

# HOW BUSINESS SPEND MANAGEMENT PROVIDES CIOs WITH A FAST TRACK TO RESULTS

HOW DO YOU SET YOURSELF UP to deliver long-term transformation, without losing sight of short-term outcomes?

It's a question that CIOs around the world are now trying to answer as the need for the "quick win" grows. With many now evaluated specifically on their contribution to revenue growth, it's not hard to see why.

KPMG LLP found that businesses around the world spent as much as \$15 billion per week<sup>1</sup> on technology at the start of the pandemic. As crucial as that spend may have been, it's now time to pay the bill—and everyone is under pressure to drive growth and find savings wherever they can.

Immediate cost reductions are therefore just as important as strategic initiatives. If you can find a way to do both, then you've got a win.

In this environment, the transformative potential of Business Spend Management (BSM) becomes abundantly clear. This low-risk, low-cost strategy can deliver significant benefits at speed—starting in procurement, but ultimately branching out across the rest of the business, and increasingly into IT as well.

In this paper, we'll examine the BSM opportunity as well as the one-cloud delivery model and see how CIOs at some of the world's leading companies have turned them to their advantage.

## What is Business Spend Management?

At its simplest level, BSM is a set of software-supported processes that seek to improve an organization's ability to track, analyze, and control its spending.

BSM typically encompasses employee-focused factors such as invoice and expense management, procurement, and broader organizational concerns including contract lifecycle management, inventory management, advanced sourcing, and more.

One of the critical opportunities presented by BSM is that, while principally focused on helping organizations manage their spending, it can also be used to unlock secondary benefits including supply chain efficiencies, ethical sourcing, responsible growth, and sustainable business transformation.

Many organizations, of course, use their existing enterprise resource planning (ERP) systems for spend management. Some ERP platforms offer native procure-to-pay (P2P) modules, which may prompt questions around the need to explore an alternative in the first place.

The reality is that, while ERP systems are highly effective for some applications, they tend not to be designed with the specific demands of spend management in mind. BSM platforms, in contrast, are custom-built for this purpose.

Crucially, BSM can also be seamlessly integrated with an organization's existing ERP systems. And while BSM seeks to address some of the shortfalls in the spend management modules of those systems, it doesn't necessitate an either/or decision. BSM augments those deployments by extending the capabilities of the ERP (or multiple ERPs).

For all these reasons and more, the BSM market is seeing significant growth; one source suggests a compound annual growth rate of 11.2% .

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### Delivering value across the business

The primary value of BSM is that it provides an end-to-end business process across all aspects of spend. This, in turn, empowers collaboration, improves visibility, and allows companies to move beyond some of the typical challenges that result from a siloed approach to spend. Ultimately, BSM helps organizations make better decisions about how and where they allocate their money.

For KPMG and a leading BSM platform provider Coupa, gaining these empowering insights is a critical first step.

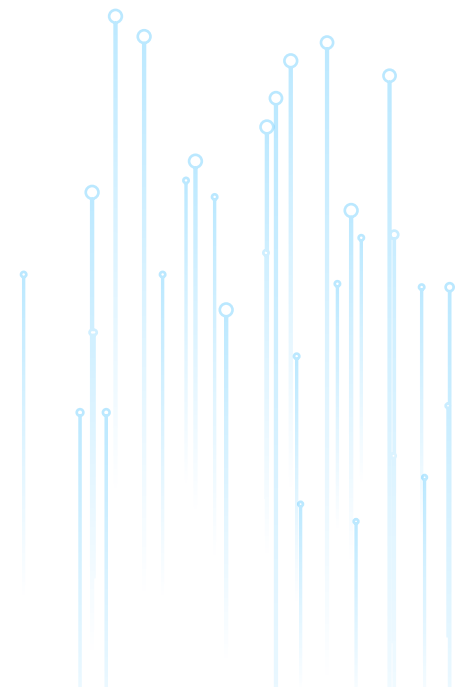
Likewise, process plays an important role. From the earliest moments of a client engagement, organizations should focus on defining and establishing key metrics for transformation success. This ensures that the right people, tools, technologies, and processes are aligned to enable a successful transformation.

KPMG helps to ensure that clients benefit from the combined value offered by KPMG and Coupa. KPMG provides an extensive functional transformation experience, deep insights, leading AI, and ongoing support; Coupa offers an agile, intelligent, secure, and scalable cloud platform.

The KPMG target operating model for BSM is an additional consideration. Recognizing that there are numerous challenges associated with a digital transformation program, KPMG defined the supporting Target Operating Model to help ensure that businesses have clear insight into the ultimate impact that their transformation decisions will have across their organization.

