



WHITE PAPER

Billtrust CFO Recession Sentiment Report 2023

Insights into the resilience
and proactivity of CFOs
amid economic shifts





In a year full of unparalleled challenges, the business world finds itself at a pivotal juncture.

Economic uncertainties are compelling organizations to navigate the tightrope of sustaining growth while preparing for potential downturns. As they look to drive success amidst the shifting economic sands, there is a sense of urgency among CFOs and financial professionals to reassess their strategies and arm themselves against the possible scenarios that lie ahead.

To understand exactly how this backdrop is impacting organizations and the financial stewards steering their businesses through these tumultuous times, Billtrust commissioned a survey of 350 CFOs across the U.S. The following report decodes their strategies and actions to not only weather the storm but also ensure longevity and financial health. Among our findings, we gauge CFOs' sentiments on the state of the current economy, their preparedness — and predictions — for an upcoming recession, and how they're managing budgets in the current economic milieu.

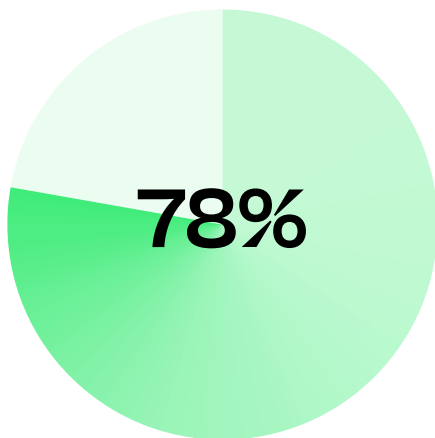
Here's what we found.

Perception and preparedness amid economic volatility

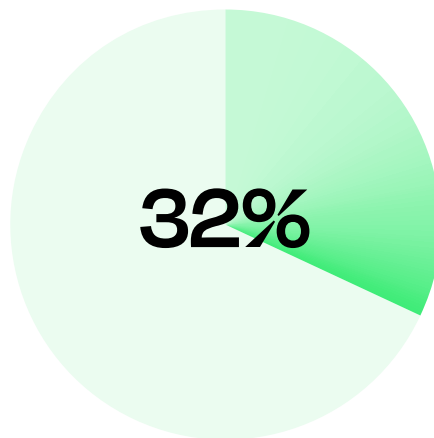
CFO perspectives often offer crucial insights into the stance businesses are adopting. But they don't just indicate present challenges – they're critical signals of future trends. With that in mind, Billtrust probed respondents on the likelihood of a recession by the close of 2023. The findings reveal a pervasive sense of concern, with a resounding 78% of CFOs anticipating an economic downturn by the end of the year. Alarming, nearly one-third of respondents believe a recession is 'highly likely.'

CFOs' apprehension is also mirrored in their reservations about the economy's trajectory over the next 6-12 months, with 75% expressing hesitations. Despite this, there seems to be a paradoxical undercurrent of resilience and optimism among financial leaders. While economic downturns have historically sent ripples of concern across industries, today's financial leaders seem determined to buck the trend. In fact, 63% of these CFOs say they are confident in their organizations' abilities to navigate and potentially thrive amidst a recession.

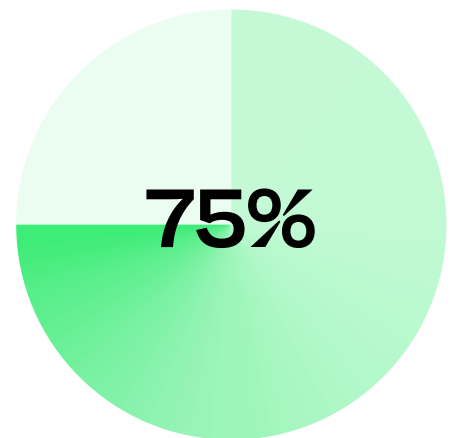
This optimism is more than wishful thinking – it reflects a proactive stance. CFOs' confidence is rooted in strategic planning, adaptive measures, and innovative approaches aimed at turning the challenges of a recession into opportunities for growth. In the next section, we delve deeper into their specific strategies to fortify their organizations in the face of economic challenges.



anticipate an economic downturn by the end of 2023



believe a recession is 'highly likely'



have hesitations about the economy's trajectory over the next 6-12 months

>80%

of these businesses have revised their financial plans and budgets to better align with the evolving economic landscape.

Strategies to fortify financial stability

Organizations across industries are currently undergoing a strategic shift to adjust to the economic changes. Notably, more than 80% of these businesses have revised their financial plans and budgets to better align with the evolving economic landscape.

