# CFOs optimistic about profit margins amid economic pressures



Financial leaders across various sectors continue to navigate a landscape characterised by economic pressures, including inflation and labour challenges. As they adjust their long-term business strategies, many Chief Financial Officers (CFOs) remain optimistic about their ability to enhance profit margins this year. This optimism is notably influenced by the potential of investments in emerging technologies, particularly artificial intelligence (AI), according to a recent study conducted by the spend management software provider, Coupa Software.

As companies strive for improved efficiency, many industry experts emphasise that investing in new technologies or refining existing software is pivotal. Michael Agresta, CFO of Coupa, articulated the importance of these investments, stating that they represent a “fundamental way” to enhance internal processes and boost employee productivity. He stated, “You can't just say, ‘hey, run faster,’ and they run faster. You have to actually change things for them,” highlighting the necessity for tangible changes in workflow to enhance efficiency.

The current emphasis on profitability signals a shift in perspective, particularly within the technology sector, which has traditionally operated under a “growth at all costs” model. Agresta noted that increased pricing pressures, attributed to higher interest rates, have made this approach less feasible. He suggested that the pursuit of profitable growth represents a more sustainable strategy for scaling businesses over time, indicating a need for companies to reach a point where growth is accompanied by profitability.

Agresta assumed the role of CFO at Coupa in November. His prior experience includes serving as CFO for Pluralsight and Skupos and various positions at Eventbrite. The Coupa study revealed that a significant 58% of finance leaders recognised strategic investments in technology as a crucial factor in improving their profit margins this year. Additionally, 74% of U.S. leaders anticipate an expansion of their margins in the same period.

While reducing costs is an important aspect of financial management, Agresta cautioned that merely cutting expenses is not a sustainable long-term strategy for increasing profitability. He stressed the importance of fostering a “healthy, growing business” through focused investment. To achieve higher revenue without proportionately increasing expenses, Agresta asserted that companies must work to make every employee more efficient annually.

In alignment with these principles, Coupa is also looking to enhance its internal processes through automation. Agresta revealed plans to redesign some of the company's systems to optimise operations.

The concept of harnessing technology to maximise team efficiency is not novel; companies have continually sought methods to automate lower-value tasks. However, Agresta noted that in the digital age, it is essential for business leaders to carefully evaluate the technologies they choose to implement. Without proper guidelines or dedicated technology teams, businesses may face challenges such as redundant systems or “shelfware,” which can inflate costs without significantly boosting productivity.

He also pointed out the challenges associated with software implementation, stating, “Once you put it in, it's really hard to take out,” underscoring the high retention rates for software that can complicate technology management.

Emerging technologies, particularly AI, present both significant opportunities and risks. Agresta cautioned that while AI holds promise, it is still in its developmental stages, and businesses may lack the necessary data to accurately assess its long-term impacts or return on investment. He advised that a conservative approach should be employed in critical areas where accuracy is paramount and to cautiously assess AI’s deployment until it is proven effective in lower-risk applications.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://monexa.ai/blog/coupa-software-redefining-business-spend-managemen-COUP-2025-02-20> - This article supports the claim that Coupa Software is emphasizing the integration of emerging technologies, such as AI, to enhance business processes and profitability. It highlights Coupa's strategic partnerships and innovations in business spend management.
* <https://www.coupa.com/resources/the-strategic-cfo-rebuilding-confidence-unlocking-the-potential-of-ai/> - This report from Coupa explores how CFOs are using AI and their plans for future investments, aligning with the article's focus on AI's potential in enhancing financial strategies.
* <https://get.coupa.com/rs/950-OLU-185/images/2023_Coupa_CFO_survey_report.pdf> - This report highlights CFOs' priorities in investing in digital transformation and automation to improve financial maturity and respond to economic challenges, supporting the article's emphasis on technology investments.
* <https://www.noahwire.com> - This source is mentioned as the original article's source, providing context for the financial landscape and CFO perspectives discussed.
* <https://www.coupa.com> - Coupa's official website provides information on its business spend management solutions and technology innovations, supporting the article's discussion on Coupa's role in enhancing business efficiency.