coupa Clarity

6 Best Practices to Scale for Profitable Growth

Aimed at finance and procurement leaders at companies using Netsuite for their ERP, this guide provides actionable insights, KPIs, and community-powered benchmarks to support profitable outcomes during massive growth. Learn how the #1 AI Total Spend Management platform helps businesses gain a margin multiplier effect through compounding operational improvements at every stage.

Rapid growth can lead to increased revenue – and that's good news for finance leaders. But many of them are discovering that in today's macroenvironment, there's a gap between how their company is performing now and how it needs to perform if it's going to thrive. That gap is where margins erode.

Rapid-growth companies experience a decline in profitability when investments in people and technology either fall behind or are made for the short term. The manual processes and point solutions that got the business up and running can't help expanding teams make smarter and better decisions on durable margin growth by controlling spending, managing cash, and optimizing working capital.

The right platform is essential to profitable growth at scale. Case in point: the companies who use Netsuite for their ERP alongside Coupa. To overcome scaling challenges, they're using the #1 AI Total Spend Management platform to gain margin multipliers through increased productivity, improved

efficiency, and greater resilience. The six best practices below reflect the experience across the Coupa community. And they can be adopted by any company to create exponential margin impact.

6 Best Practices to Scale for Profitable Growth

- ❖ Think Beyond Your ERP
- ❖ Automate AP End to End
- ❖ Select a Platform You Can Grow Into
- ❖ Get Control Over and Visibility Into Spend
- ❖ Nail Accurate Accruals
- ❖ Establish Financial Controls Early

"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."

Dan O'Shaughnessy
CFO

formlabs

BEST PRACTICE #1

Think Beyond Your ERP

Finance teams often suffer from a siloed view of spend – from ordering through invoice processing to supplier payment. A company's cloud-based ERP provides a strong foundation for financial operations and reporting as well as compliance. But these systems aren't designed to expand margins. Here's why:

- End users often find ERPs cumbersome and difficult to use, so they find workarounds to purchase goods and services. This means less spend under management.

- New users join every quarter but need time to familiarize themselves with policies and processes. This slows adoption and reduces spend under management.

- ERPs aren't known for keeping pace with innovation. Systems that are slow to evolve strain overstretched IT teams and prevent finance teams from **applying AI** to their work.

WHAT CAN FINANCE LEADERS DO RIGHT NOW?

Before committing to an ERP upgrade, consider a strategic extension to the system in the form of a total spend management platform for source-to-pay. The right platform does more than offer real-time visibility into budget impact for approvers. It's easy for everyone – even suppliers – to learn and use, and it's built to handle ever-growing datasets that power the best AI.

Discover how this search and analytics company uses Coupa to manage employee expenses and pay vendors without going through their ERP.

╥. ThoughtSpot
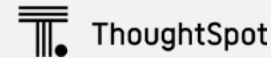
Get the Margin Multiplier Effect

Top Netsuite performers in the Coupa community process POs from requisition to final approval in **7.6** business hours.

Learn more about the compounding effect of total spend management.

Access the Total Spend Management Benchmark Report ⊙

Automate AP End to End

Rapid growth can be particularly hard on AP teams. Piles of paper and manual processes introduce expensive errors, such as duplicate payments and late fees, and slow down approvals. When back office processes are digitized and automated, AP teams can support margin growth through strategic work such as:

- Optimizing Days Payable Outstanding for smarter working capital management

- Increasing cash flow with early-payment discounts from more suppliers

- Using AI to detect instances of fraud, such as duplicate invoices and suspicious payments

Companies can see tremendous gains in operational efficiency by eliminating manual invoice processes and moving to e-invoicing. But supplier buy-in is critical. If suppliers are forced into a single way of doing business, they'll be slow to adopt e-invoicing. That could undo AP's efficiency gains.

WHAT CAN FINANCE LEADERS DO RIGHT NOW?

When choosing a platform, think in terms of operational efficiency from onboarding to payments. What do suppliers need to onboard quickly and start doing business as soon as possible? Remove roadblocks to e-invoicing adoption and provide them with several options to transact electronically.

