



Business Spend Management



Futureproof Your Financial Health

A Model for Advancing Financial Maturity
in Any Economic Environment

Designed for finance leaders, this guide:

- Helps you take stock of your company's financial health
- Demonstrates how visibility, control, and spend management affect financial health
- Introduces Business Spend Management, a way to maximize business value through harmonizing a broad range of spend and liquidity-related processes
- Proves how finance, AP, treasury, and procurement teams are smarter together

UNITED BY THE POWER OF SPEND

Moving Beyond Survival

Sudden disruptions are a fact of life. There's no avoiding them – or the ripples of market uncertainty they trigger. To help your business thrive, you're asked to make a set of decisions unique to your organization. Regardless of whether your company faces severe downturns in revenue or sudden spikes in demand, every finance leader grapples with the same set of difficult questions:

- *How much cash do we have now?*
- *Can we make payroll?*
- *What projects can we pause so that we can maintain liquidity?*
- *Where and how should we contain costs to make the best impact?*
- *How do I ensure continuity in my supply chain?*
- *When and where can I safely invest to fuel growth?*

Whenever adversity strikes, it's tempting to rely on crisis management and recovery actions to survive, such as slashing budgets, hiring freezes, or deferring investments. While these sorts of emergency measures are effective in the short term, they're not sustainable. Ultimately, they hamper financial recovery and don't position a company for growth when stability does return.

When can finance leaders regain control over financial health?

The moment is now.

As counterintuitive as it may seem, there's never been a better time to build toward a more secure future. By making some simple but critical changes, you can optimize financial health to equip your organization to respond faster and more strategically to disruption.



Preparing Now Pays Off Later

“Resilients”—as described by McKinsey—are businesses that perform better financially at both the outset of a downturn and after. Here, performance is measured in terms of total returns to shareholders (TRS). Simply put, resilients prepared sooner, faster, and more strategically to handle disruptions in profitability, cash flow, liquidity, and growth.



Between 2007 and 2017, the cumulative TRS lead of the typical resilient grew **more than 150%** over the non-resilients.*

How do resilients pull ahead and stay ahead?



They create flexibility by bringing their balance sheets in order.



They respond faster and commit to cutting costs with greater precision.



They prioritize growth—especially in countercyclical sectors—even if the initial price tag is higher.

