CAPEX MANAGEMENT

A QUALITATIVE STUDY ON EUROPEAN COMPANIES' CAPEX PROCESSES

Mette Barten, 2021

Summary

With the goal of trying to understand how capital-intensive European companies work with their capital allocation process, a total of 20 capex professionals at 20 European companies were interviewed with company headcounts ranging from 5000 people and upwards. The interviews gave in-depth looks into 1) how digitized companies are in their capex processes and 2) what kind of challenges and opportunities they are currently facing. The results showed that the current management of the capital allocation process is shifting from platforms such as SharePoint towards more purposely built solutions. 14 out of 20 companies still use standardized Excel templates, but 8 out of 20 expressed ambitions to digitize their whole capital allocation process through a purposely built capex management system *in the near future*. Some of the most common capital management challenges for the companies were; lack of transparency & overview, insufficient analytical capabilities and forecasting. Many of the respondents wished for a tool that allows for an aggregated overview of all capex, as well as something that is easy to implement and integrate with other systems.

Some common themes in the interviews were identified, such as processes often being deemed “good enough” even when they evidently were not, as well as the need for constantly updated processes and systems. Another theme was the importance of properly implementing new systems, as several interviewed companies had tried using new management software but abandoned the project when they failed with implementation. A critical difference between the interviewed companies was that those who did feel like they had proper overview and transparency, also were those that had reworked their capital allocation process and implemented a somewhat purposely built software.

This study quickly became focused on digital tools to manage the capital allocation process, as this was the focal point for a majority of the interviewed capex professionals as they are looking at the next step for improving their processes. This could be partly due to the long stretch of working from home, which has put immense weight on the importance of good information flows, decision routes and documentation, but also due to more businesses realizing what major impact good capex management can have on business.

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Introduction

In the age of digitalization, more and more parts of every-day work are becoming digitized, a process that seems to be inevitable. Communication, decision making and meetings have gone from being held face-to-face or done on pen and paper, to being handled in digital ways. The process of a digitized workplace has been evolving even faster due to many people suddenly having to work from home during the COVID-19 pandemic. This has forced a shift that was bound to happen within the near future and has highlighted the importance of well established information flows.

Digitizing processes within the workplace can bring many benefits; faster communication, better documentation, higher transparency and visibility are just a few of them. However, as with all disruptive change, it can bring its own set of challenges. Working on implementing changes in a proper way will help with overcoming these obstacles. The benefits acquired from digitizing processes can be applied to capital expenditure & budget management as well. Benefits gained from purpose-made digital capex tools are stated by McKinsey (2017) as follows:

"A digitally enabled capital-investment-management system can quickly help to improve financial results and improve decision making (…) Furthermore, it allows project managers to make faster, fact-based decisions and gives senior leaders more time to focus on strategic issues. In our experience, most organizations can institute a far more efficient and effective project-management process in four to six months and see project and portfolio NPV improvements of well over 10 percent within a year."

Clear and well-established information flows lay the groundwork for good decision making. When it comes to capital expenditures, good decision making leads to increased company cash flow and allows for shorter decision lead times. This gives more time for strategic planning which, in turn, ensures long-term growth. With this in mind, it is surprising that many companies still do not have a digitized capital allocation process. This is especially true for capital-intensive industries, where large and traditional companies have a habit of following the beaten path and where change can be especially difficult to implement due to complex organizational structures.

Background & purpose

Weissenrieder & Co has a long history of expertise within the capex field and has developed and fine-tuned solutions for the capital allocation process for more than 25 years. Since 2012, all of this knowledge has been put into software and support to help companies maximize their long-term cash flow. Last year Weissenrieder & Co wanted a study done on Swedish capital-intensive companies and their capital allocation processes, in order to stay educated on what type of capex challenges companies are currently facing. Now, a new study has been conducted, broadening the scope to how European companies manage their capex processes and to see if the need for digital capex tools has changed after 1.5 years of working from home.

