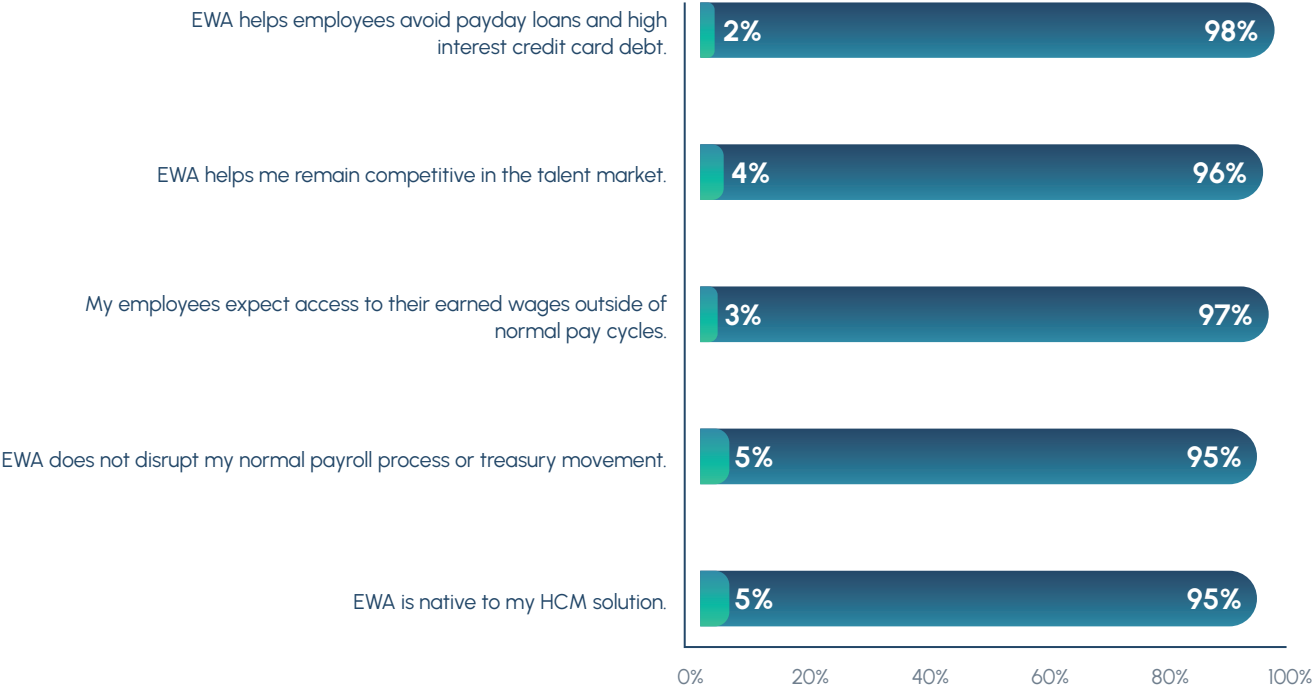
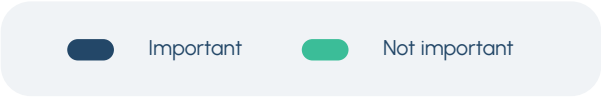
If you are considering or currently offer an earned wage access solution, please rank the following considerations according to their importance.

For those respondents who say they currently offer or are considering EWA, this question tries to identify the specific considerations that are most important to them.

Coming in at number one—EWA’s ability to help employees avoid payday loans and high interest credit card debt.

In the second spot—employees expect access to their earned wages outside of normal pay cycles. Financial stability is a top concern for employees. With these top two responses, CFOs are responding to those concerns. These responses also illustrate that EWA is gaining people’s attention even if it’s not widespread yet.

As more employees come to expect an EWA benefit, more companies will have to offer one if they want to compete for talent.

