



The Trusted Platform for
Business Spend Management

Nail Every Budget:

A new approach to boosting the predictability of financial results

This guide:

- Identifies misalignment between planning and on-the-ground decision making and its business impact
- Introduces the Business Spend Management (BSM) platform, a way to maximize business value through harmonizing a broad range of spend and liquidity-related processes
- Demonstrates how companies can use BSM to control spend with precision while optimizing resource allocation

Meeting Budgets? Or Post-Game Scorekeeping?

Blown budgets, missed investment opportunities, delayed strategic projects – surprises like these prevent companies from thriving in a challenging macroenvironment. FP&A teams can keep financial targets on track by operationalizing choices to contain costs, reallocate capital, and optimize cash. This depends on how well they can answer questions about spend in real time, such as:

- Which teams are going over budget?
- Where do we need to contain costs?
- Where do we have un-allocated resources?

Many companies, however, aren't set up to work this way. FP&A looks into the future and works with one set of information, and then runs a budget-vs-actual (BVA) process to identify what actually happened on the ground. Legacy structures and siloed processes prevent many companies from being more agile, driving profitability, and managing cash.

It's time for a different approach if:

- ✓ Monthly BVA reviews have replaced quarterly reviews with no impact on cost control.
- ✓ Executives consistently complain that they lack relevant information to make better financial decisions.
- ✓ It takes hours or days to determine the company's cash position.

A Business Spend Management (BSM) platform can help.

[Explore BSM fundamentals now](#)

What Happens Before, During, and After Every Dollar is Spent? Know Right Away with BSM.

As CFOs and finance leaders streamline their tech stacks and transform their organizations, they're discovering the value of a BSM platform. It's a unified set of capabilities that creates a holistic view of all spend in any organization. With full visibility into and control over the spend management process – from contracting to purchase requests, buying, travel and expense, and payments – FP&A and business leaders can intervene earlier and respond faster.

Throughout my career, I've always seen challenges with different departments over-spending or under-spending, throwing off plans for capital allocation and jeopardizing quarterly results. Because of the checks and balances that Coupa allows between FP&A and business leaders, we've been able to 'land the plane' every quarter for over ten years.



Ameet Prabhu

SVP, Financial Planning & Analysis



"Just through the PO process alone, we know when we're going to overspend and even underspend. Ultimately, we can course correct whenever we need to and make better decisions throughout the year."



Matt Puckett

Executive Vice President and CFO



[Learn how VF Corporation uses BSM to take control of spend and improve cash flow](#)

Explore how BSM helps companies

See and control spend

Develop financial agility

Optimize working capital

Learn more about strategic financial management with BSM

See and Control Overspend Before It Happens

Visibility into all spend – every contract, every purchase order, every payment, every expense – is crucial. But visibility alone only goes so far. FP&A and business leaders must be able to set up and enforce control over spend to manage costs. Greater unpredictability is a reality of life, and getting control doesn't mean a heavy set of processes. Instead, businesses need flexibility – different levers they can pull to manage spend, depending on the circumstances.

One of the key advantages of a BSM platform is that a company's various spend processes are connected, so teams can take multiple actions at once, in a coordinated way.

BSM helps control spend with

Robust **approval processes**:

- See the budget impact of every transaction up for approval compared to budget remaining, including the impact of other in-flight spend.
- Compliance and controls are built into every approval chain.
- AI and community-powered fraud detection help identify and flag suspicious spend patterns.

Visibility into **contracts**:

- See which terms and conditions have price controls already in place.
- Know which contracts are about to be signed in case the commitment should be delayed or early termination options should be negotiated.
- Identify travel and expense spend that should go through procurement.

Digital adoption among suppliers:

- Digital invoices and POs reduce payment error and fraud.
- A secure, self-service portal eliminates manual work and frees up AP personnel for higher-value work.
- Virtual cards increase rebates and cut out costly reconciliation.

A modern **payments** infrastructure:

- Optimize Days Payable Outstanding (DPO) and leverage early-payment discounts (EPDs)
- Virtual cards reduce transaction fees.
- Prevent costly transaction fees on misdirected payments or sudden bank changes.

"With better visibility and control [from Coupa], Operations can document the savings and spend avoidance to make them real. Move from just a list of overheads to something that can be optimized. Compare sites to identify best practices on cost reduction. This resonates with the CFO."

Former CPO of a Fortune 500 retailer

[Learn more about managing budgets in real time](#)

Develop the Agility to Meet Business Goals

Cost containment is crucial, but the best FP&A teams also focus on maximizing the value of every dollar spent to address ongoing challenges across the high cost of capital, uncertain revenues, and increasing operating costs. These teams rely on the full visibility into and control over spend from a BSM platform to:

- Optimize how financial resources are allocated in real time
- Develop multiple levers to free up working capital

From Quarterly Budgets to Real-Time Planning

Meeting business goals and making purposeful spend tradeoffs don't need to be mutually exclusive. With real-time visibility into budget consumption, business leaders don't need to wait for weekly or monthly reports to see how much remains. FP&A teams can increase scrutiny on each transaction before spend is committed. BSM also establishes and enforces the right controls for resources to be redeployed as priorities change, reducing spend in specific areas but continuing to invest in activities that drive competitive advantage.



"Leaders often believe that spending below their budget yields the optics of 'overperformance.' In some cases, that can be true. But underspending can also be the result of bad planning or poor execution. More often than not, setting the right budget and executing to that budget will help drive increased topline performance for your business, ensure cross-functional alignment to plan, and optimize the productivity of your team and your organization."

