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**Managing Cash Flow the Biggest Concern for Finance Leaders  
*Good Financial Stewardship Key to Survival Finds New Report***

As the UK's economic difficulties deepen, a new report finds that access to credit and cash flow management are the issues causing finance leaders the biggest headache.

The latest report from specialist recruitment consultants Robert Half, entitled '*What's Keeping UK CFOs Awake At Night*' surveyed 200 senior UK finance leaders in private companies and publicly listed organisations. The study revealed that 75 percent of those questioned were most concerned about access to credit on a macroeconomic level whilst 51 percent cited cash flow management as the biggest concern that they faced in their day-to-day jobs.

Commenting on the results, Phil Sheridan, Managing Director of Robert Half said: "In a tough economic environment the principles of good financial stewardship remain true. Managing access to credit and keeping cash flowing through the business are still the staple responsibilities of the finance director, and need a clear focus in times of uncertainty."

The need for strong corporate governance and managing the balance sheet were also cited as big concerns for finance leaders, with the top five being \*:

- Cash flow management – 51 percent
- Corporate governance – 40 percent
- Managing the balance sheet – 31 percent
- Audit costs – 29 percent
- Managing growth – 27 percent

On the macroeconomic level, the top three major issues were \*:

- Credit markets/ decreasing access to credit – 75 percent
- Increasing interest rates - 69 percent
- Rising cost of fuel – 57 percent

However, it was not just financial matters that concerned the finance leaders surveyed. When asked about their key recruitment challenges, 70 percent of finance leaders nominated retaining finance staff as their greatest concern, higher than both attracting skilled staff (66 percent) and keeping employees productive (54 percent).

Sheridan continued: "Our research suggests that companies are continuing to compete with one another to attract and retain highly skilled professionals. In today's economic environment, businesses are focused on retaining their best people because they need them to weather the downturn."

Perhaps unsurprisingly, finance leaders expected strong economic growth to come from outside the Western economies. When asked which economies they expected to grow the most in the next 12 months, the overwhelming majority predicted that China (78 percent) would experience the strongest growth, followed by India (47 percent) and Russia (46 percent).

The outlook for in-house development and external growth is promising, however. Seventy-six percent of those queried stated that over the next two years, business process improvements (BPI) were among their company's top three most likely initiatives. Companies clearly recognise that in today's highly competitive marketplace, one of the ways to gain an edge is by having the most efficient business practices and latest technologies.

What's more, 45 percent of finance leaders thought it likely their company would introduce a new product or service line extension over the next two years, with a healthy 31 percent of respondents putting geographic expansion among their company's top three most-likely initiatives.

The top five initiatives that CFOs are likely to pursue in the next two years are \*:

- Business process improvement – 75 percent
- New product or service line extension – 45 percent
- Technology/ IT system update – 37 percent
- Geographical expansion – 31 percent
- Merger or acquisition – 24 percent

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\*Finance leaders were asked for their top three concerns, which is why the percentages do not add up to 100 percent

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### **About Robert Half**

Robert Half pioneered specialised staffing services and today is the world's leader in the field. Founded in 1948, the company is traded on the New York Stock Exchange (symbol: RHI) and operates four separate divisions in the UK, each serving distinct markets. They include: Robert Half Finance & Accounting and Robert Half Management Resources, for temporary, full-time and project professionals, respectively, in the fields of accounting and finance; OfficeTeam, for highly skilled temporary administrative support and Robert Half Financial Services Group, for high-calibre finance and banking professionals.

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