The Target Operating Model essentially serves to de-risk a transformation project and:

- Provides a blueprint for rapid and sustainable transformation.
- Offers access to a collection of solution accelerators, featuring hundreds of predefined and prebuilt processes, workflows, definitions, integrations, reports, dashboards, and training programs.
- Helps organizations envision the wider impact of their transformation and become confident that it will work for them.



One final consideration for CIOs is the continued support of the cloud platform from Coupa. KPMG's Powered Evolution service delivers managed services that address a range of ongoing requirements. These include break-fix, release management (including testing), enrichment services, and even select procurement services associated with a company's Coupa investment. The services are designed to maintain and, more importantly, continue to evolve the transformation journey for clients with their Coupa platform.

### Low-risk, high-impact

Under pressure to deliver quick results while simultaneously positioning their organization for longer-term transformation, CIOs have much to gain from exploring the extensive potential of BSM. This frictionless, easily integrated technology presents a low-touch—and vitally—low-risk way to deliver high-impact results at speed.

### Why KPMG and Coupa?

With growing interest in the potential of BSM, KPMG supports clients through a dedicated spend management offering as part of its Procurement & Outsourcing Advisory practice, and leverages Coupa's leading cloud-based BSM platform as part of a longstanding alliance.

KPMG's role in that alliance is to act as the guiding hand, inspiring and empowering an organization's employees and business partners to embrace the positive changes that can result from BSM. KPMG's Procurement & Outsourcing Advisory practice provides support for business transformations including the design and implementation of BSM strategies and operating models, managing spend, developing talent to manage risk, and implementing and optimizing technology. KPMG's Evolution Service team unlocks the potential of Coupa by utilizing the technology as it, and organizations, evolve over time.

Coupa serves as the BSM equivalent of other domain-specific SaaS platforms in an organization's technology stack: Salesforce for customer relationship management, ServiceNow for IT service management, or Workday for human capital management. Moreover, Coupa easily integrates with an organization's existing ERP systems, enabling end-to-end visibility into spend with minimal disruption.

In addition, Coupa provides:

- **A proven solution.** Coupa has been adopted by, and delivered significant value to, leading global organizations including Magellan Midstream Partners, Sherwin-Williams, and more.
- **Simplified user and supplier adoption.** The easy-to-use Coupa BSM interface engages both internal users and external suppliers to deliver greater adoption, savings, and visibility.
- **Innovation at speed.** Coupa's deliberate process of ideation-creation-production delivers market-leading innovation both predictably and at speed with three releases a year. And the releases add hundreds of new features.
- **Integration and extensibility.** The platform integrates with all major ERP systems. It can be extended with additional features in thousands of possible configurations.
- **Hosting and security.** Cloud-native Coupa is hosted on AWS and provides virtual private cloud security to comply with regulations such as PCI DSS, HIPAA, and FedRAMP.
- **Coupa Community Intelligence.** Coupa provides actionable insights and prescriptive guidance—accelerated and enhanced by applying artificial intelligence and machine learning algorithms—from its community of customers and suppliers.

## COUPA AND KPMG

Coupa powers numerous KPMG services, including:

- **Powered Procurement**, an outcome-driven business transformation solution that helps clients transform their source-to-pay process. Powered Procurement uses cloud technology, mobile functionality, and automation to go beyond cost efficiencies and create a more agile operation.
- **Supplier Risk & Performance Management**, which helps procurement organizations deliver additional value by mitigating risk across third-party suppliers, complying with increasing regulatory pressures, avoiding production disruptions, and reducing the risk of data breaches.
- **Cognitive Contract Management**, which mimics human-defined business processes, automates the ingestion of any contract type, interprets key contractual provisions, extracts relevant contract metadata, and structures the results in a consumable format to optimize decision-making.

## ■ COUPA EASILY INTEGRATES WITH AN ORGANIZATION'S EXISTING ERP SYSTEMS, ENABLING END-TO-END VISIBILITY INTO SPEND WITH MINIMAL DISRUPTION.

The partnership between KPMG and Coupa is designed to help clients transform their P2P processes and position the procurement function as a point of competitive advantage. The focus here is on digital transformation—modernizing procurement with streamlined processes, enhanced oversight, reduced risk, access to data for more accurate decisions, greater visibility into spend, and rapid adoption.

### ■ LEARN MORE

For more information, please **visit the Alliances web site.**



<sup>1</sup> Source: Industry Insights: Harvey Nash / KPMG CIO Survey 2020 (November 2020)

<sup>2</sup> Source: Coherent Market Insight, Business Spend Management Software Market Analysis, Business Spend Management Software Market Size By 2019-2027 (November 2019)

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