Simplify Operations, Spend Smarter.

e-Procurement:

SIMPLIFY OPERATIONS, SPEND SMARTER

You've automated your accounts payable operations, simplified invoice processing, saved costs, and increased efficiencies – so what's the next step in your digital transformation journey? The procurement department.

WHY E-PROCUREMENT

Why do you need to automate your procurement process? Because it's not just about the money you save; it's about how you use cash flow to benefit business. You need to spend smarter.

Historically, there have been three main goals that drove interest in e-Procurement: **visibility, control, and savings.**

- Most companies seek e-Procurement solutions because they lack critical **visibility** into how money is being spent across the organization. And disciplined management is impossible without measurement. Simply by getting rid of paper and tracking spend in an automated system, companies can start identifying priority areas that need scrutiny.

- The second aspect that companies are looking for is **control** over spending processes. With e-Procurement, companies can better manage spend by instituting purchasing policies and tracking spend to budgets, as well as achieving compliance to regulatory requirements, and reducing rogue buying behavior.

- Cost **savings** are generated by removing paper from the equation, reducing maverick spending, and implementing strategic procurement practices. Identifying areas of spend aggregation and negotiating more favorable contracts, as well as operational efficiencies, further reduce cost.

VISIBILITY

- Spend
- Suppliers
- Contracts
- Catalogs
- Budgets
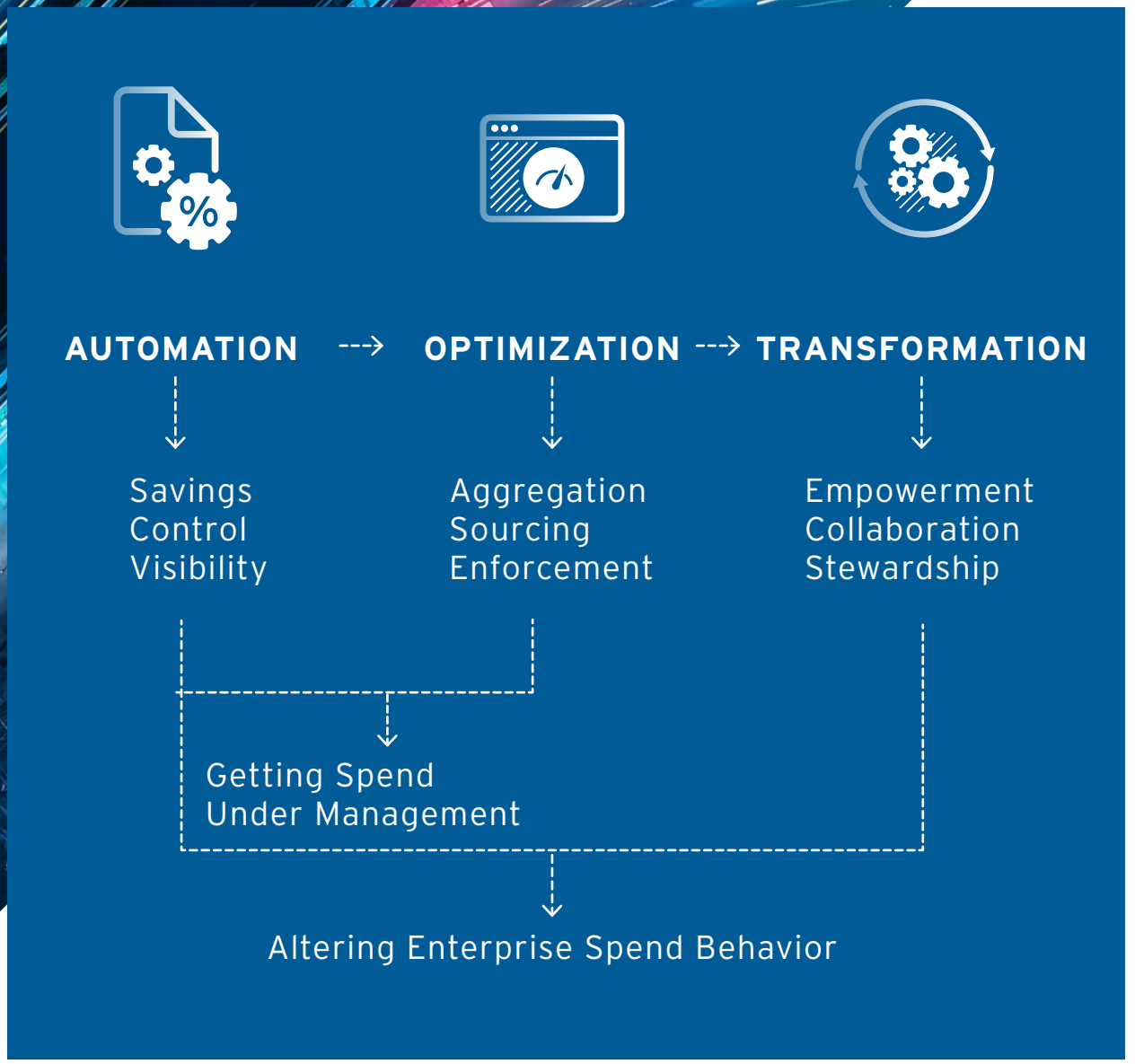- Inventory
- Assets
- Accruals

CONTROL

- Regulatory Requirements
- Compliance / Standards
- Data Governance
- Approval / Workflow
- Rogue Behavior
- Error Reduction
- Auditing

SAVINGS

- Cost Avoidance
- Contract Compliance
- Aggregated Spend
- Leveraged Discounts
- Operational Efficiencies
- Procurement ROI

AUTOMATION --> OPTIMIZATION --> TRANSFORMATION

Savings	Aggregation	Empowerment
Control	Sourcing	Collaboration
Visibility	Enforcement	Stewardship

Getting Spend
Under Management

Altering Enterprise Spend Behavior

FROM AUTOMATION TO TRANSFORMATION

In reviewing the historical drivers of e-procurement investment, there is typically a journey that starts with automation, or the elimination of paper-based manual processes. In the "automation phase", organizations build a strong foundation for procurement and AP automation, and aggregate data within the purchase-to-pay (P2P) solution for analysis and incremental improvement.

