Abstract. No organization can afford to waste dollars on purchases that do not support immediate business needs. But every day, thousands upon thousands of dollars are spent on unapproved, unnecessary purchases and many procurement organizations find themselves powerless to stop this uncontrollable spending cycle.

During this session, Coupa CEO Rob Bernshteyn and Taleo Purchasing Manager Charlotte Lawson will reveal five emerging best practices to regain control of non-payroll spend and eliminate wasteful spending once and for all.

The Opportunity. There is endless opportunity for procurement and supply management organizations to strategically align with corporate cost-cutting initiatives, increase process efficiencies, and deliver significant savings by aligning their business with smarter spending practices. But how exactly does an organization accomplish this?

Best Practice 1: Build a foundation for success.
The success or failure of your spend and savings initiatives will largely depend by the purchasing processes and platform you have supporting them. A foundation built on archaic technologies that are difficult to use, provide limited insight and force you into inefficient workflows, only promotes wasteful spending and does nothing to eliminate it. To ensure success, organizations need to build a supporting foundation that is nimble, flexible and can easily adjust to necessary savings measures as needed.

Costly, time-consuming Excel-based processes, characterized by a lot people spending a lot of time pushing paper, is surprisingly still the norm for many organizations. There is significant value in moving away from these manual, paper-based processes in favor of a SaaS or cloud-based solutions. Not only can these solutions improve and automate procurement and supply management practices within the organization, these alternatives represent an immediate savings opportunity to most IT organizations since they are often less resource-intensive and cost nearly nothing to get started.

By eliminating poor processes and “paper-pushing” with the right foundation, procurement leaders are able to free up time for more strategic activities, like analyzing spend data, negotiating better pricing and developing stronger supplier relationships.

Best Practice 2: Make it easier than “beg forgiveness” expensing.
The largest challenge facing spend management initiative is employee buy-in and adoption, without which organizations cannot grow the amount of spend under management. Start at the point of demand, and drive adoption through a user experience that is both easier than every alternative and specific to each constituent, be he a requester, an approving manager, a department head or otherwise.

For employees, it should only take minutes for them to find what they need and request it – not hours going through catalogs, filling out forms and chasing down approvals. The manager on the road who doesn’t have the time to log into the system – he should be able to review and approve requisitions via email or mobile device. The department heads and executives ultimately accountable for business spending need to know when spending is trending ahead of forecasts, or when budgets are being consumed too rapidly. Don’t make them check the system. Set thresholds and schedule proactive alerts to prompt their action.

Spend management is more than a dollars and cents calculation. It’s a cultural shift. It’s about getting the whole organization aligned behind the company’s cost savings initiatives. It’s about encouraging smarter spending practices. People need a common platform from which to operate. Just make it easier for them to participate.

**Best Practice 3: Crowd source savings.**

Saving money should not be the responsibility of only a few; it should be a priority for every employee in the organization. A procurement organization, even with decades of collective experience, cannot possibly be expert in every category of spend, and quite frankly, even if it were, how much incentive is in place for the procurement manager to go out of his or her way to find the best price on every ad-hoc purchase?

Let the procurement organization focus on the big initiatives, and empower employees to get what they need, quickly and easily. Let them scour the web as part of their requisition process, and find amazing deals on items they need – from Overstock.com, or EBay, or even Craigslist. And have them share that information with others through consumer-like web 2.0 conventions, and collectively, everyone in the organization works together to crowd source untapped savings that otherwise would have gone unrealized.

Don’t limit employees by restricting information flow or artificially controlling the options available to them. Empower people to use what they know to save the company money. Trust the found that has been put in place to control the purchasing process and ensure the appropriate approvals, but otherwise let the crowd have at it.

**Best Practice 4: Skip the surveys, and benchmark against real transactional market data.**

Waste happens everywhere, from the specific items purchased and the prices paid to the efficiency of the processes used to buy and the suppliers fulfilling orders. All of these areas provide room to improve and opportunities to maximize savings, though it can be difficult to collect the information necessary to find these opportunities.

To perform at their best, organizations must measure their spend performance, not only against themselves, but against the market to determine if they are in fact performing at the highest levels possible or if further attention is needed. This means looking at actual
transactional data through the system to determine their performance relative to key performance indicators including:

- savings as a percentage of spend
- average requisition approval time
- percentage of requisitions rejected
- percentage of purchase orders revised
- percentage of non-matched invoices

**Best Practice 5: Take advantage of what SaaS has to offer.**

It’s no secret that within most companies, IT resources are both scarce and overburdened. It is not uncommon for IT departments to spend 70% to 80% or more of their budgets just trying to keep existing systems up and running. Because most companies’ IT resources are so burdened with tactical responsibilities, little time is available for more strategic efforts. In this environment, even at companies with well-funded, high-performing IT organizations, it’s very common for organizations to overestimate IT resource availability, underestimate the time required to actually get a new project staffed and underway, and underestimate the time and money required to complete a project.

As an alternative, SaaS solutions deliver you the same robust, feature rich solutions in a fraction of the time, at a fraction of the cost and with a fraction of the resources necessary to maintain. On average, SaaS deployments are 50% to 90% faster than premise-based alternatives, with a total cost of ownership five to ten times less expensive than installed software. Companies that choose cloud-based solutions reap the following benefits:

- Lower upfront costs – There is no big upfront application software investment, and no need to buy and install hardware, middleware, and databases.
- Lower ongoing maintenance costs – There is no infrastructure to maintain and scale, and less downtime.
- Faster time-to-value – Companies are generally up and running in a fraction of the time of on-site deployments.
- Instant, automatic updates – Companies always have immediate access to the latest product enhancements.

**Objectives.** By attending this session, attendees will walk away with a clear understanding of the following five best practices and practical strategies on how to deploy each within their organization to support smarter spending and deliver real savings for their organization.

- **Best Practice 1: Build a foundation for success.** Get out from under stacks and stacks of paperwork – there’s no need for it and the trees will thank you! Leverage automation to ensure that all purchases go through the right processes, receive the proper approvals and meet corporate guidelines.

- **Best Practice 2: Make it easier than “beg forgiveness” expensing.** Provide users with an experience that they are used to (think Amazon and Google). Give them all the information they need such as how-to-buy policies and product comparisons during the requisition process so they empowered to spend smarter.
• Best Practice 3: Crowd source savings. For one-off purchases, let employees find the best deals and bring them to procurement. With an entire world of possibilities just a click away, it’s a far more efficient use of everyone’s time.

• Best Practice 4: Skip the surveys, and benchmark against real transactional market data. Showcase the strategic value and impact of smarter spending initiatives. Accurately measure results based on what is really happening – not just guesstimates.

• Best Practice 5: Take advantage of what SaaS has to offer. If hosting a solution is not a core competency for the organization, why waste the resources? From immediate IT cost-savings to improved access to the latest and greatest technology innovations, SaaS is a win across the organization.