The goal of this study has been to try and understand how companies work with their capex management and capital budgeting processes. The reasoning behind this has been that Weissenrieder & Co provides several tools to support the capital allocation process, and wanted to identify opportunities and challenges that European companies face that could be addressed with future development of said tools. Moreover, Weissenrieder & Co want to constantly educate and be educated, upholding the position of thought leaders within capital allocation, while also being a knowledge hub on all things capex.

Hopefully this study can give the reader some ideas on how to rethink their capex approach and open their eyes to the way purpose-made tools can help them improve their company cash flows.

Methodology

Companies of interest for the study were identified using LinkedIn with the following criteria:

- Company headcount: 5000+
- Industry: chemicals, consumer goods, mining & metals, packaging & containers
- Region: Europe

Potential participants were identified through company websites and through LinkedIn. The professionals searched for usually held the positions of corporate controllers, finance managers & presidents, chief financial officers or investments portfolio managers. After identification, emails were sent to company headquarters and the persons of interest. Sending the emails to company headquarters and to CFOs often led to getting forwarded directly to the owner of the capital allocation process.

Qualitative material was collected through interviews that ranged from 20 to 45 minutes. The interviews were conducted through Microsoft Teams meetings and were recorded for transcription purposes, after transcription the recording was deleted. The questions during the interviews were posed in an open manner to enable open discussions and were based around the Capital Budgeting and Capex Management "swim lanes". These swim lanes have been identified by Weissenrieder & Co as the most common steps taken within these processes (see figure 1). Clarifying questions were asked when needed, but the respondents mostly spoke freely and in an elaborate way, leading to exhaustive answers.

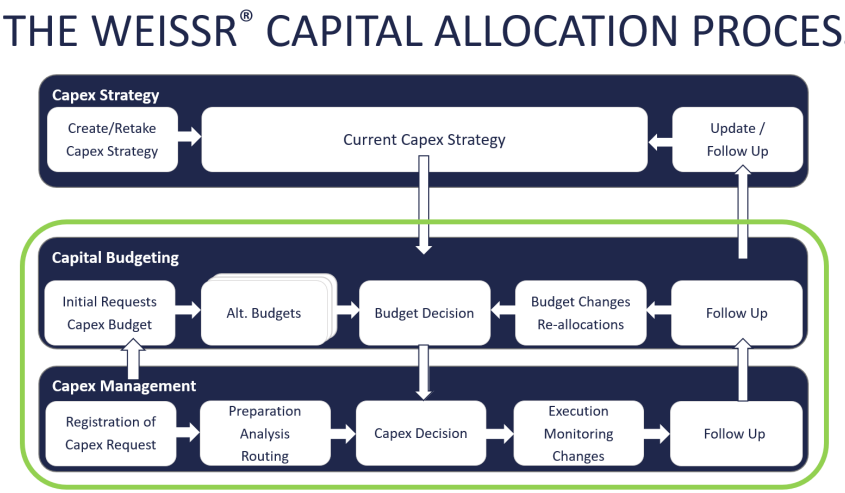

Figure 1

Ultimately the study has been based on 20 interviews with 20 different companies. It quickly became evident that most companies conduct their processes in a similar way and thus the study gives a good overview of the current situation with capital allocation processes in Europe. It was beneficial that a majority of the respondents were the actual process owners, giving a deep understanding of their company's current processes, challenges and needs.