The strategies adopted are varied. Over half (57%) are cutting back on expenses deemed non-essential. As they look for ways to maintain financial health, 52% are delving into new financing methods. Ensuring liquidity remains a top priority, with 44% of organizations strengthening their cash reserves. Additionally, 40% are putting a strong emphasis on managing cash flow proactively.

Strategies undertaken for maintaining financial health:



Reducing non-essential expenses



Investigating new financing methods



Strengthening cash reserves



Managing cash flow proactively

Amid these strategic moves, payment processes emerge as a linchpin for maintaining a steady cash flow. A resounding 75% of CFOs underscore the significance of simplifying payment processes and expanding payment options, such as credit, to support customers during a potential recession. 27% categorize this as 'extremely important' and an additional 47% deem it 'very important.'

This nuanced focus on payment refinements is especially important in the B2B sector, where cash flow consistency is not merely a financial metric but a lifeline that directly influences organizational stability and growth. Indeed, timely payments are a testament to the financial health of B2B enterprises. Delays or disruptions in payments can have cascading effects, creating a domino effect that jeopardizes the stability of the entire economy.

Along with these adjustments, half of organizations are taking a fresh look at their debt structures by revising their existing financial frameworks or making necessary improvements.

All these measures showcase the proactive approach CFOs are taking. Their emphasis on efficient payment methods is just one component of a broader strategy aimed at steering their organizations confidently through economic challenges.



64%

are increasing
technology
spending

74%

believe
transitioning
to digital-first
is essential

Technology and efficiency as pillars of resilience

In a marked shift from the conventional ways of conducting business, there's an unmistakable trend favoring technological advancements.

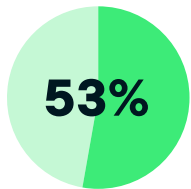
A significant majority (62%) of those surveyed are increasing their technology spending. This heightened investment aims to enhance the efficiency of existing processes and boost overall productivity. In tandem with this move towards modernized operational tools, nearly 60% of respondents have incorporated digital solutions to support remote work. As more companies introduce return-to-office policies, this adoption suggests a sustained movement towards a blended work culture, balancing both in-office and remote operations.

Underpinning this push for technology is a clear and compelling reason: the changing dynamics of today's business landscape necessitate adaptability. An overwhelming 74% of CFOs firmly believe that embracing technological advancements and transitioning to a digital-first model is not just beneficial but essential for the continued viability of their organizations.

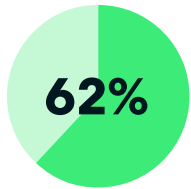
The imperative to embrace technology emanates from an understanding that the business landscape is undergoing rapid transformations, necessitating a paradigm shift towards adaptability and innovation. Technology, once a facilitator, is now a cornerstone, propelling organizations towards a future where digital resilience is not just an asset but a prerequisite for sustained growth and viability.

67%

are enhancing vendor collaborations



are crafting contingency plans with vendors



are giving equal weight to cost management and workforce retention

Prioritizing partnerships and people

Amid the whirlwinds of economic uncertainty, a company's strategy for resilience extends beyond just financial adjustments and technological advancements.

Central to this holistic approach is the emphasis on fostering strong partnerships and valuing the bedrock of any organization: its people.

A significant 67% of respondents are actively leaning into enhancing collaborations with their vendors. This indicates a collective realization that, in times of economic volatility, the fortitude of an organization is as strong as its supply chain. Given the intricate web of modern-day supply chains, the emphasis on cementing these relationships can't be understated. It's not just about ensuring the flow of goods and services but also about fostering trust, ensuring quality, and safeguarding against unforeseen disruptions.

But collaboration is just one part of the equation. Preparedness, as evidenced by more than half of the respondents, is the other key component. Over 50% are not just passively relying on existing partnerships but are proactively crafting contingency plans with vendors. Such forward thinking not only cushions against potential shocks but also displays an attitude of shared responsibility and mutual growth.

Yet, amid these considerations, companies aren't losing sight of their most valuable assets: their employees. In the delicate balance between financial prudence and ensuring organizational capability, 62% are giving equal weight to cost management and the retention of their skilled workforce. This harmonized approach signifies a broader understanding: that in challenging economic landscapes, the knowledge, dedication, and adaptability of an organization's human capital become its most potent tools. Recognizing this, businesses are doubling down on their commitment to their teams, reinforcing the belief that through collective effort, even the most daunting challenges can be navigated.



Conclusion

This study reveals that businesses are not just worried about future economic issues – they're actively preparing for them.