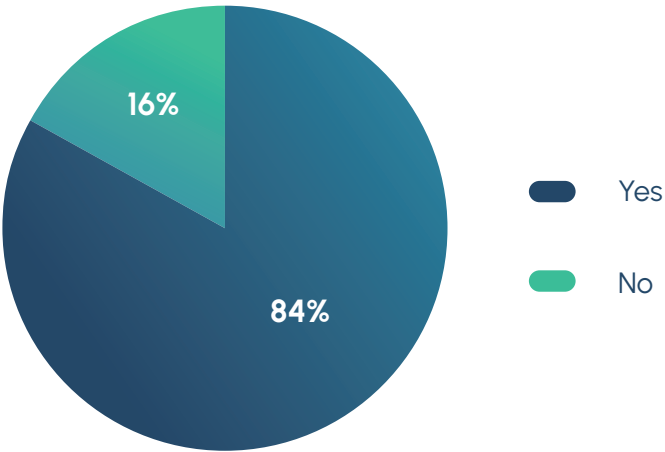




Question 12

Have you automated your AP processes?

In previous questions, we asked our survey respondents about the importance of automation for finance. In this question we asked specifically about automation and accounts payable. The answers here are consistent with earlier findings that CFOs are prioritizing automation as part of their digital transformation efforts.



Question 13

What is the single reason that best describes why you haven't automated/implemented the following?

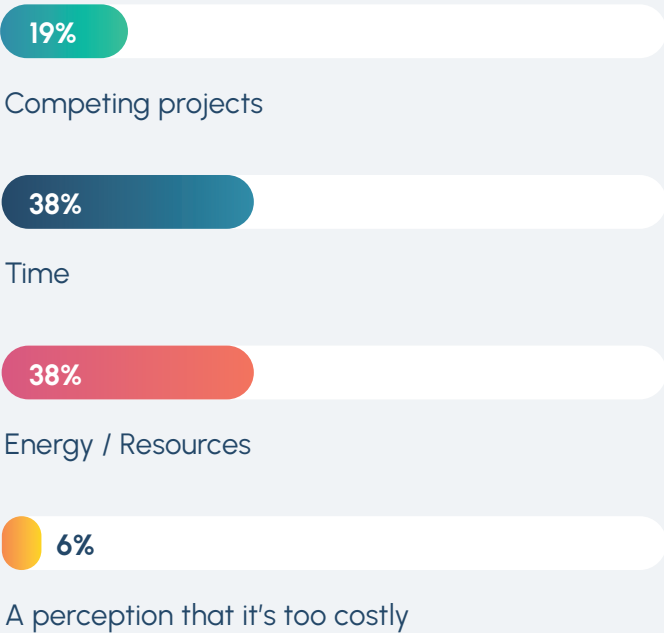
For those who said they are not considering EWA or automation for accounts payable, this question tries to identify specific reasons for why those CFOs haven't moved forward with those options.

While the responses are varied, energy/resources received the most votes on both questions, followed by time.

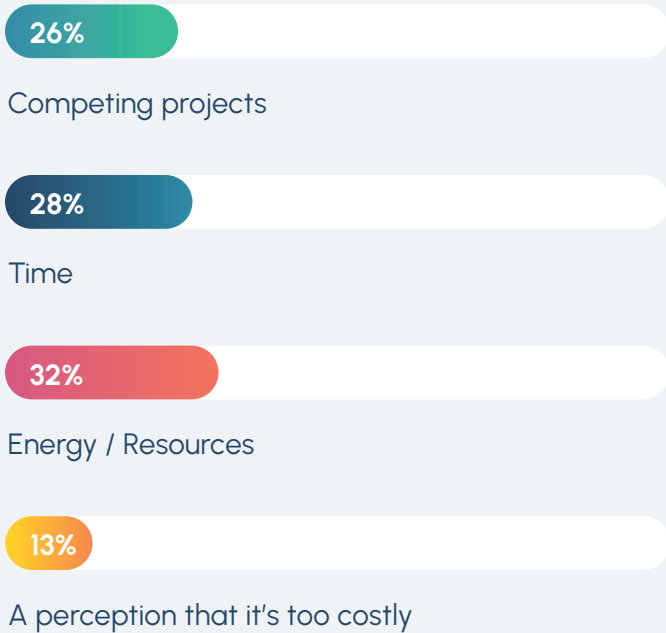
Based on these responses, it is not that CFOs are opposed to automation or EWA. What they lack are the resources and the time needed to focus on these initiatives. This is consistent with other findings that teams are understaffed and may not be able to work on more strategic projects.



