



corcentric™

How CFOs Keep Companies Nimble by Aligning Procurement and Spend



Today's Presenters



Diego De La Garza | Senior Director, Global Services & Delivery, Corcentric

Diego is a three-time Supply and Demand Chain Executive Pro to Know, and winner of the Council for Supply Management's 2016 Emerging Leader Award. At Corcentric, Diego applies more than a decade of insight and experience to design and implement a holistic service offering encompassing full-suite solutions and comprehensive advisory support. He has delivered thought leadership presentations across North America and Europe and addressed topics including Nearshoring, Risk Mitigation, Procurement Transformation, and empowering emerging professionals.



Joe Fleischer | Editorial Director, Finance Channel, Argyle Executive Forum

In his role as finance channel editorial director with Argyle Executive Forum, Joe Fleischer focuses on developing webinars on topics that reflect the primary concerns and priorities of senior finance executives. He is based in New York.

About Corcentric

Corcentric is a global provider of market-leading Source-to-Pay, Order-to-Cash and Fleet Solutions.

From the mid-market to Fortune 500 businesses, Corcentric delivers strategic advisory, technology and managed services focused on **reducing cost to improve working capital.**



Who We Are



Founded in
1996



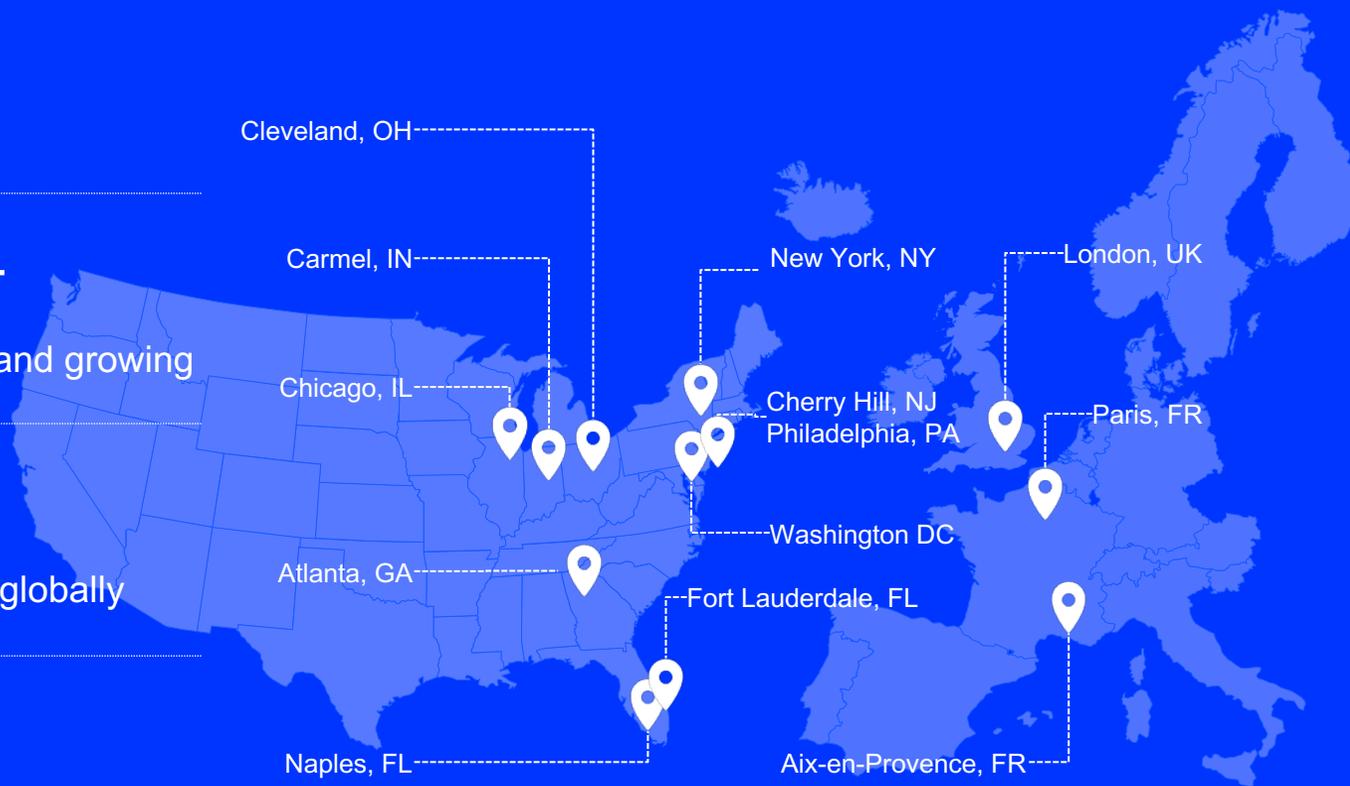
6,000+
customers and growing



500+
Employees globally



15
global offices (locations)
US & Europe



\$227B+
in transaction value



32M+
transactions processed



95%+
customer retention rate



35+
countries deployed
solutions



Learning Objectives

How finance leaders break down silos and achieve alignment between procurement and spend.

1. How finance leaders can prevent shadow procurement
2. What phases of the procure-to-pay cycle that lend themselves best to automation
3. How to maintain a fully auditable procure-to-pay process

What is Shadow Procurement?

And how can finance leaders prevent it?



What is Shadow Procurement?

Procurement that operates outside of “official” delineation

Not within the boundaries of established systems, policies and procedures

People are savvy enough to find shortcuts and circumvent those processes

Clarity on resources, policies and procedures is lacking

Buyers are used to doing things one way, or the way they do it is easier than the right process



Our site needs a new hammer, I can just get “any hammer” from Amazon and use a company card. Even when a pre-negotiated catalog with Grainger exists because...[insert reasons here]

Impact of Shadow Procurement

Following the “easy process vs. not the right process” translates into:

Which Results in:



