



Procurement in the Spotlight:

# A New Agenda for a New Era

UNITED BY THE POWER OF SPEND

## Now is the Time to Seize the Spotlight

Companies around the world have faced incredible disruption over the last few years as a result of the pandemic, supply constraints, inflation, and political unrest. Procurement leaders and their teams are bringing value to their companies once again by quickly responding to supply issues and digitizing core processes.

As the most restrictive pandemic precautions subside, agility remains a top priority in order to maintain operational continuity. Inflation continues to put pressure on profit margins as costs rise and supplies remain constrained. Meanwhile, delivering on ESG commitments is still a priority, and new regulations require intentional decisions in order to be compliant.

Now, CPOs stand at an important crossroads. Procurement leaders must expand their leadership beyond managing day-to-day processes and consider how they can transform operations and mindsets across departments. Company executives cannot deny procurement's potential to deliver strategic leadership, but the chance to retain their seat at the table is not guaranteed without the right tools and resources to maximize impact and collaboration. Without investment, the functions of procurement, finance, risk, supply chain, sustainability, and others will continue to struggle.

***The only way forward is together.***

**CPOs have a real opportunity to make improvements across the procurement agenda by breaking down silos with an end-to-end Business Spend Management (BSM) strategy, setting up their teams for success in an uncertain future and positioning procurement to be more strategic in the long term.**

#### PROCUREMENT PRIORITIES FOR A NEW ERA



**Agility**



**Profitability**



**ESG**



**Risk**



**Innovation**

# Changing with the Times: A New Agenda for a New Era

Companies around the world faced incredible disruption during the pandemic, and procurement leaders and their teams showed their value by rising to the challenge. Their efforts were critical to keeping businesses going during the most difficult times. These extraordinary contributions have raised the profile of CPOs and the procurement function with executive teams and boards, with 60% of CPOs reporting significantly increased engagement with the C-Suite<sup>1</sup>.

1 - Rethinking Risk and Opportunities in the Supply Chain

## Agile Leadership Enables Business Success

Recent global socioeconomic challenges and geopolitical turmoil require companies to build optionality into their supply bases and their supply chains. Even with careful planning, business leaders are realizing the importance of having proactive processes that can respond quickly to the unexpected.

Agile supplier and risk management can vet suppliers for effective processes and controls to ensure compliance and operational success. Such processes provide an early-warning system of financial and other issues that could cause a supplier to fail.

Prescriptive supply chain technology can help companies increase optionality and accelerate their responses in times of crisis. When the company's needs are understood, source-to-pay capabilities help companies quickly secure the goods and services they need.

## Conscious Business Spend Enables ESG Impact

There is a global impetus to address social unrest, inequality, and climate change, and businesses are uniquely positioned to do so. International ESG legislation has added regulatory pressure to quell corruption, modern slavery, and other social and governance issues in the supply chain.

As companies are called to deliver real, measurable impact on ESG initiatives, many have realized that changing spend policy is one of the most effective levers to drive impact. There is a mounting sense of urgency for procurement teams to leverage ethical sourcing and supplier diversity as drivers in their journey towards global ESG impact. [Effective community-powered purchasing programs](#) can move the needle within a single quarter. The time to merge profitability and purpose is now.



**Need to get up to speed on global ESG legislation for the supply chain?**

[Learn more](#)



# CPOs Must Act Decisively to Deliver on the New Agenda

## PROCUREMENT NEW AGENDA:



Agility



Profitability



ESG



Risk



Innovation

With Agility, Profitability, and ESG moving to the top of the agenda, CPOs must take a hard look at the lessons the past years have revealed about the core challenges obstructing business success. In many cases, a lack of digital readiness coupled with siloed processes made it extremely difficult for teams to collaborate in the face of disruption.

## CASE STUDY

“ With our BSM capabilities, we’ve increased our diverse spend across the supply chain to top tier levels as measured against benchmarks over the last 4 years. And low upfront costs and fast time-to-value have allowed this business process transformation to be self-funded. ”

— **Tom Nash**, CPO, American Red Cross



**American  
Red Cross**

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# Reigniting Purpose

Reflecting on the challenges of the pandemic, many CPOs realize that it was their people that got them through more than anything else. While they may have invested in processes and technology for risk management and supply chain agility prior to the pandemic, issues with logistics channels forced procurement teams to go back to the basics.

As the world emerges from the pandemic and procurement teams re-engage in strategic category management, CPOs must also make adjustments to better handle uncertainty going forward. Many are moving from relying on a group of experts with decades of commodity-specific expertise to “athletes” who can partner with the business to deliver on changing needs. Cross-functional collaboration is a huge priority, from partnering with social responsibility teams to quickly adjusting logistics networks in times of crisis.

