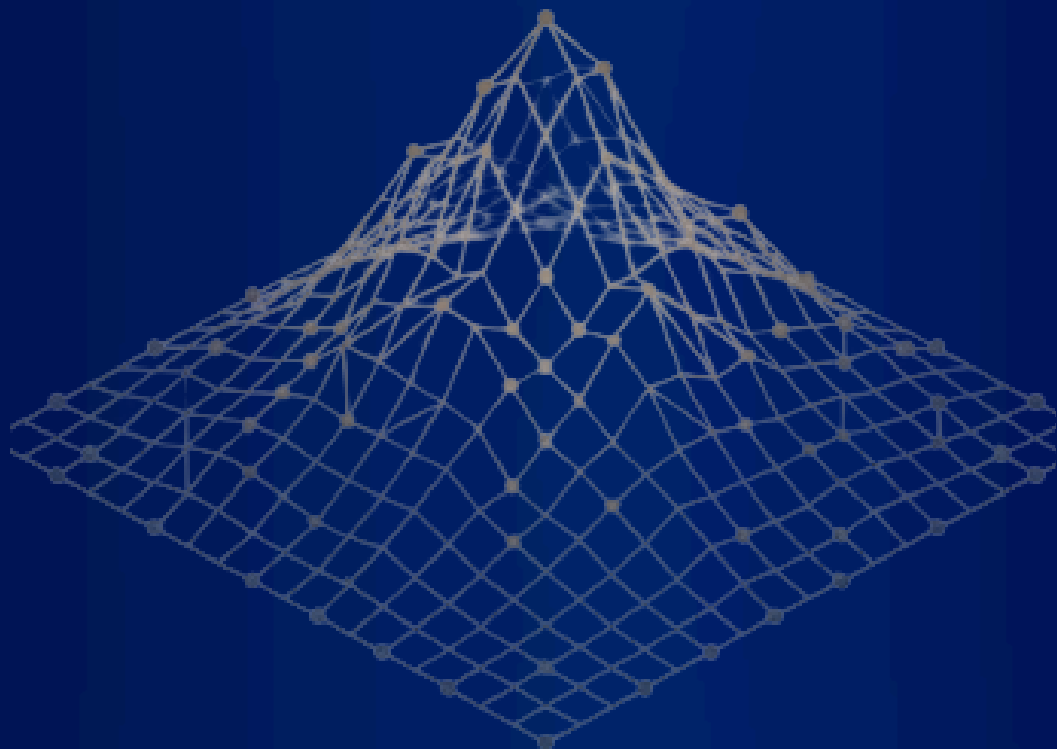




The Five Levels of Capex Maturity

A practical view on how organizations manage capital allocation



A SELF-ASSESSMENT GUIDE

What is capex maturity?

Capex maturity determines the ability to see, govern, and steer capital allocation across the full investment lifecycle.

As capex maturity increases, organizations gain better visibility, stronger control, and more consistent decision-making. Over time, this creates the conditions for improved predictability and more efficient use of capital – which can ultimately be reflected in financial outcomes such as cash flow.

Most organizations manage capex. Fewer have a clear view of how their capex setup actually works in practice.

On the surface, capex is often presented as a structured and linear process. In reality, the way it is governed, supported, and followed up varies significantly.

Over time, differences emerge in how investment decisions are made, governed, monitored, and followed up.