"To us, scale is being able to absorb higher volumes while remaining headcount neutral and to continue to reduce transactional costs while maintaining the necessary controls. So we're at a very healthy level of automation, offering ever increasing value at ever decreasing costs of operations."

Andrea Casella
Director, Global P2P

Uber

Get the Margin Multiplier Effect

Top Netsuite performers in the Coupa community increase efficiency with **62.1%** of invoices processed electronically.

Learn more about automation as an efficiency multiplier.

Access the Total Spend Management Benchmark Report ⟩

BEST PRACTICE #3

Select a Platform You Can Grow Into

Rapid-growth companies typically move too quickly for multi-year IT projects. Point solution investments may seem like the right way to manage costs and resources in the short term, but in reality, they prevent teams from working efficiently:

- Finance teams spend valuable time manually entering data and ensuring consistency across multiple systems.

- Leaders shoehorn source-to-pay management into technology not built for that purpose.

- IT must find the resources to handle additional integrations and ongoing legacy maintenance.

WHAT CAN FINANCE LEADERS DO RIGHT NOW?

When choosing a platform, select one that's easy to configure and easy for every end user and supplier to learn. The software should be intuitive. Applications should be able to integrate with other systems years from now. Consult with IT teams to understand which platform candidates provide the tightest security and let users create reports and access data and controls the way they need to.

Consider where your company will be in five years, and in ten - and what you will need to accomplish those business goals. It's tempting to prioritize an excellent end-user experience (also known as intake), but many solutions don't address key finance needs, such as cash management, payments, and expenses. Instead, choose a unified, scalable total spend management that's easy to implement but also avoids costly upgrades over time as well as additional integrations and employee training hours.

> "I have a lot of conversations with our CIO and enterprise technology organization around what more we can be doing with the suite of platforms we're using and making the most of our investments. It's a key focus for our organization to promote productivity and efficiency with what we have."

Alexandra Goffey
Head of Procure to Pay and Sourcing

asana

See Faster Time-to-Value

Coupa and its partners have extensive experience doing implementations for companies using Netsuite.

box
6 WEEKS

Ui|Path™
12 WEEKS

BEST PRACTICE #4

Get Control Over and Visibility Into Spend

During rapid growth, it's easy to focus on solving urgent problems. Experienced finance leaders know that firefighting isn't enough. It's essential to commit time and resources to long-term initiatives that improve processes and structures. Getting things done quickly – let alone accurately – becomes more and more difficult as the different functions that impact profitable growth, like finance, travel and expense, AP, FP&A, cash management, and procurement, grow entrenched in their silos. Cash becomes trapped across the company, and as a result, teams can't manage what they can't see.

WHAT CAN FINANCE LEADERS DO RIGHT NOW?

Instead of rebuilding existing processes inside a new tool or shifting processes to a point solution, break down silos and prevent new ones from forming. The first step: find the right source-to-pay platform. It brings finance and procurement in sync, in real time, with AI-driven insights that help operations run efficiently and people more productively. This frees up funds for growth and corporate investment.

"One of the biggest benefits of Coupa is the **visibility and control** that we get - not just into the spend, but to invoices, contracts, and risks."

Steven Sacchi
SVP, Corporate Financial Services and Procurement

Mutual of America
Financial Group
Retirement Services · Investments

Get the Margin Multiplier Effect

Top Netsuite performers in the Coupa community use visibility into and control over spend to achieve **5.7%** in overall savings.

Learn more about improving visibility into and control over spend.

Access the Total Spend Management Benchmark Report ⟩

Nail Accurate Accruals

Sound financial reporting and cash management depend on an up-to-date, accurate picture of liabilities. Even if POs are used consistently, AP teams at rapid-growth companies struggle to create reports and manage cash if they're forced to use paper-based and manual processes. Off-PO purchasing means an additional drain on AP productivity. Teams spend valuable time tracking down rogue spend before they can report on outstanding commitments that haven't yet been invoiced by suppliers. This creates the risk of inaccurate reports and slows the quarterly close, which delays business-critical activities such as financial analysis, compliance, forecasting, and budgeting.