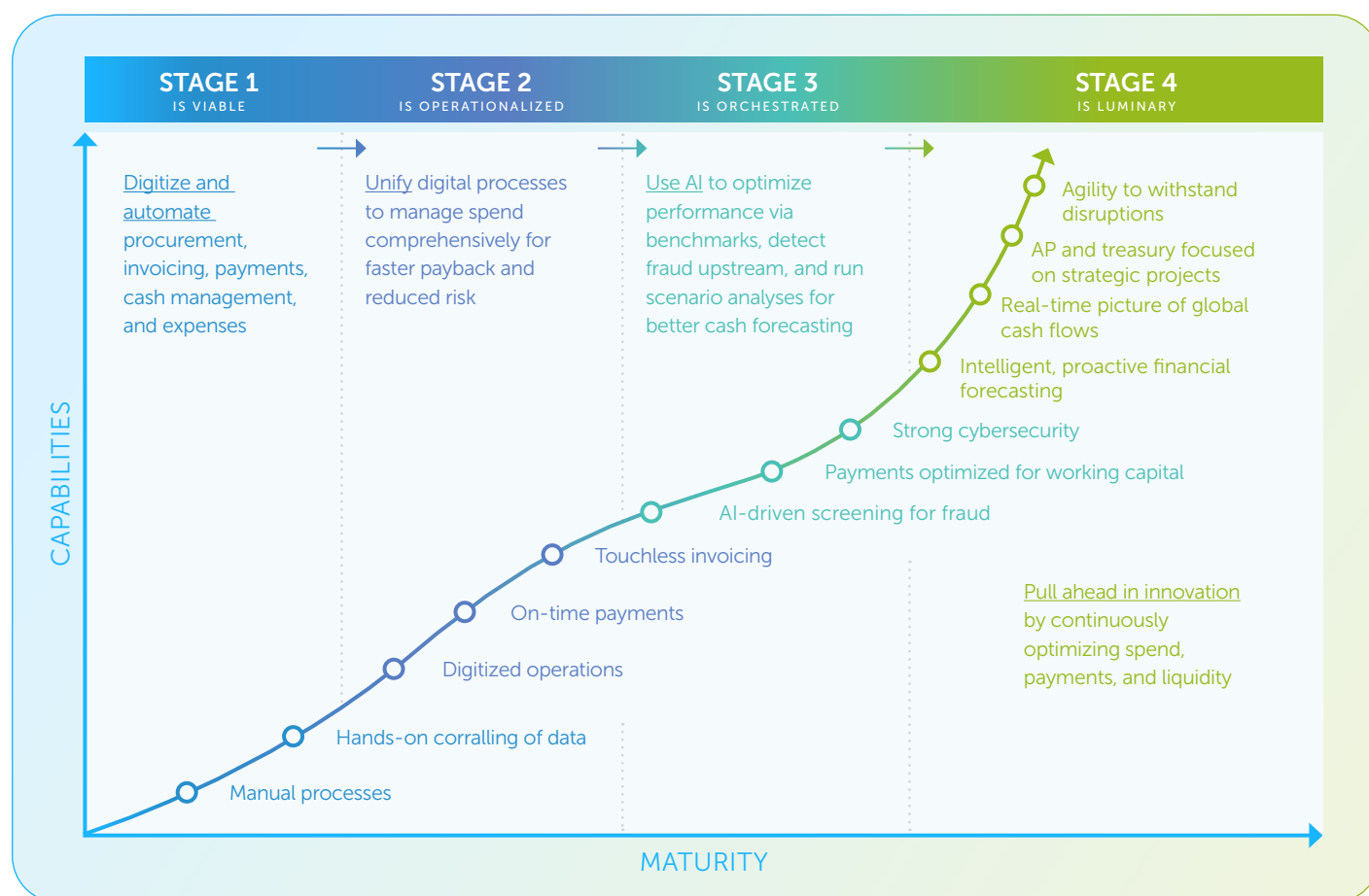
* Based on an analysis of approximately 1,100 publicly traded companies, across a wide range of industries and geographies, with revenue exceeding \$1 billion.

Investing in Your Financial Maturity

The key to regaining control over uncertainty and disruption is financial maturity. What capabilities does your finance organization have to make decisions quickly and accurately to optimize working capital, invest in growth, or control costs? The more advanced in financial maturity an organization is, the better it can plan for uncertainty while also responding deftly to disruptions.

No matter where your organization is on the financial maturity journey, there are some specific steps you can take to advance. This guide provides a model for getting ahead and best practices to help you:

- ➔ **Assess the financial health** of your company and determine the best path toward more secure footing.
- ➔ **Understand how visibility and control** affect financial health across spend, payments, and liquidity.
- ➔ **Learn how unifying financial data** across your business creates a strong foundation for reducing risk, improving operational performance, and optimizing spend and liquidity.



Starting Out on Your Financial Maturity Journey

You're Viable

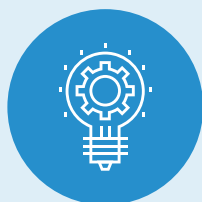
At this stage, you've established basic operations. Deals are closing, people are getting paid, the lights stay on. But your manual processes aren't scaling as your organization grows:

- Uploading payment files and downloading them to the ERP
- Processing invoices and expenses on paper or over email
- Entering balances and transactions into spreadsheets to manage cash
- Using individual tokens to log into bank portals and access multiple accounts
- Relying on a patchwork of point solutions to solve challenges

Your finance team spends significant time managing increased headcount, unexpected accruals, budget overruns, late payments, and reporting delays. Getting things done quickly—let alone improving accuracy— becomes more and more difficult as the different functions that impact financial health, like finance, T&E, AP, FP&A, treasury, and procurement, grow entrenched in their silos.