Buying the **wrong thing**



Buying at the **wrong price**



Buying from the **wrong vendor**



A combination of these



Lost Savings



Lack of compliance



Reduced Visibility



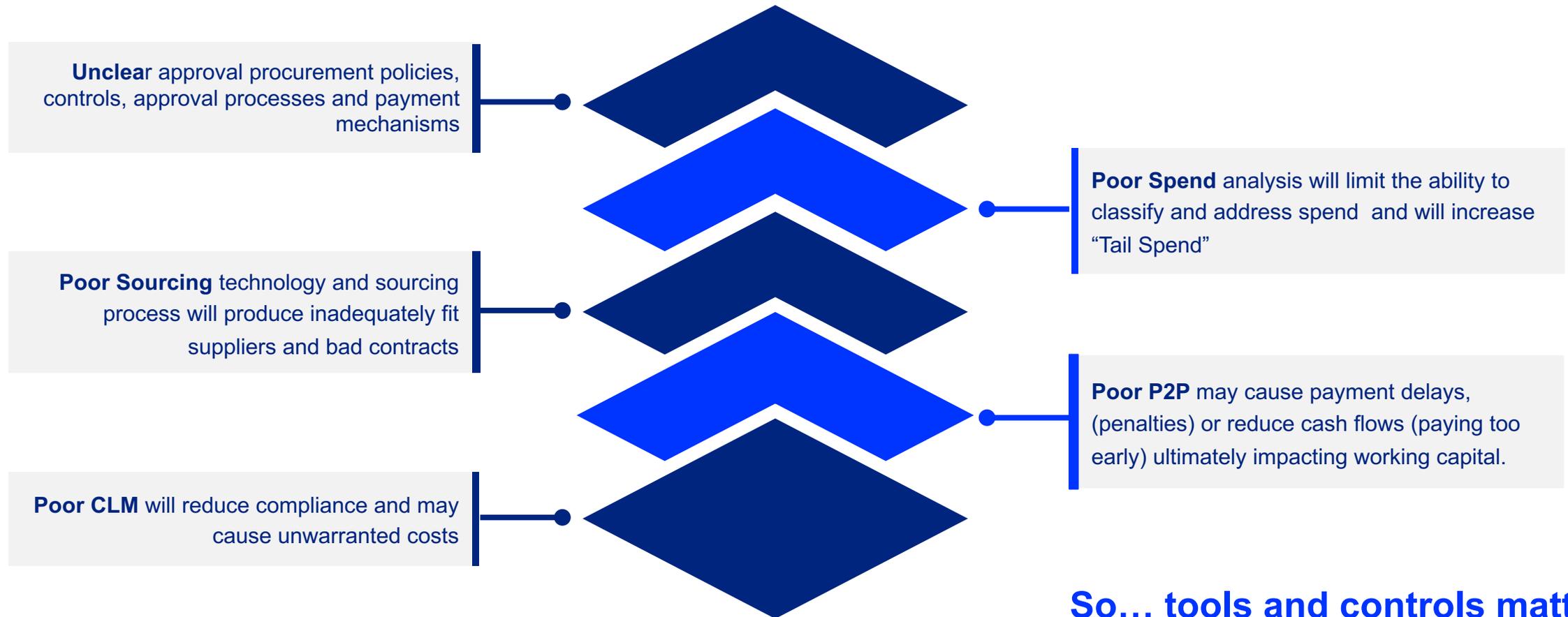
Limited controls



Increased exposure to risk

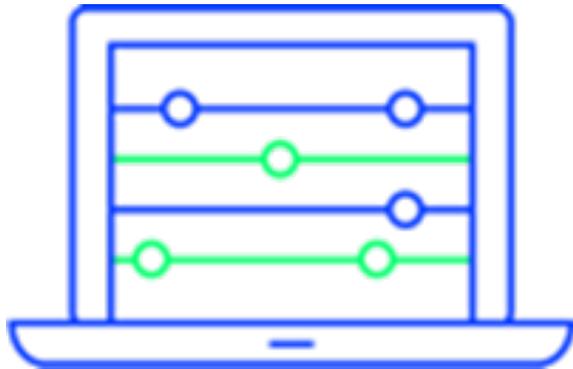
Why Does it Happen?

Because of system inconsistencies that compel buyers to use their judgement instead of following policy and leverage tools the right way.



So... tools and controls matter

How to Prevent It...



Orchestrating:

- People and Organization
- Policies and Procedures
- Tools and Technologies
- Governance

Automating and
Enabling

Reassessing
Design

Understanding
the Environment
Influencers

Automating the Procure-to-Pay Cycle

Which phases lend themselves best to automation, and which require finance leaders' direct oversight?

A Minute on Spend Management

Adequate Spend management starts with understanding spend, we see spend analysis as the first relevant piece of the procurement analytics and a key element of the Procure to Pay process.

Spend Analysis in the Short Term Will:

- ✓ Drive cost reduction
- ✓ Improve cycle times
- ✓ Process efficiency and staff productivity

Spend Analysis in the Long Term Will:

- ✓ Create better demand management
- ✓ Enhance business planning and optimize the supply chain



Organizations with better spend analysis strategies tend to have better procurement processes and robust supplier relationships. **According to APQC companies without adequate spend analysis pay more than double of those companies who do.**

Procure-to-Pay

**Adequate
Spend
Analysis
Leads to
Adequate
Spend
Management
by...**

Automating manual tasks to improve processing times and boost productivity.

Automating approval processes and workflows reduces risk.

Centralizing a data repository for spend management to manage working capital.

