

Two in Three Australian Business Leaders and Finance Professionals Lack Confidence in The Data Used To Make Financial Decisions

More than a quarter of respondents concerned that a mixture of remote and office-based working could lead to further inaccuracies

SYDNEY – 3 February 2021 – A global survey of C-suite executives and Finance and Accounting (F&A) professionals commissioned by accounting automation software leader BlackLine, Inc.(Nasdaq: BL) has revealed that just over one third (36%) of Australian respondents are confident that the financial data they use for financial analysis and forecasting is accurate – even though 26% indicate they are now under more pressure to provide an accurate picture of company performance because of the COVID-19 pandemic.

The survey by independent researcher, Censuswide, examined the impact of COVID-19 on a randomly selected sample of 150 Australian business leaders and F&A professionals working in large enterprises as well as 1,200 counterparts in the US, Canada, UK, Germany, France, and Singapore.

Findings suggest that while businesses now recognise the critical role financial data has to play in informing business strategy and continuity, poor visibility and a lack of access to real-time data is hindering companies' ability to respond to volatile market changes.

When asked about the impact the pandemic has had on their organisation, four in 10 (45%) Australian respondents said their organisation has become more focused on financial scenario planning and stress testing because of the ongoing impact of COVID-19. At the same time, 51% said that F&A is increasingly being called upon by their boards of directors to help with scenario planning, highlighting the growing importance of financial insights as companies try to move from crisis mode into recovery.

Just under one in five (16%) of respondents are worried that their F&A departments are unable to provide data quickly enough for their company to respond to unpredictable market changes. A mixture of remote and office-based working over the next 12 months could make this even more challenging; more than one in four indicate that hybrid working models will make it more difficult for F&A teams to collaborate (26%) and that this could lead to inaccuracies in financial data (25%).

Additionally, 13% of C-suite executives admit that they have no visibility into financial scenario planning or stress testing at their organisation, suggesting that more than one in ten key business leaders could be making decisions based on an incomplete picture of their organisation's financial health.

This lack of visibility is undermining trust in the data used for key financial processes and planning, particularly among the C-suite. Just over one in three (37%) C-level executives said they are completely confident in the accuracy of their company's financial data. When F&A professionals were asked the same question, only 24% agreed they were completely confident in the accuracy of their company's financial data.

When respondents who did not completely trust the accuracy of their organisation's data were asked why, the main reason (cited by close to half (49%) was their continued reliance on clunky spreadsheets and outdated processes that leave F&A teams in the dark until month-end. More respondents felt this was a problem in 2020 than in 2018 (27%) suggesting that digital transformation initiatives in F&A still have a long way to go.

In addition, the survey results show that the pandemic has created a renewed urgency around digital transformation and investment in technology. Close to a third (28%) of those surveyed said developments over the last year have made people at their company value real-time access to financial data more and 41% said there is now more urgency to redesign core business processes.

Furthermore, when it comes to the best practices that will help companies to remain competitive over the next year, technology that enables better management and visibility over financial data has a pivotal role to play. Just under a third (32%) said that investing in their company's data analytics capabilities will help their organisation retain a competitive edge and the same number are considering implementing or scaling automation solutions to help increase the accuracy and reliability of their organisation's financial data.

"Since the COVID crisis began, Australian F&A professionals have had to contend with a multitude of demands for up-to-date reports and data, from senior executives, and ensure that they are compliant with government programs designed to cushion the impact of the virus, including JobKeeper and the Coronavirus Small and Medium Enterprises Guarantee Scheme," said Claudia Pirko, ANZ Regional Director, BlackLine.

"Accurate and timely financial reporting is ultimately the responsibility of those at the top – and never more so than when conditions are uncertain. This survey suggests that increased visibility across the accounting and finance lifecycle can provide companies that are prepared to retire legacy methodologies with the accurate, up-to-the-minute data they will need to inform their decision making in the post-COVID economy."

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

<https://www.blackline.com/resources/whitepapers/finance-accounting-in-a-post-covid-world/>

Notes to Editors:

The survey was conducted by independent research firm Censuswide, with 645 C-level and 655 F&A professionals in seven markets (US, Canada, UK, France, Germany, Australia and Singapore). The survey included a breakdown of respondents by job title. Respondents worked at a randomly selected sample of large organisations with minimum annual revenues as follows:

UK: 50m GBP France: 50m EURO Germany: 50m EURO Singapore: 20m SGD Canada: 75m CAD US: 150m USD Australia: 20m AUD

The survey was conducted online between Nov. 25th and Dec. 2nd, 2020.

About BlackLine

Companies come to BlackLine (Nasdaq: BL) because their traditional manual accounting processes are not sustainable. BlackLine's cloud-based solutions 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 3,200 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 recognised as the leader by customers at leading end-user review sites including Gartner Peer Insights, G2 and TrustRadius. Based in Los Angeles, BlackLine also has regional headquarters in London, Singapore and Sydney. For more information, please visit: www.blackline.com

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