

The Future of Finance: 360° Cash Flow Visibility + Control

March 2, 2022



corcentric™

Featuring: FORRESTER

Agenda

1 About Corcentric



2 Panelist Introduction



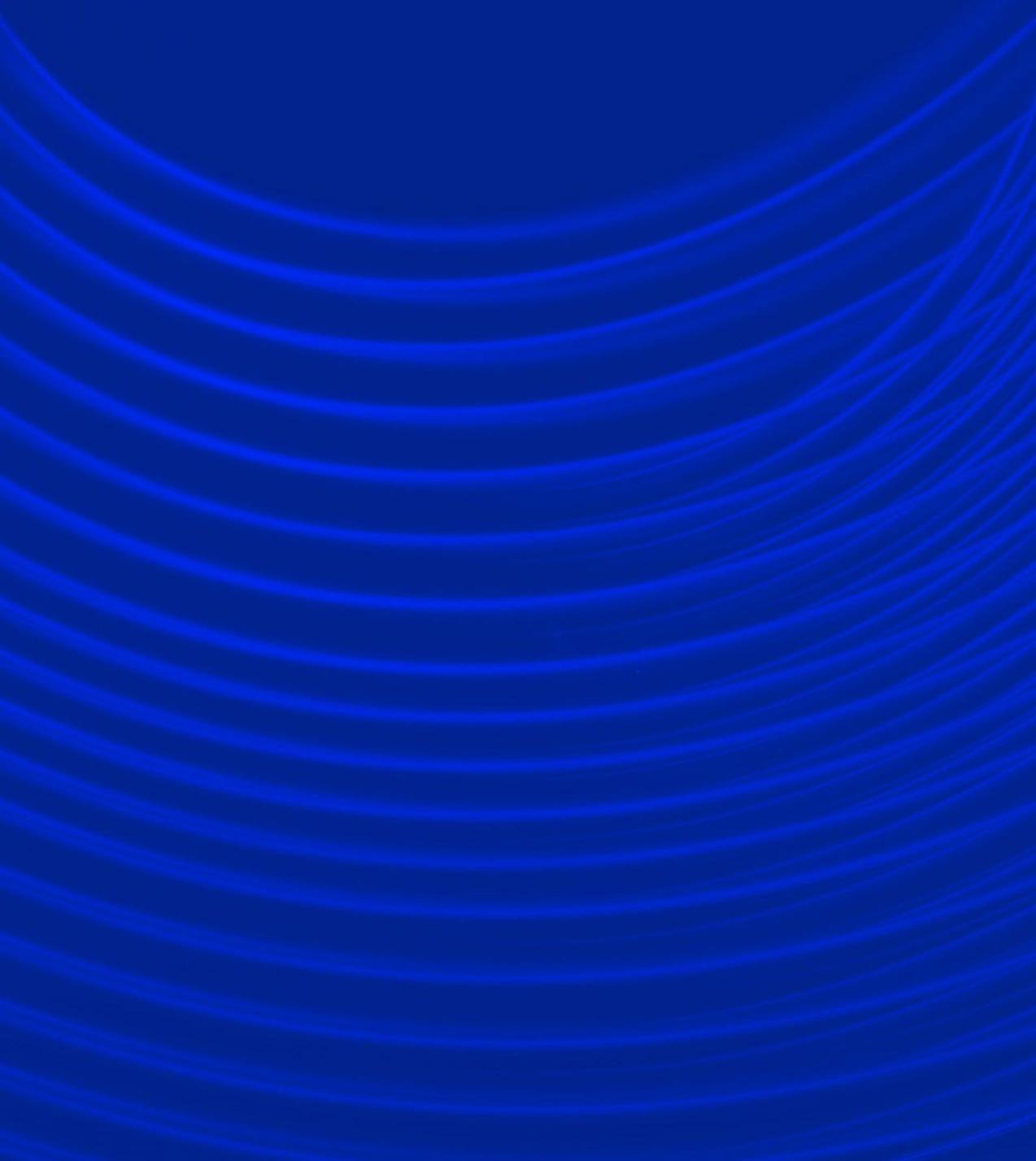
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About Corcentric

Corcentric helps global companies enhance cash flow quickly through an unmatched combination of software, advisory services, and payments **that transform how companies purchase, pay, and get paid.**

From the mid-market to Fortune 1,000 businesses, Corcentric provides spend management and revenue management solutions focused on reducing costs, optimizing working capital, and unlocking revenue.



Who Are We



Founded in
1996

\$300B+
in transaction value



2,300+
customers and growing

38M+
transactions
processed



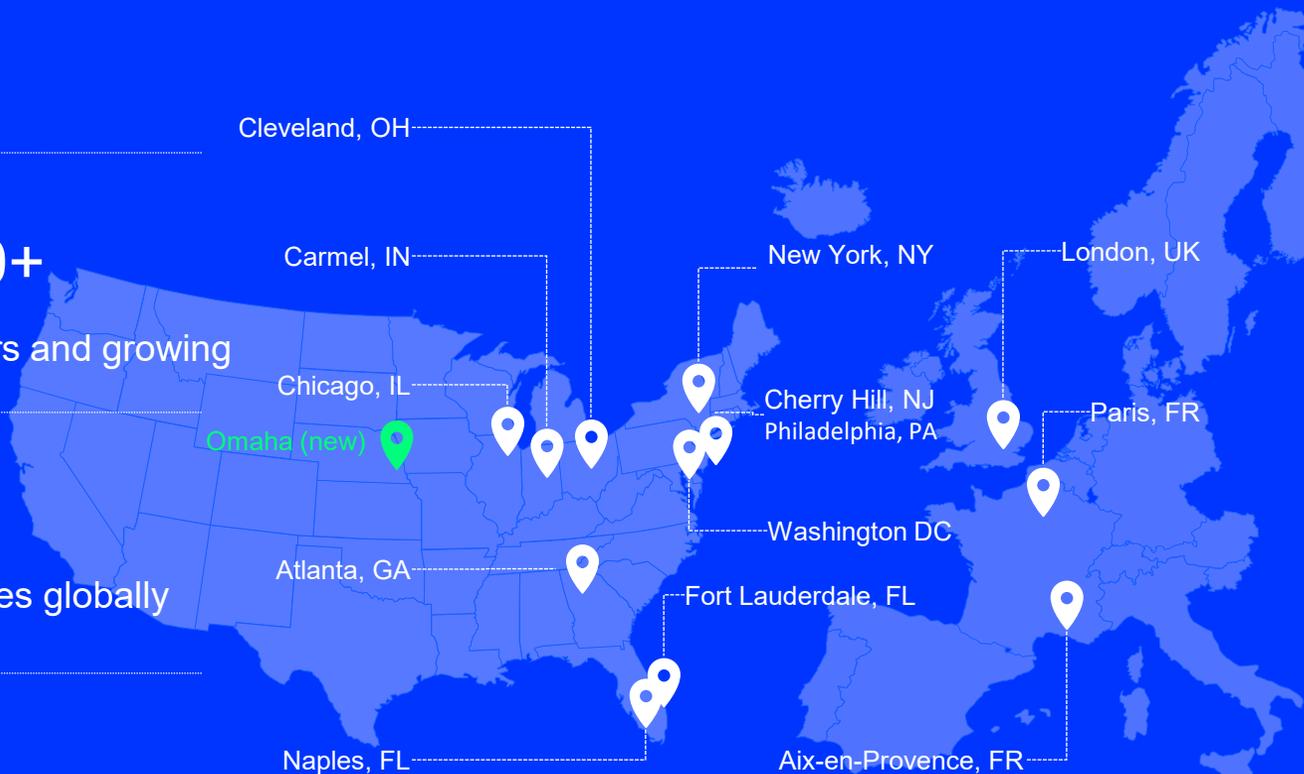
500+
Employees globally

1.76M
engaged buyers
across our solutions



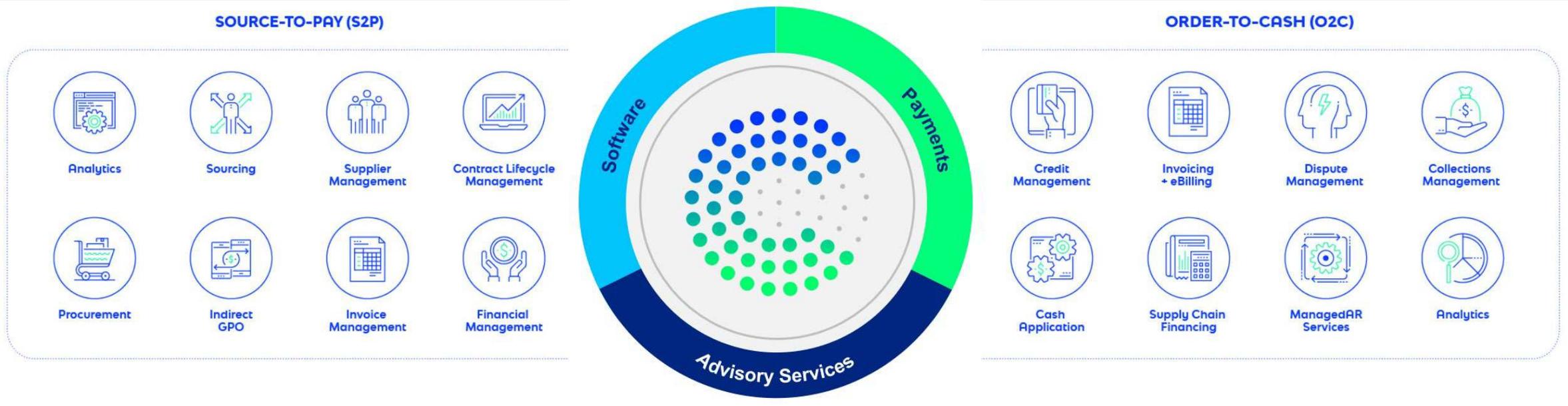
17
global offices (locations)
US & Europe

600K
engaged suppliers
across our solutions



Business Process Areas of Focus

Transformative Results for Procurement + Finance



Enabling Growth

Improving Cash Flow

Reducing Cost



Today's Panelists



Brent Kinman

Senior Vice President, North American Sales, Corcentric

Brent Kinman is a dynamic business leader with an established track record of building and leading high-performance teams that successfully achieve key company objectives. As part of the Corcentric team, Brent's mission is to provide customers with leading software, advisory services, and payments that empower them to reduce costs and improve working capital so that they can compete more effectively.



