

Capital Allocation with IFS Copperleaf



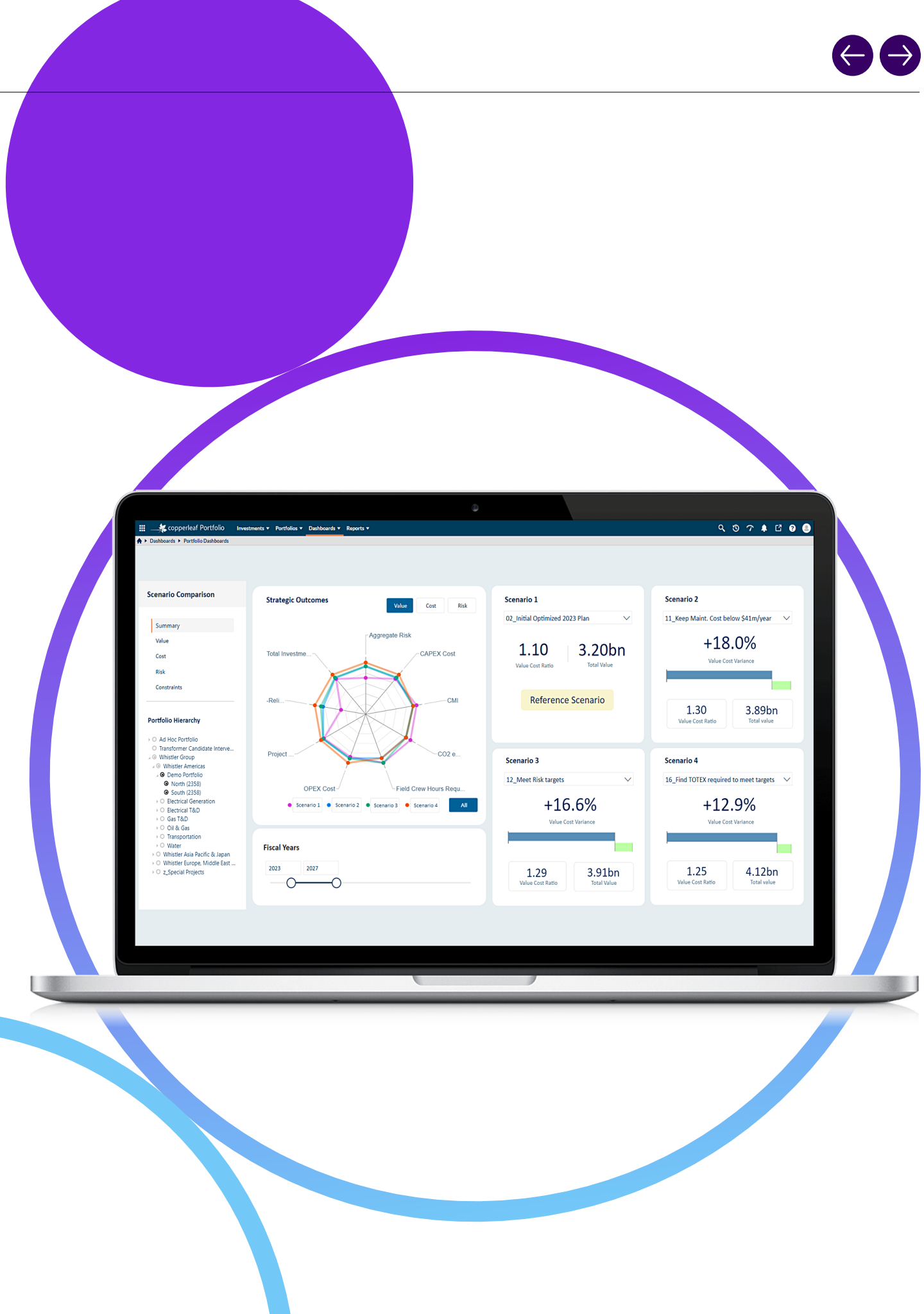
Enterprise Capital Allocation with IFS Copperleaf

Capital allocation is a critical concern for all organizations—it is how they translate their corporate strategy into action. Despite having investment processes in place, many lack a clear capital allocation framework to structure, prioritize, and guide deployment decisions effectively. This absence often leads to isolated project assessments and opportunistic investment decisions, rather than a cohesive, portfolio-wide approach.