The selected companies

Company headcount 5,000-10,000:	8
Company headcount 10,000+:	12
Industry chemicals:	3
Industry consumer goods:	2
Industry mining & metals:	9
Industry packaging:	6
Position group controlling:	6
Position investment team:	8
Position chief financial officer:	2
Position finance team:	4

Yearly capex spend ranging from 200 M EUR - 1.5 BN EUR

The current state of the capital allocation process in Europe

Capital budgeting

For most respondents, the tactical execution of their set capex strategy is cyclical and begins with creating the capital budget. This is where projects that fit within the company's strategic plan are decided on, and for many the capital budget work can be seen as the first step of registering a request. The strategic work within the companies is usually based on a 3-, 5- or 10-year plan. Other than strategic capex, most also divide their capital expenditures into "maintenance/replacement" and "improvement/growth" categories, to which they allocate a specific amount of money. Several respondents stated that they construct their capital budget by 1) receiving top-down spending for strategic projects and 2) getting a bottom-up estimation from sites or business units on how much they will need or want to invest the following year. This can be quite an iterative process based on many discussions. When deciding the maximum capital expenditure amount for "replacement" or "maintenance" investments, the number is often simply based on a small percentage of yearly EBITDA or yearly asset value. A buffer is usually included in the capital budget in order to acknowledge that unplanned capex can occur during the year.

The capital budget can work as a prioritization tool when deciding on which investments to approve or not, and also as a management tool through constraint. The constraint aspect of the capital budget means that only the most important and necessary capex are requested from each business unit, as they know that they only have a certain amount budgeted each year.

Forecasting runs parallel with the capital budget work and acts as a base for upcoming budgets for most of the respondents. These forecasts come from the business units and further help executives in deciding on the right amount of capex for the coming year. Two of the

interviewed companies have moved away from traditional capital budgets and instead focus more on their rolling forecasts. The reasoning behind this, mentioned by one of the respondents, is that they want to base their decisions on the most recent available information. According to them, a set-in-stone capital budget does not allow for this and gives an inflexible approach to the capital allocation process. Another respondent added that they moved away from traditional capital budgets as they resulted in unnecessary spending within the business units at the end of the budget year.

Key performance indicators

All of the respondents monitor and analyze their capital expenditures and budgets in some way or another, and they use KPIs to do so. Some use them more as an evaluation tool, while others let certain KPIs lead their decisions. Besides financial metrics like these, the companies also base many of their decisions on risk analysis and sustainability indicators. The most commonly used KPIs are:

- Net Present Value (NPV)
- Earnings before interest, taxes, depreciation, and amortization (EBITDA)
- Internal rate of return (IRR)
- Payback time
- Return on capital employed (ROCE)

Request creation and registration

The process step of putting together and registering a capital expenditure request (a basis for approval of the desired investment) differs widely among the interviewed companies, especially in terms of how digitized the step is. Usually the request owner needs to put forth pre-determined and standardised financial calculations and a justification for the expenditure. Depending on the size of the investment, most companies also require a more detailed business case. For some, requests are not necessary for smaller investments as the sites can

decide over these themselves. 14 out of the 20 companies interviewed use some form of standardised in-house built Microsoft Excel template for the calculations accompanying the request. For some, the Excel template *is* their request form. One respondent notes that request forms are a great management tool, as they force the request owner to ask themselves the right questions.

Some use emails for the registration and communication of the requests, where the required request material is sent to all concerned within the company in order to move on to the next step. Some send all of their request material to a specific email address, where the person with access to it is responsible for routing the material to all concerned people or to register the material into an approval workflow system. Others use a request registration software that works as an approval workflow, notification tool and documentation program.

Decision

There are many different factors that can go into the process of deciding which capital expenditure requests to approve or not, as well as many different people. For most of the interviewed companies, there are several thresholds of authorization, depending on the size of the investment. If the investment is small enough, the sites themselves can get ownership of the decision process. If the investment amount is of a medium-large sum, the decision might need to go up to a regional- or business unit-level. For the biggest projects, corporate is always involved, not only due to the amount of the investment but also due to the fact that these investments usually are part of the company's growth strategy. These decisions and the thresholds are managed within the company through emails, monthly investment committee meetings, or through approval workflow systems. The systems used by companies have the thresholds programmed, so that the registered request automatically goes to the right people and notifies them. The approval flows can also be governed through decision gates, meaning that when specific criteria are met, the request goes to the next step in the approval flow.

