

## Strategic Sourcing in Higher Education

Public and private universities, colleges, and training institutions provide post-secondary instruction to students all over the globe. Global disruptions have challenged higher education institutions to innovate and deliver new virtual capabilities for their students, faculty, and staff. As a result, institutions in higher education have broadened their student base by reaching an increasing number of online learners.

Successful procurement teams in higher education are leveraging software solutions to evolve with the changing needs of their students. With intuitive tools to manage suppliers and collaborate with stakeholders, procurement

and sourcing teams have the agility to meet the evolving goals of their institutions as the visibility to plan strategically for the future.

### Top Priorities for Higher Education

Procurement and strategic sourcing professionals in the higher education industry have found innovative solutions to support their institutions through crisis. The following initiatives are top-of-mind for these leaders:

- Driving cost savings by partnering strategically with key suppliers
- Empowering institutions with remote collaboration capabilities
- Setting up sourcing for long-term success and resiliency

### Drive Cost Savings by Partnering Strategically with Key Suppliers

With many institutions implementing fully remote learning options, room and board expenses are becoming a smaller revenue driver for most colleges and universities.<sup>2</sup> Coupled with lowered enrollment expectations overall, higher education is looking to sourcing to strategically manage their cash reserves and drive savings.

To do this, sourcing leaders in the higher education industry are turning to their suppliers. Those with complete visibility into their vendors as well as mechanisms for supplier evaluations and feedback can closely partner with their strategic suppliers and achieve mutually beneficial solutions like renegotiated minimums or extended payment terms.



Universities should engage early and often with important stakeholder groups—including faculty, staff, students, and parents—when making critical strategic decisions. Leaders must be transparent about decision-making processes, establish clear timelines, and meet them.

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

## Empower Institutions with Remote Collaboration Capabilities

Strategic sourcing teams in higher education are critical in ensuring their institutions are able to educate students—from anywhere. With students and faculty spread across geographies and many learning remotely, collaboration technology like instant messaging becomes a necessity not just for intra-institution 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 the sourcing process.

## Set Up Sourcing for Long-Term Success

How are strategic sourcing teams in higher education ensuring continuity for their institutions? 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 institution-wide impact and achieve better overall outcomes.

## Harvard Business Review Key Insights

**95%** of leaders report disruption to sourcing and supplier management processes from the pandemic.

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

**60%** of leaders say the pandemic has fast-tracked plans to upgrade and automate sourcing and supplier management.<sup>3</sup>

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Workday Strategic Sourcing allows everyone to run effective sourcing events and impact our bottom line, even if they're not procurement experts. For our team, it has increased engagement across the business and elevated our role within RMU.



**Sharon Silk**  
Assistant Director of Procurement  
Robert Morris University

### For Finance Leaders

- Gain real-time visibility into procurement spend in Workday to proactively manage resources
- Accelerate and document communication with key stakeholders and suppliers
- Streamline reporting and analytics across the institution for actionable insights into spend management

### For IT Leaders

- Focus on driving down infrastructure-related costs
- Reduce costs associated with auto-renewals by maintaining all supplier and contract data in one collaborative location
- Maintain operational integrity by eliminating synchronization of multiple copies of the same data

From partnering with strategic suppliers, to driving enterprise-wide cost-savings, to strengthening supply chains, procurement teams in retail 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., "[Reimagining Higher Education in the United States](#)"
2. Deloitte, "[Covid-19 Impact on Higher Education](#)"
3. Harvard Business Review Analytics Services, "[Managing Procurement Risk: Enterprise Agility for a Changing World](#)"



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