



NORTH AMERICA

THE TOTAL SPEND MANAGEMENT BENCHMARK REPORT  
FOR MANUFACTURING COMPANIES

# KPIs to Create Margin Impact

Aimed at finance and procurement leaders at manufacturing companies, these snapshots provide a high-level view of how companies use Coupa's #1 AI Total Spend Management platform as a margin multiplier. Discover KPIs and community-powered benchmarks along with best practices that have an exponential impact on growth, productivity, efficiency, resiliency, and sustainability.

It's an especially challenging time to be a manufacturer. Costs continue to rise, and there's a near-constant threat of supply chain disruption. It's a combination that causes margins to erode. And manufacturers are discovering that the processes and technology that helped them thrive aren't designed to take them into the future. They're asking, "How do we turn our existing operating model into one that will grow the top and bottom lines?"

Across a network of individual manufacturing sites, digital transformation may seem impossible with so many site leadership hierarchies, IT infrastructures, and workplace cultures in play. Without a comprehensive, real-time view of both direct and indirect spend - invoices and payments in particular - as well as suppliers, finance teams struggle to meet financial targets and free up cash to fuel growth. At the same time, procurement teams have fewer options to optimize costs by consolidating buying power among suppliers.

Solving for this gap requires a margin multiplier. The margin multiplier effect is when small changes and improvements to a company's operating model cumulatively lead to a disproportionate positive impact on margins. To gain this effect across their businesses, CFOs and finance leaders at manufacturing companies are turning to Coupa's #1 AI Total Spend Management platform. It's informed by powerful community-generated AI and offers predictive insights, prescriptive decisions, and automated actions to help deliver productivity, efficiency, resilience, and sustainability improvements that will free up funds for growth and corporate investment. Many of the platform's insights and practices that create margin impact through smarter management of indirect spend apply to direct spend.

Discover how manufacturing companies are using Coupa to create margin multipliers for:

#### PRODUCTIVITY



Shortened financial close by 1-2 days

#### RESILIENCY



1,500+ suppliers using virtual cards

#### SUSTAINABILITY



73% increase in visibility into supplier sustainability

## A PRODUCTIVITY MULTIPLIER

Plexium was experiencing rapid growth, and leadership quickly realized the need to scale without adding headcount. Multiple point solutions for various parts of the P2P process had created data silos that kept the finance team from seeing and controlling spend until after it happened. And without visibility into upcoming commitments and current spend, the finance team couldn't deliver reports it could trust.

Plexium used Coupa to bring procurement and invoicing onto one unified platform and elevate team performance. The accounting team, for example, stopped manually routing, matching, and entering more than 15,000 invoices into a point solution every year and moved nearly \$5.5 million in spend and 11,000 invoices to virtual cards. Every requisition and purchase was linked to a budget, helping the finance team understand budget impact in real time. Invoice approvals workflows were established to do away with time-consuming and error-prone tasks, such as identifying the right account for each invoice and applying coding.

### For Plexium, Coupa is a productivity multiplier:

- Teams now focus on strategic tasks thanks to 100% PO-backed spend and nearly 86% of invoices processed electronically.
- Finance teams have early visibility into spend, control over budgets and limits, and the ability to capture rebates.
- The monthly close is down by one to two days, and the platform's payback period is estimated at three to six months.

**“One of the biggest keys [for Coupa] is end-to-end. You have all your transactions from requisition through payment in one place. That allows us to democratize that information and keep our teams, like FP&A and accounting, smaller.”**

Stephen Mullennix, CFO



### AT A GLANCE

- Manufacturer of a targeted protein degradation platform to find new therapies for cancer and other diseases
- Nearly 100 employees in the US, Asia, and Europe
- Headquartered in San Diego, California, USA

## Get the margin multiplier effect

Productive teams do more with less with S2P processes designed to manage both direct and indirect spend. Top performers in the Coupa community for manufacturing process **99.4%** of POs and **92.4%** of invoices electronically.

Learn more about Coupa as a productivity multiplier.

Access the Total Spend Management Benchmark Report for Small and Midsize Businesses





## A RESILIENCY MULTIPLIER

Sonoco was aiming to move away from a hybrid legacy system in which e-procurement and virtual cards were supported on-premises but POs were in the cloud. Data in disparate systems across an international footprint significantly impacted visibility and response times, taking a minimum of 30 minutes to get a PO issued to a supplier. The legacy system was so cumbersome that rather than raise POs through procurement for essential equipment or services, employees used corporate credit cards and claimed back the funds as an expense. This practice introduced the risk of unvetted suppliers and made it difficult for finance teams to meet budgets.

Sonoco used Coupa to provide one place to orchestrate all payments and strengthen supplier relationships. By integrating Coupa with its existing virtual payments process, the company migrated from card-on-PO to card-on-invoice. This transition has eliminated one of the costly challenges Sonoco experienced with the card-on-PO process. With Coupa, Sonoco has a validated invoice from each supplier, which provides 100% visibility into committed spend

### For Sonoco, Coupa is a resiliency multiplier:

- With POs issued in five minutes, suppliers begin doing business faster at agreed-upon prices and terms.
- Using an online self-service portal, suppliers know they'll be paid in the right amount, on time, and consistently - a critical first step in ensuring continuity of supply.
- Digital payments provide additional visibility into and control over outgoing funds, allowing teams to respond quickly and enforce compliance if, for example, bank accounts change or a region is placed under sanctions.