Many of the interviewed companies focus a lot on prioritization, as there is more capital requested than what the budgets allow. This prioritization is commonly based on a risk matrix (what will happen if they do not invest?), payback rate (if the payback is fast, the investment will be prioritized higher), or on legislative requirements. A lot of decisions also require discussions with several different parties, leading to iterative cycles and longer approval times, especially when there is a lack of transparent information and no clear workflow. Some respondents noted that recently, prioritization has been more important than ever as the pandemic has disrupted international markets.

Monitoring

When a capital expenditure has been approved, the monitoring stage can begin. Investments are monitored by tracking different KPIs and cash flows, looking at set targets and by comparing actuals to forecasts. All of the companies interviewed have some sort of tolerance level where if an investment overruns by (usually) 10%, the request owner will need to get it re-approved, usually with an accompanying updated business case or justification. Overspending and deviations from budgets are quite common amongst the interviewed companies. The monitoring of capital expenditures is usually done within an updated Excel spreadsheet or through monthly or quarterly reporting from business units to corporate.

Some of the respondents choose to only monitor their larger investments. On the question of why, the answer is that this is mainly due to capacity problems and due to lacking the proper tools to monitor all capex. The companies experiencing lack of time for analysis mainly use Excel and find it too manual to be able to handle all of their investments. Most respondents only monitor their capex on an individual level, while a select few do monitor their capital expenditures on an aggregated level. This is mostly done in a simple way by comparing actuals to forecasts.

Follow-up

A capex project tends to enter the follow-up stage a couple of months after the project has been fully executed. During this stage, the respondents look at several aspects of the investment. The most common things to analyse are KPIs, actuals versus forecasts, benefits acquired, and targets reached. It is evident that the follow-up stage can be done in many different ways: some use Microsoft Excel, Word or PowerPoint templates, some use ERP add-ons or purpose-made tools, while others solely rely on discussions within the investment committee.

Something that came up in several interviews is that not all capex has a follow-up process. All of the respondents do, however, have a follow-up process for their very large projects. If a capital expenditure has been implemented due to a legislative requirement, some don't see the need for a follow-up process as the investment had to be made regardless. On the question of why the respondents don't implement a follow-up (even if small) for all capital expenditures, the answer usually lies within capacity problems. The follow-up of capital expenditures is a time-consuming process, as this can be a very manual and administrative task when not having the proper tools in place, especially for follow-up on an aggregated level. One respondent noted that as they do not have a follow-up process for all capex, surprises sometimes appear during the quarterly or yearly closings.

Current tools used

The most common tools that the interviewed companies use for managing their capital expenditures can be found within the Microsoft suite: Excel, PowerPoint, Word, and SharePoint. Some of the interviewed also use Microsoft Power BI for analytics. Most companies use SAP for financials and email for communication. 12 out of 20 use workflow systems that have been built internally as a SharePoint solution, while some of them are based on other platforms, such as fast development applications online. The select few (4 out of 20) that do use a purposely built

system for their capital expenditures use them mainly for storage, approvals and workflow, not analysis. This means that these systems (usually built by development consultants) are not encompassing the whole capital allocation process. While the capex softwares used might have been developed externally, they are then maintained in-house and updates rarely happen. Some of the companies have systems that haven't been properly updated for 5+ years. The systems then feel quickly outdated according to respondents.

Some companies have established a capex management system within their ERP system through different add-ons, such as project portfolio management software. Those who do have a solution like this in place are not satisfied however, as the add-ons are not purposely built for capex and thus not efficient enough at addressing the problems that the companies face in their capital allocation process.

Numbers

- **14 out of 20** use standardized Excel templates. Out of those who do not, only 1 of them has a standardized input function in their purpose-made software. Those who lack standardized templates do use Excel for calculations and send the documents to the decision makers.
- **4 out of 20** use a purposely built system for capex management, 1 of these systems was built internally, 3 externally. All are now maintained internally.
- **12 out of 20** use SharePoint or similar as a workflow and documentation tool.
- **3 out of 20** use emails as their main tool to communicate, route and store their capex requests.
- **8 out of 20** expressed ambitions to upgrade and digitize their capex processes through a purposely built capex management system in the near future.