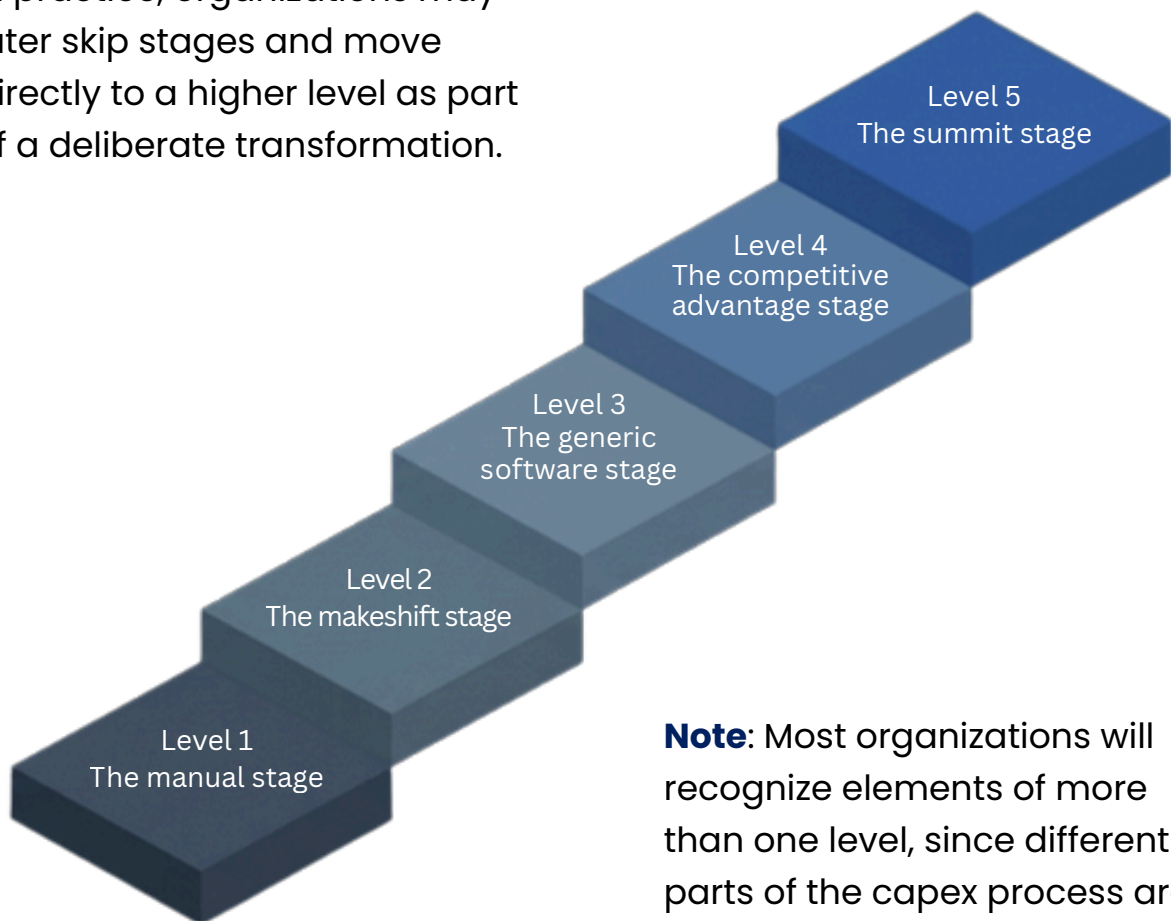
These differences shape the maturity of the capex process.

A framework for self-assessment

This self-assessment invites you to reflect on how capex is currently handled in your organization across processes, decision-making, visibility, and control.

Read through the five maturity levels below. For each level, consider whether the description reflects how capex actually works in your organization today, not how it is intended to work.

In practice, organizations may later skip stages and move directly to a higher level as part of a deliberate transformation.



Note: Most organizations will recognize elements of more than one level, since different parts of the capex process are often handled in different ways.

Level 1: the manual stage

At this first level, you usually rely on manual processes, printed documents, and dealing with email overload. Currently, requests are handled inconsistently, resulting in slow approvals and a lack of corporate control.

Many companies find themselves stuck at this initial stage.

Typical characteristics:

- Capex requests are created locally, often in spreadsheets or emails
- Approval paths depend on people rather than defined rules
- Decisions are slow and difficult to compare across projects
- Visibility is limited to individual projects
- Follow-up is informal or inconsistent



Level 2: the makeshift stage

Financial professionals and CFOs at this second level often rely on custom solutions, typically using manual tools like Excel and SharePoint for capital allocation.