As the organization matures around the adoption of the automation solution, an iterative process of getting more spend under management occurs, which uncovers new ways to consolidate spending and source goods and services at better prices. From a risk mitigation standpoint, enforcement of policy increases over time as the organization makes activities more transparent, leaner, and simpler. This is the "optimization" phase.

As companies have become more sophisticated in their use of P2P solutions, an interesting pattern has emerged. The most strategic and innovative organizations are pushing the envelope on collaboration across the entire organization, engaging participants and providing feedback to employees on their contributions to savings - creating a culture of spend stewardship to actually change spend behavior of the organization as a whole.

YMCA CREATES SPEND STEWARDSHIP

The YMCA of the Greater Twin Cities went from 0% control over spending to 50% of spend under management in 18 months by creating spend stewardship across their user base. Their goal is to hit 90% controlled spending in the next year.

The YMCA of the Greater Twin Cities' mission is to nurture the potential of kids, promote health and wellness, and encourage social responsibility through programs at multiple locations spanning the entire state of Minnesota.

UNIQUE NEED

The YMCA had exactly 0% control over spending across their many branches, with each employee wielding a P-Card to purchase goods and services. The YMCA needed a way to demonstrate to employees how saving money could better support their mission and provide them with a new solution that would be even more convenient than a P-Card, which offered total freedom over spending.

E-PROCUREMENT

The YMCA adopted Basware's e-Procurement solution to promote stewardship over organizational funds by giving employees a system that is easy-to-use and by telling employees how they are directly contributing to savings goals.

They discovered a pivotal point in user adoption when they showed employees their direct impact on the success of the overall team. Employees began taking pride in seeing how making better choices in spending leads to substantial progress in freeing up more money that can then be used to support the mission.

Users also enjoy a system that supports them in their roles with:

- Easy-to-use functionality; similar to an online shopping experience
- Automatic matching – no collecting /submitting of P-Card receipts
- A variety of supply choices
- The ability to compare prices to get the most value
- Opportunities to collaborate with others on cost-saving initiatives

RESULTS AFTER 18 MONTHS

- Spend under control increased to over 50%
- Achieved 25% savings on spend compared to previous year
- Procurement focused on strategic initiatives, not fielding complaints
- User adoption increased 30%
- Continued access to actionable data
- Supplier management transformed from tactical to strategic

" With e-Procurement, our adoption rate surged 30% and our savings increased 25% over the previous year. Our employees needed more participation in the procurement process, and giving them the ability to recommend items and see the savings they were producing created community engagement."

Heidi Murphy, Director of Procurement
YMCA of the Greater Twin Cities

The YMCA of the Greater Twin Cities is a leading nonprofit dedicated to strengthening communities through youth development, healthy living and social responsibility. To learn more, visit www.ymcamn.org.

100% USER ADOPTION & 100% SPEND VISIBILITY

Automating your AP department gives you a wealth of rich data for analytics, but if you don't have an e-procurement solution as well, you're not able to truly get 100% spend visibility and all of your spend under management. For true spend visibility, all your procurement must be processed through the P2P solution, which means your end users have to use it. Not just some of the users, or most of the users, but truly all of your end users have to be managing 100% of their purchasing through the system. You can't achieve that status by mandating it, and you can't even achieve it by having a procurement solution that is "user friendly." The Basware e-procurement system is designed to fit seamlessly into the way that end users are already doing their jobs. In other words, employees use the procurement system because it is truly the easiest and fastest way to get the good and services they need, not because they are forced to use it by the procurement department. With 100% user adoption all spending information is fed into your overall data profile for unparalleled visibility over organizational spend.

GET MORE ROI

In a commissioned research study, Forrester found that organizations that leveraged an integrated P2P solution could see a 315% return on investment. After interviewing Basware customers and analyzing their data, the study found that an integrated P2P solution "provides procurement staff with enhanced visibility of who is buying what from whom, so they can further consolidate suppliers, bring more spend under management, improve contract compliance, and reduce wasteful purchases." For the representative company in the study, the associated savings from automating procurement have a three-year, risk-adjusted present value (PV) of approximately **$3.84 million.**

TAKE THE NEXT STEP

Expanding automation across more operational aspects of your business creates a holistic infrastructure so you can reap the benefits of global efficiency and compliance and prepare your company for the future. As you aggregate 100% of your financial data into one P2P platform, you will be able to apply advanced analytics and make strategic decisions based on a complete picture of your financial profile. You'll have the data to feed emerging technologies like artificial intelligence and machine learning and propel your business to the next level. Take the next step today – learn how to transform your purchasing operations with e-procurement.

basware
Simplify Operations, Spend Smarter.

TODAY.
TOMORROW.
THE FUTURE.

Contact us to discuss what's next in your digital transformation journey and how we can help elevate your procurement department's performance.

GET IN TOUCH