Current challenges

Several of the challenges that the companies face in their capital allocation processes are a direct result of capacity problems and too much manual work. These two problems go hand in hand, as manual inputs are time-consuming and occupy valuable time. At least 9 of the interviewed companies experienced problems with this. One of the respondents noted that the output is dependent on the quality of the input, meaning that business decisions can be

heavily affected by these problems. Manual input can lead to double the work, as several noted that the inputs need to be re-checked on different levels within the company. The quality of the input can also differ depending on how well the investment processes have been implemented within the divisions, as some noted that they have had difficulties with implementing changes. One respondent claimed that the input of data is seen as a cumbersome administrative task by employees, instead of an action that brings value to the investment process. Another aspect to manual input that was brought up is that many errors are made during these steps, leading to deviations from budgets and forecasts being quite common. Several respondents noted that their capital budgeting work is too time consuming, further putting a strain on capacity.

Several companies said that it is hard for them to keep track of all capital expenditures. The reasons behind this can be problems with categorization, too little visibility into the business units or sites, different systems used, or different strategic directions within the business units. This can lead to surprises later on in the capital allocation process when the numbers need to be aggregated. Another challenge brought up is that some approved investments do not yield the expected benefits. When speculating on why this might be, reasons mentioned are bad timing, low visibility and transparency, and a discrepancy between strategy and investments. Another given reason is trouble with analyzing capital expenditures in an aggregated way, leading to low understanding and visibility of capex portfolios. One respondent also noted that the unsatisfactory results are a result of too many approved requests and too many people involved in the approval process.

Summary challenges

Insufficient overview and transparency	Investments don't yield the expected results
Struggle with forecasting properly	Insufficient analytical capabilities
Deviations & overruns	Capacity problems

Ideal process

When asked about ideal capital allocation processes, answers mostly revolved around better overview, analytical capabilities, and tools to manage the process and what functions a tool

like this would need in order to be of interest. A majority of the respondents said that they want leaner and more automated processes and that this could be achieved by using purpose-made capex management software. There were several comments on how a capex software should be able to weave strategy and management together, paired with analysis and routing. Some respondents also wished for a tool that handles important decision factors such as risk and prioritization during the decision process.

Another highly wished for function is an aggregated analytical view, as this would help with the strategic planning and forecasts and give higher visibility and transparency. Several of the interviewed companies struggle with overview as the decentralized structure of the company leads to different systems being used at the business units. As a result, the respondents want a tool that can be easily implemented across the whole company, as well as a tool that can be integrated with other existing systems.

Common mistakes

Here, the most common mistakes that companies are currently making in their capital allocation process are listed.

- Investments are looked at individually, leading to lower long-term cash flow
- If follow-ups are merely discussion-based and not analytical, companies cannot gather lessons learnt and will keep making the sake mistakes
- Many tailor-made solutions do not encompass the whole process, running the risk of leading to more work and resistance within the workforce, instead of creating a leaner process
- Implementation of a new software or process is not anchored throughout the whole organization, leading to implementation problems
- Companies express a desire to invest according to a long term strategy, but lack the tools to streamline strategy with investment governance

Implications of a purpose-made capex management software

The critical difference

In most of the interviews, the companies deem their overall processes to be “good enough”. At the same time, however, they also suffer from several problems that stem from inefficient management of their capital allocation process. When discussed further, the respondents are aware of their problems and several of them are working on changing their processes. Others, that already have worked hard on changing their processes, still see problems and attach it to the lack of a purpose-made and efficient solution. Several of the interviewed persons did have positions within the company that made them the owner of the capital investment process. These positions had been recently established at several companies, as a way to rethink and gain more control of the capital allocation. This proves that companies are becoming increasingly aware of the impact that proper capital expenditure management can have on business.