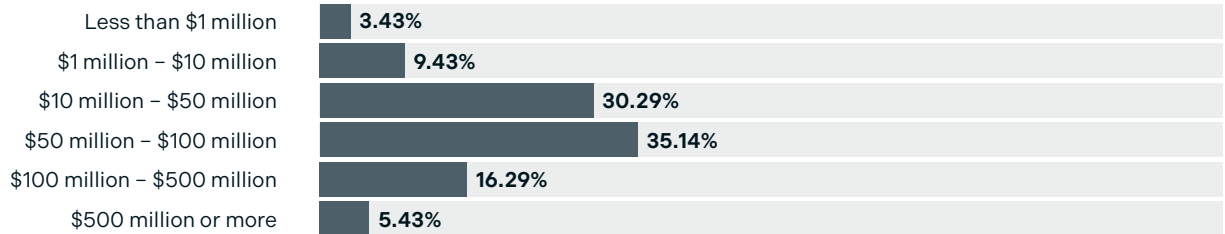
The resilience exhibited by organizations is not a passive response to adversity but a proactive and strategic approach. By emphasizing financial adjustments, technology adoption, strengthening relationships, and keeping their workforce intact, these organizations are setting themselves up not only to endure challenges but to come out stronger.

In other words, organizations are not merely bracing for change – they are actively crafting a future that thrives on it. This shared attitude of resilience, flexibility, and foresight is set to shape the future path of the industry. The way forward is evident: welcome change, seek improvements, and place relationships and employees at the forefront.

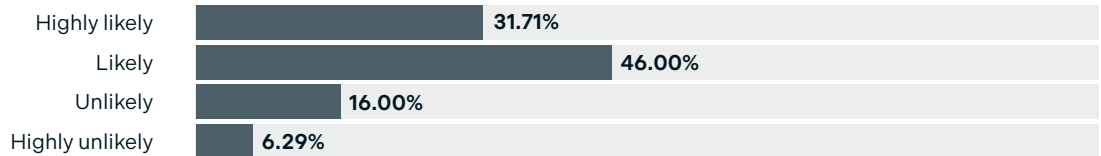
Methodology

Results

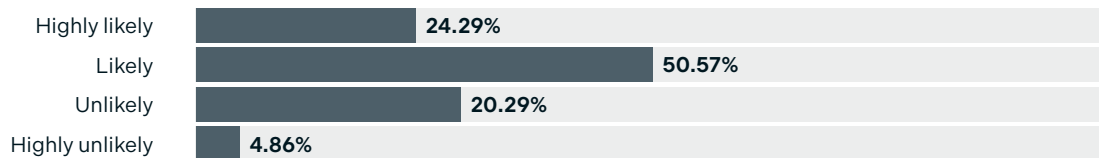
What is your organization's annual revenue?



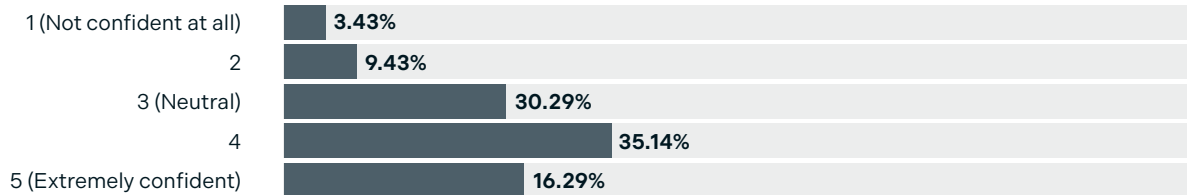
Do you believe a recession is likely to occur in Q4 2023?



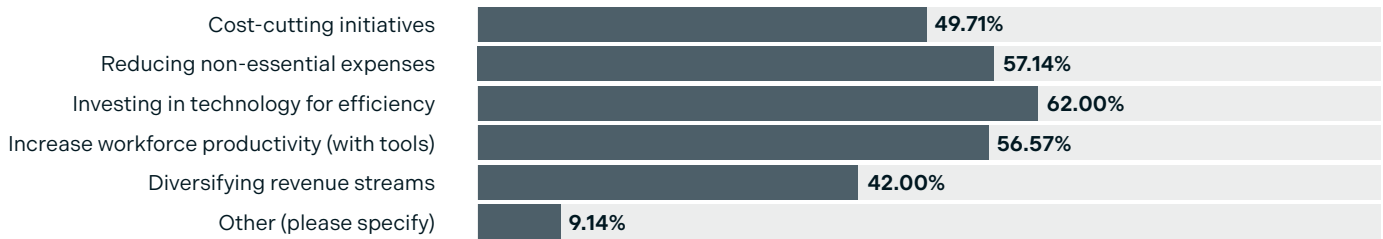
Do you believe a recession is likely to occur in the next 6 to 12 months?