While these makeshift systems can manage basic workflows, they fall short in capex functionality and scatter data across multiple locations.

Manually updating spreadsheets quickly becomes inefficient, unreliable, and error-prone, creating an overwhelming amount of tracking and rework. Many organizations end up juggling this unrealistic, ad-hoc setup.

Typical characteristics:

- Standard templates and basic approval steps are in place
- Capex data is stored across multiple tools or business units
- Aggregated views require manual consolidation
- Analysis focuses on individual projects rather than the full portfolio
- Local improvements do not translate into enterprise-wide insight



Level 3: the generic software stage

At this stage, organizations have moved away from spreadsheets. Parts of the capex process are supported by software. Digital tools are in place, often including ERP systems such as SAP, Oracle, or IFS.

However, these tools are typically generic and not designed specifically for capex management. As a result, information remains fragmented, and decision-making is still constrained by limited visibility and disconnected data.

Typical characteristics:

- Requests and approvals are handled digitally within generic software
- Data is stored in systems rather than spreadsheets
- Portfolio visibility exists, but is partial or inconsistent
- Monitoring focuses mainly on budget deviations
- Insights remain fragmented across systems



Level 4: the competitive advantage stage

At this stage, capex is managed through a unified and structured process across the organization. Processes, data, and governance are aligned, enabling consistent execution and improved transparency.

At this level, organizations typically rely on a dedicated capex management solution that is seamlessly integrated into the broader capex ecosystem, rather than generic tools. Capital investments are managed through a single, coherent, end-to-end process across the organization.

This creates predictable, transparent, and controlled capex execution, creating a solid foundation for informed decision-making.

Typical characteristics:

- One consistent capex process across business units
- Centralized and structured capex data
- Reliable portfolio-level visibility
- Systematic monitoring and follow-up
- Clear governance and accountability



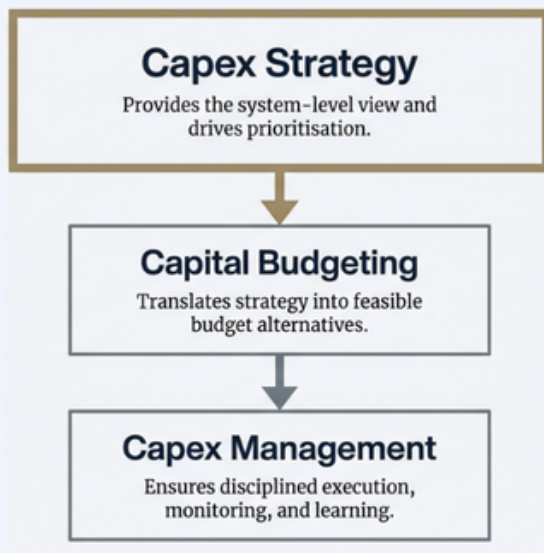
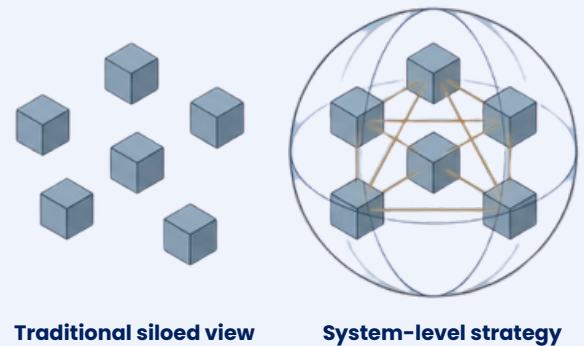
Solutions such as **Weissr Capex** are designed to support this level of maturity by providing structured workflows, centralized data, and portfolio-level insight across the full capex lifecycle.

Level 5: the summit stage

At the highest level of maturity, capex becomes a **strategic, system-level** capability, rather than a collection of optimized individual investments.

