



corcentric™

# Global Financial Services Company optimizes Procurement contracts

## THE BUSINESS

Like companies in many industries, insurance firms are built on trust. If an insurer is perceived as having breached that trust in any way, the tangible impacts will be immediate and severe. A range of federal and state regulations now exist to compel companies to avoid such unhappy consequences, but even more important are the efforts individual companies make to regulate themselves.

A random audit of procurement contract processes at this insurance and financial firm revealed that some contracts did not contain the language required for compliance with federal and/or state mandates. In addition, the information necessary for proper management of vendor contracts — and satisfying the needs of senior management — was not readily available.

## THE EXPERIENCE

The company reacted swiftly to remedy these issues, creating a new internal

organization independent of both procurement and legal. This provider governance department became responsible for the entire lifecycle of buy-side contracts — from the point where a business need for vendor support is originally identified, right through to negotiation, contract signing, renewal, and ongoing reporting. The provider governance department began executing on its charter by evaluating existing practices and creating a list of essential data points for tracking compliance, meeting best business practices and regulatory mandates. The plan was to manually extract these 140 or so data points from each in-force contract — and from new contracts at the point of execution — and use them as indexing parameters to obtain the information required to respond to audit questions, executive requests, and day-to-day management issues associated with vendor compliance.

With this information in hand, the firm conducted a thorough contract lifecycle management (CLM) market search and product evaluation. Information access

## SPOTLIGHT

### SOLUTIONS:

- + Contract Lifecycle Management

### CLIENT SPOTLIGHT:



### COMPANY:

A financial wellness leader and premier active global investment manager with more than \$1 trillion in assets under management has operations in the United States, Asia, Europe, and Latin America. It's diverse and talented employees help to make lives better by creating financial opportunity for more people.

### WORLD HQ:

Newark, New Jersey

### SIZE:

\$1+ trillion in assets under management in 2020

### INDUSTRY:

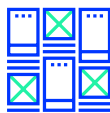
Finance + Insurance



**15 MINUTES**  
REPORTING CREATION  
FROM 2.5 HOURS



**IMPROVED**  
INFORMATION  
ACCESS



**CLAUSE MODIFICATION**  
TO FACILITATE  
COMPLIANCE



**ROI:**  
12 to 18 months

## WHY CORCENTRIC



A globally networked platform with all your buyers and sellers in one place.



Analytics to power more intelligent decisions and automate manual processes.



Dynamic workflows that empower agility and collaboration.



The software and services to support your digital transformation.



Industry-leading modular, integrated solutions with the benefit of a cloud platform to maximize our customer's visibility and financial return from their spend, supplier and contract data.

was the key driver behind the choice of Corcentric Contract Lifecycle Management, because without a flexible, searchable electronic repository, management and audit requests for information were manual and time-intensive.

To upload contracts into the repository, the 140 data points are extracted for each contract and entered into the solution as metadata. To ensure the contents of each contract are searchable, the firm relies on an electronic faxing / OCR feature in Corcentric Contract Lifecycle Management (CLM).

## THE FUTURE

The true benefit of having contract data immediately accessible is illustrated by an actual situation that occurred at the firm pre-Corcentric: The director of the provider governance organization was asked to assess the risk of added costs associated with contracts that include fee escalation clauses based on an increase in the consumer pricing index. With 17,500 contract images to review, it was virtually impossible to obtain the information in a reasonable time frame. By restricting the assessment to contracts valued at over \$200,000 per year, it still took 2.5 weeks to complete the report. With Corcentric CLM implemented, the same report can be created in about fifteen minutes.

Similarly, the company only had a laborious manual process for determining when contracts needed to be renewed. This meant that when contracts with negotiated renewal options expired, new contracts had to be negotiated, with lost leverage for gaining favorable terms. With Corcentric CLM, simple reports can be generated at user-defined intervals to quickly identify contracts up for renewal. Visibility into vendor relationships also enables the insurance / financial firm to achieve efficiencies of scale, eliminating the practice of purchasing similar products and/or services from multiple vendors and consolidating spend with vendors offering the best terms.



**corcentric**<sup>™</sup>

Procurement and Finance Solutions

## ABOUT CORCENTRIC

Corcentric is a global provider of business spend management and revenue management software and services for mid-market and Fortune 1000 businesses. Corcentric delivers software, advisory services, and payments focused on reducing costs, optimizing working capital, and unlocking revenue. To learn more, please visit [corcentric.com](https://www.corcentric.com).