Visibility over Cash will be Key to Surviving Economic Storm, Claim Majority of Global C-Suite Execs and Finance & Accounting Professionals

Two thirds agree that understanding cash flow in real time will be crucial - but just 2% of those surveyed by BlackLine are completely confident in the visibility they currently have

LOS ANGELES and LONDON and SINGAPORE and SYDNEY, Nov. 15, 2022 /PRNewswire/ -- A global survey of C-suite executives and finance and accounting (F&A) professionals commissioned by BlackLine, Inc. (Nasdaq: BL) has revealed a significant lack of confidence among the C-suite and F&A professionals when it comes to the visibility their company has over its cash flow, suggesting that many global organizations could be making decisions without an accurate, up-to-date view of company liquidity. This comes despite findings that suggest that visibility over cash flow and other financial metrics could be the key to businesses weathering the growing global economic storm.

The survey of 1,483 business leaders and F&A professionals (conducted by independent research agency Censuswide across the US, Canada, UK, Germany, France, Singapore and Australia) also found that organizations globally are anticipating growing pressure and scrutiny over company financials as a result of ongoing economic uncertainty, with the highest number of C-suite respondents indicating it will take between seven months and a year before they start to feel confident about the economy again. As a result, optimizing working capital and accounts receivable processes is high on the agenda, as companies look to bolster their financial resiliency to combat market instability.

Keeping Track of Cash

With recessionary fears on the rise, four in 10 (43%) of those surveyed are concerned that rising interest rates will result in more of their customers paying late (rising to 55% among CEOs). A similar percentage (42%) are worried that prospects or customers will have less income to spend, which could impact sales/revenue, and 41% are worried that their organization will face higher costs.

Perhaps as a result, 62% agree that understanding cash flow in real time is going to become more important for their company in the face of economic uncertainty. But nearly all respondents (98%) said they could be more confident in the visibility they currently have over cash flow.

This suggests that the majority of global organizations could be at a serious disadvantage when it comes to making strategic decisions. Of those that believe visibility could be improved, 49% are worried their company is making decisions based on inaccurate or out-of-date information and 44% say the lack of visibility over cash flow makes them less confident that their organization can remain competitive over the next 12 months.

"Economic instability and volatility have increased over the past few months, adding more uncertainty to an already challenging and unpredictable global business environment. Once again, Finance and Accounting is caught in the eye of the storm, with CFOs and those who report into them feeling the pressure," said BlackLine CEO Marc Huffman. "There is widespread acknowledgement that better visibility over financial data, processes and working capital is needed if organizations want to weather the storm. Company leaders across the world will need to carefully consider how their organization can respond and remain competitive, agile and resilient in the coming months."

Financial Data Under the Spotlight as Organizations Brace for Recession

With external pressures that are hard to predict, real-time visibility over financial data, processes and working capital will be key to survival, leading to greater pressure on CFOs and those who report into them, according to the research.

Almost two thirds (62%) of C-suite and F&A professionals predict that their companies' financial reporting will come under increased scrutiny over the next year. More than six in ten (63%) believe that financing will be harder to secure, and a similar number (62%) expect the ability to view their companies' financial data in real time will be a "must-have" for business survival over the next 12 months.

Against this backdrop, two in five (41%) CFOs said that they were responsible for ensuring their company's wellbeing during an economic downturn, compared to less than a third (30%) who said that this was the responsibility of their CEO. This indicates that as company finances come under the microscope, pressure to deliver insights to leadership in near-real time could weigh heavily on CFOs and the finance function.

The Biggest Pain Points

When asked about the biggest pain points for the F&A currently, identifying manual/human errors during the month-end close process was a pressing issue for more than a third (36%) of overall respondents. More than a quarter (30%) also said they do not have enough automated controls for the volume of data they need to deal with. C-suite and F&A respondents said the three biggest challenges they will face in the coming year are:

- Increasing regulation and scrutiny
- Being able to provide accurate data quickly enough to help the organization respond to market changes
- Attracting and retaining talent

Looking Internally to Optimize Processes and Working Capital

In response to increasing financial pressure, responses suggest that organizations now need to look internally for ways to optimize working capital and processes, with 40% saying they now need to find ways to optimize working capital without looking externally to borrow funds and 56% wanting to implement or scale automation solutions to help optimize and increase working capital within the next year.

Mr. Huffman continued: "There is no doubt that those who are using robust and comprehensive data to make rapid, intelligent decisions will be in a

stronger position to adapt. In this environment, it's likely that greater emphasis than ever will be placed on the strategic insights that Finance and Accounting can offer the business."

More information, including a detailed whitepaper on the research, can be found here.

Notes to editors

The research was conducted by Censuswide, with 737 C-level and 746 F&A professionals in seven markets (US, Canada, UK, France, Germany, Australia and Singapore), with minimum annual revenues as follows:

- US: 150m USD
- Canada: 50m CAD
- UK: 50m GBP
- France: 50m EURO
- Germany: 50m EURO
- Singapore: 20m SGD
- Australia: 20m AUD

About BlackLine

Companies come to BlackLine (Nasdaq: BL) because their traditional manual accounting processes are not sustainable. BlackLine's cloud-based financial operations management platform and market-leading customer service help companies move to modern accounting by unifying their data and processes, automating repetitive work, and driving accountability through visibility. BlackLine provides solutions to manage and automate financial close, accounts receivable and intercompany accounting processes, helping large enterprises and midsize companies across all industries do accounting work better, faster and with more control.

More than 4,000 customers trust BlackLine to help them close faster with complete and accurate results. The company is the pioneer of the cloud financial close market and recognized as the leader by customers at leading end-user review sites including Gartner Peer Insights, G2 and TrustRadius. BlackLine is a global company with operations in major business centers around the world including Los Angeles, New York, the San Francisco Bay area, London, Paris, Frankfurt, Tokyo, Singapore and Sydney. For more information, please visit blackline.com.

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