

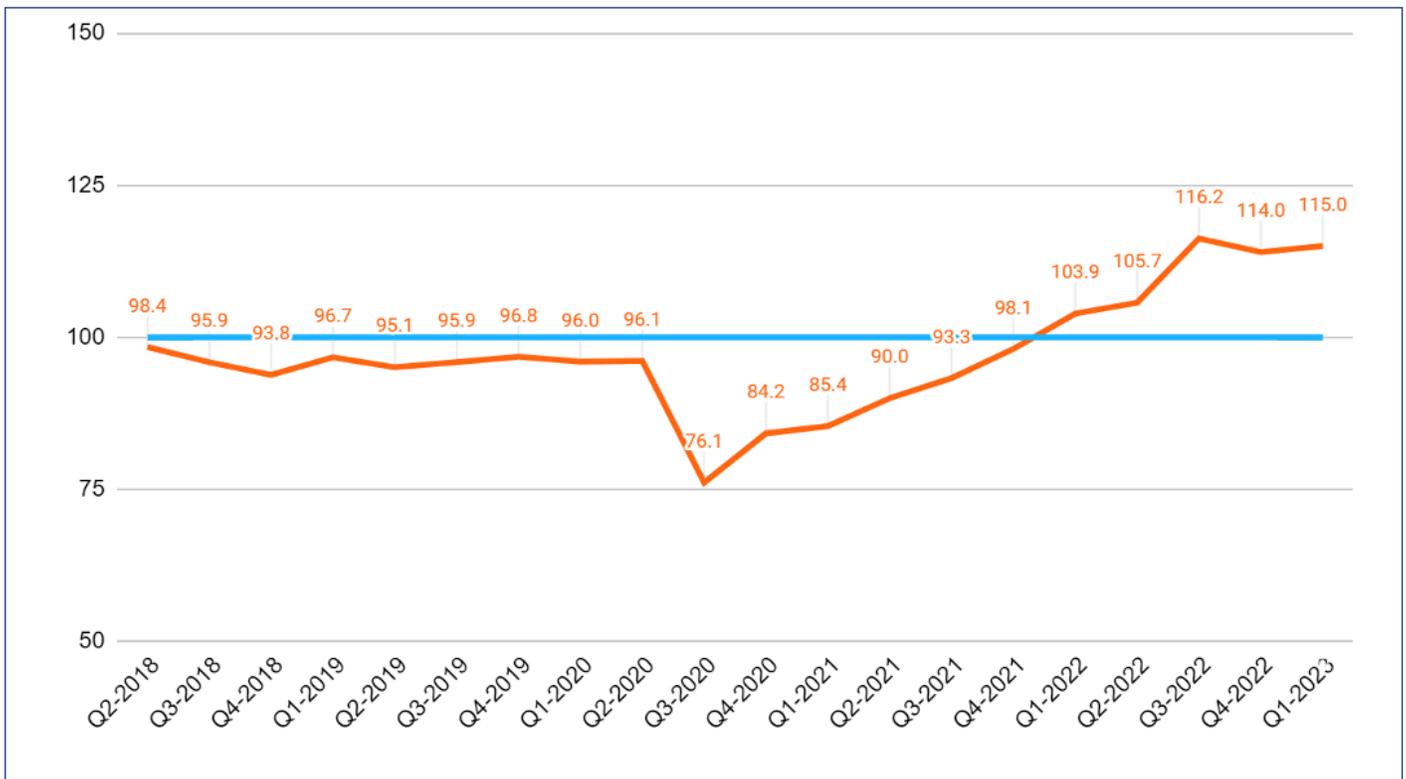
THE COUPA BUSINESS SPEND INDEX, Q1 2023 REPORT

The Coupa Business Spend Index (BSI) is the leading behavior-based index of business confidence as measured by the aggregated and anonymized global spend transactions made by companies within the Coupa Community. **The Q1 BSI rose slightly by 0.9% over the prior quarter.**

While day-to-day metrics continue to hold steady, future-dated spend has declined broadly across the economy as firms remain uncertain about the macroeconomic picture. We continue to forecast that these broad drawbacks in spend will be felt more acutely across the next 3-6 months.

This quarter, business spend confidence as measured by the BSI increased to 115.0 (up from 114.0 last quarter).