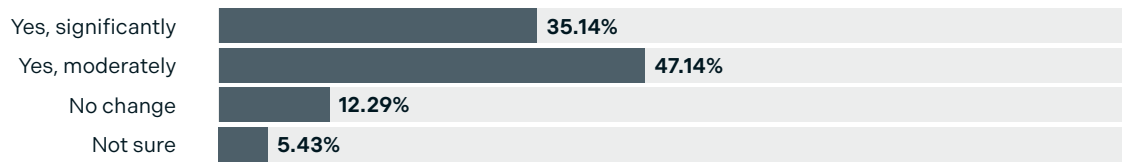
On a scale of 1-5, how confident are you in your organization's ability to weather a potential recession?



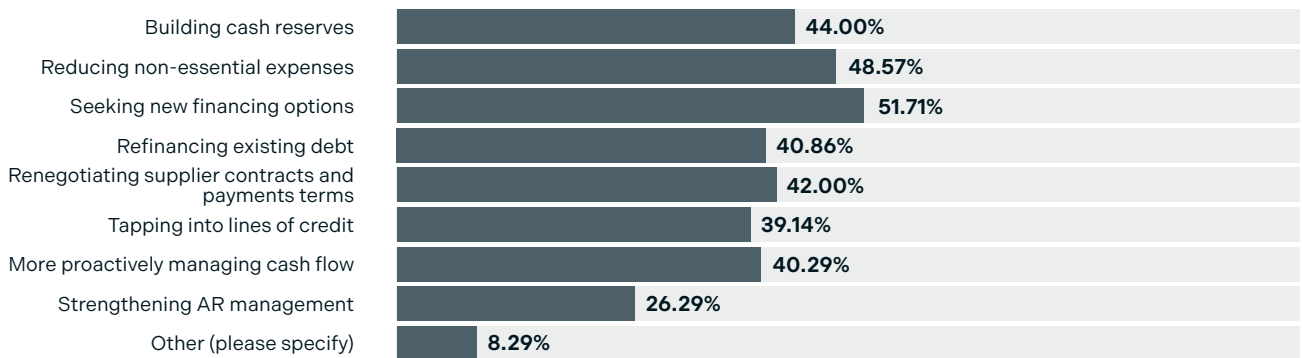
What proactive measures are you taking to mitigate the potential impacts of a recession?



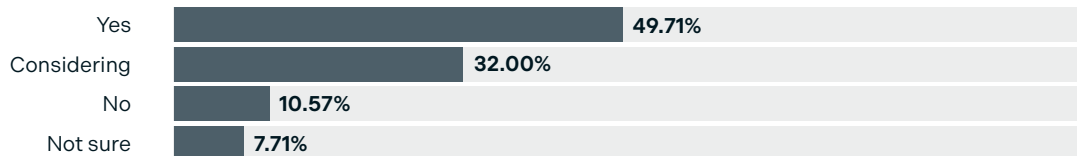
Have you adjusted your budget and spending plans due to the uncertainty around a possible recession?



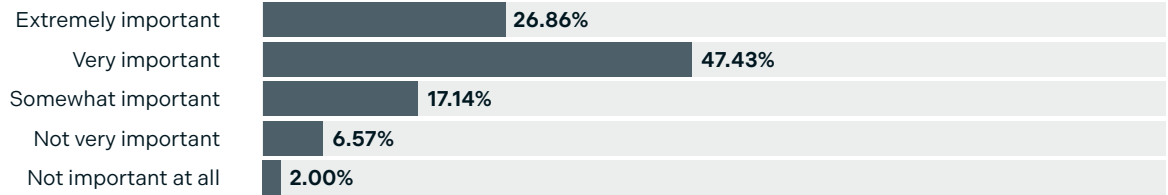
How are you managing cash flow to ensure financial resilience if a recession does occur?



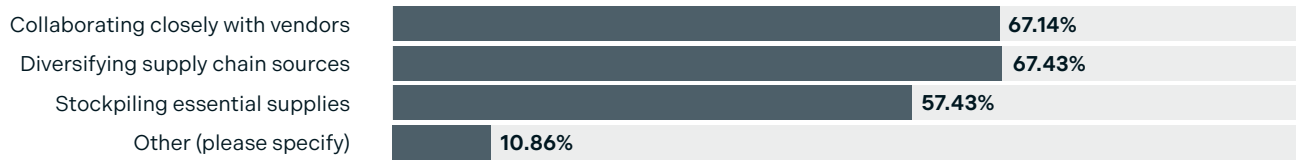
Are you currently evaluating your debt structure, or pursuing refinancing options, or raising capital to enhance financial flexibility?