With that being said, some of the companies do have very well established and thought out capital allocation processes. The common denominator between these companies is that they all have a purpose-made tool for parts of the process. Most do see room for improvement in these systems though. For example, these tools are quickly outdated as updates rarely happen when the systems are being maintained in-house.

It was evident during the interviews that several of the companies use the exact same approach as others. This might point to the fact that companies just do what has always been done and have never stopped to think about why, even though they’re experiencing unsatisfactory results - they keep on doing “business as usual”. Companies would benefit from reflecting about this, as this study shows that those who have rethought their approach have gotten satisfactory results from it. For example, a majority of those interviewed who had properly re-worked their capital allocation process did not experience problems with overruns.

There is a clear divide between companies that have a general sense of smooth processes and proper transparency and visibility and those who don't, the critical difference being a purpose-made tool that digitizes their capital allocation process.

Getting people on board

Some respondents noted that they have tried using different systems before, but that they struggled with implementing the system across all concerned levels within the company. This showcases that not only is a good, easy to understand digital tool important - the implementation is just as important. If a system is to be implemented, management will need to solidify the importance of said tool throughout the whole organization in order for it to bring the greatest value and to reap its benefits fully.

Several companies stated that they are so de-centralized that their different business areas or companies decide for themselves what kind of systems they want to use and what kind of processes they put in place. At the same time, these large group companies feel like they lack a complete overview of their capex - meaning that a unified system for all of their capex could be very beneficial from the group's perspective. Again, if the company wants to implement a collective system, management will need to put in the work needed for implementation.

A beneficial aspect of acquiring an externally built, purpose-made system for the capex process, is that this normally includes support with the implementation phase. This can mean support in the form of education, workshops, guides, or built in learning scenarios within the software. Further down the road, if a user experiences problems with the software, this can also be helped by the external provider meaning that the user company will not need to put valuable resources into solving problems or updating systems. Investing in an externally built software is even more beneficial if the tool offers customizable options that will fit a company's current way of doing business, making implementation even easier as old ways of working don't have to be entirely replaced. Most organizations turn to inhouse-development of workflow solutions, which are expensive to develop and to maintain, as well as difficult to adapt to a company's changing needs. Externally built and maintained software is continuously updated and follows the latest capex management trends, leading to always offering

state-of-the-art solutions to capex professionals. As a user you do not only pay for a software, but also for extensive knowledge. Externally built software helps companies to leave the beaten path and to think outside of the box.

In summary, proper implementation of a new system is important, as well as making sure that a capex system covers the whole process. If implementation is done incorrectly, a software to digitize your capital allocation process will not provide the desired result. When implementing a tool correctly you thoroughly analyse your current process and end up with an improved process whilst getting people onboard to the new solution.

Implications for the capex professional

Through this study, we have established that using a purpose-made tool for the whole capital allocation process can be very beneficial for a capital-intensive company. But what does a system like this mean, specifically, for the capex professional and those involved in the process? First off, a software like this makes the whole capex process leaner and quicker, as all data is located in the same place, all information is standardized, and this in turn leads to a better, transparent overview and analysis of the whole capex portfolio. Unified data also makes integration with other tools easier, such as integrating financial data from ERP-systems or reporting functionalities from BI-tools. Such a software also lets users stay up to date on current actuals and forecasts, always. This means that as soon as something is overspending, this can be identified and tackled right away, instead of at e.g. the next quarterly investment committee meeting. These aspects make the work of the capex professional easier and leads to them being able to make better decisions for both current and future investments. Overall it will bring a better working environment and the capacity to focus on the important tasks at hand, instead of having to check and re-check the input of others. As things such as thresholds and user permissions are programmed into a software, there is no need for a controller who routes all requests and decisions to the correct places. The documentation properties of a capex software eases the transfer of employees, as this makes it possible for the previous user to transfer their knowledge to the next. If an error is made somewhere in the process, version history and change logs in a purposely built system ensure that it can be found and amended quickly. This can bring a sense of accountability and ownership, possibly further reducing

errors. In summary, a purpose-made, all-encompassing capex tool makes the capital allocation process leaner and more straightforward, which will facilitate the capex professional's work and allow them to make better decisions.

