

Respondents point to two key challenges in making investment decisions today. The first stems from turbulence in the banking sector and the widespread scarcity of capital. "In the past, you were probably able to take your relationship with your bank a little bit for granted, in that if you

needed funding, you'd be able to sort something out fairly readily—it was just a matter of price and negotiation," recalls Sonic Healthcare's Wilks. "It's true to say that there's more focus on just maintaining your facilities than there has been in the past, and if you want to increase them, it's even more complex, because it probably means even more banks, which means creating new relationships." That complexity in tapping new funding means every investment decision has to be weighed more cautiously. "Investments need to be more carefully considered in the light of more restricted access to finance", says one respondent.

The second challenge in making investment decisions is high levels of anxiety and uncertainty among shareholders, banks and other stakeholders needing to be convinced of a plan's worth. As one respondent put it, "psychological reasons rather than economic sense" are driving some decisions. That's not to say that CFOs are shying away from investments that make economic sense. As another respondent says, "The business still needs to take some measured risks in order to emerge from the recession in a position to grow and expand. Hence some investment decisions are still taking place, albeit on a smaller scale than before."