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The Federal Reserve's tough medicine to cure inflation, evident in a series of ample interest rate hikes through the entirety of 2022, increases the potential for a recession in 2023. The uncertainty surrounding this possibility elevates the need for finance and accounting to focus on cash flow and working capital management priorities.

CFOs can be expected to ask their organizations in 2023 to optimize and maximize cash across the enterprise. In turn, this demand requires finance and accounting professionals to obtain clearer visibility into where cash is originating and existing the business. A recent global survey of almost 1,500 finance and accounting

professionals by BlackLine suggests a lack of significant confidence in cash flow

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closer watch on cash in and out the door, seek a better understanding of the timing of accounts receivable to make speedier and more productive interventions, and invest in automated processes and software assisting these strategic working capital aims. More than half the respondents (56 percent) in the BlackLine survey plan to implement or scale working capital automation solutions in 2023.

M&A dealmakers in 2023 will focus on the impact of entity management, antitrust regulations and ESG factors.

In the third quarter of 2022, U.S. merger and acquisition activity fell precipitously, with deal volume falling 36 percent and deal value down 64 percent on a year over year basis, according to EY statistics. Compared to pre-pandemic averages, deal volume and value are down 18 percent and 33 percent, respectively. Reasons range from ongoing inflation and rising concern over a recession to continuing supply chain constraints and geopolitical tensions. Going into 2023, need to express caution, the audit and advisory firm commented.

In this concerning environment, finance and accounting professionals assisting their colleagues in plotting and executing M&A transactions in 2023 will focus on a target company's ESG factors, regulatory considerations and global entity management practices.

According to a 2022 study by Deloitte drawing from interviews with M&A attorneys, poor entity management slows down dealmaking, drives prices down and even destroys deals, introducing potential liabilities for corporate officers and directors. "The quality of subsidiary management plays a critical role in determining deal value and timelines," the audit and advisory firm's report states.

As global regulations rapidly evolve to ensure tax jurisdictions get their fair share of revenue from intercompany transactions, the onus is on finance and accounting to

ensure more strategic entity management. More than one-third (36 percent) of

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Expectations are that more companies in 2023 will invest in intercompany financial management automation solutions enabling more assured entity data management, regulatory compliance and M&A due diligence.

Today's accountant shortage will impel companies to rebrand the profession, automating manual processes and rotating accountants through different business functions towards more attractive career opportunities.

A recent article on the substantial accountant shortage in CFO.com suggests ranks will slim even further in the years ahead. The reasons include a precipitous decline in the number of undergraduate and graduate accountant students; widespread views that the work of an accountant is manual, boring and mundane; and the job is low-paying and a career dead-end. These perceived drawbacks have resulted in nearly 9 in 10 (87 percent) finance and accounting managers finding it increasingly difficult to secure the talent they need.

Efforts are underway at the AICPA and public accounting firms to rebrand the profession to make it more attractive to younger people. Aside from increasing pay rates, companies will invest in making the technical work of accounting less manually time-consuming and burdensome, while transforming the finance and accounting function into a breeding ground of talent needed across the enterprise to make more insightful business decisions. As accountants rotate in and out of advisory roles in sales, marketing, supply chain management and other functions, the transferable skill sets they accumulate will increase their perceived value to put them on a more personally fulfilling career track.

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This article was contributed by [Blackline](#), which automates complex, manual, and repetitive accounting processes in a unified cloud.

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