



# The *right* spend at the right time

*Growth-Oriented Capital Planning*



Capital investment, when allocated to the right place at the right time, enables strong, viable business strategy and growth. Most companies believe they are delivering profitability and productivity through their capital budgets. Yet the average company misses its plan by at least 12 percent<sup>1</sup>. Even sophisticated companies come up against this ‘capital monster.’

The capital monster can unintentionally inhibit growth unless companies:

- Develop an accurate, strategic capital budget
- Prioritize spending effectively
- Manage their spend with centralized oversight
- Execute spending consistently and holistically

Overspending causes financial strain throughout your organization, raises risk and damages shareholder trust. But have you considered the risk of underspending? It may signal a worse problem lurking beneath the surface.

When money is held back rather than invested in opportunities like improvements, the impact on your future ROI, rents and potential

foreign investments should not be underestimated. The value of your portfolio is at stake.

## Are you meeting your growth goals?

What looks like costs saved today could actually mean missed investment opportunities.

*\$8.8 billion*

JLL research shows Forbes 1000 companies underspend by this much annually

*>30 percent<sup>2</sup>*

In some cases, informed prioritization—in which managers compare and rank projects—across categories can increase portfolio net present value.

*10 to 30 percent<sup>3</sup>*

Reductions in spending for non-major projects can enable reallocations for increased benefit.

## Optimize your growth and meet your goals

If you’re consistently coming in under budget of your capital plan, learn what you’re missing out on.