



THE CIO'S GUIDE TO BUSINESS SPEND MANAGEMENT

All You Need to Know About the Next Essential Software Category

With BSM, your organization:

- Can see what it's spending across silos
- Can cut bloated budgets and free up capital
- Can reduce partner and third-party risk
- Can benchmark itself against peers by leveraging AI



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About Coupa

Coupa’s Business Spend Management (BSM) platform provides powerful capabilities for everyone in your company to get the visibility and control they need to spend smarter and safer all in one place. It gives CIOs and other executives data they need to steer the business.

An Irrefutable Case for Business Spend Management

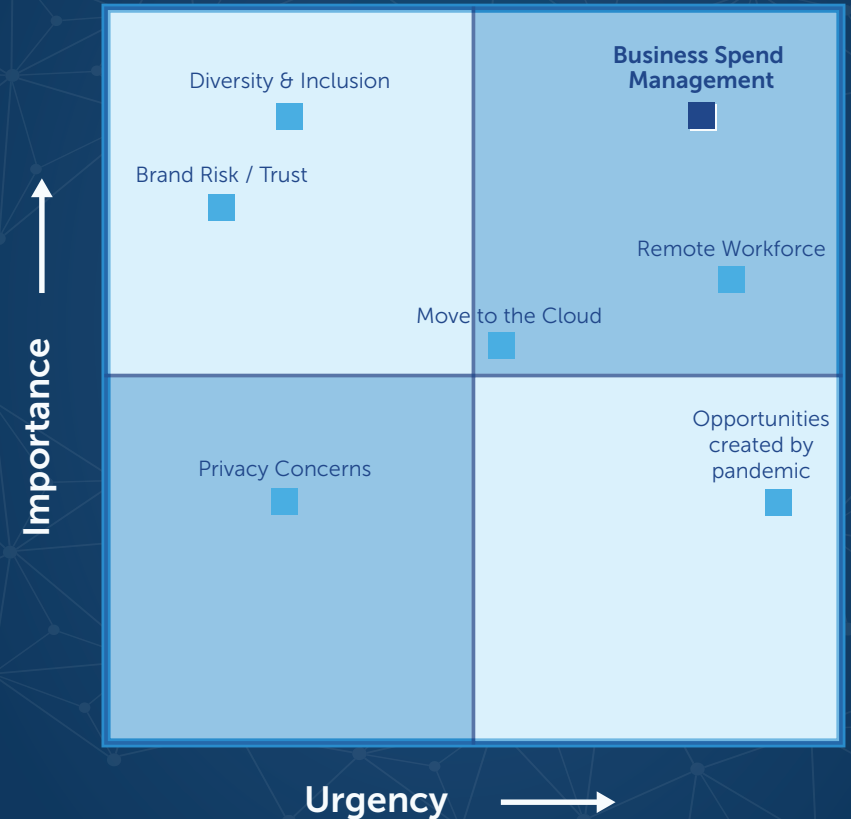
As CIOs get down to deciding which projects are most important and most urgent, a common question arises: “How do we avoid speculative or unproven technologies?”

Today, budgets are in flux. Operations are in limbo. Some of yesterday’s long-planned investments are now out of the question, and there’s a greater need to curtail spending and risk. Yet CIOs are finding the speculation question difficult to answer because to resolve it, they’d have to know what their organization spends money on, across its many siloed business units and departments—and many still don’t.

The financial story of how an organization purchases technology and services often still requires a detective to piece together. The same goes for its risk profile. The primary components are fragmented across dozens of core systems and workflows, as well as thousands of suppliers. Lurking within the data are a glut of wasteful licenses and shelfware waiting to be clipped, and partners with worrisome security practices waiting to be flagged.

To understand what’s happening and accomplish all of that in a world determined to move to the cloud, there’s Business Spend Management (BSM). With it, you not only illuminate and manage your own company’s spend, but you get a rare peek into the spending patterns of your peers. This gives CIOs the data they need to steer the business—and a sense of what’s speculative and what’s not.

The Importance / Urgency Quadrant for Businesses:



What is Business Spend Management?

Business Spend Management (BSM) is a comprehensive approach and software category for managing all the ways employees spend money—through procurement, invoicing, expenses, and payments—as well as the related processes to initiate, control, and optimize this spend.

BSM is necessary because that data is spread across many systems. Practically nothing about how companies spend is architected for efficiency, and as IT organizations the world over are asked to cut budget and wonder where it will come from, it pays to have a data-driven answer.

BSM software now exists to manage these processes. As we'll explore next, it's the logical conclusion to a series of three-letter acronyms that have helped to organize the business world.

