

The Finance and Business Synergy Report

Exploring the challenges, benefits and
future of collaboration across Europe

PEO

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Why collaboration? Why now?

If you're familiar with Pleo then you might be wondering why we're talking about collaboration. In the past we've talked about effective spend management, the role of the CFO, and the state of spending – basically, anything spend and finance-related.

But collaboration is a huge part of all of this.

How the finance team interacts with the other departments across a business is a major part of how organisations can flourish and turn their ambitions into reality.

True, there's more than a smidge of hesitation about business growth out there – recessions, inflation and political change will do that. And businesses are a bit on edge, with 65% of companies from the markets surveyed saying they are in a constant state of readiness/resilience. But there's also a good deal of cautious optimism and companies can sense opportunities.

What's missing is the transparency, visibility and, you guessed it, collaboration they need to seize them. To dig deeper into this, Pleo has launched its first Finance and Business Synergy Report – an in-depth look at the challenges, benefits and future of finance and business collaboration across Europe.

In this report, we surveyed more than 2,800 finance decision makers in the UK, France, Germany, Spain, the Netherlands, Denmark and Sweden to delve into how their finance teams and other departments collaborate – including their challenges, predicted solutions, outdated perceptions and more.

The results are eye-catching and show just how critical collaboration is. Without it, businesses are making poor decisions, rash cuts and missing out on opportunities to develop as a team and as a business.

So, how do we fix this?

72%

of respondents say improving collaboration between finance and other departments can make them a more resilient and financially successful company.

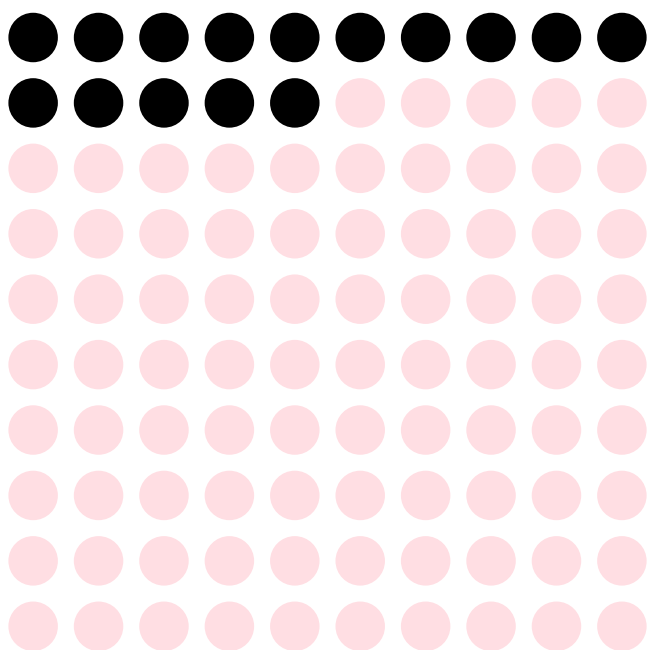
28%

Key Findings for the UK

Respondents in the UK were the most likely (71%) out of all markets to agree that recessions and other macroeconomic factors have put increased pressure and expectations on their CFO and finance team.

The majority (60%) of UK organisations say that bad spending decisions are related to a lack of communication, understanding of needs and collaboration.

85% of UK businesses have reduced spending in the past 18 months.



47% of UK businesses regret making drastic cost cuts in the past 12 months.

66% of respondents in the UK say that if they had better insights into other departments and had greater collaboration, they likely would have made better spending decisions in the past.

79% of UK organisations agree that you have to spend money to make money.

76% of organisations in the UK say that spend management platforms drive effective collaboration between the finance team and the other departments.

61% of respondents based in the UK believe that AI will help them collaborate better.

86% of UK businesses agree that effective spend management is critical to the success of their business.

“Growth remains a central focus for the UK in 2024, but once again British businesses are striving to do more with less. Growth has been a priority for the governments of yesterday and today, however, what might sting for the Labour Party is that despite coming into office as recently as July 2024, over a quarter of the UK businesses struggling to grow blame the recent change in government as one of the top three factors.