***CPOs are also forming separate teams that drive digital transformation and process improvement forward regardless of day-to-day challenges.***

## CASE STUDY

“ I have a team based all across the UK and we have people [organized] based on business unit sites, and they tend to work on one business unit site. But in this crisis, instead of working [in units such as] ships or submarines, they’ve worked at a maritime level. So, **I’ve been able to share resources because we’re all on one system. And suddenly you realize some of the boundaries of location and geography are no longer important.** ”

— **John Champion**, Director,  
Indirect Procurement, BAE Systems

**BAE SYSTEMS**

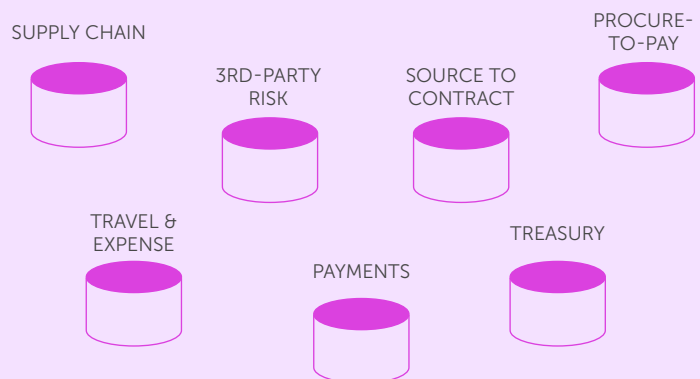
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# Collaboration Enables Resilience

To no one's surprise, long-standing challenges become more obvious during economic shocks. This was especially apparent recently with the siloed processes and systems that kept teams from collaborating effectively when faced with new challenges. For example, many companies wanted to accelerate payments to small or at-risk suppliers while stretching payments to others to the limits of agreed terms, in order to preserve cash. Even though they may have made investments to offset the negative effects of manual processes, get financial risk data on their suppliers, and digitize transactional P2P, companies struggled to put the pieces together. Was the financial risk data available to the AP team when they were ready to prioritize invoices for payment? Was AP prioritizing at all, or were they just paying invoices on approval?

Teams were left looking at why these problems were still unresolved despite previous investments. The root cause most often lies in process and data silos.

## SILOED PROCESSES AND SYSTEMS KEEP TEAMS FROM COLLABORATING EFFECTIVELY



Are you looking for better visibility into your business spend processes? Learn more about how Coupa's integrated product suite improves facilitates collaboration for business success

[Learn more](#)



# Today's Top Procurement Challenges

As market conditions continue to cause uncertainty, procurement teams face some major challenges:

- **Digital innovation gaps**—Where companies suffer from poorly-adopted systems and siloed systems connected with “swivel chair” processes.
- **Elevated risk**—When there is lack of visibility into spend-at-risk, maverick spending with suppliers who haven't been properly vetted, and delays in vetting new suppliers.
- **Untapped business value**—When there is off-contract spend, inefficient manual processes, and limited visibility and control over spend and liquidity, detracting from procurement's potential to deliver savings and avoid unnecessary spend.
- **Lack of agility**—When sourcing, procurement, risk, supply chain, compliance, and other teams have trouble realigning plans as needed.

# Enable Resilience with End-to-End Business Spend

After looking back at the process and data silos that have been exposed over the past year, many CPOs are taking bold steps forward with a truly end-to-end approach. Today's Business Spend Management (BSM) platforms unify everything from supply chain design and planning to third-party risk management, source-to-contract, procure-to-pay, travel and expense, payments, and even treasury.

In order to navigate today's challenging financial environment, greater collaboration is vital between departments, buyers and suppliers, and across the supply chain. Disconnected business spend process create costly setbacks such as unknown risk exposures, unrealized savings, and limited visibility into cash and liquidity.

As companies explore innovative solutions, a new approach for managing and monitoring business spend is major part of the answer.

## BENEFITS OF BSM

- + **Get visibility and control over all spend and cash**—Fully digitize all types of spend on a single platform to achieve complete visibility and control.
- + **Effectively manage suppliers and risk**—Unify supplier and third-party risk, AI and community-powered risk monitoring, diversity and ESG initiatives, and spend to mitigate risk and develop the supply base you need.
- + **Maximize financial impact**—Seamlessly operationalize sourcing results to maximize savings, digitize processes, and optimize working capital.
- + **Increase agility**—Respond to a fast-changing landscape of business opportunities and challenges, from reconfiguring the supply chain in order to support near-shoring, to ramping contingent workers in order to support growth.