Jeffrey Sam Rajamani

Senior Analyst, Forrester Research

Guest Speaker

In his role as a senior analyst, Jeffrey Rajamani helps tech executives create sustainable sourcing strategies, nurture better supplier relationships, and get better outcomes from their strategic investments in tech services. His research builds on over 25 years of practical experience in managing strategic sourcing and provider relationships with leading firms. Jeffrey joined Forrester in September 2021 and is based in Frankfurt, Germany.



Forrester Data Review

**Key Insights & Conclusions
from "*The Future of Finance:
360° Cash Flow Visibility +
Control*"**



About Forrester

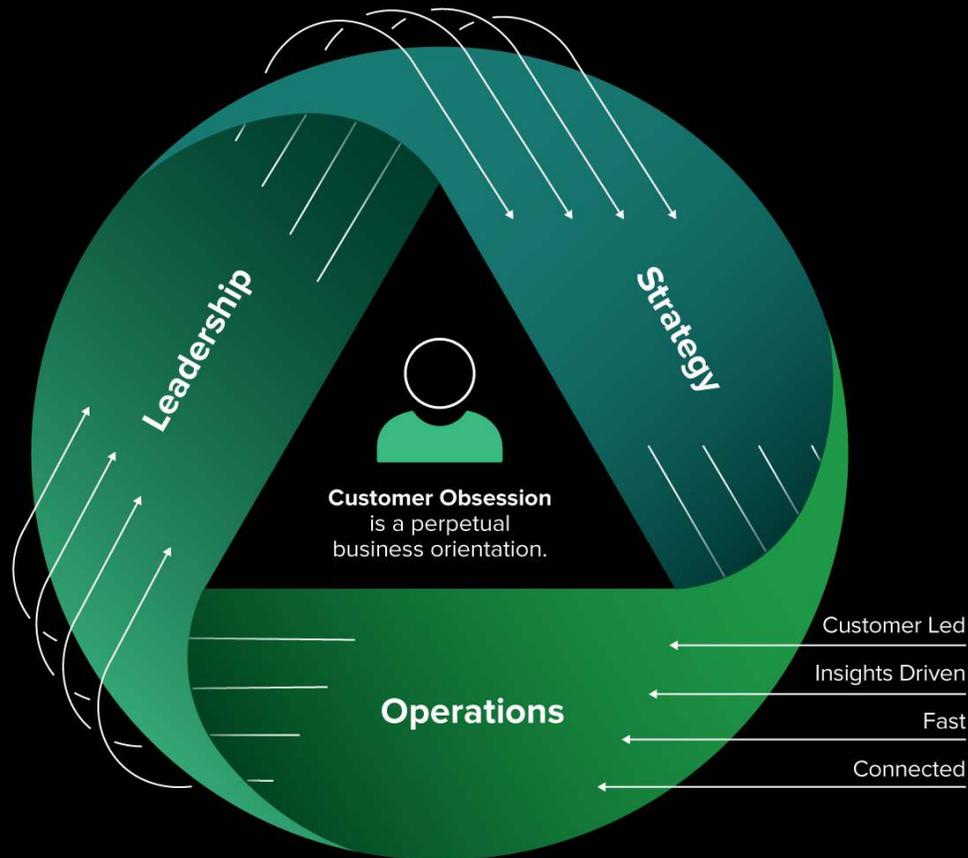
- Most influential research and advisory firms in the world
- Three ways we reach out: Proprietary research, consulting and events
- Empower leaders to be bold at work, to navigate change and be customer-obsessed
- Innovation, Digitalization, Business Transformation and Automation being the drivers
- Founded in 1983, 1823 employees, 18 offices in 10 countries, 300 Analysts

Disruption rippling through the business landscape

- Covid-19 Pandemic
- Deep freeze Texas
- Suez Canal
- Chip Shortage
- Stock market volatility
- Geopolitical tensions
- Repay government aid
- Manufacturing halt
- Work-from-home
- Spiking oil prices
- Inflationary pressures
- Supply chain challenges
- Russia-Ukraine crisis
- Cyberattacks
- Demonstrations
- Humanitarian crisis
- Etc.

Despite this, some firms are thriving ... Why?

Customer-obsessed firms put the customer at the center of their leadership, strategy, and operations, leading to tangible business results.



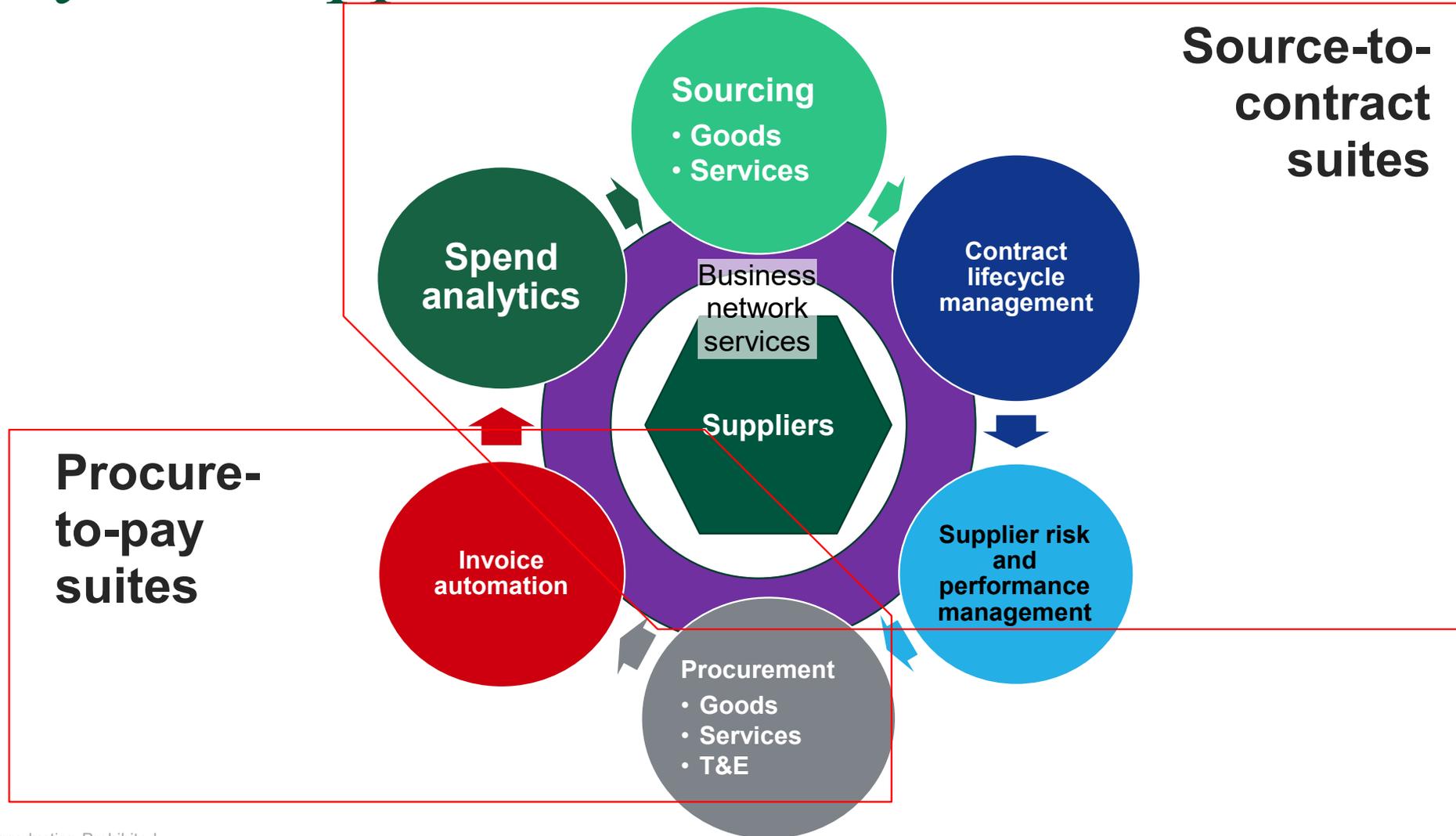
Customer-obsessed companies vs. non-customer-obsessed companies

- Revenue growth rate 2.5x
- Profitability growth rate 2.2x
- Customer retention growth rate 2.2x
- Employee engagement growth rate 2.2x