Business Overall

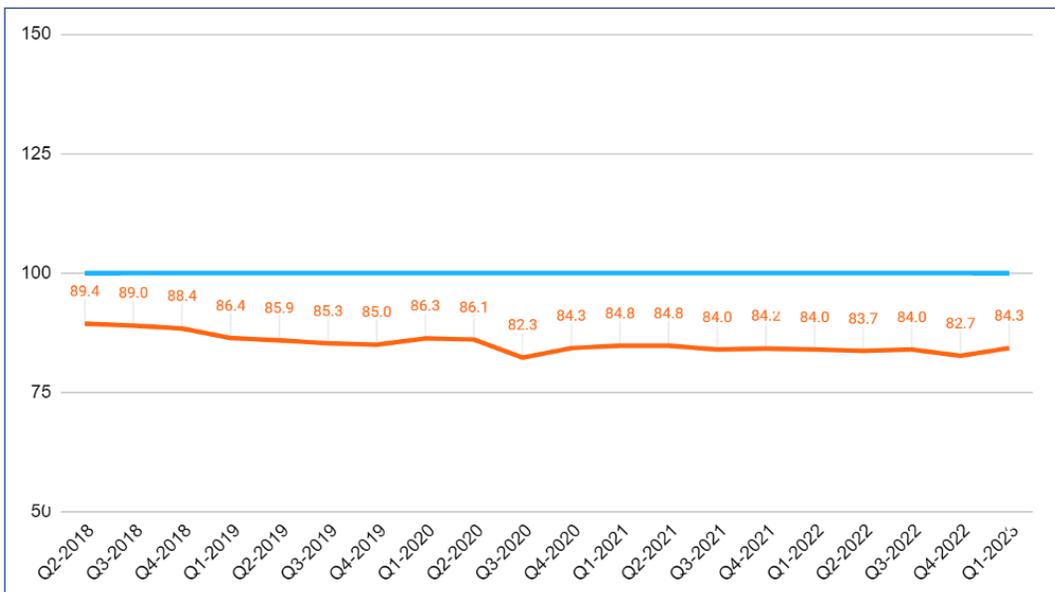


Learn more in the digital experience for The Coupa Business Spend Index: [Explore Now](#)

Industry-Specific Insights:

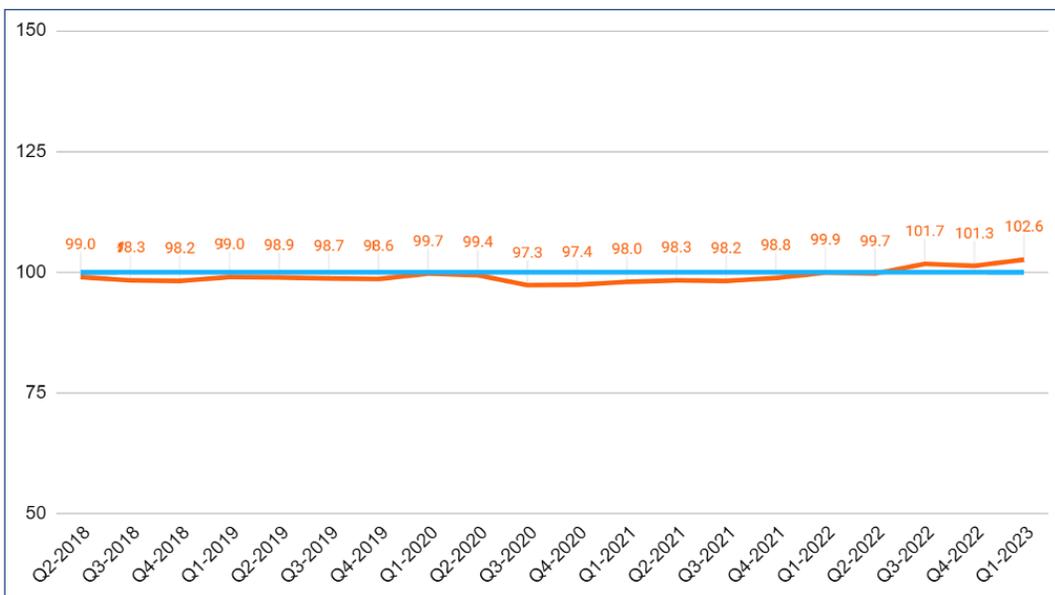
Business Services: The BSI for Business Services increased this quarter by 1.9% from 82.7 to 84.3.