As you look ahead, you can't decide where to optimize first because you have little insight into which areas are thriving and struggling.

The impact of automation



38% of automation leaders intend to invest even more in automation, compared with just 22% of other companies.*

* Bain Automation Survey 2020.

Automation leaders are companies that invest more than 20% of their IT budget in automation within the past 12 months.

You're Viable

Keeping the Business Up and Running

	Priority	Challenges	How to advance
	Increase agility	Lack of centralized, real-time visibility into liquidity limits the view of the financial picture and slows down informed decisions.	
	Tighten financial control and compliance	Ensuring compliance with financial regulations is labor-intensive, tedious, and prone to error. Some spend is approved after the fact.	Digitize and automate manual processes in procurement, invoicing, payments, cash management, and expenses through a unified and common data platform.
	Drive productivity	AP spends time chasing approvals, posting accruals, and updating suppliers on payment status. Expense reports are reconciled manually, causing delays in reimbursements.	Make first attempts to consolidate financial information into a single source of truth.
	Increase payment value	Payment processes are manual, slow, and prone to error, which impacts working capital and supplier relationships.	Begin building awareness across functions around the need for consistent and automated source-to-settle processes.
	Improve cash management	Given limited cash visibility, cash casting doesn't identify every balance shortfall, causing last-minute budget adjustments.	

Achieving Initial Financial Visibility

You're Operationalized

As your company grows, formal structures with standardized processes and workflows grow with it. Teams and business units work together more effectively, thanks in part to a single source of financial truth across the organization. Data digitized in distinct areas such as procurement, invoicing, payments, and expenses, gives you the upfront visibility to:

- see faster payback by identifying categories of siloed spend at varying costs, as well as rogue expenses that should be pre-approved and purchased on-contract for better rates and terms
- take advantage of touchless invoicing and automatic reconciliation that ensure separation of duties, reduce errors and fraud, and increase AP's operational efficiency
- keep onboarded suppliers up to date on their invoice processing and payment status
- examine banking relationships and overall bank account needs as a first step in banking structure rationalization

Control has improved, too. You confidently show auditors that you're financially compliant and reliable at meeting regulatory and reporting requirements. Payments are made on time, and you're exploring how to optimize payment runs to maximize working capital. A single platform runs your payment management in one key region with other regions following in a phased rollout.

What will it take to obtain the full picture of your financial health and improve risk management? A global rollout of your unified source-to-settle processes is essential – along with an investment in treasury and cash management technology to maximize the benefits of automation.

Introduce benchmarks that help set priorities and performance goals

95.3%

pre-approved spend

80.1%

electronic invoice processing

87.4%

first-time match rate

For a complete look at best-in-class performance across procurement, risk, invoicing, expenses, and payments, explore the [Coupa Business Spend Management Benchmark Report](#).

You're Operationalized

Standardizing Processes and Workflows

	Priority	Challenges	How to advance
	Get control of spend	Negotiated terms and pricing in contracts are not adhered to consistently, resulting in excessive costs and missed opportunities to leverage payment terms.	<p>Focus AP resources on managing payables to optimize Days Payable Outstanding or early payment discounts.</p> <p>Use a unified spend management platform to negotiate contracts, review auto-renewals early on, and make purchases against contracts.</p>
	Optimize payments	Bottlenecks still occur when automated, time-critical transactions such as loan repayments are held up by manual processes elsewhere in the business.	Streamline and automate financial processes to help treasurers create greater control and security around financial risk.
	Mitigate fraud	Fraudulent employee expenses and payments can still occur and go undetected.	Leverage AI-powered technology to monitor spend and detect fraud automatically before it occurs.
	Reduce supplier risk	None or only a portion of the supplier base is screened for risk.	Automate screening of every supplier for risk affordably and quickly before they do business with your employees.
	Improve cash management	<p>Global cash visibility is limited, with some bank accounts reported on weekly or monthly.</p> <p>Centralized cash forecasting is difficult since subsidiaries and regions capture data and produce reports locally.</p>	Use a unified spend management platform to gain real-time visibility and transparency across multiple subsidiaries, currencies, and accounts in the business.

