

Growing American Bank Transforms Productivity with Coupa

Industry: Financial Services

Geography: North America

Challenges

- Low Pre-Approved Spend
- Inefficient Manual Procurement, Invoicing, Contracting, and Services Management
- Delays in Requesting and On-Boarding Contingent Workers
- Low Adoption of Virtual Card Programs

Solutions

- Sourcing
- CLM
- Supplier and Risk Management
- Procure-to-Pay
- Inventory
- Contingent Workforce
- Payments

Results

- Improved Efficiency
- 90% Pre-Approved Spend
- 70% E-Invoice Adoption
- 80% Reduction in Contingent Worker Time to Productivity
- Saved \$100M+
- \$700K in Card Rebates Funded Charitable Giving

Even as companies around the world struggled during the pandemic, a large American banking and wealth management company experienced no slowdown in their long journey of rapid growth. Instead, they expanded their workforce by more than 50% during this time. Making each new employee fully productive is part of the bank's DNA and was a major priority for the entire leadership team. Fortunately, the bank's previous investments in Business Spend Management (BSM) ensured that each new employee could access everything they needed to be productive, that the back office remained efficient, and that managers were able to quickly find and on-board the contingent workers they needed to scale.

Digitizing Manual Processes: A Productivity Game Changer

When CPO Tony joined the bank in 2018, he observed inefficient processes for procurement, sourcing, contingent workforce, and accounts payable that were primarily due to the lack of a purpose-built BSM platform. Employees had to manage five distinct systems for purchasing that needed multiple logins. Buyers had scanners on their desks to capture signatures required for the PO process. Drawing on his previous experience, Tony immediately set a vision to automate the end-to-end process from sourcing to payment.

While new to the bank, he immediately realized that project approvals reflected the bank's unique commitment to productivity. Even the bank's on-boarding questionnaire asks managers "is this person enabled with everything they need to be productive?" Tony knew immediately that BSM could help users across the company be more productive. It would also free up time for Finance / AP as well as Sourcing and Procurement resources, which were ultimately consolidated from across the business into a single strategic team. Utilizing Coupa's platform would improve the productivity the bank was looking for, streamline compliance, and drive significant savings as a bonus.

Previous Manual and Disconnect Systems Slowed Productivity

Prior to Tony's arrival, effective spend management and the basic processes to keep employees productive were hampered by multiple siloed systems, resulting in several challenges:

Inefficient Processes

Prior to Coupa, business users struggled to navigate multiple systems to get what they needed. Lack of a closed-loop P2P process left AP with manual "detective work" to research each purchase and apply the correct account coding.

Lack of Visibility / Control

For compliance purposes, the bank required a new contract for every new purchase. However, siloed processes made it challenging to connect purchases to those underlying contracts.

Challenges for Business Partners

Risk controls applied too late in the process meant that business partners might "fall in love" with a supplier before finding that they couldn't be used due to risk / compliance concerns. Bloated processes meant that it could take months to find and onboard contingent workers—a real challenge in a tight talent market.

"Implementation of the BSM strategy/ platform has helped the bank move to a higher level of overall Procurement maturity"

— Tony, CPO Large Bank

Moving the Business Forward with Business Spend Management

Shortly after joining the bank in 2018, the CPO was successful in making the case to transition from manual processes and a service ticketing-based platform to an end-to-end BSM platform with purpose-built processes and workflows for spend management. Cross-functional collaboration around a broad vision was vital as Sourcing, Procurement, Legal, HR, and Finance came together to cohesively design, implement, and run an end-to-end business process. Because 70% of the bank's business spend is on services, it was critical to provide an integrated experience for end users to manage all types of services as well as goods.

Results

The bank moved to Coupa for Sourcing, Contract Lifecycle Management, Procure-to-Pay, Services Procurement, Risk Monitoring, Invoicing, and Digital Payments using Virtual Cards. The business also consolidated management of more than 100 talent agencies with the help of Guidant Global, who provided critical help with change management across Procurement and HR concerns. As a result of their BSM initiative, the bank moved from just

checking if the right product and pricing was in place for each order to automating this tactical work and supporting the business in a more strategic way.

Improved Efficiency

Now, end users have been empowered to choose from a huge marketplace of on-contract items using Coupa Open Buy, resulting in high user adoption and pre-approved spend. By immediately paying suppliers who accept virtual cards and stretching payment terms to 90 days for those who won't move e-Invoicing, the bank has achieved high levels of supplier adoption. Invoices are automatically captured and the right account coding is applied.

Streamlined Risk / Compliance

Sourcing managers have full visibility into in-flight spend requests and supplier risk; so, they can be more proactive and focus on inviting lower-risk suppliers to their events. Visibility into risk ensures that appropriate mitigation language gets included in the contract. Tight linkages between each purchase and the underlying contract have streamlined compliance, while Community.AI fraud detection capabilities automatically monitor all transactions for compliance and fraud. "Our auditors drilled deep on controls. 'How do you know that people aren't pushing through fraudulent transactions?' Well, we have an AI-powered SpendGuard in place." -Tony, CPO

Improved Support of Business Partners

Project managers now get the visibility into business spend that they need for accurate forecasting. Contingent workforce processes that took up to six months in the past now take 30 days.

Impact

While the bank's primary focus with their BSM initiative has always been on productivity and compliance, the program has generated more. The bank saved more than \$100M in the last 12 months, and has been able to increase its positive impact on the community. Fast adoption of virtual card payments put \$700K through the program in the first month, leading to increased card rebates that enabled the bank to donate more laptops to school children in need during the pandemic.

What's Next?

The bank will continue to strengthen internal ties between sourcing, risk monitoring, contracting, and purchasing to further cultivate the risk-aware and innovative culture needed in the industry.

"Managers now request all services and goods using the BSM platform, improving efficiency. Now it takes half the time from request to getting a new worker up and running vs. the old process."

— Tony, CPO Large Bank