The Coupa BSI - Business Services



Financial Services: The BSI for Financial Services increased this quarter by 1.3% from 101.3 to 102.6.

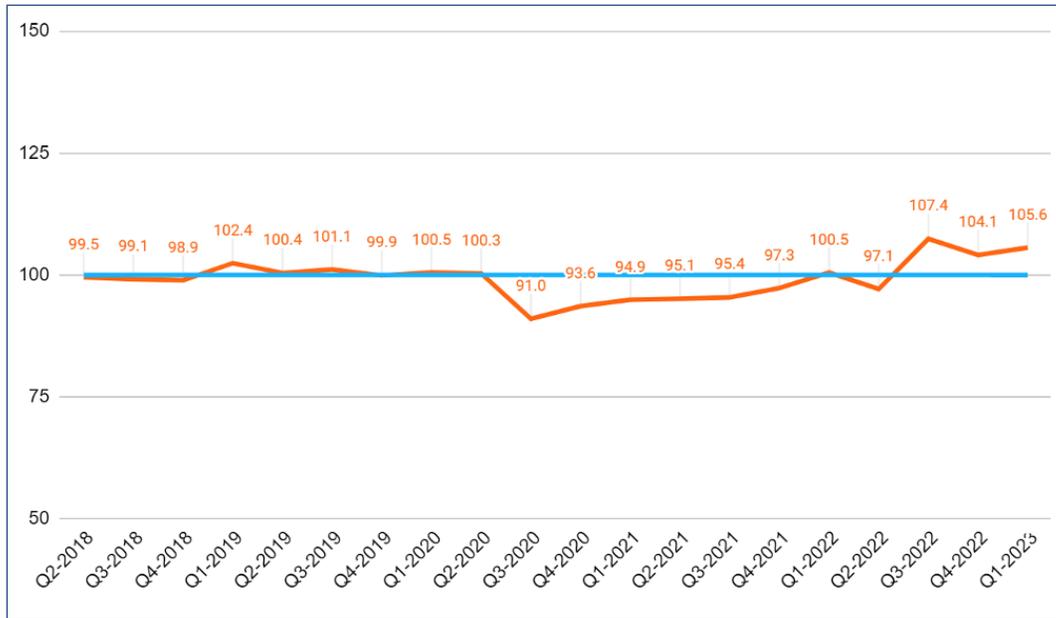
The Coupa BSI - Financial Services



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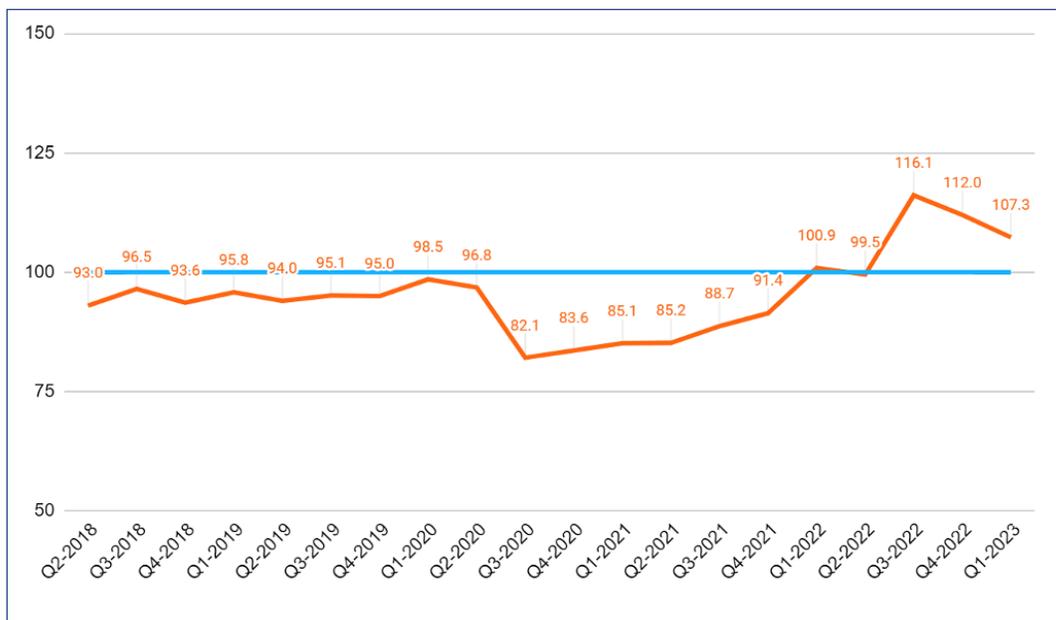
Health and Life Sciences: The BSI for Health & Life Sciences increased this quarter by 1.4% from 104.1 to 105.6.