I haven't automated my AP processes because of:



I haven't implemented earned wage access because of:



## How Tripadvisor became scalable with OneSource Virtual's AP Automation

### Meeting Tripadvisor's business needs

Tripadvisor, the world's largest travel website, empowers travelers with the wisdom to map out the perfect trip, from where to sleep, how to fly, where to dine and much more. Always striving to be efficient in its processes across accounting and operations, Tripadvisor needed a partner to help them map out a solution to achieve their goal to be efficient and scalable.

"We were never looking to completely replace or outsource our AP," says Director of Accounting Operations Scott Garner. "We were simply looking for a way to delay the next hire so our AP team could focus on strategic and analytical tasks." With a need to decrease administrative labor from their accounting department, **Tripadvisor chose to outsource their accounts payable services to OneSource Virtual (OSV).**

### A natural fit

The decision to sign with OSV came as a **result of careful research and a clear vision** for what their ideal solution would look like.

"We wanted something that was **easy to implement**," Garner says. "We also needed something that didn't require a lot of customizations and would be an **enhancement to our processes**."

As they considered their options, a couple of concerns stood out. Any new partnership would have to be competitive with regard to its pricing and services, and it would have to be secure. "What we discovered," he adds, "is that **OSV checked all of our boxes right away**. Everything was very competitive, from the pricing range to the implementation as it was described to us, and they confirmed that we could do it ourselves. **The natural fit between OSV and Tripadvisor's processes made so much sense that there was no reason not to do it.**"

### Building towards a brighter future

Without a doubt, Tripadvisor's **partnership with Workday and OneSource Virtual has propelled them toward a brighter future**, allowing them to hone in on more strategic business practices.

"This partnership has allowed us to **turn our invoices around much quicker, freed our resources** up to do more analysis work and allowed us to place **more focus on the month end close and accruals**," Garner says.

"With our enhanced process, we are **more scalable for growth within our company**," Garner says. "It's very important that we have processes that scale with the growth of our company, and we are glad OSV has allowed us to do just that."



**Read the full Tripadvisor case study on our website**

# Conclusion

The last few years have brought significant changes regarding work. How we work, when we work, and what our priorities are. This is just as true for CFOs as it is for other roles. CFOs have some different priorities today in 2022 than they might have had in the past. Digital transformation is high on that list, as is focusing on growth and on attracting and retaining talent.

Outsourcing, automation, and EWA are all tools that CFOs can use to help them achieve today's goals. With this survey, we wanted to understand how U.S. CFOs view these different tools, and the extent to which they are either considering them or using them already.

The responses we received reveal a significant amount of agreement between the respondents regarding the importance or effectiveness of automation, outsourcing, and EWA.

And for those who are not considering or have not adopted these solutions, we wanted to understand the biggest obstacles in their path.

Our hope is that other CFOs will find this information useful as they decide what's right for their own teams now and in the months and years ahead.

## About OSV

### Thrive together

OneSource Virtual is a leader provider of HR and Finance services, solutions, and products. Founded in 2008 in Dallas, Texas, we operate in North America and Europe to deliver outcomes that boost productivity, improve compliance, and increase internal capacity for over 1,300 customers around the world. Since our founding, we have been awarded numerous accolades and have a 98% customer retention rate. Our leadership teams are composed of highly experienced professionals in their respective fields. Together they offer the expertise and deep knowledge of the global marketplace to deliver comprehensive solutions and services for HR and Finance & Accounting.