

# Effective Strategic Management and Business Performance

## Spending analytics can spur growth

While correlation does not necessarily prove causality, our survey results suggest that strong profitability and revenue growth are tied to effective cost control—a cornerstone of organizational efficiency. For example, companies with profit margin growth of 5.1% to 10% over the past year are more than twice as likely as less profitable companies to rate themselves “very effective” at T&E expense management. They’re also significantly more likely to consider themselves “very effective” at working capital optimization.

Finance Leaders understand the link between superior financial performance and cost control. They are more likely than non-Leaders to use analytics to understand their organization’s spending trends in T&E, procurement, and supply chain (Fig. 2). Perhaps as a direct result, our survey found that fewer than half (42%) of Finance Leaders name rising costs and wages as a top business risk facing their organization in the next two years, compared with 60% of non-Leaders.

## The efficiency advantage

While the correlation between superior cost control and corporate performance

## How Finance Leadership Pays Off: Effective Spending Management

We made automation-enabled efficiency a criterion of Finance Leadership because, as all CFOs understand, an inefficient business is like a bucket with a hole at the bottom, leaking productivity and profits. Finance executives everywhere try to plug that hole, both in their own function and in other business units. And at many companies, spending management—be it in T&E, procurement, or supply chain—is a prime candidate for streamlining and