Today’s volatile macroeconomic environment is increasing pressure on CFOs to improve how they make capital allocation decisions across their business divisions, both in where capital is currently allocated, as well as determining where best to invest in the future. Failure to make the right capital allocation decisions can result in disaster for the organization, from rifts with shareholders to job loss and organizational failure. Embedding capital allocation discipline into an organization’s culture is essential for fostering value creation, capital efficiency, and clarity in decision-making, enabling businesses to withstand macroeconomic shocks and navigate future uncertainties.

Developing capital discipline

Capital discipline is a shift from focusing purely on production volume to focusing on delivering financial value. This requires companies to instill a structured capital allocation framework, process, and governance across their business units to ensure capital is directed to those initiatives that deliver the best financial outcomes for the business overall. Many organizations recognize the urgent need to adopt capital discipline principles in order to prioritize and manage investments effectively, ensuring sustainable growth and maximum value realization in an uncertain economic environment. However, despite having an investment process in place, many lack a clear capital allocation framework to structure, prioritize, and guide deployment decisions that create value and drive their desired strategic outcomes.



Value-based capital allocation

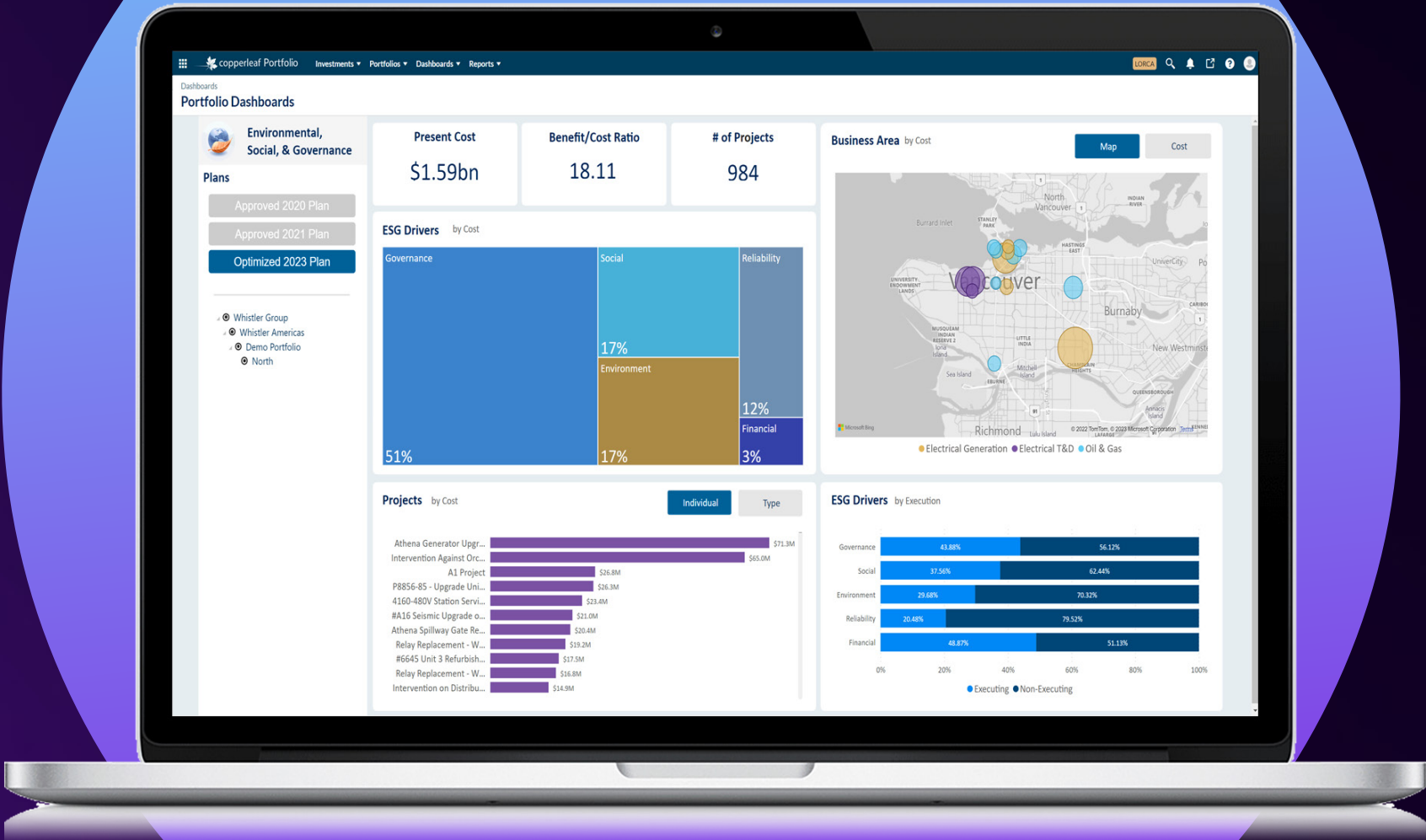
The most effective capital allocators use a clearly defined decision-making framework that includes their key value drivers and is aligned to their corporate strategy.