Achieving Partial Financial Agility

You're Orchestrated

Your financial transformation is starting to accelerate now, revealing the first real signs of agility. Group-wide, real-time, and third-party data from a single source underpin better, faster decisions.

The impact of increased visibility is everywhere. Finance collaborates with AP, treasury, and procurement on working capital management. End-to-end source-to-settle cash visibility helps treasurers gain transparency into spend activities across the organization and find untapped yield. (Manual data upkeep, however, introduces errors and slows down processes). Payments are on time and optimized to increase either working capital via early pay discounts or DPO by maximizing payment terms.

Controls have come a long way, too. Virtual cards are used consistently. Spend is compliant against negotiated contracts, preventing spend leakage and maximizing ROI. Strong cybersecurity allows only assigned users to access information and reports on cash flow, working capital, and other sensitive data. And treasurers use more sophisticated tools to manage risk in FX, interest rate, and commodities.

You're also able to develop more strategic relationships with suppliers and deliver even greater value. Automated supplier screening vets every supplier for risk before doing business. Thanks to AI, routine, proactive fraud monitoring has helped reduce your financial risk and freed you up to focus on more strategic goals.

But when it comes to executing on those goals, from targeted investments to the ability to cope with volatility, the capabilities you need seem just out of reach.

The power of AI to mitigate fraud






\$2M per billion in spend identified as suspicious

Buyers are investing in AI to identify up to 0.2% of their addressable spend to be non-compliant.*

*2022 Coupa Benchmark Report

You're Orchestrated

Delivering More Value Together

	Priority	Challenges	How to advance
	Increase agility	Liquidity planning can't adapt to an unpredictable environment because cash flow forecasts are based on incomplete or outdated information.	Identify and mitigate potential disruptions to cash flow by running scenario analyses during cash forecasting and liquidity planning.
	Unlock working capital	There are still opportunities in areas such as managing payables and turning invoices into cash.	Consolidate subsidiary exposure and streamline intercompany transfers with centralized, group-wide payments, cash pooling, and simple intercompany account structures for all subsidiaries.
	Optimize liquidity	<p>Without in-house banking, funding is inefficient, resulting in unnecessarily high borrowing and FX costs.</p> <p>Despite formal payment-on-behalf-of and receipt-on-behalf-of processes, cash remains trapped in inter-company payments.</p>	<p>Improve processes around intercompany financing and hedging.</p> <p>Improve your rate of return on capital, maximize DPO and early pay discounts, and free up cash flow trapped in intercompany payments with multilateral netting.</p>
	Reduce supplier risk	Risky suppliers may still be slipping through the cracks.	Track the percentage of on-contract spend and the percentage of suppliers outside your vetting process. Then onboard all suppliers based on automated and scalable supplier assessments.

Experiencing Full Financial Agility

You're Luminary

No matter what external forces suddenly threaten, you are ready. With revenue lower than expected, your finance organization can respond quickly – because you've transformed the very architecture of how your people and systems work better together. Data silos are nonexistent, and the entire business operates from a single source of financial truth. A seamless technology platform provides you with:

- Proactive, up-to-date financial forecasts and insights
- A real-time picture of cash flow across your global organization in a few clicks, making it easy to maximize liquidity and investments and manage spend and debt
- The tool that finance, AP, treasury, and procurement need to collaborate on a regular basis, with treasurers directing strategic projects in areas such as diligence support, impact analysis, and funding planning

Everything's in place for smarter decisions. Financial status reporting is flexible, streamlined, and complemented with data visualization across all tracked financial assets and liabilities. Benchmarks and robust KPIs based on real-time data from organizations like yours drive continuous improvements in day-to-day operations, such as reduced cycle times.