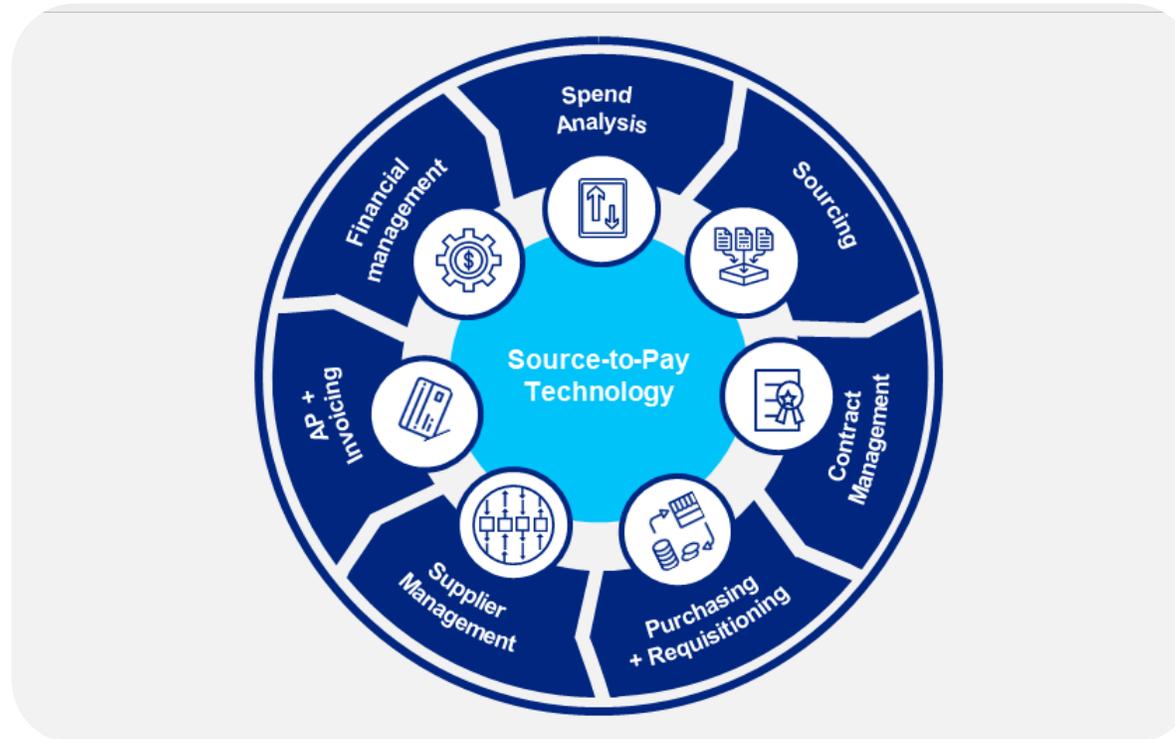
Enabling organizations leverage supplier performance and related data to improve relationships

Facilitating visibility, lowering the cost of ownership, and identifying opportunities for consolidation.

Making the right process the easy process, which maximizes adoption and sustainability.

Beyond The P2P Process

Recognize adequate P2P is preceded by adequate sourcing. It's really about the right Source-to-Pay process.



“Isolated solutions address major challenges, but to achieve global objectives, it is necessary to adopt a holistic approach to purchasing and financial processes.”

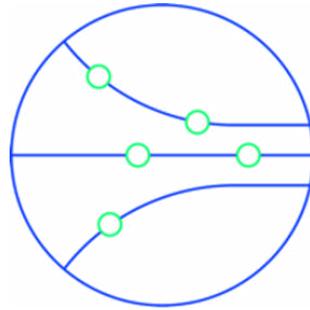
*Décision-Achats
7 August 2019*

Ultimate Benefits



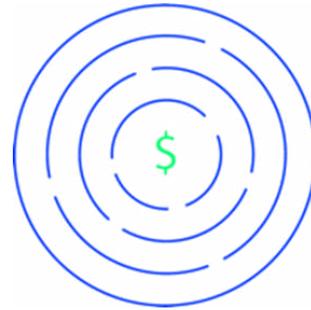
Right Cash Flows

“Pay vendors on time every time”



Increased Efficiencies

“Sync Technology with People”



