CPA Practice Advisor

in the health of the broader economy.

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New research shows that businesses have more confidence in their own growth than in the health of the broader economy. The 2023 Insights Report from financial platform Stripe, is based on a survey of 2,500 business leaders from nine countries.

Eighty percent expressed pessimism about the state of the economy—a finding that was consistent across business models, location, and company size. Businesses ranked inflation as their top concern, and 72% reported that their operating costs were higher than a year ago.

Against this backdrop, companies are investing in new products and revenue streams

this time around," said Emily Glassberg Sands, head of information at Stripe.

Businesses are spreading their bets Some of the world's most successful businesses, including General Electric and Amazon, launched bold new products during previous recessions, while maintaining strong capital discipline. Evidence from other
studies suggests the formula is replicable, and many of today's businesses are turning to the internet to implement it.

The report found that 61% of businesses are taking advantage of the current slowdown to
experiment with new ways to grow their revenue online. Many are using tools that open up new sources of
revenue without significant upfront investment.

Online payments are an underutilized lever for revenue growth Nearly two-thirds of businesses agreed that online payments have created new ways to make money, and 71% agree that their customers' expectations for the smoothness of the checkout experience are rising. As a result, many businesses are prioritizing payments tools that help grow sales.

"As more restaurants use OrderUp to power their dining operations, it's increasingly important that we enable a checkout experience with zero hiccups," said Chris Gilpin, CEO of OrderUp, a restaurant point-of-sale platform on Stripe. "Flexible payment methods help OrderUp merchants maximize sales and deliver an even better customer experience."

However, many others are leaving money on the table by not taking full advantage of innovations in payments technology. Prior Stripe research revealed that three-quarters of customers are more likely to complete a purchase when one-click checkout is offered, but half of businesses in the Insights Report said they haven't

20% of respondents plan to cut spending on core products or services, and only one-third are prioritizing hiring freezes. Instead, businesses are slashing operating expenses: 51% percent are prioritizing negotiating better rates with vendors, and 70% plan to cut the number of software providers they use.

Many see this decision as a strategic move. When asked to name the top reason they are consolidating software providers, businesses were as likely to cite faster access to data as they were to name cutting costs.

These responses are consistent with the frustration business leaders expressed about the operational burdens their companies face. Sixty percent said their finance teams were spending more time on operational work and less time on strategy than they did three years ago. In particular, businesses are moving away from building their own payments software. Half of the survey respondents who built their own regret the time and cost involved, and nearly three-quarters said their in-house products led to
reduced conversion or higher operating costs.

"My team has to account for millions of transactions tied to card payments, bank transfers, invoices, and more," said Jonathan Gan, head of revenue accounting at Slack. "With tools like Stripe that free up time for big picture work and strategy, we're more easily able to automate and accelerate financial reporting at Slack."

The 2023 Insights Report compiled survey findings from 2,500 founders, enterprise executives, heads of payments, and CFOs at major businesses across Australia, Brazil, France, Germany, Japan, Mexico, Singapore, the United Kingdom, and the United States. Read the full report here.

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