However, despite these challenges and budget cuts, the majority of UK finance decision makers say their business ambitions have increased. This points towards the need for better cross-organisational collaboration and digital tools to reduce the busywork burden on teams and restore their attention to higher priority tasks.”

Chapter One

Growth plans and
growing pains

Spend management and financial stability remain integral to business success

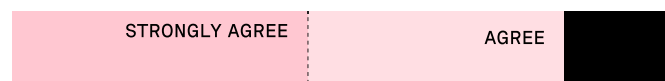
The majority of businesses agree that effective spend management is critical to the success of their business. This is one finding that can be placed firmly in the “not surprising, but thank goodness people think so” bracket.

After all, effective spend management is integral to running an efficient business and ensuring saving, as well as spending, is driven by data-based decision making.

84% of businesses agree that effective spend management is critical to the success of their business



But only 45% of businesses are in 'strong agreement'



THE REACH OF EFFECTIVE SPEND MANAGEMENT

76%

of respondents say that effective spend management promotes a culture of responsibility and openness across their business

78%

agree that effective spend management is a tool for the entire company, not just finance

However, there's still room for education. With less than half in strong agreement – suggesting the benefits are not being felt as widely as they should be.

This isn't just for the benefit of the bottom line either, with the majority of respondents saying that effective spend management is a tool for the entire company, not just finance.

Visibility is lacking – and the fallout is being felt

If effective spend management is so ... effective, why isn't every company doing it? One reason is because they are missing one key ingredient: collaboration.

Collaboration is integral to effective spend management with almost three in five (57%) organisations saying that bad spending decisions are related to a lack of communication, understanding of departmental needs and collaboration. This was even higher for French businesses at 62%.

What's more, 41% of businesses only 'somewhat agree' that they understand the role and business impact of other departments well enough to make budget cuts/judgements. When this understanding is the difference between knowing where to invest and where to pull budget, it's clear that organisations are leaving a substantial margin for error.

While 85% of organisations recognise that transparent and honest conversations lead to greater/more accurate visibility for financial projections...

50% of businesses regret making drastic cost cuts in the recent past

50%

Only 23% don't regret making drastic cost cuts

23%

65% say that if they had better insights into other departments they would have made better spending decisions

65%

This lack of understanding could be why one in two businesses regret making drastic cost cuts in the recent past – a figure that climbed as high as 56% in Germany. In terms of where the cuts hurt the most, more than half (51%) of businesses agree that recent marketing cuts have meant it is harder to grow at the pace they want to.

"Having the right level of oversight doesn't mean finance teams necessarily need to know every single detail about other departments. But they do need to know what are the right levers to pull and what the consequences are, and without this knowledge at least part of their decision making will be based on a hunch."

→ Søren Westh Lonning, CFO, Pleo

Slashed budgets and steep ambitions

Across most of Europe we can wave goodbye to the recession – something businesses are more than happy about, with 63% feeling optimistic and setting their sights on growth. However, in Spain where the recession lasted for longer, 60% of businesses say they are reticent of growth and are still in recovery mode.

65%

of companies say they are in a constant state of readiness/resilience

66%

say that the situation has increased the pressure on the CFO and finance team as a result. This climbed as high as 71% in the UK

This feeling of caution isn't slowing things down though – especially ambitions. Suggesting that business growth strategies are taking the 'pull the rabbit out of the hat' approach.

↓ 40% of businesses say their budgets have decreased
↑ 22% say they have increased

↑ 44% say their ambitions have increased
↓ 23% say they have decreased

Spending is being reduced across the board with 87% of businesses cutting their spending in the past 18 months. This figure climbed as high as 91% in Sweden and fell to 76% in nearby Denmark.

In terms of the amount spending has declined in the past 18 months, more than one in four (26%) say they have reduced theirs by 6-10%. While 23% have reduced spend by 11-15%, with the average amount across markets being 11%.

