

# Optimising underspend

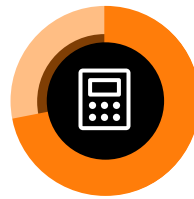
Your 5-step checklist



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Great news – your business has unused budget! Don't let it be a missed opportunity to reinvest in activities that fuel growth. Here are 5 steps to deal with underspend and make every penny count.



**72%**

of businesses are prioritising flexibility in their budgeting process to deal with changing demand<sup>1</sup>

Use this checklist to identify underspending in your business and transform unused budget into growth opportunities.

## 1 Get to the root cause

Talk to budget owners to discover the reason for the underspend.

FIND OUT:

- If there's definitely an underspend, or some expenses have yet to be logged
- If some budgeted costs turned out to be unexpectedly low
- If the team's attitude to investment is overly cautious

## 2 Re-evaluate the investment

Look at past trends for this budget to assess its value to the business.

FIND OUT:

- If the underspend is a one-off or recurring issue
- What the risks are of this budget being reduced or removed
- What contingency plans you should make to deal with unforeseen consequences

## 3 Benchmark spend against your peers

Before making any permanent budget adjustments, take a look at what your competitors are doing.

FIND OUT:

- How their spending in this area compares to yours
- If there are emerging spending trends you should be aware of
- What gaps in your peers' investment you could capitalise on

Want to know where your peers are investing? Find out in Soldo's report: **Soldo Spend Index, Spring 2024: The rise of AI**



## 4 Reallocate funds to where they're needed

Once you've confirmed you have cash to spare, think about where to move the funds.

FIND OUT:

- If you have an up-to-date picture of all your company's budgets
- Which parts of the business would most benefit from extra money
- If there are projects or events coming up that would benefit from additional funds?

## 5 Foster a culture of collaboration

Think about how you approach the subject of spend with your teams to harness support for future budget decisions.

FIND OUT:

- If budget owners are encouraged to be transparent about over and underspend
- If last-minute attempts to use up budget are discouraged
- If everyone is aware of the company's shared investment goals

## How to catch underspend and overspend sooner

Could you benefit from a spend management platform? In today's climate, financial agility is critical. The sooner you catch underspend – and indeed overspend – the better you can use it to your competitive advantage. To see exactly where funds are going, stop waste and help your teams accomplish more, consider using a spend management platform like Soldo.

## Where are you on the Spend Management Maturity Model?

How sophisticated is your spending control, and where can you improve it?

Download Soldo's Spend Management Maturity Framework to learn more.



[Download now](#)

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