



10 Steps to Contain Costs in Uncertain Times

In today's economic conditions, resilient finance leaders know that a dollar saved is worth far more than a dollar earned. The first priority to build a resilient business is knowing where your dollars are going today and getting full control of your spend. By doing this, companies are able to identify issues and opportunities to create value now while also building for the long term.

Follow these 10 steps to contain costs and build resiliency:

- 1. **Know how and when your spend occurs.** Many smart finance leaders are flying blind—lacking full visibility into their business spend. Before you can control costs, you need full visibility into your spending on goods and services.
- 2. **Upgrade from visibility to value.** Visibility isn't helpful if you can't enforce the controls you put in place. Visibility must be paired with the ability to set up and enforce control over spend to contain costs.
- 3. **Fix your approval processes.** Look at your rejection rates. If no one is rejecting spend requests, you may have too many approvers or you may be pushing approval requests to the wrong people. In either case, you'll want to revise your approval processes to change your approval matrix and approvers for each category and spend amount.
- 4. **Drive digital adoption with suppliers.** Since many of your suppliers have transitioned to temporary remote work, you should focus on increasing supplier adoption of your procurement and AP technologies to increase efficiencies, identify opportunities for savings, and contain costs.
- 5. **Understand options to defer spending and retain cash.** Ensure that all of your contracts are kept in one digital repository to bypass time-consuming manual term reviews and automatically identify options to retain cash by deferring spending.
- 6. **Negotiate payments terms.** One quick win to retain cash is to negotiate payment terms, extending DPO to preserve working capital (you can also pay early to help your struggling suppliers!)
- 7. **Identify overspending on labor.** Make sure that you are able to have visibility of all services spend and can quickly identify and reduce any overspending on third-party labor, such as paying too much for overtime.
- 8. **Enforce expense policies.** You have expense policies, but are they actually enforced? Use this time to get better control of your expense review process and surfacing expense fraud with an AI-powered expense management solution.
- 9. **Accelerate contracting and start saving.** Speed up your contracting process with a solution that enables you to quickly create new contracts with terms that protect your business in times of uncertainty.
- 10. **Realize savings fast with strategic sourcing.** Identify opportunities to consolidate your suppliers and negotiate additional savings. Sourcing tools enable you to get the most value from your business spend.

By following each of these 10 steps, you will be able to better control costs in these times of uncertainty.

Access the Success Framework for Building Resilience in Times of Business Uncertainty at www.coupa.com/resilience