OBSTACLES TO GROWTH

Rising costs

64%

Skill shortages

31%

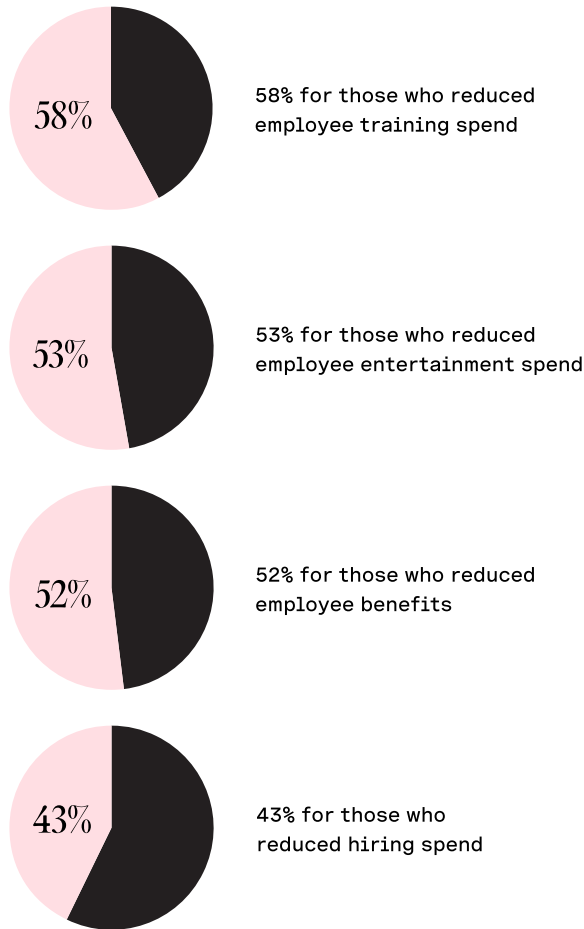
Budget cuts

27%

Lack of digital transformation, including AI

14%

79% of businesses say their organisation is growing at the pace they want to, but this falls to:



NOTE: Reduced spending = by more than 40%

This underlines the positive impact talent and employee engagement can have on growth – reiterating that what businesses do, they do with their people.

Businesses agree – you have to spend to grow

It might be an old adage, but it still carries weight – you have to spend money to make money. But too often businesses think the path to success is through saving instead of spending. Almost three in five (58%) agree that saving is seen as virtuous while spending is portrayed as reckless.

77%

of organisations say you have to spend money to make money

"If businesses are to take the handbrake off and achieve proper growth, this mindset must change. Especially as more than two-thirds (69%) of UK organisations say that slowing/pausing spending can have ramifications for future growth opportunities. This is one area that is often overlooked, and careful cost-cutting (alongside budget increases) could be greatly improved by better knowledge sharing and collaboration across departments to help make smarter, more strategic spending decisions."

→ Benjamin Swails, GM Northern Europe

The need for collaboration

Collaboration is a game-changer for *'safe/strategic' growth*

67%

of companies consider in-house collaboration a priority for this year

Collaboration between the *finance team* and *other departments*

72%

of companies say it can make them a more financially successful company, and that it can help them become a more resilient company - and stay agile to increasingly unpredictable external factors

Less than half of respondents rated the collaboration between the *finance team* and *other departments* as *'very good'*

IT and Operations

48%

Sales

47%

Marketing & PR

45%

HR & People

44%

Customer Service

42%

Legal

42%

The biggest benefits of *more effective* collaboration

→ Spain and Germany were the only countries to have increased control and visibility over spending and budgeting