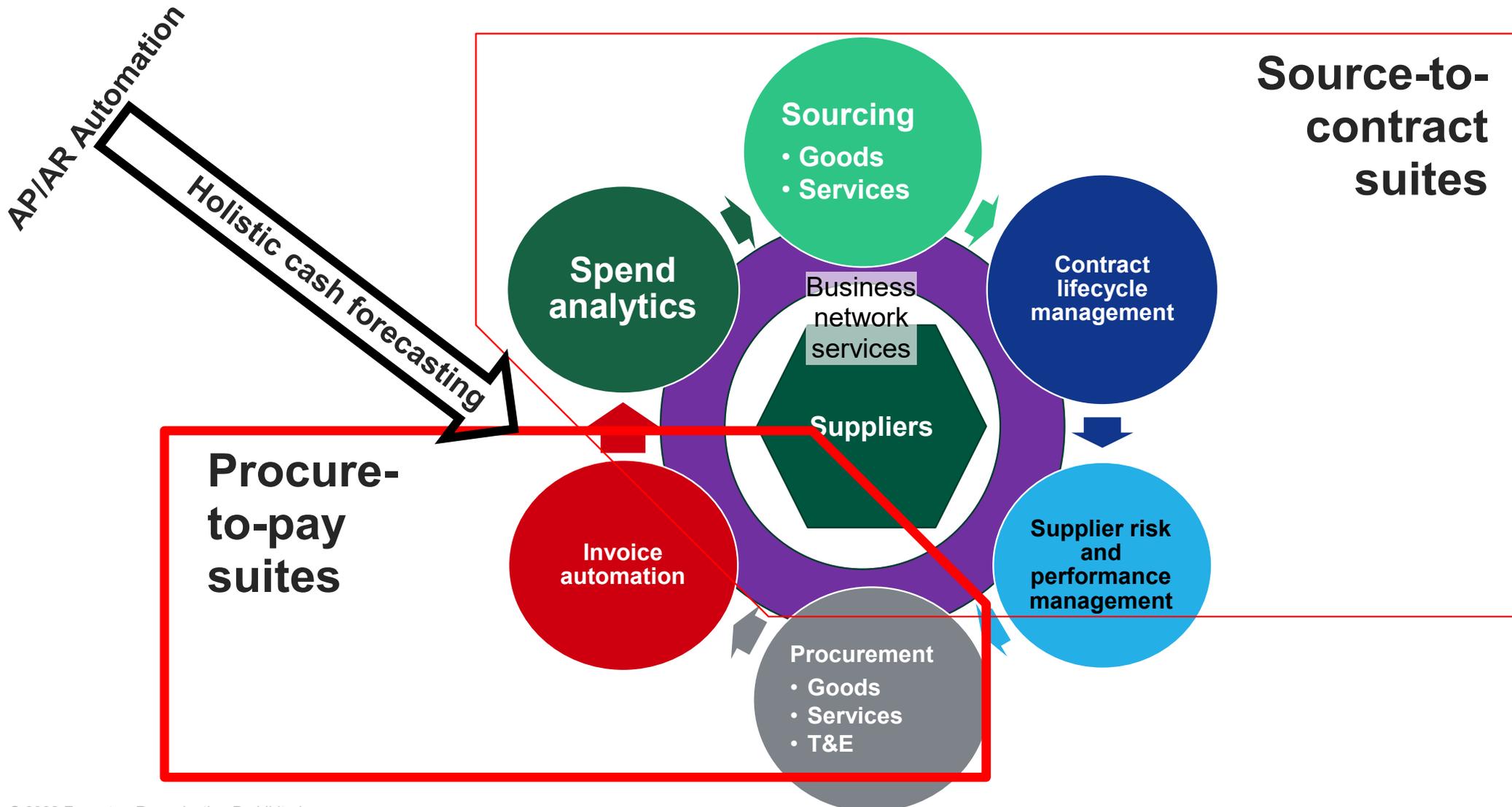
Source: *The State of Customer Obsession 2021 Survey*
Base: 999 Directors, Executives and Vice Presidents of large companies in US, UK and Germany

Source: Forrester model for customer obsession; Customer Obsession explained

“Supplier Value Management” is Forrester’s label for buy-side applications



“Supplier Value Management” is Forrester’s label for buy-side applications



Thought Leadership Paper- Objectives

Forrester commissioned
Forrester Consulting to explore
the adoption of holistic cash
forecasting. Are there particular
nuances e.g., industry specific

We conducted a research study to test the following hypothesis:

- AP and AR have historically been separated functions under the CFO, with AP departments adopting their own AP invoice automation solutions and AR departments now starting to adopt different solutions for AR invoice automation.
- As the last mile in transactions, payment approaches often not considered as part of a holistic solution for either AP or AR departments and a view of working capital position.
- CFOs realize that each of these solutions provides insight on part of a company's cash position: AP automation on cash required to pay suppliers, AR automation on cash to be received from customers.
- CFOs are starting to look for holistic views for managing cash inflows and outflows, either by adding treasury management software to pull data from separate AP and AR invoice automation products or from more integrated AR/AP solutions that also improve payment execution and tracking capabilities.

Approach

Corcentric commissioned Forrester Consulting to explore holistic cash forecasting.

Survey conducted to test the hypothesis with this audience:

- 633 Director+ payment strategy decision makers
- Across US, UK, and France
- Cross-industry (respondents from 9 different industries participated)

Firmographics

Countries



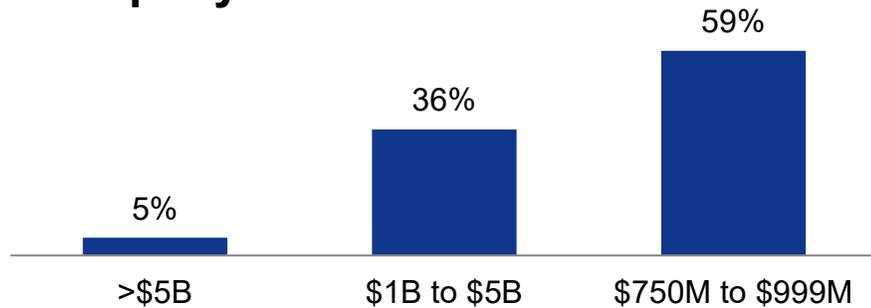
US: 71%



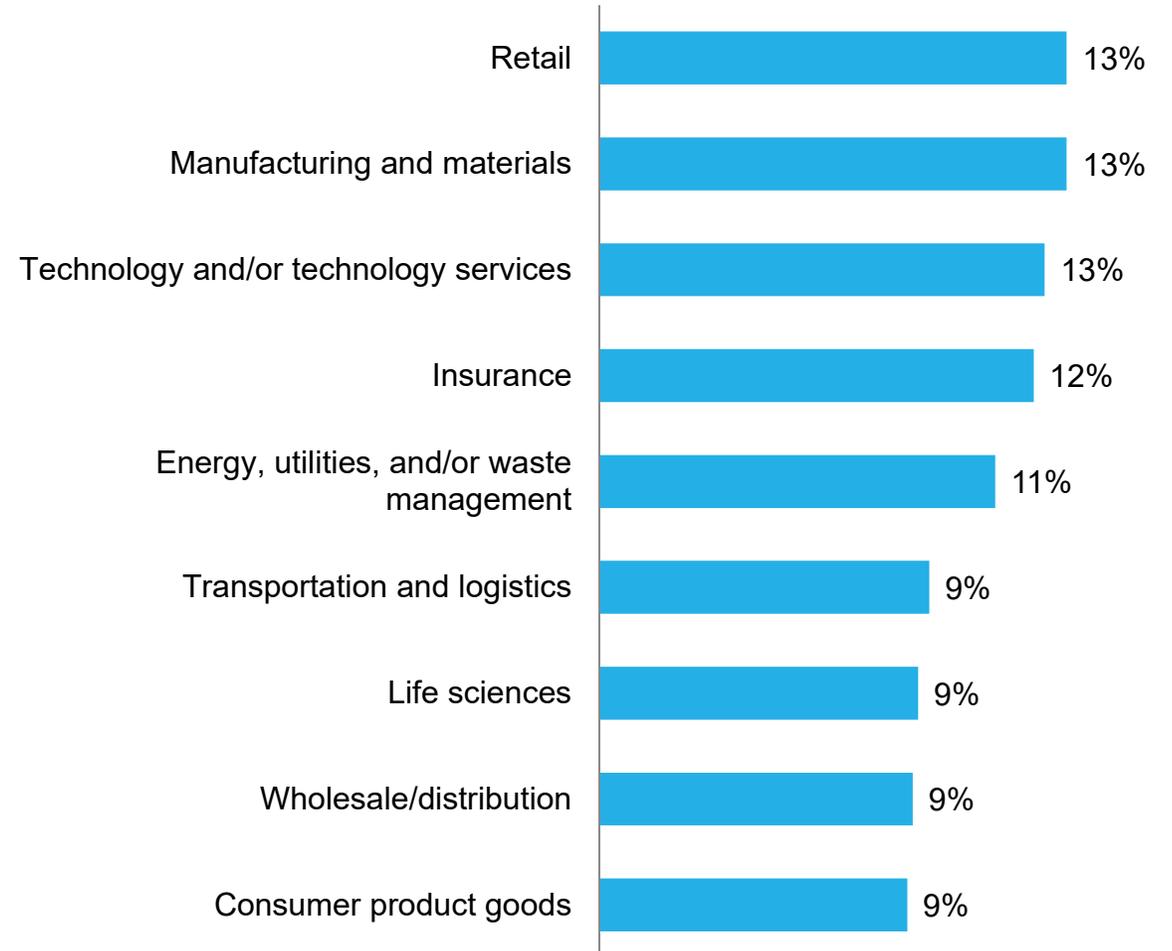
UK: 18%

France: 11%

Company Size



Industry



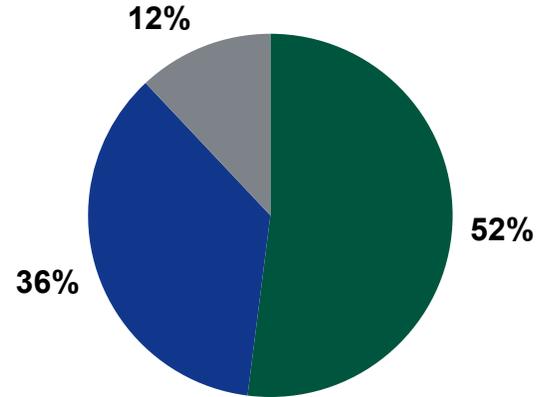
Base: 633 Director+ payment strategy decision makers in the US, UK, and France

Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

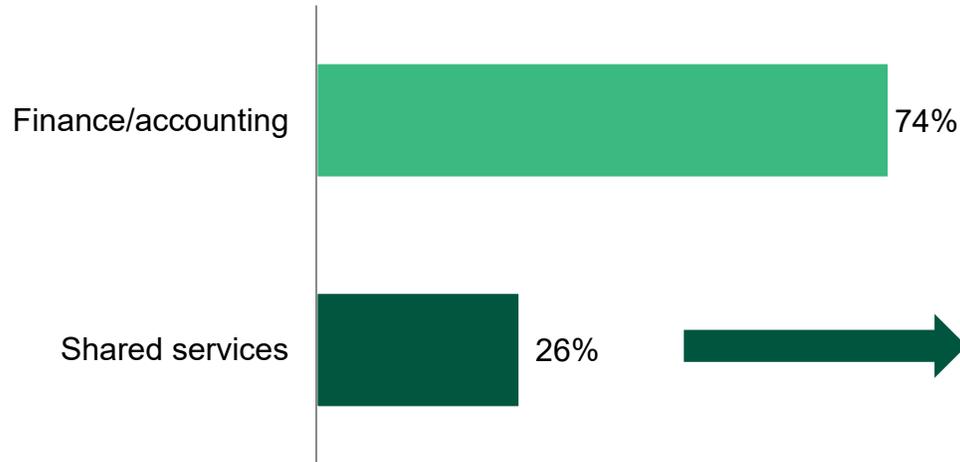
Firmographics

Title

■ Director ■ VP ■ C-level executive



Department



Those in a shared services role:

100%

are in finance/accounting
operations*

Base: 633 Director+ payment strategy decision makers in the US, UK, and France

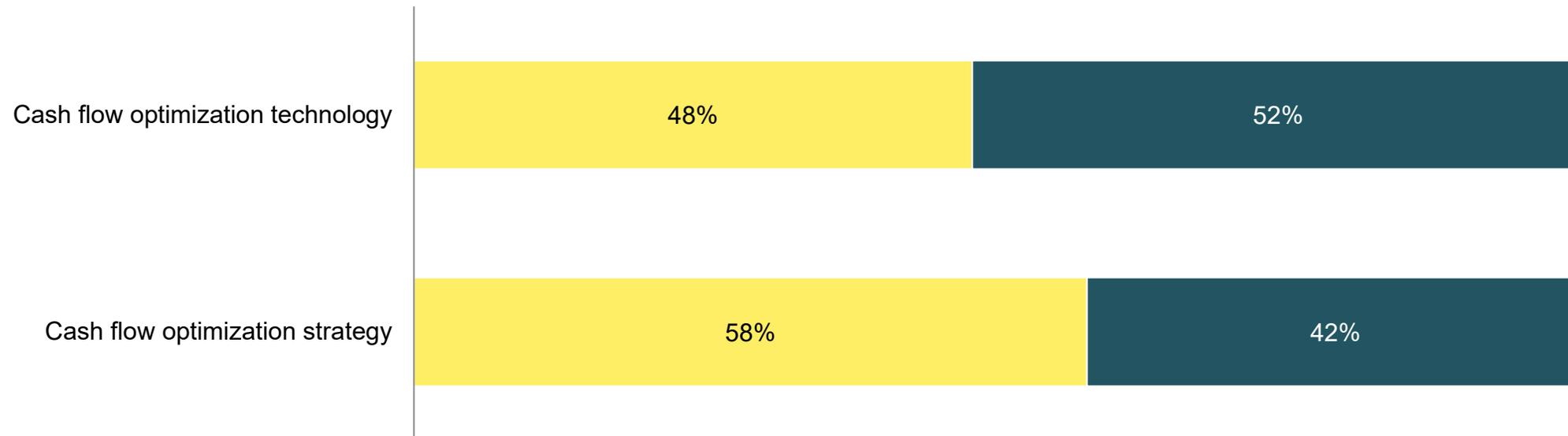
Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

*Base: 166 Director+ payment strategy decision makers in the US, UK, and France who are in a finance or accounting shared services role

Level of responsibility

S7 - What is your level of responsibility when it comes to the following at your organization?

- I am not involved and have little to no knowledge of this area
- I have partial involvement and knowledge of this area
- I have strong working knowledge of this area but do not make or influence decisions directly
- I influence and make decisions in this area as a primary part of my job
- I am the final decision maker in this area



Base: 633 Director+ payment strategy decision makers in the US, UK, and France

Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

Current State

Finance organizations seek to optimize cash flows via digitization and automation to help their companies improve CX, increase revenue, and become more insights-driven

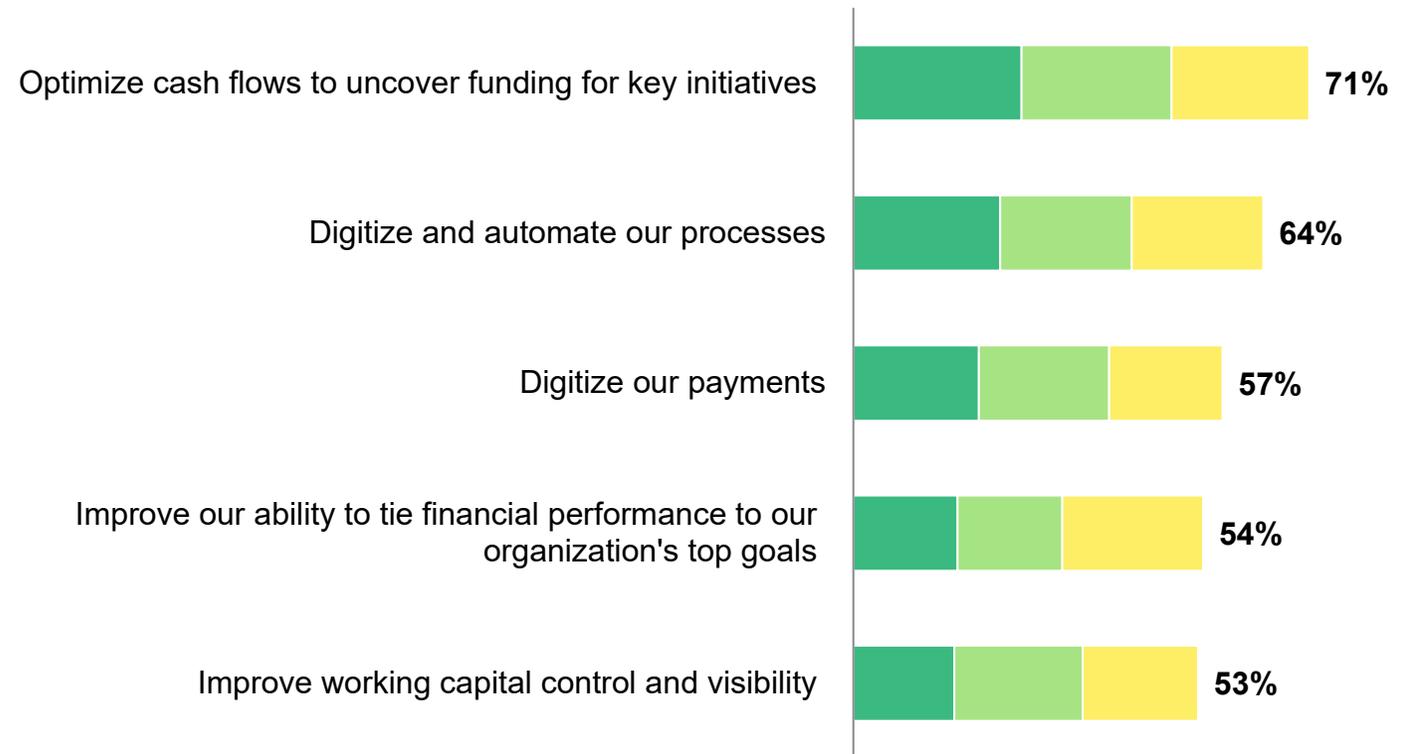
Q1 - What are your company's top priorities over the next 12 months?

Rank 1 Rank 2 Rank 3 Rank 4 Rank 5



Q2 - Which of the following finance-related actions are most important to achieving your company's top business priorities?