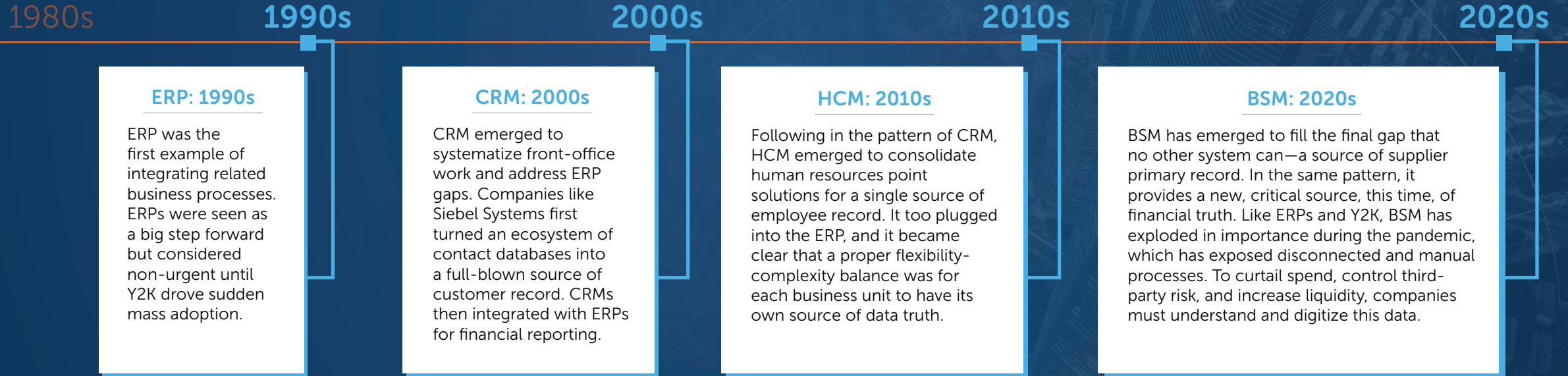
Comprehensive View of Business Spend Management



How BSM Came to Be

The challenge with fragmented data has always been that businesses must balance flexibility with complexity. If you buy best-in-breed everything, you wind up with many systems, countless connectors, and fragmented data. But if you buy one big system such as a monolithic ERP, you gain simplicity but sacrifice the flexibility of best-in-breed vendors that each do one thing very well.

The ideal state for most companies exists somewhere in the middle. After the last three decades of technological advance, that's where most businesses have ended up.