**“Moving to card-on-invoice has enabled us to eliminate extra charges that suppliers were passing through. Now, with Coupa we are tracking the dollars saved, and it is significant.”**

Liz Mosley, Global Process Owner

### AT A GLANCE:

- Provider of diversified consumer packaging, industrial products, protective packaging, and packaging supply chain services and the world's largest producer of composite cans, tubes, and cores
- 22,000 employees working in more than 300 operations around the world
- Headquartered in Hartsville, South Carolina, USA

## Get the margin multiplier effect

Resilient companies use digital payments for direct and indirect spend to quickly respond to disruption and find alternative suppliers.

Top performers in the global Coupa community have **93.9%** of their suppliers using digital payments.

Learn more about Coupa as a resiliency multiplier.

Access the Total Spend Management Benchmark Report





## A SUSTAINABILITY MULTIPLIER

As a founding member of the voluntary Responsible Care® initiative of the chemical industry, ERCO is committed to setting new standards in sustainability. The company's suppliers play a critical role in delivering on that mission. But initiatives to manage raw materials suppliers with regard to sustainability weren't creating the desired impact:

- The manual processes to capture and store supplier information were time-consuming, prone to error, and different at every office.
- Low visibility into supplier spend and limited reporting opportunities made it difficult for teams to score suppliers and make decisions about supplier relationships.

To meet ESG commitments, ERCO leadership knew it needed to launch a modern supplier management program.

ERCO used Coupa to digitize and centralize supplier management on one platform. Supplier responses and compliance at every location are automatically matched against company spend. Dashboards and automated workflows help teams track and report on supplier information such as diversity, association memberships, and policies for sustainable environmental care, quality, and safety.

### For ERCO, Coupa is a sustainability multiplier:

- In just four years, ERCO increased visibility into supplier sustainability from nearly zero to 73%.
- Each supplier receives a score on a scale from one to seven. This helps teams make smarter decisions about which suppliers to work with and which ones need additional support to improve their score.
- The program was so successful that ERCO Worldwide expanded it to include contractors and general goods and services suppliers.

**"Coupa plays an integral role in our efforts in building a more resilient, responsible, and sustainable supply chain. And the targets we set every year to improve supplier sustainability are made visible with Coupa dashboards."**

**Nick Pye**, Source-to-Pay Manager

## ABOUT ERCO WORLDWIDE:

- Produces and provides specialized inorganic industrial chemicals to diverse end markets and is a leading supplier of chlorine dioxide technology to markets in pulp, paper, and water treatment
- Headquartered in Mississauga, Ontario, Canada
- Nine operating locations in Canada, the United States, and Chile

## Get the margin multiplier effect

Sustainable companies take a proactive approach to environmental protection and fair supplier practices.











Top performers in the Coupa community measure supplier diversity across **7 MAIN CATEGORIES**.

Learn more about Coupa as a sustainability multiplier.

[Access the Total Spend Management Benchmark Report](#)



# KPIs across Source-to-Pay for Manufacturing Companies

	KEY PERFORMANCE INDICATOR	GOAL	BENCHMARK
Spend Control	 Spend Control	⬆️ HIGHER IS BETTER	6.3% High-performing companies save more of their overall spend
Environmental, Social, and Governance (ESG)	 Supplier Diversity Composition	⬆️ HIGHER IS BETTER	7 Categories
Source-to-Contract	 Contract Management Cycle Time	⬇️ LOWER IS BETTER	8.1 Business Days
	 Structured Spend	⬆️ HIGHER IS BETTER	31%
	 On-Contract Spend	⬆️ HIGHER IS BETTER	47.5%
	 Spend with Primary Suppliers	⬆️ HIGHER IS BETTER	16.9%
Procurement	 Pre-Approved Spend	⬆️ HIGHER IS BETTER	96.7%
	 Electronic PO Processing	⬆️ HIGHER IS BETTER	99.4%
	 Requisition-to-Order Cycle Time	⬇️ LOWER IS BETTER	2.3 Business Hours
E-Invoicing	 Electronic Invoice Processing	⬆️ HIGHER IS BETTER	92.4%
	 Invoice Approval Cycle Time	⬇️ LOWER IS BETTER	7.8 Business Hours
	 First-Time Match Rate	⬆️ HIGHER IS BETTER	93.4%
Expenses	 Expense Report Approval Cycle Time	⬇️ LOWER IS BETTER	9.3 Business Hours
	 Expense Report Lines Within Policy	⬆️ HIGHER IS BETTER	98.5%

# Is Your Company Built for Profitable Growth?

## Find Out Now.

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

The Coupa Clarity Total Spend Management Benchmark Report and the Coupa Clarity Total Spend Management Benchmark Report for Small and Midsize Businesses offer best practices for margin optimization at companies in every industry. They include operational KPIs with benchmarks powered by the Coupa community along with

recommendations on how to improve. Using the reports 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

## KPIs and community benchmarks for profitable growth

Access the Total Spend Management Benchmark Report



Access the Total Spend Management Benchmark Report for Small and Midsize Businesses



# 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](https://coupa.com) and follow us on [LinkedIn](#) and [X \(Twitter\)](#).

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