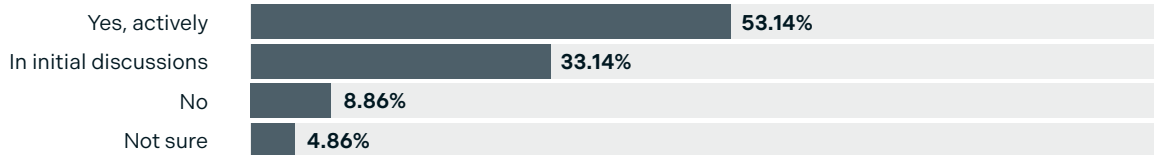
How do you rate the importance of simplifying payment processes and expanding payment options (e.g. credit) to support customers during a recession?



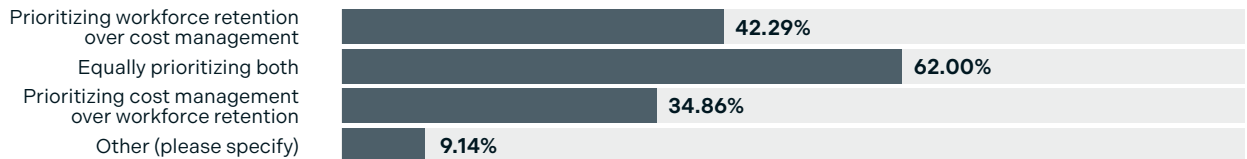
How are you addressing potential disruptions in your supply chain caused by economic uncertainty?



Are you collaborating with your vendors to create contingency plans for recession-related challenges?



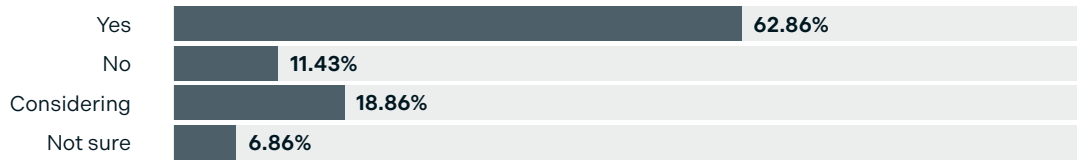
How are you balancing cost management with retaining a skilled workforce during uncertain times?



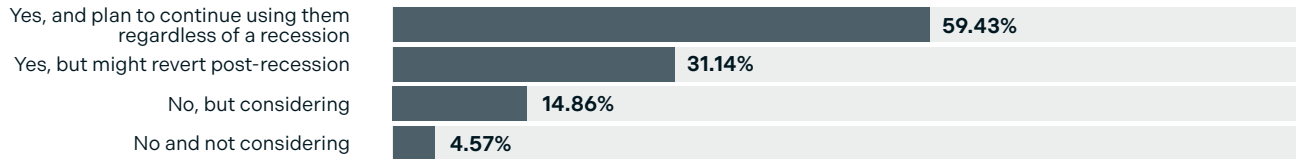
Are you considering any of the following workforce adjustments due to potential recession risks? (Select all that apply)



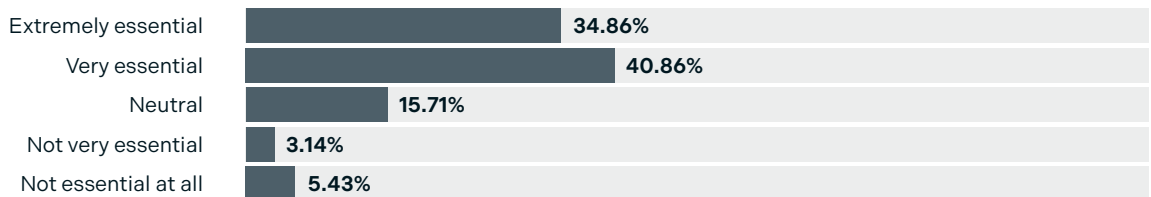
Are you increasing investments in technology to optimize processes and increase efficiency, and/or boost productivity during a potential recession?



Have you adopted digital tools for remote work and collaboration?



In the event of a recession, how essential do you perceive technology adoption and digital transformation for your organization's survival?





Learn more

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ABOUT BILLTRUST

Billtrust is a leading provider of cloud-based software and integrated payment processing solutions that simplify and automate B2B commerce. Accounts receivable is broken and relies on conventional processes that are outdated, inefficient, manual and largely paper based. Billtrust is at the forefront of the digital transformation of AR, providing mission-critical solutions that span credit decisioning and monitoring, online ordering, invoice delivery, payments and remittance capture, invoicing, cash application and collections.



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