Organizations develop a **long-term capex strategy** using holistic simulation of their asset base, constraints, and strategic choices, with the explicit objective of **maximizing long-term cash flow**.

Investment decisions are evaluated at system level, not project by project.



The strategy governs the entire capex process.

Capital budgeting translates strategy into feasible budget alternatives, while capex management ensures disciplined execution, monitoring, and learning. Prioritization is driven by strategy, not by competing business cases or annual cycles.

As a result, project prioritization becomes clearer, faster, and more consistent.

This approach helps organizations sidestep several structural weaknesses in today's so-called best practices, including bottom-up project evaluation and simplistic ranking based on NPV, IRR, and payback of individual projects.

Capex evolves from an operational control discipline into a **core engine for long-term value creation.**

Typical characteristics:

- A long-term capex strategy based on holistic, system-level simulation
- Capital allocation optimized for long-term cash flow
- Capex strategy governs budgeting and execution
- System-level prioritization replaces project-level competition
- Continuous re-optimization replaces static annual plans



Weissr Capex is currently the only software platform designed to support this level of capex maturity, by combining long-term capex strategy, capital budgeting, and capex management within one integrated and governed environment.

Why capex maturity matters: from operational excellence to cash flow impact

As organizations progress through the capex maturity levels, they experience two different effects that develop at different speeds:

- Operational excellence improves gradually with each maturity step
- Financial impact on cash flow is delayed, but increases sharply at the highest level

Operational excellence: steady improvement

From Level 1 to Level 4, higher capex maturity primarily drives better execution.

Processes become more structured, data more reliable, and governance clearer. Each step contributes incrementally to improved transparency, control, and predictability.

Financial impact: low until strategy is introduced

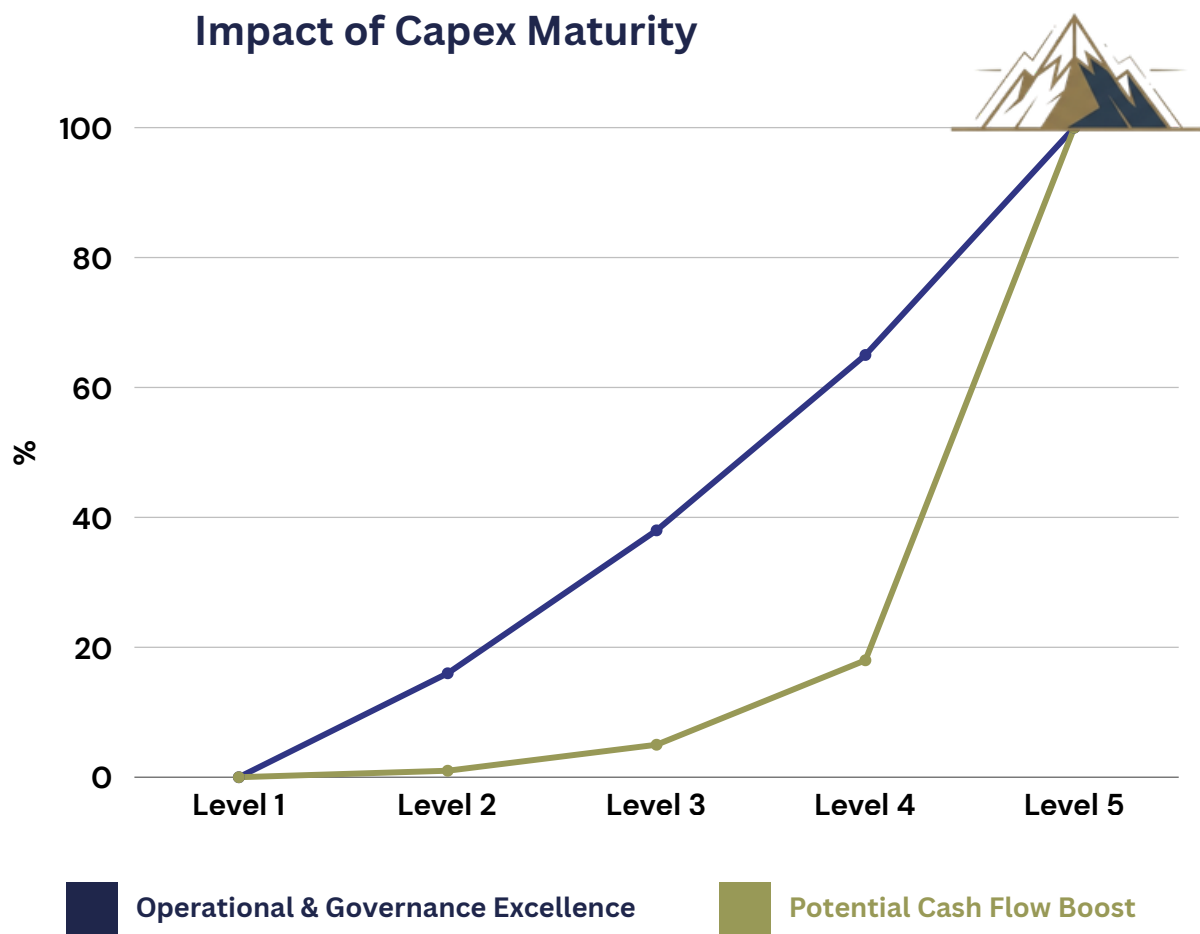
At lower maturity levels, cash-flow impact remains limited and indirect, driven mainly by efficiency gains.