One problem that several of the interviewed companies face is the involvement of too many people in the capex process, leading to each decision taking more time than necessary. While the reasoning behind involving a lot of people in the capex approval process is good (usually it is about making as well-informed decisions as possible), the way most companies do it creates challenges for them. These companies are basing much of their approval process on iterative discussions without the proper supporting tool, which would mean that the time from initiation to final decision grows exponentially with each newly involved person. This begs the question if the trade-off between loss in time is worth the little extra input gained. Collaboration is good, and by collecting all decision makers on one platform, transparency and communication is increased and there will be less risk of misunderstandings, as everyone sees the same material. As a purpose-made capex tool enables everyone to be reached by the same information at the same time, routing is shortened and decisions can be made faster and better. **An important statement is that decisions are only as good as the information supporting them, leading to the conclusion that better information flows foster better investment decisions.**

A smooth workflow that enables well-informed decisions and reduced deviations and other errors, as well as taking less time to manage, seems like a great fit for any company. But these benefits become especially important when looking at capital-intensive industries like the ones interviewed in this study. Companies in these industries usually have a large portion of their revenue going into their capital budget, while also having to tackle small profit margins. This further solidifies the importance of a purpose-made tool, as **every investment needs to be smart, bring the expected value, and be aligned with strategy**. There is no room for many badly made investment decisions. An extensive capital allocation tool gives all concerned within the process a single source of truth, leading to clearer communication and easier alignment with the company's long term strategy.

Identified trends

During the course of this study, several trends have been identified within capital-intensive companies in Europe regarding their capital allocation process:

- Capex management process owners are being implemented as companies are becoming more aware of the importance of processes of allocating capital.
- Previously there has been a move towards workflow solutions on SharePoint etc. Now, the trend is moving towards more purposely built softwares. A challenge with this is that these softwares do not always encompass the entire process, leading to multiple systems and increased workload.
- The companies that state that their process is “good enough” are the ones that are furthest away from a state-of-the-art solution.
- There is an increased focus on the underlying information for investments in order to prioritize, such as financials, risk matrix, sustainability measures and long term strategy.
- A move towards more continuous capital planning & forecasting, as a reaction against the rigid and inflexible traditional capital budget.

Conclusion

During the course of writing this paper, the study grew organically to put a lot of focus on digital tools. This is an inevitable symptom of our time, especially during a time when requirements on good digital communication are increasing. Not only that, but companies are also starting to realize what kind of impact their capital allocation process has on business. It is interesting to see that several of the interviewed companies have just in the last couple of years realized the benefits of digitizing their capital allocation processes and have implemented specific process owners to handle these questions. Capital-intensive industries are going more digital, which maybe could be explained by the fact that important office roles have been placed at home for 1.5 years, making it harder than ever before to keep a good overview of the capex portfolio.

Companies need to rethink their capital allocation process in order to properly tackle their current challenges. Whether this is done through software or something else is entirely up to them, but this research shows that a capex management software, paired with proper implementation, is an efficient way to solve a lot of the problems that companies are currently facing. Because no matter how you look at it, all interviewed companies experience some type of challenges in this area. By using an external tool to tackle this, the company won't have to put valuable resources into rethinking the whole process, as this is already done for them.

Is an investment in capex software maybe one of the highest yielding investments a company can make? That is hard to argue for, as every business is different, but the question is posed as a way to highlight that a purposely built capex software can benefit all future capital expenditures that a company makes. As stated by McKinsey (2017), a more efficient capex process can improve portfolio NPV with over 10 percent.

Hopefully this study will help you in making a well-informed decision about the next step for your company's capital allocation process. Want to know more about Weissr® CM? Click here to read more and to find contact details.