## CASE STUDY

# Retailer Removes Silos to Improve Agility and Risk Posture






UK Retail Leader John Lewis Partnership faced challenges with thin margins—compounded by the COVID-19 pandemic and limited access to traditional retail—as well as with regulations in areas such as data privacy and anti-modern slavery that extend compliance needs across the supply chain.

Under the leadership of former CPO Robert Turner, John Lewis implemented a “compliance-by-design” approach in which every pound spent and every supplier engaged must go through a single end-to-end BSM process. No longer would there be any ability for business partners to engage a new supplier outside of the central process for third-party vetting and risk management. And by driving all spend through the process and on contract, procurement has the opportunity to finance company-wide investments as traditional retail business models struggle.

JOHN LEWIS  
PARTNERSHIP

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# Break Down Silos to Deliver on Today's New Procurement Agenda

Company Priorities	Business Challenges	Benefits with BSM
 <b>Increase Agility</b>	Sourcing, procurement, supply chain, compliance, and other teams often struggle to realign plans as needed when they don't have the capabilities to effect change quickly.	Enable agile responses to fast-changing challenges—from reconfiguring the supply chain to near-shoring and ramping up contingent workers to support growth.
 <b>Ensure Profitability</b>	Off-contract spend, inefficient manual processes, and limited visibility and control over both spend and liquidity represent value leakage.	Digitize end-to-end processes to improve efficiency and get control over all spend, maximize savings, avoid unnecessary purchases, and optimize liquidity.
 <b>Deliver on Environmental, Social, and Governance (ESG) Imperatives</b>	Identification of environmentally responsible and diverse suppliers is separated from spending. Teams that need to act on ESG initiatives don't have the data needed to maximize impact.	Close the gap between identifying responsible and diverse suppliers and acting on that information to maximize impact and develop the supplier base.
 <b>Reduce Risk</b>	A lack of visibility into spend-at-risk, maverick spend with suppliers that haven't been properly vetted, and delays vetting new suppliers all elevate risk.	Manage risk effectively by unifying supplier and third-party risk with spend, as well as using AI, machine learning, and community-powered risk monitoring.
 <b>Drive Innovation</b>	Inefficient processes detract from procurement's ability to partner with the business on innovation, while cumbersome onboarding and inability to channel spend make it hard to develop new suppliers.	Get rid of inefficient, manual swivel chair processes to free your team to develop strategic relationships. Simplify onboarding and improve spend control to effectively engage new suppliers.

# Uniting Around the Power of Spend

Internal transformation is essential for procurement teams dedicated to delivering sustainable value. This is an investment worth making, as band-aid solutions only exacerbate process challenges. The payoff is being able to harness the power of spend to make better decisions company-wide, across different teams, departments, and functions.

## CASE STUDY

“ I believe that there’s an opportunity to fundamentally change what procurement does for the business. [BSM] is fundamental to this because it gives us an opportunity to direct spend to preferred suppliers—suppliers that we consider our business partners, that we consider having true value-added relationships with. ”

— **Al Williams**, Chief Procurement Officer, Barclays

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# Now is the Time to Invest in Business Spend Management

Now is the time to capitalize on the willingness to invest in procurement and move forward with end-to-end BSM transformation, breaking down silos for good. It won't be easy. Transformation projects never are. But the time in the spotlight is ticking. As recognition of the value of procurement and the challenges in collaboration faced during the pandemic begin to fade, it will only become harder to achieve such an end-to-end vision.

Investment in BSM enables companies to break down their silos, which helps CPOs partner with diverse leaders including the CFO, CIO, Chief Supply Chain Officer, Chief Sustainability Officer, general counsel, and treasurer to deliver the savings, liquidity, agility, risk mitigation, social responsibility, and resilience that the company needs to thrive.

*Collaboration and digital innovation go hand in hand to create a sustainable and profitable future for today's businesses. The time is now for CPOs, executive teams, and organizations throughout the supply chain to unleash the power of their spend like never before.*

# About Coupa

Coupa is the cloud-based Business Spend Management (BSM) platform that unifies processes across supply chain, procurement, and finance functions. Coupa empowers organizations around the world to maximize value and operationalize purpose through their business spend.

Coupa's community of 2,500+ customers use the platform to maximize the value of more than \$3.3T of direct and indirect spend to date.

For more information, visit [coupa.com](https://coupa.com).



Business Spend Management