The Coupa BSI - Health and Life Sciences



High Tech: The BSI for High Tech decreased this quarter by -4.2% from 112.0 to 107.3.

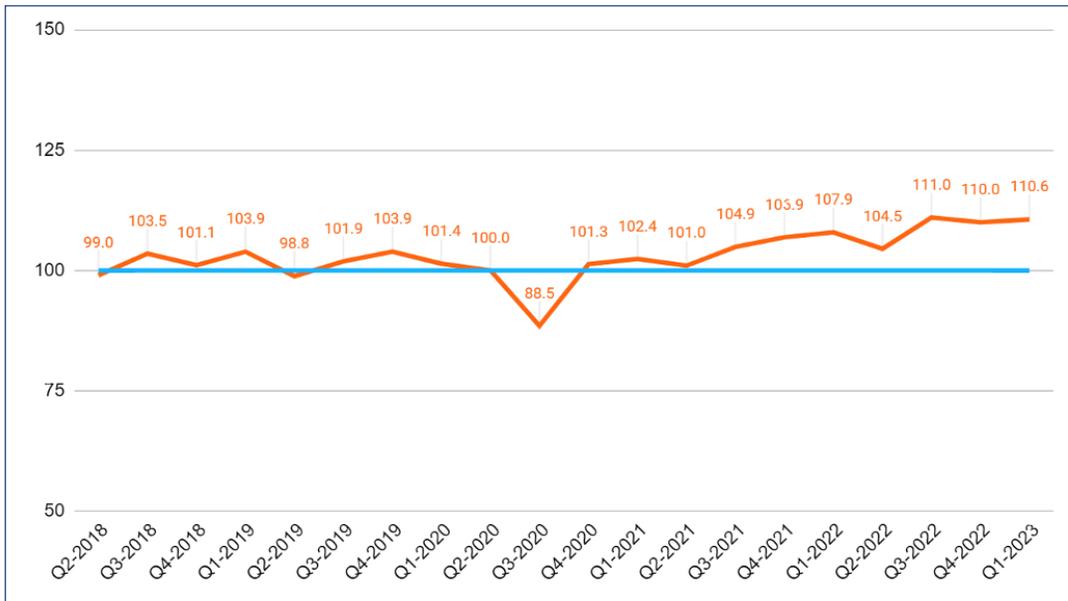
The Coupa BSI - High Tech



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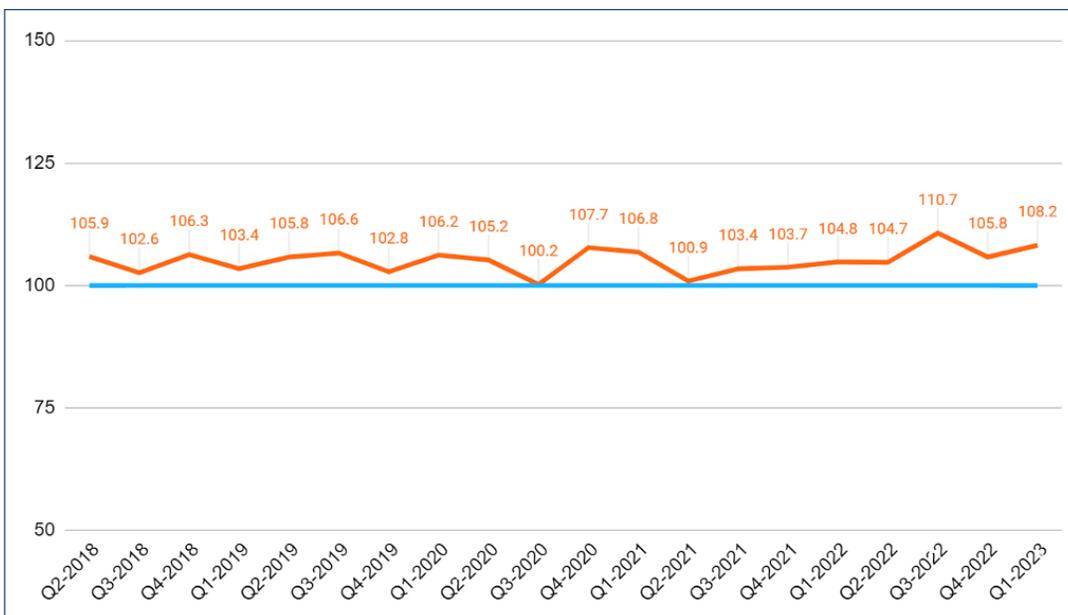
Manufacturing: The BSI for Manufacturing increased this quarter by 0.5% from 110.0 to 110.6.

