



The Keys to a Successful Enterprise Expansion

Fact sheet: Australia

Growth may be a good problem to have, but it is rarely easy. Heavier workloads, changing processes, and unfamiliar regulations in a new market can add complexity for even the best-run enterprise during an expansion.

To understand how successful companies meet these challenges, SAP Concur and Oxford Economics surveyed 350 finance and IT executives around the world at large firms—those with more than 1,000 employees—that have launched a growth initiative in the past year. We found that clear visibility into spending across the organisation, and careful attention to cash flow, are pillars of successful growth.

In this fact sheet we focus on responses from Australian businesses.

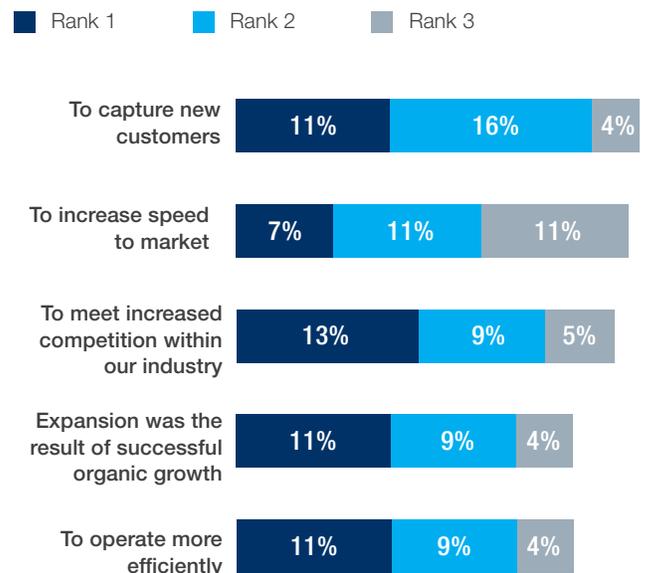
Results show that enterprises in Australia are much more cost-conscious than enterprises in other parts of the world, but face the most challenges when it comes to maintaining their corporate culture post-expansion, as well as communicating business changes to employees. Despite their cost-consciousness, Australian enterprises are just as likely as others to say their businesses tend to be siloed, which could impede future success.

Why are enterprises in Australia expanding?

Enterprises are eager to capture new customers.

- Our research found cost-conscious companies are less likely to experience challenges associated with expansion and are more likely to stay within their budget.
- 98% of Australian enterprise respondents say that spending and cash flow were important factors in their expansion decisions (vs. 74% of enterprises overall).
- Even though most Australian respondents are cost-conscious, more than three-quarters (78%) say they would benefit from focusing on efficiency and cost control (vs. 81% total)—a similar percentage of cost-conscious enterprises also agreed.

Top reasons Australian enterprises underwent expansion



Challenges of expansion

How challenging have the following processes and activities been since your organisation expanded?

“Extremely challenging” and “very challenging” responses

Top-three responses for Australian enterprises



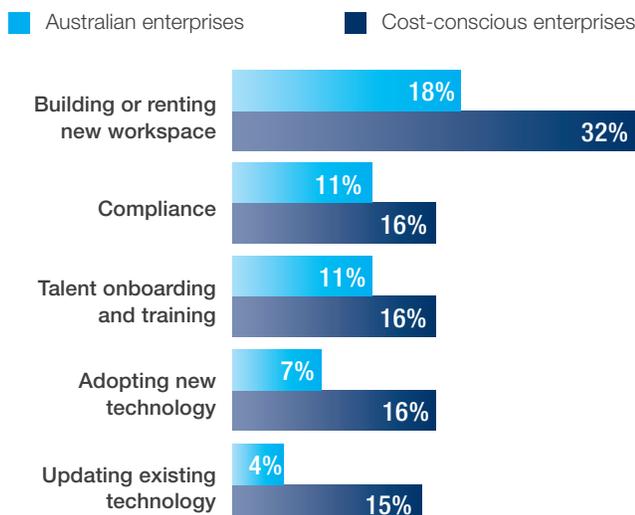
While size can be a plus in handling additional tasks and data, scale can also multiply challenges.

- Planning an expansion brings its own difficulties. While Australian companies are less likely than their peers to report challenges, more than a quarter say maintaining employee satisfaction and communicating changes to employees were challenging. Expanding Australian enterprises may want to pay close attention to their employees after an expansion.
- But Australian respondents are less likely to struggle with data: only 2% of respondents reported having difficulty making meaning from the data they collect, (vs. 11% of all enterprises).
- More than a third—36%—of Australian enterprises agree their businesses tend to be siloed. A lack of collaboration could impede successful expansion.

The importance of spend visibility

How closely did the following expansion costs align with your budget?

“Significantly over budget” and “Somewhat over budget” responses



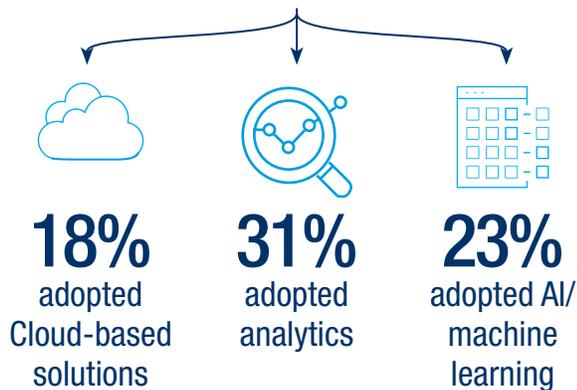
Across the board, Australian enterprises are much more successful than cost-conscious enterprises at controlling their growth initiative budgets.

- In most areas, Australian enterprises are nearly half as likely as cost-conscious enterprises to go over budget.
- These results are the best of any country surveyed. That may be because more than half (60%) of Australian enterprises say that their visibility into spending across their organisation has increased since expanding (vs. 49% total and 55% of cost-conscious enterprises).
- Australians’ commitment to cost-consciousness is paying off: only 11% say that they have difficulty gaining visibility into spending at their organisations.

Technology supports expansion efforts

18% of expanding enterprises have already adopted new technology to aid their growth efforts.

Of those...



Technology adoption has the potential to ease some of the headaches of expansion—but it also can create additional problems.

- IT must be a key player in expansion planning—60% of Australian finance respondents said IT was a strategic partner in planning their expansions.
- 40% of Australian finance respondents said that they spend more time collaborating with IT on technology upgrades.
- Expanding companies must integrate legacy systems—13% said that this has been a challenge since expanding.

Conclusions and recommendations

Expanding Australian enterprises are highly focused on cost-consciousness, which reflects in the success of their expansion efforts.

To emulate the successes of Australian enterprises when undertaking an enterprise expansion, we recommend:

- **Emphasise cash flow early.** 98% of Australian respondents are cost-conscious in their expansion decision making—this gives them a leg up and our research shows they will encounter dramatically fewer challenges. But spend visibility remains a challenge for most.
- **Facilitate internal collaboration.** 36% of Australian respondents say their individual business units tend to be siloed. These companies should consider investing in technologies that encourage better data sharing and communication.
- **Focus on cost visibility and efficiency.** Just 11% of respondents say they have difficulty gaining visibility into spending. When data on spending across the organisation can be easily accessed and analysed, executives gain insights that help them boost efficiency.
- **Consider automating spend management processes.** Freeing employees from rote finance tasks allows them to do more value-added work

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