At Level 4, organizations typically begin to see a **moderate cash-flow uplift**, often up to around 10%, as portfolio visibility and execution improve.

The **major financial impact appears at Level 5**, when a long-term capex strategy based on holistic, system-level optimization is introduced. Capital allocation shifts from incremental project decisions to strategic trade-offs across the full system, enabling a **dramatic and sustained improvement in long-term cash flow**.

A structural shift

At the highest maturity level, operational excellence is fully integrated with strategy-driven capital allocation, resulting in a structural step-change in capital productivity. The organization is no longer just doing things right - it is consistently doing the right things, in the right way.



Reaching full capex maturity requires more than efficient execution. It requires a **capex strategy** that defines how capital should be allocated over time to maximize long-term value creation.

Capex strategy provides a **long-term, system-level view** of capital allocation, based on holistic simulation of assets, constraints, and strategic choices, with the explicit objective of **maximizing long-term cash flow**. Investments are evaluated at system-level rather than in isolation.

By connecting strategy, budgeting, and execution, organizations achieve **full capex maturity (Level 5)** – combining **high operational excellence** with **significant and sustained cash-flow improvement**.

Where does your organisation stand today?

Level	Process	Data	Visibility	Cash Flow Impact
Level 1	Manual / Local	Spreadsheets	Limited	None
Level 2	Standardized but manual	Scattered	Manual consolidation	None
Level 3	Digital / Generic	Fragmented	Partial	None
Level 4	Unified / Structured	Centralized	Reliable / Portfolio-level	Moderate
Level 5	Continuous / Strategic	Integrated with Strategy	Predictive / Holistic	Strong and sustained

Weissr Capex: purpose-built for the highest level of maturity

Weissr Capex is a purpose-built SaaS platform designed to support the highest level of capex maturity, integrating long-term capex strategy, capital budgeting, and capex management in one governed environment.

It is developed by Weissr, a Swedish company and recognized capex thought leader with decades of experience supporting capital-intensive organizations worldwide.

For decades, we have partnered with some of the world's largest capital-intensive companies. Our approach has been proven across more than 1,000 production sites globally, representing a combined replacement value of over \$700 billion.

🌐 sales@weissr.com

☎️ +46 031 93 47 77

✉️ www.weissr.com