say business growth

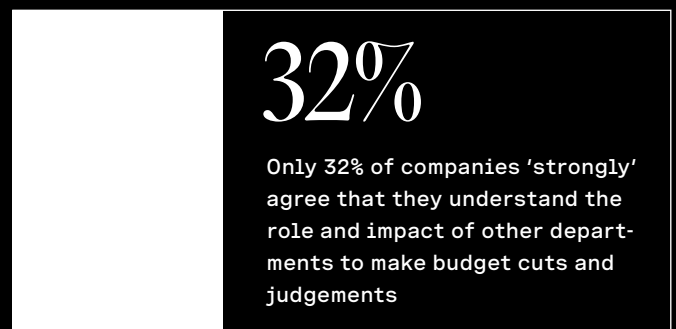


say increased control and visibility over spending and budgeting



say customer satisfaction and efficiency

Cross-organisational collaboration *requires* *improvement*

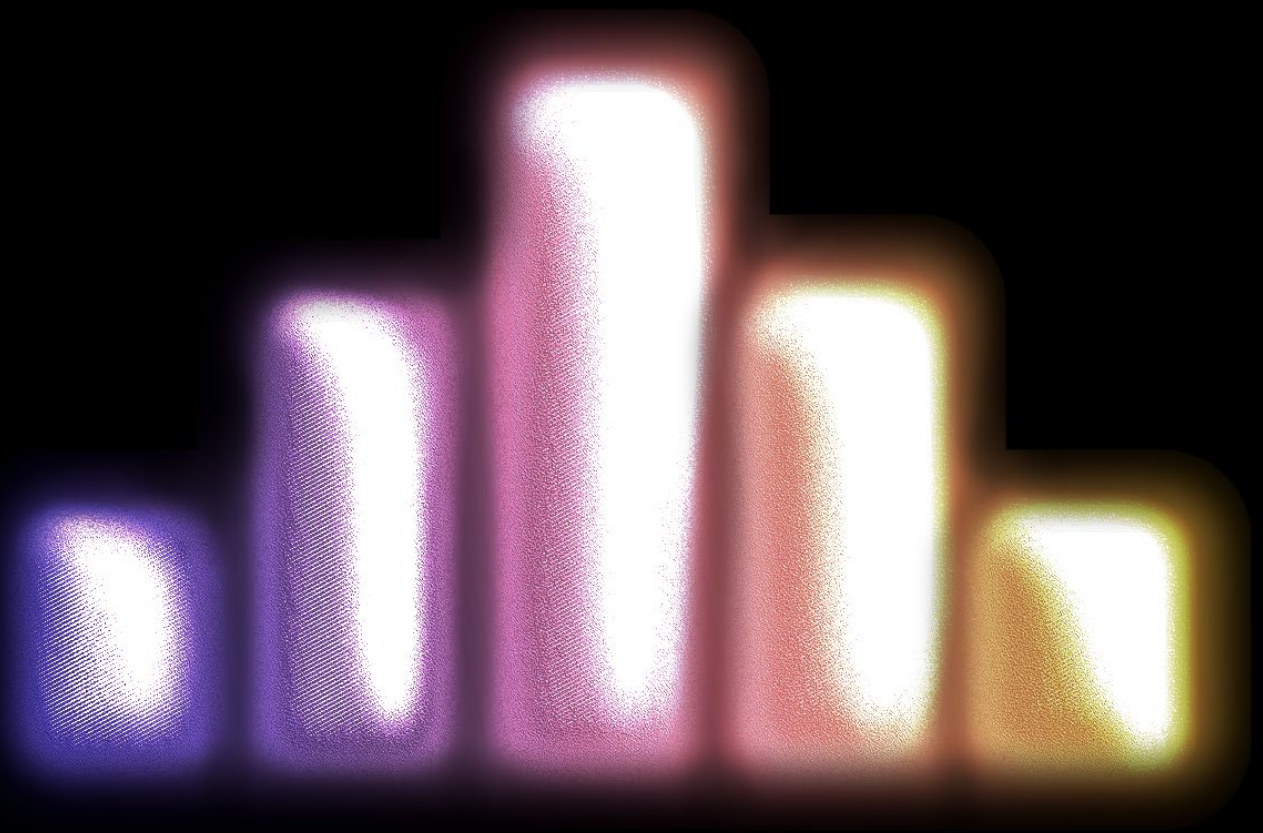


“Collaboration is critical to business success and the best companies should want their teams to win together.

If there's one thing my career has taught me, it's that no important business result can be achieved without collaboration.”

→ Søren Westh Lonning, CFO, Pleo

Chapter Two



The challenges
facing collaboration

The most common blockers to collaboration

Collaboration is vital to business success. But businesses agree that blockers can stem from a number of areas, from infrastructure to technology to mentality.

While 68% of businesses say that silos across the business – whether communication, departmental or hierarchical-based – make it difficult for the finance team and other departments to effectively collaborate with one another. This figure rose to 75% for businesses in France and fell to 55% for those in Denmark.

64%

of businesses say that departments being territorial and refusing to share or be transparent about plans and budgets makes it difficult to effectively collaborate

This could be why 58% of businesses say that department budgets are created in silos with little involvement from teams until they are submitted.