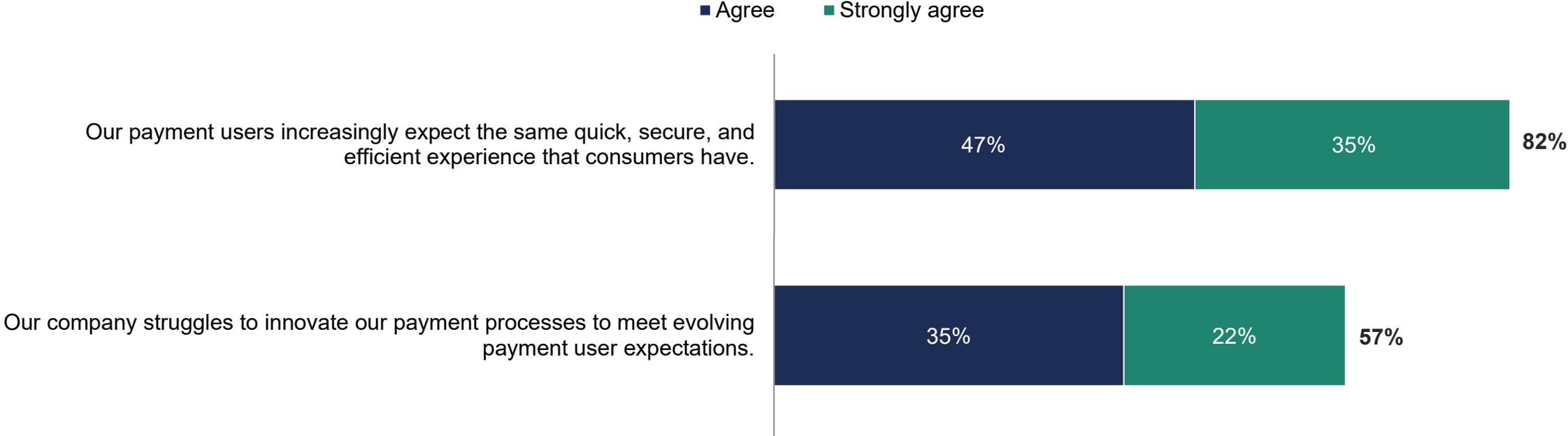
Rank 1 Rank 2 Rank 3 Top 3 Ranked



Base: 633 Director+ payment strategy decision makers in the US, UK, and France

Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

As companies prioritize improving customer experience, finance leaders report that payment users increasingly expect the same speed and convenience as consumers – and they struggle to innovate their payment processes to meet these expectations

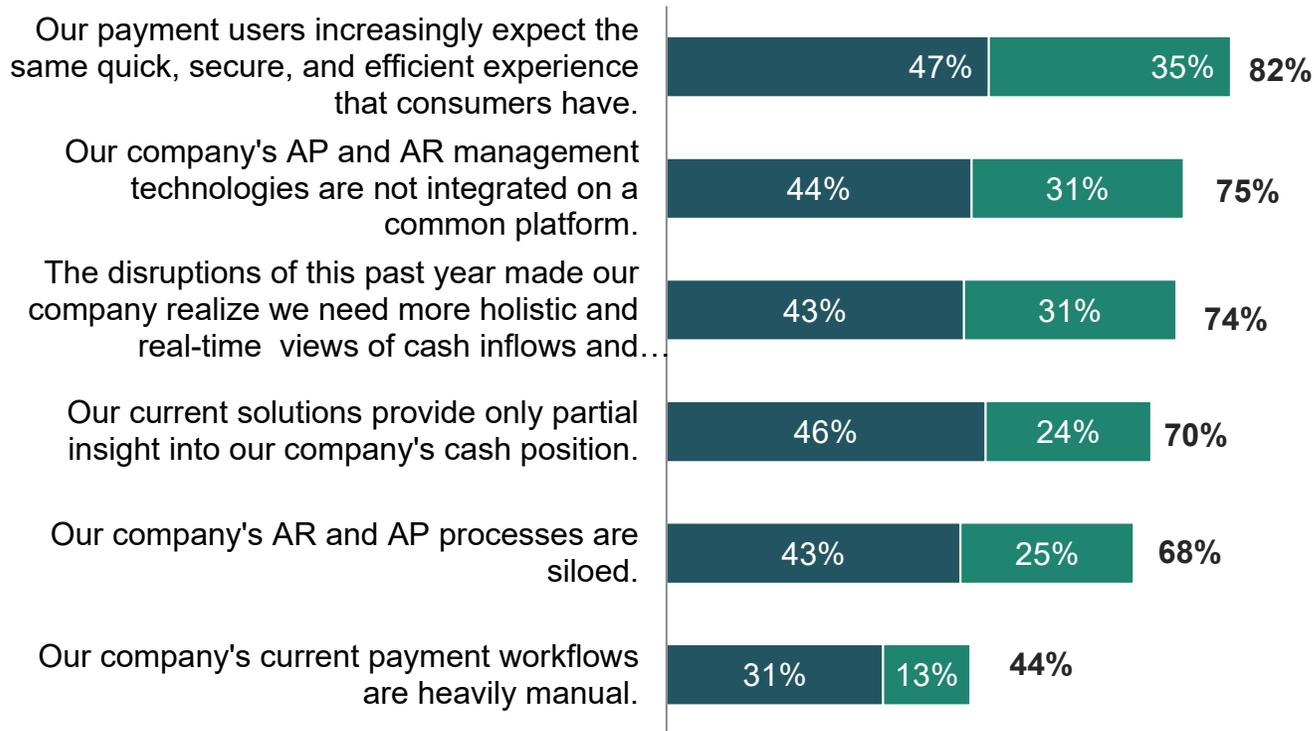


Base: 633 Director+ payment strategy decision makers in the US, UK, and France
Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

Disruptions made companies realize they need more holistic and real-time views of cash inflows and outflows, but current AR and AP systems and processes don't support this.

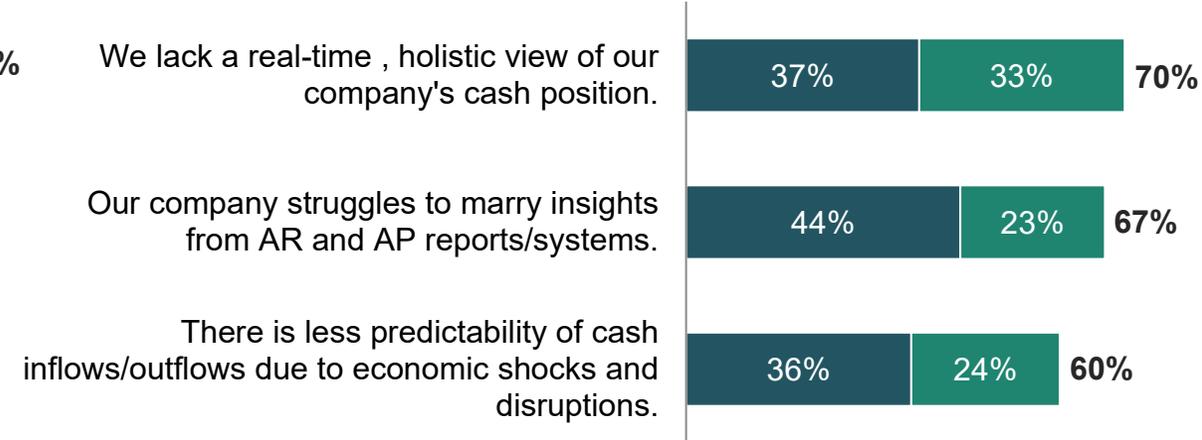
Q4 - Please rate your level of agreement with the following statements.

■ Agree ■ Strongly agree



Q6 - To what extent would you agree the following challenges apply to your organization?

■ Agree ■ Strongly agree



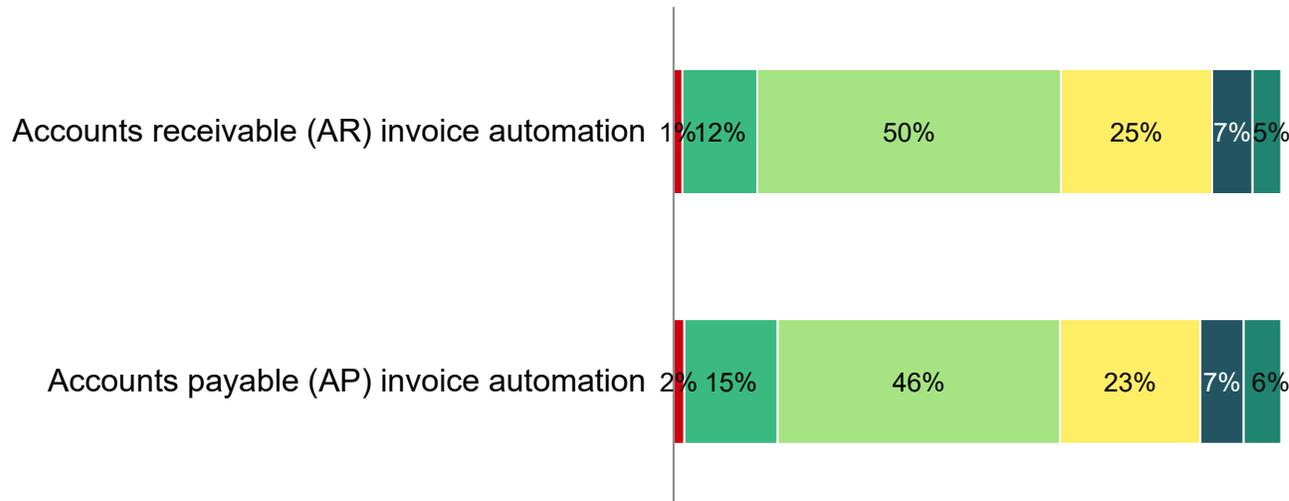
Base: 633 Director+ payment strategy decision makers in the US, UK, and France

Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

Most companies are planning to automate AR and AP processes, but only 12% are doing so today. Similarly, 82% are interested in enabling holistic cash forecasting, but this is still a new trend as only 5% have partners/systems in place to do so today.

Q3 - What are your company's plans when it comes to implementing the following technologies?

