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The Power of 3D Printing

FIRING UP GROWTH AT FORMLABS

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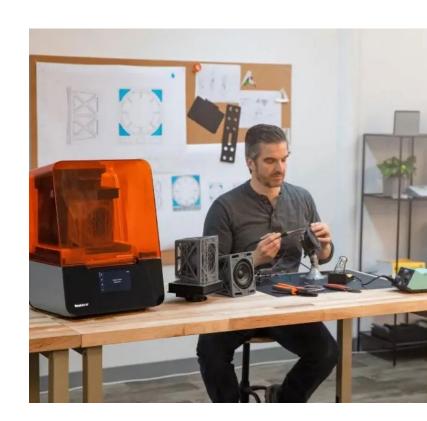## FIRING UP GROWTH AT FORMLABS

DAN O'SHAUGHNESSY
CFO, Formlabs

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"LIFE BEFORE COUPA WAS LIKE THE STONE AGE"

Formlabs, a 3D printing company whose founders met during an MIT Media Lab class called 'How to Make (almost) Anything', was established in 2011 with the goal of bringing professional 3D printing to the desktop. Their mission was to help democratize access to a previously expensive and difficult to use technology.

3D printing has been around for decades but remained out of reach for most. Formlabs is fast on its way to succeeding in its mission to put 3D printing into the hands of the layperson by making it inexpensive and easy to use. "Formlabs is so easy that even a finance guy can 3D print," jokingly shares Dan O'Shaughnessy, CFO of Formlabs, "I'm primarily printing golf clubs and lacrosse heads for my two-year-old. But that shows how easy it is and how accessible the price points are."

It's not always been smooth sailing for Dan and the team though. "Life before Coupa was like the Stone Age," he clarifies. "We were using a variety of different solutions that had been implemented with varying success at various times. It led to an inconsistency in process and a lack of understanding for our employees as to which system they should use for what request."

$55.7M
Total spend
through Coupa

WELCOME TO THE FUTURE OF FINANCE

Deploying Coupa resulted in Formlabs being able to bring all of its disparate systems and processes into one place. The deployment also uncovered new areas ripe for automation. This was one of the first times that Formlabs had shared a broad requirements document as part of a new software deployment and reached out to internal teams, such as legal, that it didn't necessarily think would be impacted.

Formlabs identified that it had even more disparate technologies that were solving single problems. "We wanted to make sure that the platform we chose didn't just solve for the immediate issue that we were trying to deal with, which upfront was indirect procurement, but it had the ability to take on more of our issues and solve them in one place," explains Dan.

The deployment was a voyage of discovery. Formlabs worked towards a roadmap, but also on the understanding that the roadmap was flexible. For instance, Formlabs operates in an environment where supply chain headwinds can be strong and prone to change. Rather than introduce a new variable for the supply chain team, Formlabs opted to hold off rolling direct procurement into the solution and focus on indirect procurement.

Taking this approach enabled Formlabs to refine its rollout strategy and focus on what had the most impact early on. Dan and team also focused on what they thought they could do well rather than tackling a lot of things at the same time.

An agile approach came naturally for Formlabs, which at a little over a decade old is evolving from a classic start-up culture to a more mature organization. As processes evolve, decision makers can become more removed from end users, which can result in overall challenges, team misalignment, or lack of oversight. Rapid growth can easily result in less understanding about what a good decision looks like and less visibility into whether the right people are making the best decisions.

"It's not that people are making wrong decisions," points out Dan. "It's just that they're far enough away from that company nucleus, that even with the best culture, they're going to make decisions based on their preconceived notions. The notion of structure and bureaucracy is anathema to a lot of people at start-ups, but when you get to a certain size, that's what you need."

A typical aspect of procurement bureaucracy might be the requirement for documents to be signed-off

by multiple stakeholders. Implementing Coupa to enable processes like this has helped speed things up at Formlabs. "It enables us to make purchasing decisions a lot faster because there is a framework. It's very clear and easy to use. The experience is the same whether you're booking a hotel, buying something from Amazon, or sourcing a large piece of essential machinery," describes Dan.

"Having clear and consistent processes is a massive benefit, as too is having everything in one place. When we're doing our analytics, we don't need to pull from, you know, three or four, or seven different technologies and then hope that it's all right," he observes.

> " *Rather than doing everything at the back end of the month, which was a couple of days manual processing journal entries for my accounting team, we're now able do it up-front.* "

POSITIVE FEEDBACK AND A GLOBAL DEPLOYMENT

Adopting a new technology or approach can often meet push-back from the people who stand to benefit most from the change. "But what we've seen in the first six months after rolling out Coupa is that we've gotten unsolicited feedback that people appreciate the consistency, they appreciate the process," notes Dan.

The power of the Coupa platform comes into its own when closing out at the end of the month for Dan and the finance team. "Before Coupa we were happy if things were booked against the right account, it was a bonus if it had the right cost center," he says. Coupa has enabled Formlabs teams to be trained and provided them with the ability to code invoices correctly, and include accounting and finance throughout the process. "Rather than doing everything at the back end of the month, which was a couple of days manual processing journal entries for my accounting team, we're now able do it up-front," he adds.

As Formlabs continues to grow globally it will continue to roll out Coupa. Its initial deployment of Procure-to-Pay on the indirect side took place in the US and Germany, with plans to roll out the solution at subsidiaries in Singapore and Hungary. Formlabs will also roll out Coupa Virtual Cards globally. In addition to these deployments, the firm will add direct procurement to Coupa with the intention of bringing increased consolidation of its payments data into one place. It is one central and small team which can easily manage a global deployment without requiring additional resources. "For us it is easy to copy and paste Coupa instances into global entities. This allows us to avoid having to add headcount in each region. We've also shaved down our tech stack - having as much in one place as possible and then utilizing that to automate as much as possible. A streamlined process and strategy definitely makes sense," states Dan.

Now with even greater numbers of affordable Formlabs 3D printers available around the world, Coupa will continue to play a vital part in enabling people to make (almost) anything they want.

About Coupa

Coupa is the cloud-based Business Spend Management (BSM) platform that unifies processes across supply chain, procurement, and finance functions. Coupa empowers organizations around the world to maximize value and operationalize purpose through their business spend.

Coupa's community of 3,000+ customers use the platform to maximize the value of over $4T of direct and indirect spend to date.

For more information, visit coupa.com.

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Business Spend Management