Further, 62% say that an unprogressive mentality means individuals are stuck in their ways, opposed to change and unable to see the related benefits of collaboration between finance teams and other departments. This figure climbed as high as 70% in Spain – a full 22 percentage points above Denmark.

One example of this outdated mentality is how the finance team is seen in the context of the wider business.

73%

of businesses say that the team is thought of as a back-office function, responsible for admin, expenses and little else

While more than half (53%) of organisations agree that their finance team is held back by time-consuming admin and unable to build the strategic relationships needed for true collaboration.

Stubborn perceptions stand in the way of collaboration

Finance leaders today occupy a supporting role that can help shape strong strategies, superior investment making and efficient business growth. But because of the sensitive nature of money and the business need for accuracy and accountability, finance often becomes a spiky topic between departments.

59% of businesses say they agree that the perception of the finance team as being “difficult to work with” makes it difficult to effectively collaborate

AGREE

33% of Danish businesses disagree – the highest out of all markets

DISAGREE

55% of businesses say that teams and individuals feel intimidated by the finance team and think they will get in trouble by asking questions

AGREE

This sense of not appearing approachable or entertaining questions and queries is creating nervousness around finances and makes it difficult for teams to effectively collaborate.

This is not necessarily a fault of the finance team – but something rooted in general anxiety about wading into company finances. For instance, 58% of businesses agree that those outside of the finance team are concerned they do not understand finance and that they'll mess something up.

One way finance teams can change this is by brushing up on their soft skills. Finance might be seen as a discipline built on hard skills such as data analysis and budget forecasting, but a soft skills approach can go a long way to smoothing the edges of the role in the eyes of other departments. This can then help finance leaders and their teams to become business accelerators; to be the change makers their companies need them to be.

The biggest financial collaboration blind spots

While attitudes need to change around the role and approachability of the finance team, a more practical factor that businesses can improve is the finance team's visibility. Responsible for allocating budgets and controlling spend, the finance team must be all-seeing. But according to the research, too many blind spots persist to ensure their decision making is accurate.

According to the *finance* team

46% Variable costs and risks e.g. ad spend that could climb, temporary hires etc.

43% Primary cost drivers and how the budget is allocated (what are they spending on and how much)

35% Strategic opportunities with uncertain ROI, e.g. attending an event that could lead to networking opportunities/new business

30% People/talent management, e.g. hiring plans, lay-offs

29% Overall departmental strategy and goals

29% ROI (what will be the impact)

According to *other departments*

38% Variable costs and risks e.g. ad spend that could climb, temporary hires etc.

30% People/talent management, e.g. hiring plans, lay-offs

30% Overall departmental strategy and goals

29% Strategic opportunities with uncertain ROI, e.g. attending an event that could lead to networking opportunities/new business

25% Primary cost drivers and how the budget is allocated (what are they spending on and how much)

25% ROI (what will be the impact)

Building better collaboration with finance

People meets Finance

At a first glance, HR and finance teams seem very different. One focuses on hiring talent and ensuring people are happy and productive, while the other is keeping a close eye on costs and, ultimately, revenue. But if you take a closer look, you'll realise that these teams are both investment-based – the investment of people and the investment of assets to meet financial goals.

"Collaboration is a powerful thing, but too often, we let performance metrics and tasks become our key drivers. Instead, leaders should prioritise building human-centric organisations where collaboration is both productive and enjoyable. This requires a genuine curiosity about the needs of their people - because when employees are happier, the business performs better.

For this to happen, a strong partnership between Chief People Officers and Chief Financial Officers is essential. As people are typically the largest investment for a company, the two heads must work closely as one to ensure that resources are spent wisely, fostering both employee well-being and sustainable business growth. When they collaborate effectively, it creates a beautiful balance of people and performance, ensuring a meaningful return on investment for the business."

→ Fie Fisker, People & Culture Domain Lead, Pleo

Marketing meets Finance

To ensure marketing and finance are working towards one unified vision, marketing strategies need to be aligned with the financial goals of the company. Similarly, joint planning allows finance and marketing to balance creative marketing initiatives with financial viability, paving the way for long-term success.