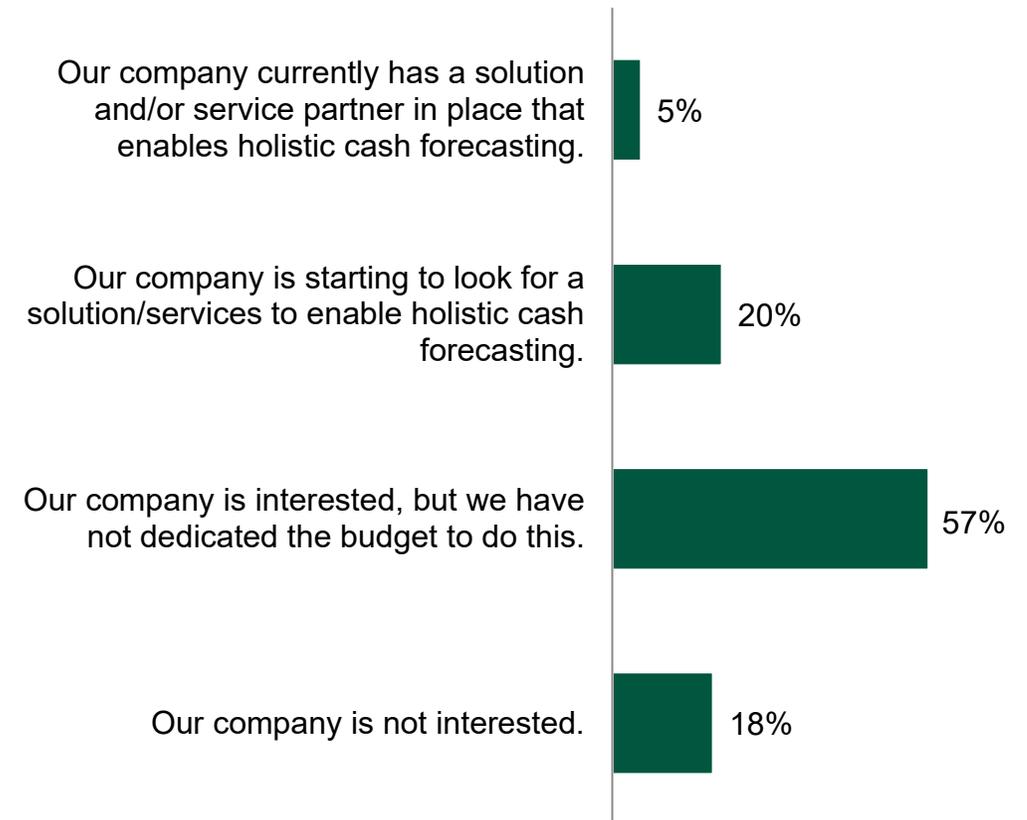
- Not interested
- Interested but no plans to implement
- Planning to implement in the next 1-5 years
- Planning to implement in the next 12 months
- Implemented, not expanding/ upgrading
- Expanding or upgrading current implementation



Base: 633 Director+ payment strategy decision makers in the US, UK, and France

Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

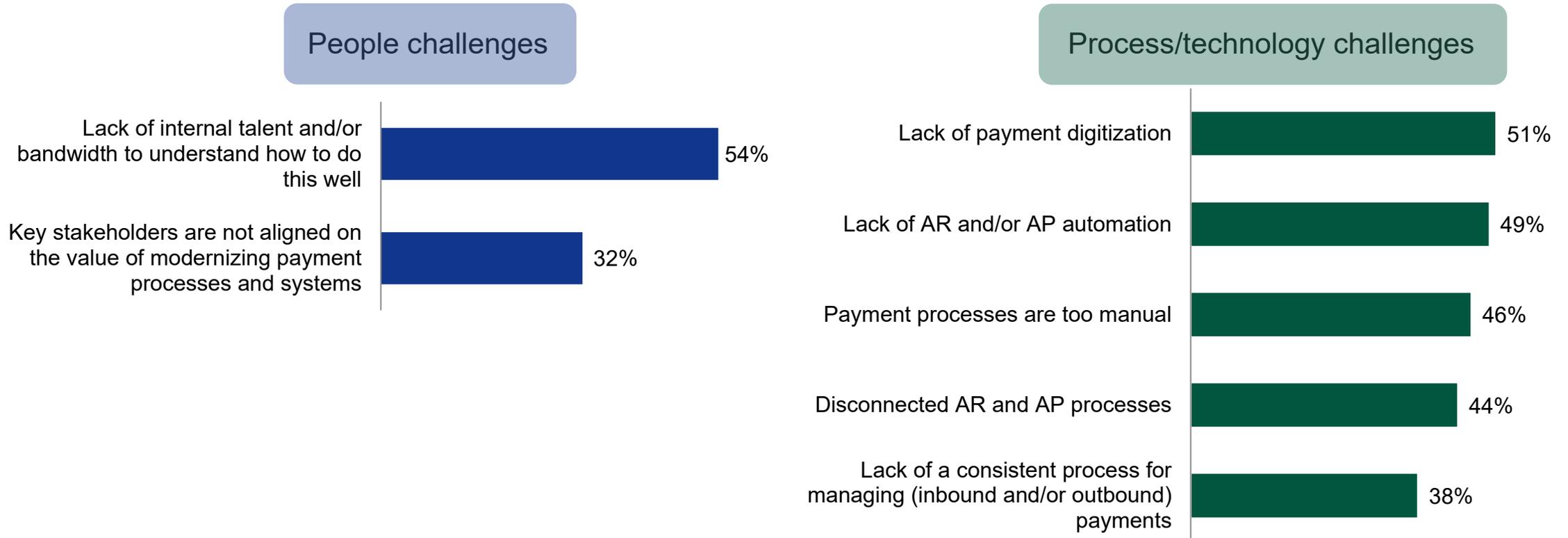
Q5-Which of the following best describes your company's position on enabling holistic cash forecasting?



Challenges

In addition to a lack of digitization and automation, finance organizations lack the internal talent to successfully evolve to achieve real-time insight into cash inflows and outflows

Q7-What is preventing senior finance leaders from having a real-time view of your organization's cash flow and working capital?



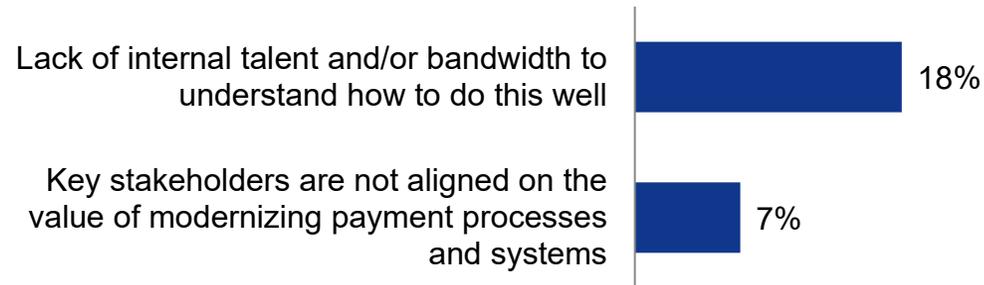
Base: 633 Director+ payment strategy decision makers in the US, UK, and France

Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

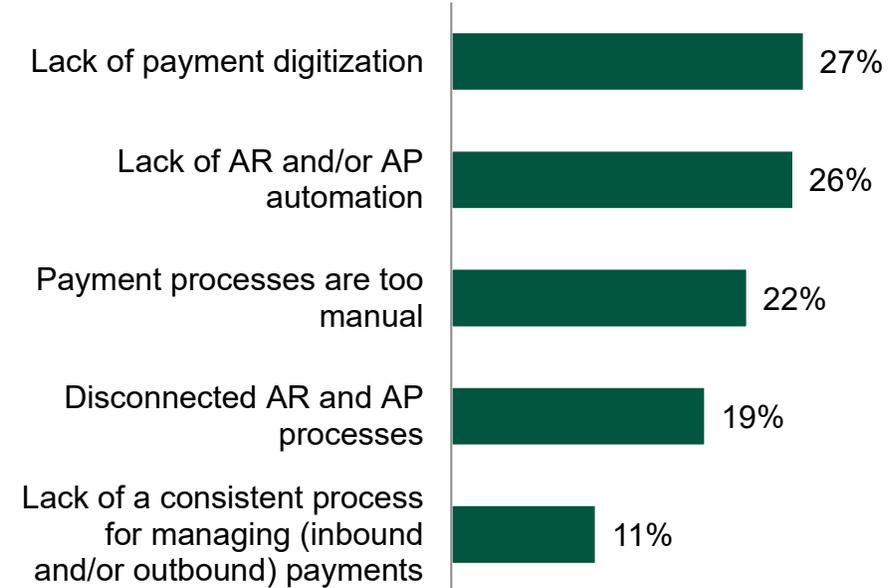
91% of respondents would turn to an external partner to help them overcome at least one of these challenges, with digitization and automation being the most popular use case

Q8-You indicated the following are preventing senior finance leaders from having a real-time view of your organization's cash flow and working capital. For which of the following challenges would engaging an external partner be helpful?

People challenges



Process/technology challenges



Only 9% said that engaging an external partner would not help them overcome any of these challenges

Base: 633 Director+ payment strategy decision makers in the US, UK, and France

Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

Leaders understand that failing to optimize cashflows introduces inefficiencies, missed opportunities, and an increased risk of fraud.

Q9-What are the risks associated with lacking a real-time, holistic view of cash inflows and outflows?