To help retain profitability through disruption, you've established an excellent risk management framework and the right supply chain financing. All suppliers have been vetted at scale using AI and digital assessments.

Your financial maturity journey has rewarded you with many different levers to pull, depending on what the moment calls for. You're confident you can effectively navigate any uncertainty, continuing to lead the industry and create the next generation of finance leaders.

Poised to pull ahead






Resilient companies increased EBITDA margins by **25% more** than their non-resilient peers during recent severe disruption.*

*McKinsey & Company, The emerging resilients: [Achieving 'escape velocity'](#)

You're Luminary

Leading the Way in Industry

Priority	Challenges	How to advance
 Increase collaboration	Stay focused on strategic projects between AP, Finance, Treasury, and Procurement.	<p>Build a strong partnership with the CIO to manage growing volumes of data and increasingly complicated architectures of apps, third-party platforms, banking partners, and more.</p> <p>Support Treasury in managing financial partnerships across banks, lenders, creditors, portfolio managers, FX dealer groups, and vendors.</p>
 Improve financial health	Maintain the momentum through continuous optimization of spend, payments, and liquidity.	<p>Reorganize and refine your existing datasets to deliver greater insights and produce business intelligence that will propel your company forward.</p> <p>Optimize and achieve best-in-class results by continuing to track performance against KPIs (such as percentages of on-contract spend, pre-approved spend, and first-time match rate, as well as cash deployment against yield for capital and idle cash).</p>
 Drive performance	Continue to raise greater returns on investment to fund innovation and top line growth, or to improve profitability and protect your bottom line.	Continuously adjust crisis management strategies in the face of more frequent and more severe adversity.

Intertwining Sustainability and Financial Maturity

When you're knee-deep in keeping your company profitable and performing well financially, it's tempting to treat purpose as a nice-to-have. Once the market settles down, you promise yourself, then we can tackle any ESG (environmental, social, and governance) imperatives. Or once your financial health is in better shape. Or once rapid growth slows.

But regulators, investors, and customers won't wait for that unspecified moment. They're expecting you to do right by people and the planet now. And the scrutiny is intensifying. You might feel cornered into a tradeoff – setting aside some financial priorities to free up resources for your ESG mandates.

There's no one right way to strike the balance between profitability, performance, and purpose. What finance leaders do have in common is what happens when their organizations advance in financial maturity. Regardless of company size, industry, or financial health, the steps you take to regain financial control will also demonstrate to stakeholders everywhere that your business is a force for good.

Some actions organizations can take to optimize their financial health and conduct a more sustainable business:

If your organization is at...	You can...	To optimize financial health by...	To drive ESG impact by...
STAGE 1	Digitize and automate manual financial processes	<ul style="list-style-type: none">• Saving time• Reducing the risk of late and erroneous payments	<ul style="list-style-type: none">• Reducing paper• Establishing baseline ESG metrics for reporting, such as trees saved and emissions avoided
STAGE 2	Use a unified and comprehensive data platform	<ul style="list-style-type: none">• Creating global cash visibility• Improving percentage of on-contract spend	<ul style="list-style-type: none">• Pinpointing more cash for ESG-compliant investment vehicles• Driving purchases to green and diverse suppliers
STAGE 3	Integrate AI into supplier screening and onboarding	<ul style="list-style-type: none">• Identifying suppliers who are financially at risk	<ul style="list-style-type: none">• Mitigating the risk of working with unethical or environmentally irresponsible suppliers
STAGE 4	Support treasury in managing financial partnerships	<ul style="list-style-type: none">• Increasing the potential for favorable rates from banks, lenders, creditors, portfolio managers, FX dealer groups, and vendors	<ul style="list-style-type: none">• Turning one-off initiatives into strategic, company-wide sustainability programs

Business Spend Management and the Journey to Financial Maturity

Operating a modern business requires being resilient (when faced with disruption) while also being responsible (contributing to sustainability, diversity, and social impact). Wherever your organization is in terms of financial health, it's possible to tackle both challenges simultaneously. This is where the smart, strategic management of business spend makes a real difference.

