

## Strategic Sourcing in Financial Services

Businesses in the financial services industry including banks, insurance agencies, real estate companies, investment firms, and more are essential in driving economic stability and growth. To ensure continuity in a rapidly changing market, sourcing teams in financial services must strategically manage enterprise spend while balancing liquidity.

Successful procurement teams in financial services companies are leveraging software solutions support and empower their business. With intuitive tools to manage supplier relationships and collaborate with stakeholders,

procurement teams have the agility to meet the evolving needs of the business as well as the visibility to plan strategically for the future.

### Top Priorities for Financial Services

Sourcing and procurement professionals in the financial services industry have found innovative solutions to support their businesses through the changing market. The following initiatives are top-of-mind for these procurement leaders:

- Preserving liquidity by partnering strategically with suppliers
- Supporting business continuity by streamlining remote collaboration
- Setting up the business for long-term success

### Preserve Liquidity by Partnering Strategically with Suppliers

Financial institutions must have cash on hand in order to support both their customers and the business through the upswings and downswings in the market. One way to preserve cash reserves is by examining existing supplier relationships for opportunities to renegotiate.

To guard against unpredictable disruptions to the economy and to supply chains, procurement and sourcing leaders in the financial services industry need complete visibility into their suppliers as well as mechanisms for supplier evaluations and feedback.



A digitized supply chain strengthens capabilities in anticipating risk, achieving greater visibility and coordination across the supply chain, and managing issues that arise from growing product complexity.

McKinsey & Co.<sup>1</sup>

## Support Business Continuity by Streamlining Remote Collaboration

With teams spread across geographies and many working remotely, collaboration technology like instant messaging becomes a necessity not just for internal communication, but for supplier networks as well.

Procurement teams with digital collaboration capabilities are able to update stakeholders, communicate with suppliers, and discuss RFX events—all in real-time. These collaboration tools also help eliminate disparate email threads and centralize supplier and contract data to close the loop on sourcing.

## Setting the Business up for Long-Term Success

How are procurement teams in financial services protecting the future of their business? Leaders are digging into their project funnels and timelines to align tight resources. A centralized hub for all procurement initiatives gives teams and the office of finance the real-time visibility they need to prioritize projects and plan for the future.

When finance, stakeholders, and procurement have real-time visibility into their projected spend and contractual obligations, they are empowered to drive enterprise-wide impact and achieve better business outcomes.

## Harvard Business Review Key Insights

**95%** of business executives report disruption to their companies' sourcing and supplier management processes from the pandemic.

**92%** classified the digital maturity of their company's sourcing and supplier management processes as less than best-in-class going into the pandemic.

**60%** say the pandemic has fast-tracked plans to upgrade and automate sourcing and supplier management.<sup>2</sup>

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[Workday Strategic Sourcing] is the only tool we use for running competitive bids. We have completely moved off a manual process (email, spreadsheet, etc.). It has greatly improved our efficiency in managing events and given us great insight into making vendor decisions.



Director  
Vendor Management in Finance Industry

### For Finance Leaders

- Gain real-time visibility into procurement spend in Workday to proactively manage cash-flow and supplier payment terms
- Reduce operating costs and improve remote working conditions
- Streamline reporting and analytics across the business for actionable insights into preserving liquidity

### For IT Leaders

- Tap into Workday to focus on driving down infrastructure-related costs
- Meet compliance targets and mitigate risk by managing suppliers and obligations in one searchable platform
- Reduce costs associated with auto-renewals by maintaining all supplier and contract data in one collaborative location

From renegotiating with strategic suppliers, to driving enterprise-wide cost-savings, to preparing their companies for a protracted recovery period, procurement teams in financial services are mission-critical to the success of their business. With technology behind them, leaders like you have elevated the office of procurement and helped secure strong futures for their enterprises.

Want to know how you can achieve better business outcomes? Find out how [Workday Strategic Sourcing](#) can help you streamline your procurement processes, track your projects, and manage your suppliers with a single, intuitive solution.

1. McKinsey & Co., "[Coronavirus Impact on Supply Chain](#)"
2. Harvard Business Review Analytics Services, "[Managing Procurement Risk: Enterprise Agility for a Changing World](#)"



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