"As a CMO, one of the most important relationships we can foster is with our finance team. Investing in this partnership allows us to build trust and understanding.

From time to time we are presented with short-term opportunities or time-sensitive campaigns that have the potential to drive significant growth, but to seize those, we need to be agile and aligned with our financial partners.

Having an open and collaborative relationship allows me to act swiftly, allocate resources effectively, and make data-driven decisions that benefit the entire organisation. When marketing and finance work hand in hand, we not only manage budgets better, but we also maximise commercial and reputational impact."

→ James Keating, Chief Marketing Officer at Pleo

Download [Good Work: A playbook for stronger collaboration between HR and Finance](#)

Download [Marketing meets finance: Smarter budgets, better results](#)

Sales meets Finance

Sales is often viewed as the engine room of a business, driving revenue and growth. But to keep that engine running, finance teams provide the fuel. Sales teams need resources – whether for travel, events, software, or even client lunches – to unlock opportunities. Because while sales may drive revenue, it's not a cost-free process. Whether attending industry events to meet prospects or using the right software to streamline outreach, the role of finance is essential to enabling these efforts. A strong, collaborative relationship between finance and sales can ensure strategic opportunities are funded and optimised for success.

"How the finance team collaborates with the sales team goes beyond simply enabling spending; it aligns revenue generation with financial sustainability, ensuring the company's overall success. Sales generate the company's top line through revenue, while finance manages resources, cash flow and profitability. Together, they create a clearer picture of both revenue-generating opportunities and the financial impact, enabling data-driven decisions. Finance gains accurate sales forecasts, while sales teams benefit from realistic targets based on the company's overall financial health. Over time, this collaborative approach can enhance ROI measurement, helping both departments - and the broader business - understand what sells best and where to invest for future growth."

→ Benjamin Swails, GM Northern Europe

Purpose meets Finance

According to today's businesses, there is a disconnect between the desire to act ethically and the feasibility of doing it. 62% of organisations say that ESG reporting is a crucial step in improving the sustainability and ethical impact of their company and their investments, but 57% say spending ethically is too expensive and not currently possible for their business. So how do businesses change this?

"The brutal truth is that to some businesses, sustainability and social impact can be seen as a bit frothy or distracting. CFOs can help change this mindset and bring ESG reporting closer to the business model and value creation."

→ Søren Westh Lonning, CFO, Pleo

Chapter Three

Digital tools
and the future
of collaboration

What's needed for effective and positive communication

When teams and individuals feel they will get in trouble by asking questions, it's clear that the greater the transparency, the better.

Organisations agree that transparent and honest conversations lead to greater/more accurate visibility for financial projections. This involves cutting down on the acronyms too, with 78% saying that clear, jargon-free communication can help.

85%

of organisations say that transparent and honest conversations lead to greater/more accurate visibility for financial projections

"Businesses have traditionally been far slower to adopt new technologies for managing finances. In the current economic landscape, tighter margins have underscored the need for businesses to operate more efficiently, and enterprises are looking towards data-centric digital payment technologies that enable businesses to better manage their operations and protect the health of their supply chains and working capital. By adopting digital tools businesses can streamline their operations and enhance working capital management."

→ Johanna Waara, Senior Vice President,
Commercial Solutions Europe, Mastercard

How digital tools can revolutionise collaboration

Businesses agree that digital tools have a major part to play in improving how teams work together.

77% of organisations say that spend management platforms like Pleo drive effective collaboration between the finance team and the other departments

This climbed as high as 83% of organisations in Spain

77%

57% say that incompatible tools, and their resulting issues, make it difficult for finance and other departments to collaborate effectively

57%

49% say that transparency around company finances is not encouraged and they are denied the opportunity to communicate openly with other teams