The practice of harnessing the power of spend comprehensively across your organization is called Business Spend Management (BSM). It starts with using technology to obtain a holistic, unified view of all spend. Along with this comes the capability and agility to make quick decisions while mitigating risk. Ultimately, BSM allows you to make better choices about which suppliers you work with, what initiatives you invest in, and how effective your organization is.

Point solutions and manual processes can't offer the same. Each one solves a specific financial challenge but creates blind spots elsewhere. When disruptions occur, everyone is stripped of the wide-ranging visibility and control they need to safeguard cash and liquidity, maximize working capital, and improve risk management.

BSM is more than just procuring, sourcing, invoicing, making payments, handling contracts, managing suppliers, or doing any single business activity alone. It's about harmonizing a broad range of spend-related processes so that overall business value is maximized.

With visibility and control over your entire spend management processes, you can make real-time decisions to respond faster and better to changing market conditions.

1 Unlock the complete picture

Real collaboration happens when everyone in finance relies on a fully digitized single source of truth. Help your entire organization manage spend and liquidity wisely and **gain agility, reduce risk, and add monetary and strategic value.**

CASE STUDY

“ Before, we had to toggle between various systems to find information or research something, whereas **now we just have one source of truth.** ”

— **Manisha Goel**, Director of Accounting



Couchbase
No EQUAL

[Read Now](#)

② Access actionable insights all in one place

Alone, departments are smart. But they're far smarter together. A BSM platform enables multiple departments and disciplines in finance to **deliver more value together**.

CASE STUDY

“ From end-to-end procurement to payment, Coupa provides us extensive control capabilities. ”

— **Josh Waldron**, VP Corporate Controller

Thumbtack

Get the Full Story

③ Learn from your peers

It's impossible to know everything and that's fine, because you don't have to. An AI-powered BSM platform delivers insights based on real transactions from thousands of organizations, giving you **prescriptive recommendations on every aspect of your spend management to help achieve your goals**.

CASE STUDY

“ Without Risk Aware from Coupa, I would have never been able to see that this key supplier for our clinical trials is risky, and now I have real-time information to monitor all of my suppliers. ”

— **JR Miller**, CFO

 LEUKEMIA &
LYMPHOMA
SOCIETY®

It's Time to Act

Implementing a **Business Spend Management (BSM)** solution is a decision that you'll be glad you made even several years from now.

When you take a comprehensive and unified approach to BSM, you're choosing to optimize your financial health by:

- Gaining visibility into and control over spend, payments, and liquidity
- Quickly adapting to changing priorities as needed
- Fortifying your balance sheet now and setting up your company to thrive through smart cost containment
- Making a positive impact on the world
- Accelerating digital transformation
- Demolishing financial data silos across finance, AP, treasury, procurement, and supply chain
- Harnessing the power of big data across businesses and within industries to answer previously unsolvable financial questions, together

Seize the moment. Get started today.

CASE STUDY

“ Coupa gives us real insight into spend. I can allocate budgets, know if a PO is going to take a department over that spend, and I can also do that with working capital and cash. To hit a certain cash flow target, I look at what my payments are and see if I have any flex with my procurement contracts. Having that intelligence and ability to tweak both the PO process and the payment process is incredibly valuable from a planning perspective and has enabled me to achieve my goals. ”

— **Beverley Chadwick**, FCA, Vice President of Finance at SambaNova Systems, Inc.



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 2,500+ customers use the platform to maximize the value of nearly \$4T of direct and indirect spend to date.

For more information, visit coupa.com.



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