Fraud

Increased risk of fraud 52%



Process

Inability to pivot quickly to disruption 45%



Inability to identify and address inefficiencies 40%



Funding

Limited ability to uncover funding to support key initiatives 48%



Increased risk of needing to borrow cash 35%



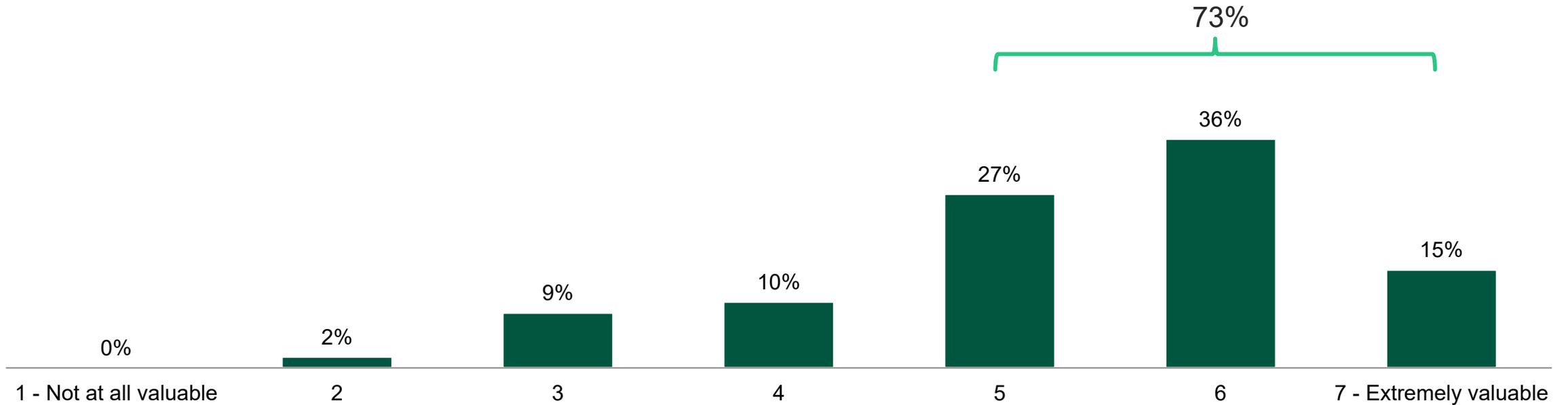
Base: 633 Director+ payment strategy decision makers in the US, UK, and France

Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

Future State

73% of respondents believe enabling holistic cash forecasting would be valuable to their organizations.

Q11-How valuable would enabling holistic cash forecasting be to your organization?



Base: 633 Director+ payment strategy decision makers in the US, UK, and France

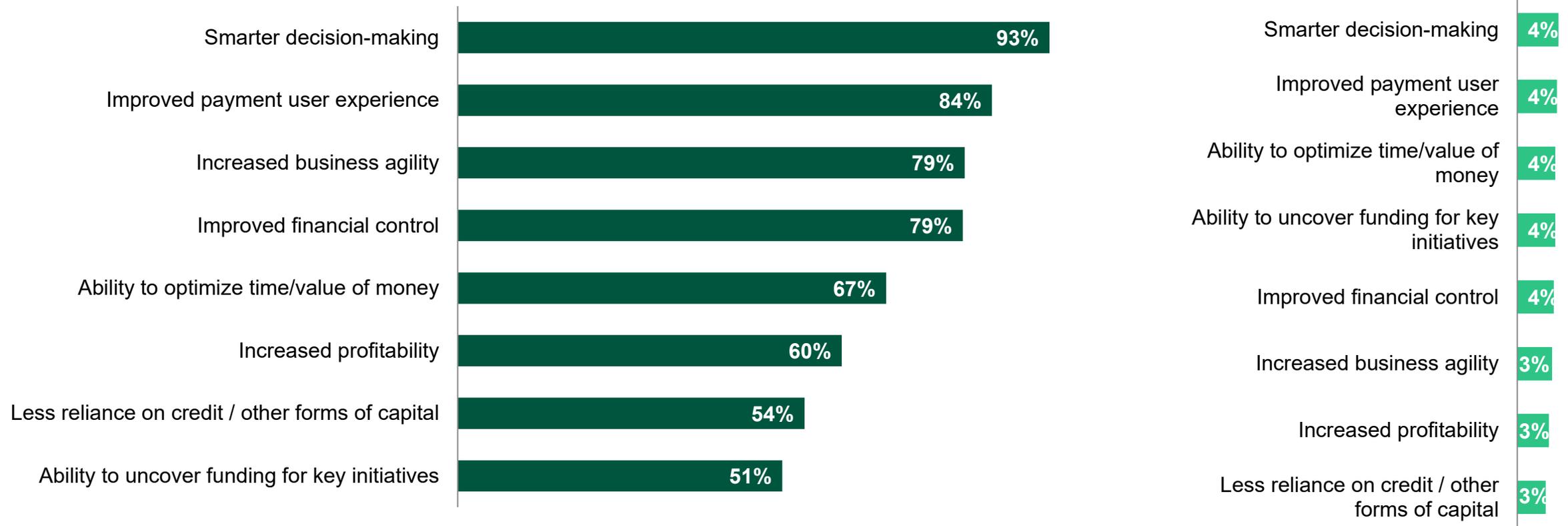
Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

Finance leaders seek to use holistic cash forecasting to make smarter decisions, improve the payment user experience, and increase agility.

Q13 - What benefits would you expect to see/have you seen from enabling holistic cash forecasting at your organization?

■ This is a benefit we hope to realize

■ This is a benefit we have already realized

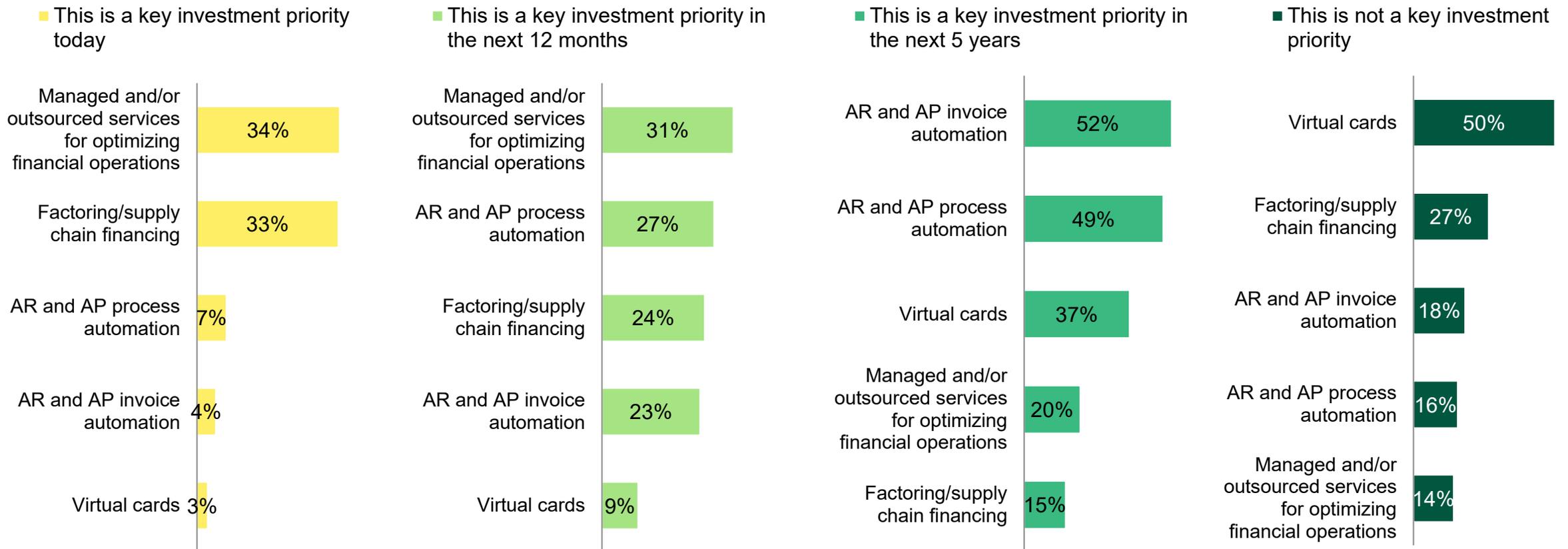


Base: 633 Director+ payment strategy decision makers in the US, UK, and France

Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

To achieve holistic cash forecasting, 85% of companies are currently engaging or plan to engage a managed service partner and most also plan to invest in AP and AR automation in the next few years. 72% are currently investing in or plan to invest in factoring and/or supply chain financing. 50% say virtual cards are not a strategic priority.

Q12 - Which of the following strategies is your company investing in/planning to invest in to enable holistic cash forecasting ?



Base: 633 Director+ payment strategy decision makers in the US, UK, and France

Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

Respondents seek to engage partners who intimately understand their industries and other unique needs.

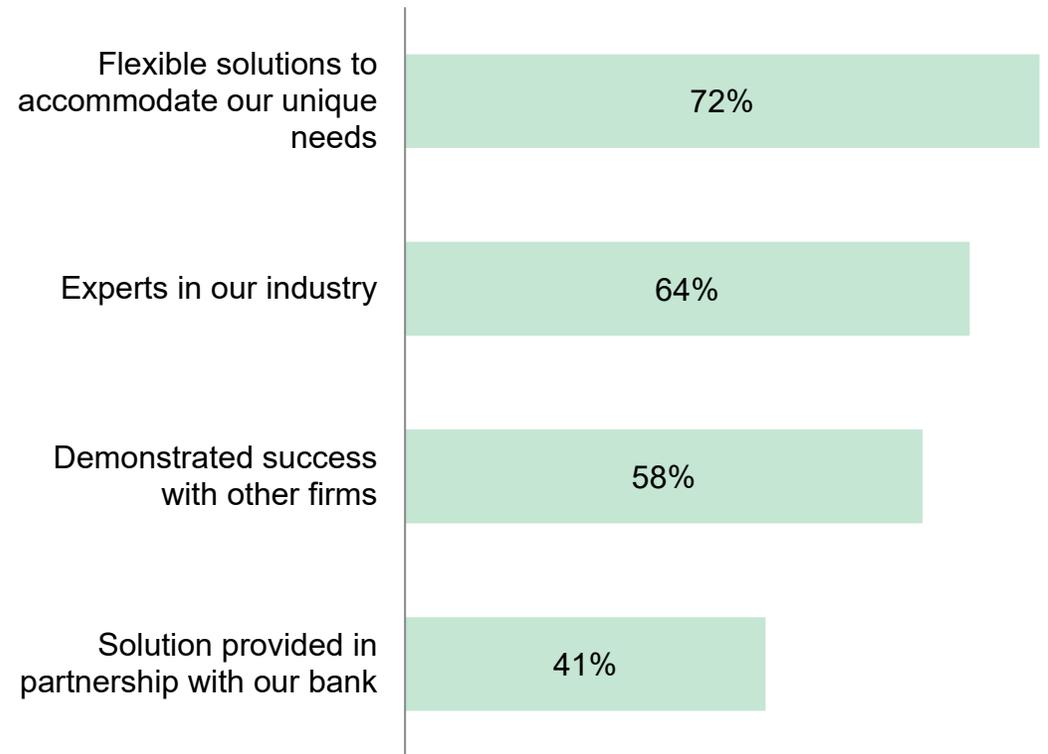
Q14-Which of the following capabilities are important to engaging a partner to help your company enable holistic cash forecasting?