WHAT CAN FINANCE LEADERS DO RIGHT NOW?

Equip AP teams to generate accurate accruals quickly with pre-approved spend. Pre-approved spend is invoiced spend linked to approved POs. It's the result of a fully digital process that captures, approves, and invoices every request through the proper channels and policies. This gives AP greater and earlier visibility into spend that's committed but not invoiced. With no need to spend time on follow-up or fixing mistakes, AP teams can close the books faster to provide accurate financial statements, keep forecasting and budgeting on track, fulfill regulatory obligations, and increase investor confidence.

"Before we implemented Coupa, we had close to a 15-day close process. A lot of that was due to the manual nature of our accruals. Coupa has allowed us to shorten our close to effectively 6 days - even at year-end. That's been a huge benefit for us."

Michelle Reynolds
CAO
🔴 reddit

Get the Margin Multiplier Effect

Top Netsuite performers in the Coupa community help AP teams generate faster accruals by linking **96.0%** of their invoiced spend to approved POs.

Learn more about closing the books faster.

Access the Total Spend Management Benchmark Report ⊙

BEST PRACTICE #6

Establish Financial Controls Early

Investors and auditors have very high expectations of accurate financial reporting and stewardship of company resources. If rapid-growth companies expect to enter the public market, they must have clearly defined spend management policies and processes in place.

Non-compliance can come with a hefty price tag. Bringing spend under management at rapid-growth companies provides more than visibility. It gives leaders the opportunity to create and enforce detailed financial controls at scale – without the productivity drain that manual processes place on compliance teams. Companies stay compliant even as users are added to systems in different phases and across business units and regions.

WHAT CAN FINANCE LEADERS DO RIGHT NOW?

Select a platform that has compliance built into its code. Create lines of accountability and oversight by setting up user roles and establishing approval chains with spend thresholds. Enable systematic security checks to confirm that payment details are correct and no fake beneficiaries have been added.

Discover how this vacation rental management platform used Coupa to help prepare for its IPO.

⌂ vacasa

Get the Margin Multiplier Effect

Top Netsuite performers in the Coupa community proactively manage financial compliance with invoices approved in **14.6** business hours.

Learn more about how e-invoicing supports compliance.

Access the Total Spend Management Benchmark Report ⊙

Is Your Company Built for Profitable Growth?

Find Out Now.

How well a company navigates rapid growth depends on how well its finance and procurement leaders apply advanced technology and re-imagine processes to gain margin multipliers - even when faced with external pressures. More leaders are using margin multipliers to change the way they do business and drive exponential margin growth.

The 2024 Coupa Clarity Total Spend Management Benchmark Report for Small and Midsize Businesses offers best practices for margin optimization at companies in every industry. It includes 16 operational KPIs with benchmarks powered by the Coupa community along with recommendations on how to improve. Using the report as a baseline, leaders can learn:

- How well their company is positioned to adapt

- Which investments and actions will build margin-multiplying capabilities

- When and where AI drives better outcomes and smarter decisions

"In the last three years, LLS has freed up $18.4 million through smarter business spending with Coupa that we've invested in lifesaving programs. That translates to a 6.3% improvement in operating margin."

JR Miller
CFO

LEUKEMIA & LYMPHOMA SOCIETY®

16 KPIs and community benchmarks for profitable growth

Access the Total Spend Management Benchmark Report ⟩

About Coupa

Coupa makes margins multiply through its community-generated AI and industry leading total spend management platform for businesses large and small. Coupa AI is informed by trillions of dollars of direct and indirect spend data across a global network of 10M+ buyers and suppliers. We empower you with the ability to predict, prescribe, and automate smarter, more profitable business decisions to improve operating margins. Coupa is the margin multiplier company™. Learn more at **coupa.com** and follow us on **LinkedIn** and **X (Twitter)**.