The Coupa BSI - Manufacturing



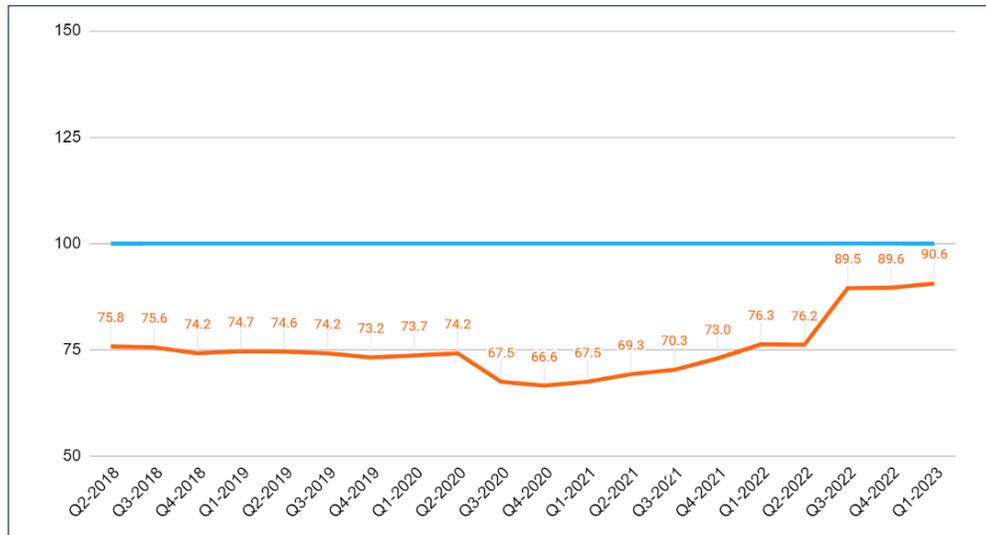
Retail: The Coupa BSI for Retail increased this quarter by 2.3% from 105.8 to 108.2.

The Coupa BSI - Retail



Other Services: The BSI for Other Services increased this quarter by 1.1% from 89.6 to 90.6.

The Coupa BSI - Other



The Coupa BSI Methodology

The Coupa BSI is a predictive measure of business confidence. We produce the BSI by combining the power of Coupa Community data (billions of dollars anonymized business spending within the Coupa platform) with the intelligence of statistical models.

Through our Community data, we derived factors representative of business spend decisions. To provide clarity and preserve anonymity, we group these factors into three categories – to **Search** for new suppliers, to **Order** and commit to spend, and to **Pay** for goods and services used by the business. Then, we use our proprietary algorithm for variable selection from Coupa’s Demand Modeler to choose the right group of variables to best predict economic activity. Using these features, we fit a dynamic factor model based on rich academic literature on economic index creation. By estimating an underlying factor driving the group of variables, we are able to create the Coupa BSI.

The Coupa BSI is normalized to a baseline value of 100, which represents the state of business spend in the baseline reference period (January 2018) computed using the dynamic factor model with the three grouped factors.

About Coupa Community Intelligence

Coupa Community Intelligence is an AI-powered engine that objectively analyzes transactional spend data flowing through the Coupa BSM Platform and prescribes instant insights that help companies spend smarter, simpler, and safer. Built in the cloud, Coupa uniquely has access to transactional business data, which enables its Community Intelligence engine to leverage the latest in machine learning and AI to provide more accurate benchmarks and high-value insights.

About Coupa Software

Coupa empowers companies around the world with the visibility and control they need to spend smarter and safer. To learn more about how Coupa can help you spend smarter, visit Coupa.com. Read more on the [Coupa Blog](#) or follow [@Coupa](#) on Twitter.