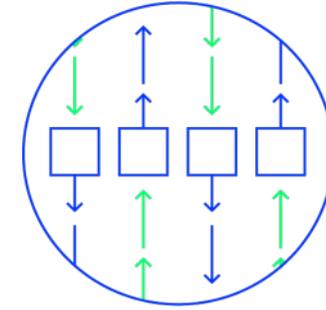
Maximize Compliance

“Manage to contract”



Capture Savings

“Pay the right price from the right vendor”



Manage Risk

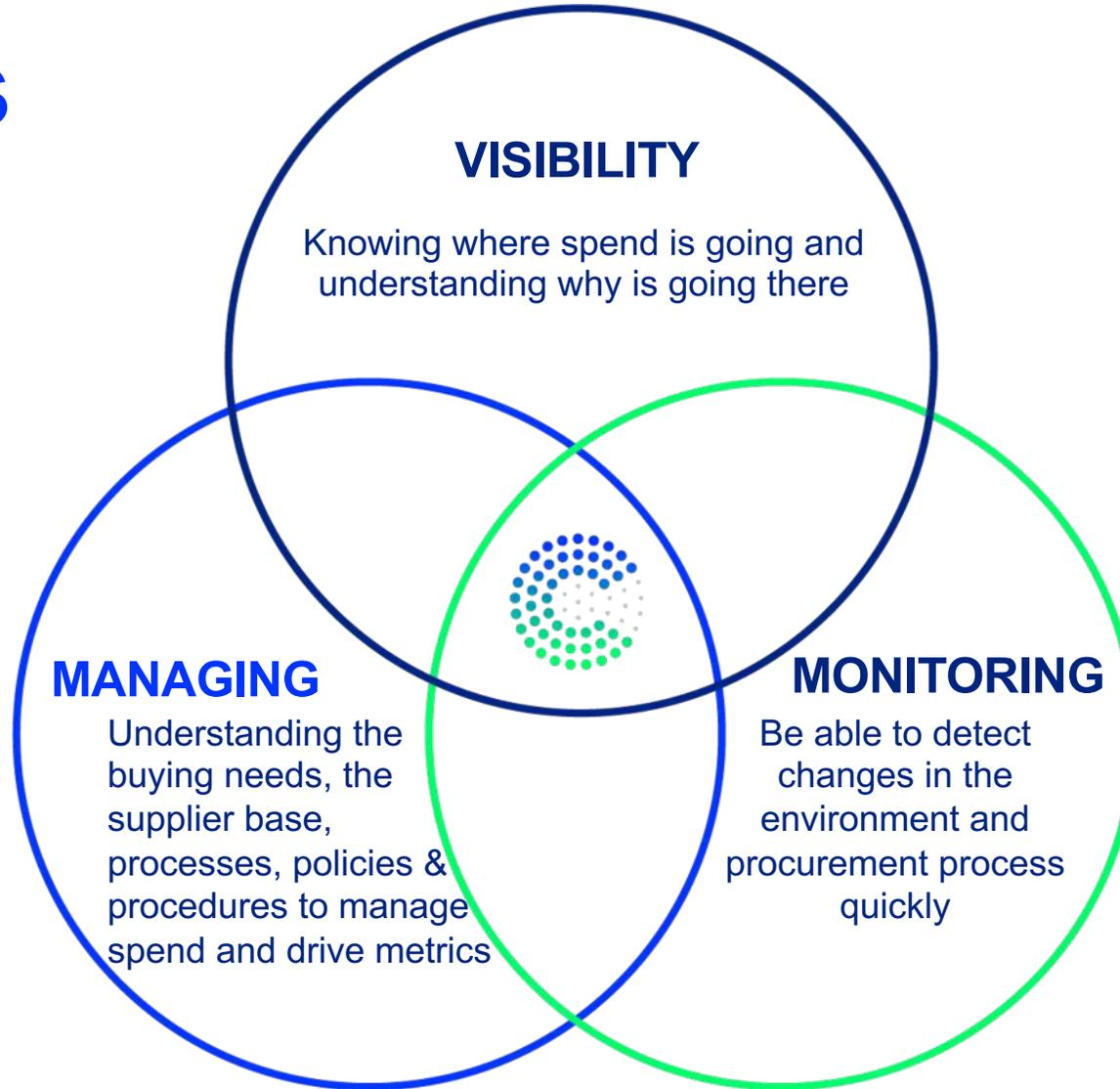
“Unlock Supplier Relations”