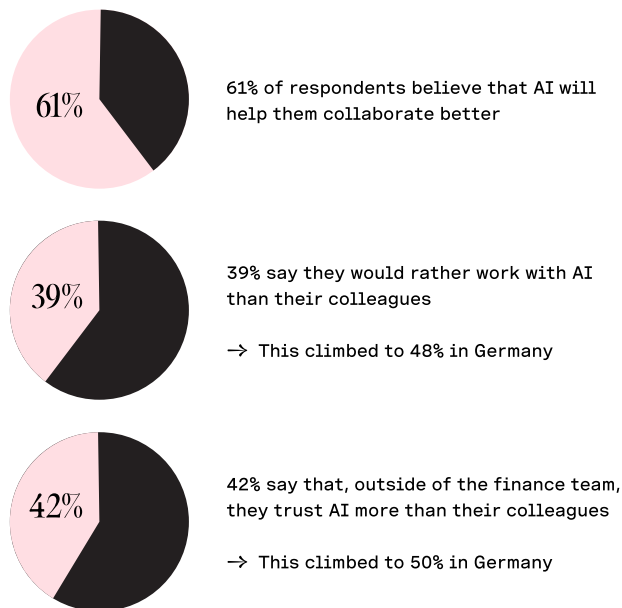
49%

In fact, organisations were more likely to agree that effective collaboration comes from spend management platforms than from internal messaging platforms (76%). This suggests that while the latter can be a melting pot of thoughts and opinions, the former can streamline communications, give full visibility and, crucially, is data-led.

How to manage the rise of AI

AI has seen a meteoric rise over the past two years, evolving from concept to something most of us use in our daily lives. But how the technology impacts work in the long term is still up for debate. There are nerve-jangling news stories about AI replacing jobs, as well as more hopeful thoughts about how it will help humans become more strategic. But how is it impacting collaboration?

HOW TO WORK WITH AI



One path to understanding why 42% of respondents trust AI more than their colleagues is that finance is a numbers game and AI is typically thought to make fewer mistakes than humans. But in the long term, AI is still in its infancy, and left unchecked, the technology can lead to errors and miscommunication. AI is not a substitute for human input and collaboration – but a supplement to it.

"AI is not a super brain that needs minimal guidance from us mere humans. The best way to interact with AI is as if it is a colleague with whom we are collaborating - a way of thinking outside our own brains. We cannot replace collaboration with AI, but we can use it to free our teams up to make the time to work better together. It won't just happen though - it'll take strategic implementation and knowing what we're doing it for in the first place."

→ Meri Williams, CTO, Pleo

Finance needs collaboration, not control

This report tells us that the concept of control in finance is evolving and what's taking its place is collaborative spending. But this relies on democratising control in finance and building strategies for collaboration, trust and transparency within finance teams.

Before they go forth and collaborate, business leaders need to remember three key takeaways:

→ Prioritise spend management

To know where to invest and where to pull budget, finance teams must prioritise spend management. The associated level of visibility not only supports decision making, but gives finance teams the confidence and clout to spend – an integral part of making money and achieving ambitions.

→ Set the scene for collaboration

If teams are going to work better together, businesses must build the right framework for them to do so. Soft skills can help teams collaborate, as can creating an environment where people have fun working together as part of a positive culture.

→ Employ the right tools

Collaboration can go the extra mile when supported by accurate, real-time data. Investing in digital tools empowers teams to eliminate manual work and to bring game-changing insights to their decision making – something that can supercharge business outcomes.

Methodology

The research was conducted by Censuswide, among a sample of 2,853 finance directors through to administrative staff in the finance department with visibility over company finances (specifically expenses) (50-499 employees) across the UK, France, Germany, Spain, Netherlands, Sweden and Denmark. The data was collected between 19.08.24 – 30.08.24.

Unless stated otherwise, when respondents say they “agree/disagree” this is a combination of “strongly agree/disagree” and “somewhat agree/disagree” answer options.

When respondents say their budgets or ambitions have increased/decreased, these are net increase/decrease answers in response to statements presented to them.

Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.

About Pleo

Pleo is Europe's leading spend management solution that enables companies to run their finances efficiently to promote business success. From expenses to reimbursements to invoices and subscriptions – all your company spend in one place. Making spend management surprisingly effective, and letting you go beyond the books.

Over 37,000 customers have saved up to 138 hours a year on administrative tasks, with 99% feeling their company money is more secure by switching to Pleo's digital finance platform. Helping businesses of all sizes stay on track and meet their financial goals at every stage of their journey.

Founded in 2015 in Copenhagen, Pleo powers billions of euros of purchases each year.

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