This framework ensures that capital is directed towards initiatives that maximize long-term financial value and deliver their strategic outcomes, and it provides transparency into how CAPEX has been managed and approved.

IFS Copperleaf Portfolio™ provides a rigorous, value-based decision-making approach to evaluating, prioritizing, and managing capital to maximize financial value and drive strategy. Capital allocation decisions are made using the IFS Copperleaf® Value Framework.

This framework assesses all investments using an organization’s unique definition of value, and can include a diverse set of value measures, including return on capital employed, environmental, social, and governance (ESG) factors, revenue, shareholder value, expansion, and more. Applied across the enterprise, this framework ensures competing priorities from different business units can be fairly compared to allow for the correct trade-offs to be made, breaking down siloes to create the best plan for the entire organization.

IFS Copperleaf’s AI-powered portfolio optimization determines which investments will deliver the most value while remaining within funding and timing constraints. This approach ensures that capital is deployed to the activities that maximize ROI.



Tailored dashboards allow you to view projects based on the metrics that are important to you.



Scenario comparison allows you to explore the impact of any number of future scenarios on your investment plans.

Assess portfolio risks with scenario analysis

The best capital allocation decisions are made when considering all investment options and assessing the impact of potential changes in the future. Companies must be able to explore multiple “what-if” scenarios to understand the risks associated with future eventualities, such as unexpected fiscal changes, inflation, evolving regulatory requirements, accelerated ESG mandates, and more. Strategic planners often use spreadsheets to manually perform scenario analysis, which is time-consuming and prone to data disparities and inaccuracies. IFS Copperleaf Portfolio enables organizations to quickly create any number of what-if scenarios to compare and contrast the impact of different funding constraints and fiscal parameters today and into the future. Uncertainty analysis can be performed to visualize future spend pathways and determine the most profitable path. This advanced multi-constraint scenario planning ensures that complex capital allocation decisions remain aligned with evolving business needs and market conditions and continue to deliver the highest ROI in the face of uncertainty.

IFS Copperleaf Portfolio provides a rigorous, value-based decision-making approach to evaluating, prioritizing, and managing capital to maximize financial value and drive strategy.

IFS Copperleaf Portfolio for capital allocation

Disciplined capital management requires cost control, risk mitigation, comprehensive scenario analysis, agility to respond to market changes, and a high level of strategic alignment to enhance performance, profitability, and drive shareholder value.

IFS Copperleaf Portfolio is uniquely equipped to support teams in evaluating complex capital allocation decisions. With an AI-powered optimization engine and the ability to build bespoke value frameworks, Portfolio empowers organizations to make optimal investment decisions, ensuring that their limited resources are directed to the most valuable initiatives. With all investment inputs and scenarios in

one system, planners can leverage a single source of truth in their investment decisions, cutting down on manual tasks and improving the quality of data used in decision-making. Organizations can benefit from an end-to-end capital allocation process, with templated project creation and business case evaluation handled through automated workflows, streamlining approvals and meeting governance demands. Once plans are underway, variances between planned and actual performance are highlighted, allowing organizations to adapt quickly and re-allocate capital to maintain optimal business performance.

Combining a disciplined approach with the experience of an organization’s planning teams, IFS Copperleaf Portfolio ensures capital allocation decisions deliver the highest possible financial value to your organization.

About IFS



IFS is the world’s leading provider of Industrial AI and enterprise software for hardcore businesses that service, power, and protect our planet. Our technology enables businesses which manufacture goods, maintain complex assets, and manage service-focused operations to unlock the transformative power of Industrial AI™ to enhance productivity, efficiency, and sustainability.

Within our single platform, our industry specific products are innately connected to a single data model and use embedded digital innovation so that our customers can be their best when it really matters to their customers – at the Moment of Service™.

The industry expertise of our people and of our growing ecosystem, together with a commitment to deliver value at every single step, has made IFS a recognized leader and the most recommended supplier in our sector. Our global team of over 7,000 employees every day live our values of agility, trustworthiness, grit and collaboration in how we support thousands of customers.

Learn more about how our enterprise software solutions can help your business today at ifs.com.

#MomentOfService