
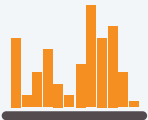




WHY SHOULD PROCUREMENT CARE ABOUT SPEND ANALYSIS?

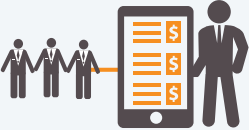



Spend data is the lifeblood of Procurement but many systems only allow basic spend visibility (e.g. spend by supplier or spend by region) and the data is often misclassified due to suboptimal purchasing processes, making it difficult to trust reports. Also, data is often stored in disparate systems leading to error prone work to consolidate.



COMMON CHALLENGES

<h3>Disparate data sources</h3>	<h3>High level categories</h3>	<h3>Low quality data</h3>	<h3>Significant investment to fix</h3>
 <p>Multiple sources of spend data and master data, potentially multiple ERPs</p>	 <p>Spend is not categorised to a granular level and generally only supports Finance objectives</p>	 <p>Caused by manual data inputs in the purchasing process e.g. GL coding, classification, item descriptions</p>	 <p>Much time, resources, and money is required to fix data at the source to obtain strong and repeatable reporting</p>

4 KEY AREAS COMPANIES SHOULD INVEST IN

<h3>Stakeholder engagement</h3>	<h3>Categorisation methodology</h3>	<h3>Technology</h3>	<h3>Spend dashboard</h3>
 <p>Agree category taxonomy and incorporate Category Manager feedback on a regular basis to refine the spend categorisation</p>	 <p>Categorisation of transactional data based on business rules that are owned by Category Managers</p>	 <p>Leverage spend analysis tools to help automate the consolidation, cleansing and categorisation of data</p>	 <p>Online dashboard reporting providing granular spend visibility, driving actions and faster decision making</p>

BENEFITS

 <p>Spend visibility: Accurate / Granular</p>	 <p>Opportunity assessment: Savings</p>	 <p>Effective sourcing: Fast, targeted</p>	 <p>Cube refresh Monthly / Quarterly</p>	<p>ROI > 10x</p> <p>Low cost: ROI of >10x</p>
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