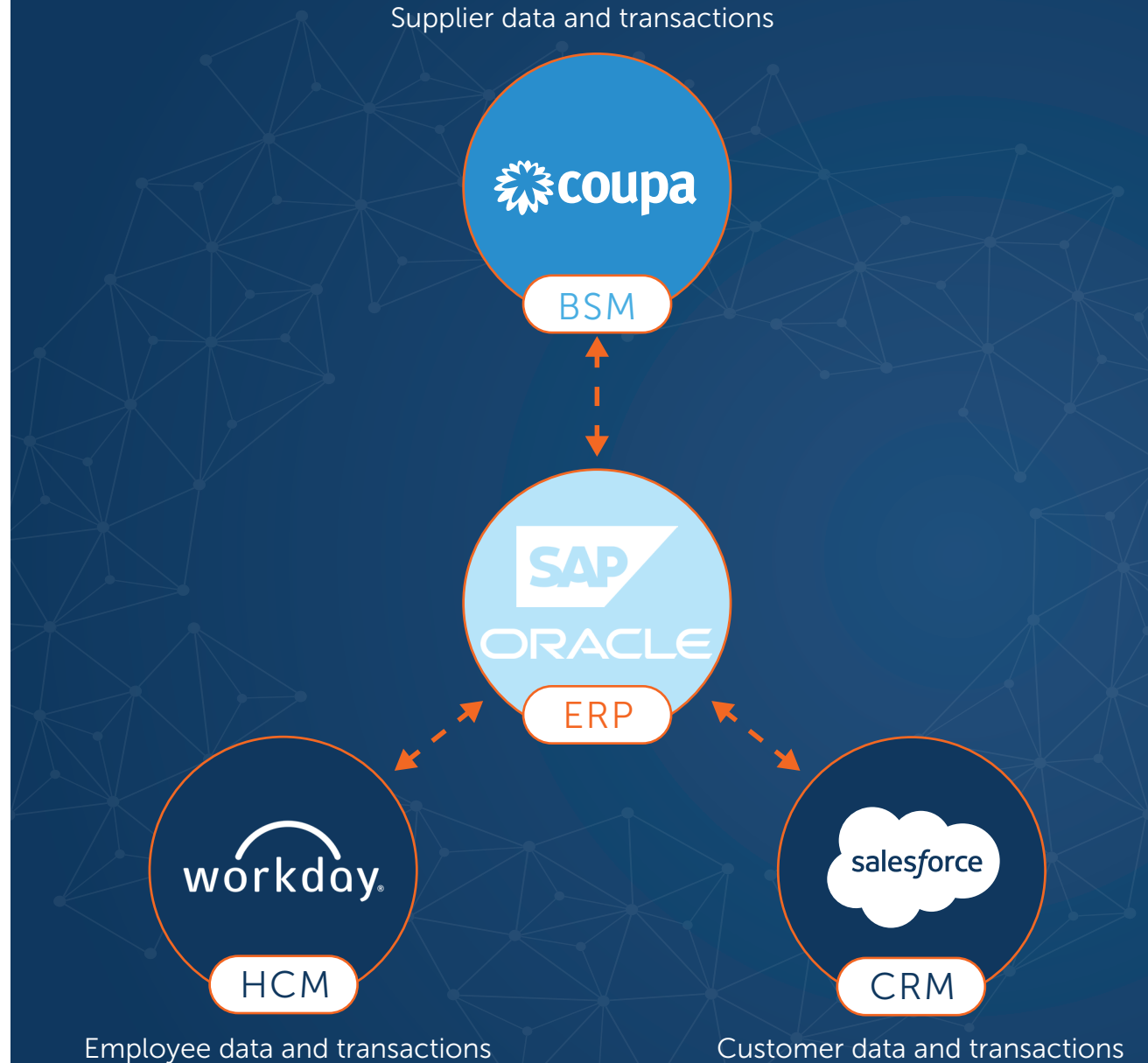
BSM Success Criteria

However, unlike its predecessors, BSM also does something unique: It can quickly produce a verifiable return on investment. As the locus of financial control for the business, it quickly roots out financial inefficiencies.

Businesses use BSM to grow more financially fit:

- Gain visibility into and control over spend and liquidity
- Better mitigate third-party risks
- Quickly adapt to changing spend priorities as needed
- Deliver outright cost savings
- Accelerate digital transformation
- Demolish organizational financial data silos

Awareness and control, however, is only the beginning. As more and more organizations transition to BSM, they're able to benchmark data across businesses and within industries to answer previously unsolvable questions, together, by sharing their data.





The Suite Sound of Synergy

Part of what makes BSM its own category, as opposed to a collection of point solutions, is the value it generates in sharing data across business processes. Just as CRM makes customer data available to marketing, support, and product teams, BSM makes clear and prescient spend data available to all. It's shared across Procurement, Accounts Payable, Treasury, Sourcing, Legal, HR, IT, and end users in any business unit, so they can all see and understand how the money flows, and identify places it shouldn't.

This stands in great contrast to a bundle of point solutions, all evolving in different directions and demanding to be integrated. It also stands in contrast to a monolithic ERP, the usability issues of which inspire workarounds and shadow IT. BSM provides the purpose-built platform, tools, and depth of understanding necessary to make the financial side of the organization more fit, but also the central repository for that data to sustain its own ecosystem of vendors.

And the best part? Community Intelligence powered by AI. For over a decade, Coupa has been safely gathering anonymized and normalized data on how businesses spend. With nearly \$2 trillion of spend on the platform, Coupa is proud to announce the ability to benchmark your spend against similar organizations. Or, seek out suppliers based on trusted and verified ratings. This is just the beginning of the depth of insights you can glean from Community Intelligence.

The combination of BSM and Community Intelligence is enough to help medium to large organizations reduce waste and detect hidden budget they can either save or repurpose. In today's environment, savings like that are welcome and, increasingly, needed.



Who is Succeeding in BSM

Consistent across all Coupa BSM rollouts is a reduction in effort, uptick in insight, and measurable cost savings.

Procter & Gamble

- Consolidated multiple legacy spend management systems
- Reduced mismatched invoice and PO data by 65%
- Cut PO cycle times from days to hours
- Achieved \$2.5 billion in overall savings



Barclays

- Increased e-invoicing by 26% by targeting suppliers already e-invoicing other companies
- Decreased approval cycle times by 73%
- Captured efficiency savings to reinvest into supporting customers weathering recession



Caterpillar

- Achieved a single platform for spend visibility and control of \$4B of spend
- 8 months go-live in 19 countries and 50+ plants
- 2X increase in on catalog spend
- Saved \$100M in first year



Sanofi

- Unified all processes on single P2P platform
- 60,000 users onboarded with 95% user satisfaction
- €10B managed on modern, cloud-based platform



Zalando

- Achieved invoice cycle times of 2.3 days and PO cycles times of 1.4 days
- Drove double-digit savings on seven-figure online advertising spend
- Went from 10% spend under management to 90%+ in 2020

Now is the Time to Be a BSM Champion

BSM is the software category that organizations will be thanking themselves for one year from now. There aren't many categories—ERP, CRM, HCM—that can say the same. And the BSM-driven increase in financial efficiency can offset other projects to, say, help complete an ERP unification initiative.

At the same time, savings will have to come from somewhere. They might as well be decided efficiently. Gartner estimates that IT spend will plummet \$300 billion before the end of 2020. As CIOs are asked to slash technology budgets, BSM provides them with a data-driven understanding of how to do it at minimal cost to operations.

BSM helps create an environment where investments in technology need not be speculative, and big bets don't have to be big risks. With a clear picture that includes financial and risk data, CIOs can help steer the business. They can do it based on numbers, not guesswork—and with that power, their leadership is needed now more than ever.

HOW ABOUT TO LEARN MORE ABOUT HOW BUSINESS SPEND MANAGEMENT CAN HELP YOU SPEND SMARTER, [VISIT COUPA.COM](https://www.coupa.com)