Tony Tiscornia, former CFO

Learn more about budget control with BSM

Make Working Capital Work Harder

Finance, treasury, AP, procurement, IT, and banks deliver more value when they work together. A BSM platform helps every company get the most out of its working capital strategy, whether it's to preserve cash or earn higher yields on excess cash.

Lever	Develop capabilities to:
 Redeploy underspend Help lower the cost of capital with fewer situations in which the business needs to raise capital at the last minute.	<ul style="list-style-type: none">• Capture underspend in one area and reallocate those resources where they're needed the most• Help FP&A and operations teams investigate root causes of underspend
 Extend DPO A complete view of supplier information makes it easy to effectively push the timing of cash outflow.	<ul style="list-style-type: none">• Identify suppliers which can be paid through virtual cards or supply chain financing• Review each contract's payment terms and obtain a complete picture of a supplier's financial health and needs• Collaborate with AP to use the right payment processes at the right time with each supplier
 Optimize EPDs Successful programs increase adoption among suppliers and improve matches between offers and suppliers.	<ul style="list-style-type: none">• Pinpoint which suppliers need an early payment in return for a discount• Make it easy for suppliers to submit a request for early payment• Use a single, unified system to manage offers and make payments at scale
 Streamline banking and payments complexity A single, unified system with automation capabilities eliminates blind spots and reins in the cost of capital.	<ul style="list-style-type: none">• Gain visibility and transparency across all subsidiaries, currencies, and accounts• Consolidate subsidiary exposure and streamline intercompany transfers with centralized, group-wide payments, cash pooling, and simple intercompany account structures• Digitize and automate P2P processes to ensure the right supplier is paid at the right time

Learn how make working capital strategies more effective with BSM

CASE STUDY

Salling Group uses Coupa to Drive Bottom-Line Impact

99%

of spend on-contract

50,000

invoices processed per AP employee

Improved collaboration

between finance and business leaders to manage spend

Improved data quality

to define cost savings and meaningful comparisons

In 2017, the finance and procurement functions were at a crossroads. The company wanted to grow while continuing to save costs. Finance and business leaders, however, were often guessing where spend was going, and they struggled to meet targets at or below the previous year's budget. Executives knew this way of working wasn't sustainable in a dynamic, low-margin retail environment. Salling Group selected the Coupa BSM platform as part of a cost control and digital transformation initiative.

At a glance

Denmark's largest retailing group operates in three countries and serves 10 million customers per week. It uses unified BSM capabilities on a single platform to:

- Gain full visibility into and control over spend
- Enable smarter decisions with aligned FP&A and budget processes
- Help teams work more efficiently with standardized, high-quality data
- Improve working capital through inventory management



How Finance and Business Leaders at Salling Group Make Smarter Financial Choices Together

Teams found common ground when they realized that a BSM initiative could deliver benefits that both groups value.



Full visibility into and control over spend

P2P processes are automated and digitized in one place to provide a unified view of all spend. Finance teams generate accurate accruals, and make reconciliation painless.

AI-based fraud detection capabilities automatically analyzes all spend on the BSM platform and flags suspicious transactions in real time.



Better decisions with aligned FP&A and budget processes

A common data platform improves data quality from day one. Finance and business leaders use a single source of financial truth to see where spend is going over or unused. Decisions to cut, increase, or reallocate are more informed, more collaborative, and happen in real time.

Standardized P2P processes put the right spend in the right accounts from the start – no shifting amounts within the ERP or manual postings.



Higher operational efficiency

Front-line workers maximize sales with the right equipment and supplies. An extremely efficient back office embraces AP automation.

With streamlined VAT accounting, employees spend less time on tax coding and easily share documents with managers to investigate possible deductibles.

Standardization and a BSM platform minimize IT costs.



Improved working capital

Simple yet critical changes in inventory management avoid costs and unlock working capital. The BSM platform harmonizes processes that service in-store machines, order printer ink, and manage consumables inventory across more than 1,900 stores. The right amount of ink and promotional materials arrive at the right store at the right time, every time.

“We use Coupa to define and demonstrate different types of savings, and look at the budget impact. Clear savings are easy to prove. The same goes for other types like cost avoidance. We put the information into the system and document what we did; it’s that simple. When finance wants to implement the budget, they can see the numbers and drill down where they need to.”



Ulrik Lolk, Head of Indirect Procurement

See Better Business Results with BSM

BSM harnesses the power of spend comprehensively across an organization. It starts with using technology to obtain a holistic view of all the spend in any organization. By having visibility and control over the entire end-to-end spend management processes — from sourcing to risk reviews, buying, and payments — FP&A and business leaders can make real-time decisions to spend smarter and respond faster, now and in the years to come.



Ameet Prabhu,
SVP, Financial
Planning & Analysis



"FP&A often ends up scrambling for information when someone's looking for it. How much money have we spent? Do we have the millions of dollars we need to make a particular investment, and can I figure this out in four hours?"

If you've done the work up front and managed spend through a platform rather than in a spreadsheet, then you can address these questions. That is the situation every FP&A professional wants to be in — making those calls on budget impact and investments and having the data, infrastructure, and platform to allow the company to operate at speed. Otherwise, you're just flying in the dark."



Why wait until next quarter to control spend and optimize resource allocation?

Start today

Our 2023 Business Spend Management Benchmark Report lays out the potential for BSM to help companies today and gives 20 benchmarks to help leaders understand if they're ready to reach that potential.

About Coupa

Coupa is the trusted leader in Business Spend Management (BSM), helping organizations make every dollar matter. Coupa's AI-powered platform delivers visibility, control, and real-time insights to drive operational excellence for organizations of every size and scale.

Learn more at coupa.com and follow us on [LinkedIn](#) and [X \(Twitter\)](#).



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