Base: 633 Director+ payment strategy decision makers in the US, UK, and France
 Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

Q15 - You indicated the following are important when engaging a partner to help your company enable holistic cash forecasting. How challenging is it to find a partner who can deliver on these requirements?

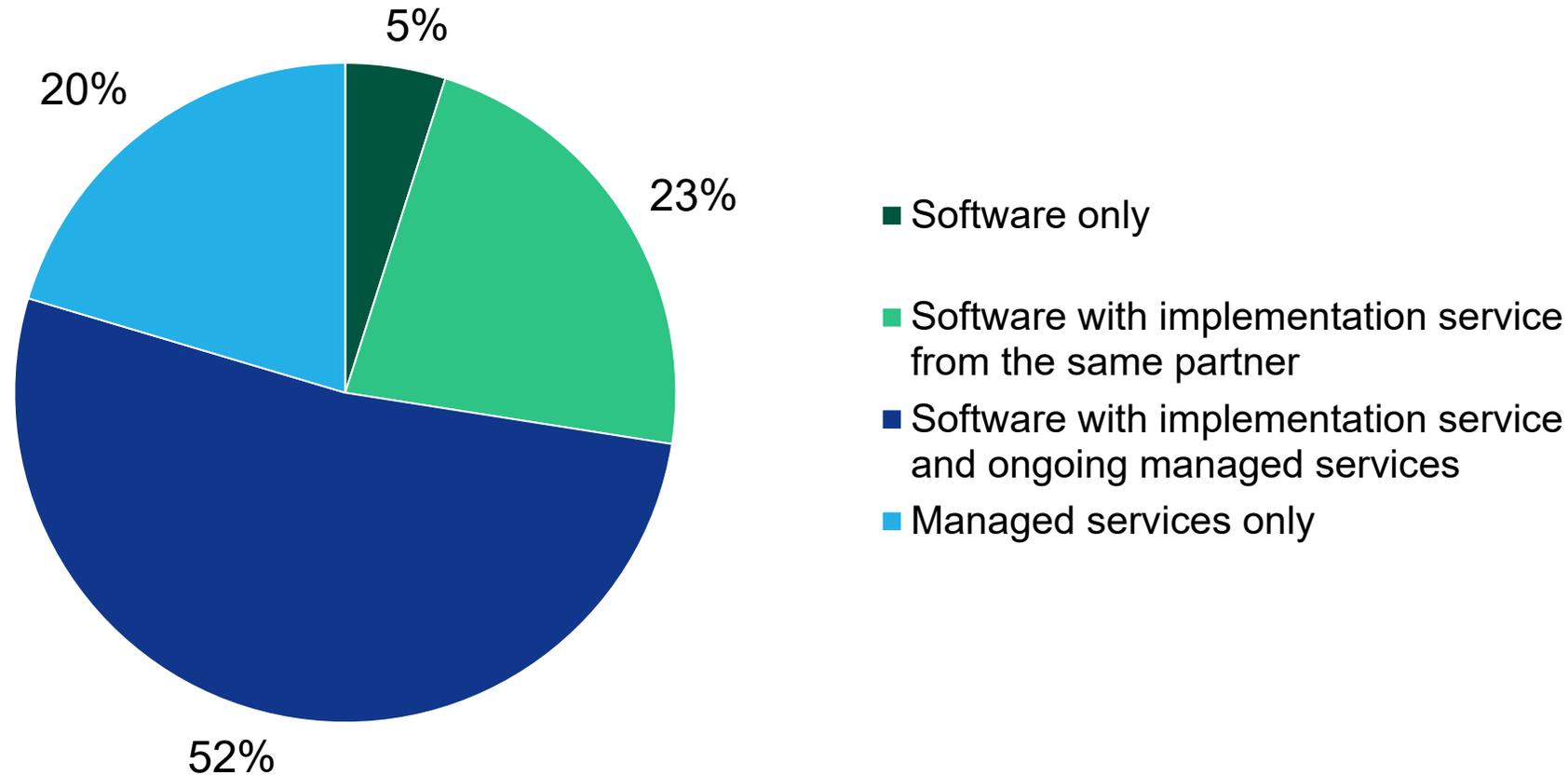
■ 4/5 - Challenging/Very challenging



Base: 162 to 345 Director+ payment strategy decision makers in the US, UK, and France
 Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

Most companies seek a comprehensive solution provider – one that offers software with implementation services and ongoing managed services.

Q16-How would you/do you look to engage a partner to help your company enable holistic cash forecasting?



Base: 633 Director+ payment strategy decision makers in the US, UK, and France

Source: A commissioned study conducted by Forrester Consulting on behalf of Corcentric, July 2021

How to shift from current to the future state

Current State

- Finance organizations seek to optimize cash flows via digitization and automation to help their companies improve customer experience (CX), increase revenue, and become more insights-driven. As companies prioritize improving customer experience, finance leaders report that payment users increasingly expect the same speed and convenience as consumers – and they struggle to innovate their payment processes to meet these expectations.
- Disruptions made companies realize they need more holistic and real-time views of cash inflows and outflows, but current AR and AP systems and processes don't support this. Most companies are planning to automate AR and AP processes, but only 12% are doing so today. Similarly, 82% are interested in enabling holistic cash forecasting, but this is still a new trend as only 5% have partners/systems in place to do so today.

Challenges

- In addition to a lack of digitization and automation, finance organizations lack the internal talent to successfully evolve to achieve real-time insight into cash inflows and outflows. 91% of respondents would turn to an external partner to help them overcome at least one of these challenges, with digitization and automation being the most popular use case.
- Leaders understand that failing to optimize cashflows introduces inefficiencies, missed opportunities, and an increased risk of fraud.

Future State

- 73% of respondents believe enabling holistic cash forecasting would be valuable to their organizations. Finance leaders seek to use holistic cash forecasting to make smarter decisions, improve the payment user experience, and increase agility.
- To achieve holistic cash forecasting, 85% of companies are currently engaging or plan to engage a managed service partner and most also plan to invest in AP and AR automation in the next few years. 72% are currently investing in or plan to invest in factoring and/or supply chain financing. 50% say virtual cards are not a strategic priority.
- Respondents seek to engage partners who intimately understand their industries and other unique needs. Most companies seek a comprehensive solution provider – one that offers software with implementation services and ongoing managed services.

Concluding Remarks

Holistic cash forecasting are the core to every firm; the pandemic has been an eyeopener: to tide over the liquidity crunch, firms need efficient cash flows and accurate data

- Business payments are antiquated. And complex. Yet, the evolving digitization of consumer payments has pushed the bar of B2B customer payment higher. B2B users expect quick, secure and efficient experience that consumers have
- Paper invoices, Manual collection systems are still rampant. Firms realize the impact – inefficiencies, higher DSOs and write-offs
- Firms are realizing the urgency and importance to digitalize and enhance their cash management processes and are allocating budget to get the right solutions
- Focus on elevating the B2B payment experience
- Cash management and holistic cash forecasting are essential for a company's adaptability and financial stability. Foster cross-functional collaboration between treasury and finance to offer a holistic and centralized view of cash flows
- If you don't have in-house talent, get a good partner who has the technology and advisory services to help you reduce cost, mitigate risks and improve working capital and help you compete more effectively

Fireside Chat

**What Does This Mean for
Finance Leaders? Let's talk
about it.**



Question #1

Across industries, smaller and larger businesses alike plan to automate AR and AP processes or are interested in engaging a partner/solution to enable holistic cash forecasting across processes. Why don't they already have these in place?



Question #2

At companies happy that what they've done so far works financial leaders may not see a reason to rock the boat. How can one frame a business case for transforming financial processes?



Question #3

Why should companies consider engaging an external partner and/or managed service provider?



Q+A

Please submit any questions using the "Questions" tab on your control panel.



Online Corcentric Resources



REPORT

The Future of Finance: 360° Cash Flow Visibility + Control

The value of true holistic cash forecasting and how to achieve it.

How to achieve it:

The value of true holistic cash forecasting and

Cash Flow Visibility + Control

The Future of Finance: 360°



WEBINAR

How to Ensure Working Capital Results Last

If you're in the process of setting up a working capital program, ask yourself: What happens after the dust settles?

after the dust settles?

capital program, ask yourself: What happens

If you're in the process of setting up a working



REPORT

Business Payments Digitization: A Path To A Better Balance Sheet

Learn how investing in payments digitization can improve working capital, streamline AR and AP processes, and improve customer and partner satisfaction.

partner satisfaction:

and AP processes, and improve customer and

can improve working capital, streamline AR

learn how investing in payments digitization

www.Corcentric.com





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Thank You

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