How to Maintain a Fully Auditable Procure-to-Pay Process

A disciplined yet nimble approach to spend management



Virtues



OUTCOMES

Minimize Risk

Enhance Visibility

Increase EBITDA

Improve Working Capital

Drive Innovation

Enable Growth

Increase Business Agility

CFO & CPO



Savings

Cost savings and Cost reduction - A Dollar saved > A dollar earned



Value

When procurement is done right it increases efficiencies, eliminates redundancies, drives innovation and increases sustainability



Adoption

To call in procurement and its technology solutions across different departments



Compliance

Everyone in the organization follows the right way to buy

Companies are looking at nimble procurement technology not because it the cool thing, but because one of these four areas isn't working.

Becoming Nimble

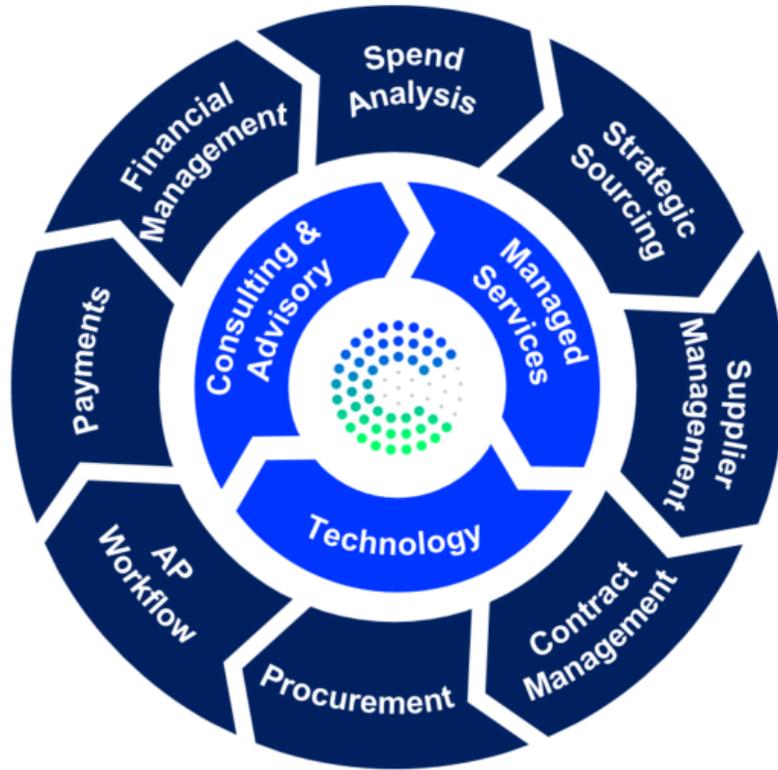


Agility is the ability to act quickly, but still mostly reactionary



Nimble is the state of preparedness needed to anticipate, and pivot quickly as new information becomes available. A sense of knowing where things are heading

Addressing the Need to be Nimble



 Business Continuity	<ul style="list-style-type: none">• Manage business fluctuations through automation• Better management of data even remotely• Transition to e-Payments instead of checks• Digitize and manage invoices while online
 Cost Management	<ul style="list-style-type: none">• Enforce procurement policies for cost savings• Visibility into 100% of spend• Reduce invoice processing costs by up to 80%• Capture early payment discounts better
 Managing Working Capital	<ul style="list-style-type: none">• Better cash management• Greater efficiency with current resources• Better management of Payment Terms• Rebates for e-Payments• Lower operational costs through efficiencies

Thank You.

Diego De La Garza

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**Want to learn more about aligning
procurement and spend? Contact Us.**

