



# The Importance of Transparency in Life Sciences Department Spending

In many industries, including life sciences, departments must have access to complete transparency regarding their spending. This allows for an accurate portrayal of the overall financial picture of the company, with a few key reasons as to why this is the case;

## Pinpointing Areas of Improvement

To make necessary changes and improvements, it is important to be able to identify areas where money is being wasted or correctly budgeted. This can only be done with a full understanding of where the money is being spent in the first place.

## Making Decisions Based on Data

When department heads have access to all of the information surrounding their department's spending, they can make more informed decisions. This leads to better decision-making overall for the company.

## Increased Accountability

When spending is out in the open, department heads are held accountable for how they are using company funds. This helps to keep spending under control and allows for a better-allocated use of resources.

## Creating Transparency: The Modern CFO Challenge

CFOs know that managing departmental spending can be a tricky task. On one hand, you need to make sure that each department has the budget it needs to function properly. On the other hand, you need to keep an eye on overall spending to make sure that the company is staying within its means. Balancing these two objectives is not always easy, but it is essential to the success of any life sciences business.



One way to strike this balance is by implementing a system of complete transparency, Like Coupa Spend Management, when it comes to departmental spending. That means that each department must keep track of every penny it spends and report this information to the CFO on a regular basis. This level of transparency may seem like a lot of work, but it is vital to the success of any life sciences company, and with the right spend management software in place, the burden is much less.

## Life Science Business Impacts of Achieving Spend Transparency

### Total Visibility

Spend transparency allows CFOs to see where every dollar is being spent. This makes it easy to identify areas where spending could be cut without adversely affecting the department's operation.

### Monitoring Company Spend in Real-Time

Spend transparency provides CFOs with the information they need to make informed decisions about departmental budgets. When CFOs have a clear picture of how money is being spent, they can allocate resources more efficiently

and ensure that each department has the funds it needs to function properly.

### **Increased Accountability for Department Leaders**

Spend transparency ensures that department heads understand the importance of their spending and the impact it has on the wider organization. When CFOs encourage transparency, this influences department leaders to be more mindful of spending and avoids budget blowouts.

## **How does spend management software support life sciences companies to achieve their business goals?**

There are a number of ways in which spend management software can support life sciences companies in achieving their business goals. The most important is to provide visibility into past, current, and future spending patterns.

With a spend management solution in place, life sciences companies can be confident that the program, department, and project budgets they put in place are adhered to. This not only saves the company money but also provides clarity of purpose for each department.

### **Automation of Payment Processes**

In addition, spend management software can help to automate and streamline many of the processes associated with departmental spending. This includes everything from creating and approving budgets to processing invoices and payments. By automating these processes, life sciences companies can free up time and resources that can be better spent on other business areas.

### **Centralization of Purchase Contract Details**

Another important way in which spend management software can support life sciences companies is by centralizing all purchase contract details. This means that all of the information related to a particular contract is stored in one place, making it easy to find and track.

This level of centralization also makes it easier to identify spending patterns and trends, as well as to flag up potential areas of concern.

### **Improved Decision Making**

Spend management software can help life sciences companies to improve their decision-making when it comes to departmental spending, budgeting adjustment,

and department profitability reporting. With all of the relevant information stored in one place, CFOs can more easily analyze data, spot opportunities for improvement, and implement spending controls to ensure funds are being optimized.

### **Optimization of Vendor Contracts**

For many life sciences companies, outsourcing critical tasks to 3rd party vendors is common. However, ensuring that these vendors perform against expectations and budget is key to ensuring a return on investment.

Spend management software can help to optimize vendor contracts by providing visibility into vendor performance, spending and invoices. This allows CFOs to quickly identify areas where improvements could be made, such as negotiating better rates or terms based on outputs and delivery.

## **In Summary**

Spend management software provides life sciences companies with a number of advantages when it comes to achieving their business goals. The most important of these is the visibility it provides into departmental spending, which can help to improve decision making, increase accountability and encourage transparency. With the right solution in place, life sciences companies can save time and money while ensuring that their departments are functioning efficiently.

If you would like to learn more about how spend management software can support your life sciences company, please get in touch. We would be happy to discuss your specific needs and requirements.

## **About Zanovoy**

Zanovoy is a leading Coupa Spend Management partner, specializing in helping life sciences companies to take back control over their business spending. Our team of certified Coupa consultants have a wealth of experience in implementing and optimizing the software to help companies save time and money. With a deep understanding of the life sciences industry across a number of verticals, including medical device manufacturing and distribution, pharmaceuticals, biotech, cosmeceuticals, health tech, and healthcare, Zanovoy are uniquely positioned to help your life sciences company achieve its business goals.

