

Forecast for Finance Decision-Makers in 2021

For CFOs and finance professionals, the year 2020 was one of the toughest ever. In July 2020, OneStream funded a Hanover Research survey of finance decision-makers to better assess the impact of the pandemic on financial decision-making. The study found that the worldwide pandemic influenced recruiting, upskilling of IT and accounting employees, and investments in cloud-based planning, reporting, and analytical tools. The study also revealed that the majority of businesses (61%) are delaying some investments until after the US presidential election.

OneStream believed that now would be a good moment to test the pulse of Finance decision-makers again, since that the 2020 elections are over and the worldwide epidemic is winding down. So, in March 2021, they conducted a new survey of North American finance decision-makers, gathering responses from 340 finance professionals from various businesses.

COVID-19 Response and Recovery: Key Findings

During COVID-19, about 11% of employees shifted from all in-office work to completely remote work, although they expect to return to the office when the epidemic is over. The number of hybrid personnel remained relatively constant throughout the epidemic and is unlikely to alter after it is over. In terms of reopening the office, virtually all firms (98 percent) have budgeted for it, with one-third (36 percent) planning to devote more than 15% of their budget to it. The most popular priority for the designated return to office funds is data privacy tools (18%), followed by hybrid cloud technologies (18%) and office rearrangement after closing (18%).

Changes in Investment Due to a Pandemic

Organizations are employing data analysis tools more than they were before the epidemic, according to the report. In August 2020, half of the businesses (46 percent) said they utilized cloud-based solutions regularly, while a quarter said they used predictive analytics (28 percent), machine learning (21 percent), and artificial intelligence (14 percent) (20 percent). Over half of businesses have expanded their use of each product, with cloud-based planning and reporting topping the list with a use increase of 65 percent.

Over half of firms have expanded their data analysis tool investments and usage since the COVID 19 pandemic. Artificial intelligence (59 percent), predictive analytics (58 percent), cloud-based planning and reporting tools (57 percent), and machine learning were the most popular investments (54 percent).

Given that more than half of organizations have boosted their machine learning expenditures, it's predictable that the majority are aiming to utilize the technology to improve new departments and use cases. Companies are seeking to optimize IT/cybersecurity (30%), customer service (15%), and accounting & finance (15%). (12 percent).

Changes in Investments Due to Administration

Although many businesses postponed investments until after the election, more than half of them said it had a favorable influence on their investment plans for 2021. The most favorably influenced investment sectors have been the launch of new goods and services, followed by physical expansions, which include additional employees, software, acquisitions, and buildings.

In the case of tax reform by the incoming presidential administration, the majority of businesses (86%) indicated they will need to adjust their financial predictions. Similarly, the majority of businesses (89%) have already made plans to adjust their hiring and staffing strategies to meet pay hikes.

Furthermore, the majority of businesses are raising or preparing to increase their investments in environmental, social, and governance (ESG) management and reporting systems (85 percent), as well as DEI training (86 percent).

Running a survey like this one is always fascinating because it helps us to evaluate our ideas about major market trends. We were encouraged by the majority of Finance executives' optimistic prognosis for economic recovery in 2021. It was also heartening to discover that 98 percent of businesses in North America were planning for the return to work.

We were surprised to see that 85 percent of companies want to expand their spending in ESG management and reporting systems. The media buzz surrounding this issue has risen in the second half of 2020, as has client interest in this topic. Several of our clients are already using our platform to gather, manage, and report on environmental, social, and governance (ESG) and sustainability activities.

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