

4 Steps To Better Understanding Your Corporate Spend Profile

According to the Hackett Group’s most recent Key Issues report, one of the top five priorities of procurement is to “deepen influence on complex indirect spend categories.” Increased visibility into your company’s entire spend profile, including indirect spend categories, offers procurement the opportunity to pinpoint key departments in need of a spend review. But uncovering every pocket of spend in a large organization can be a challenge that requires good internal relationship-building and a strong process. Here are Staples Senior Director of Procurement Operations Jaime Steele’s four steps to gaining spend visibility and using it to your organization’s advantage.



1. ACCESS AND EXTRACT SPEND DATA

In today’s corporate realm, full spend visibility should be the goal you strive toward. The most direct path to uncovering spend data is through accessing the accounts payable and invoice data. Even with sensitive spend (areas of spend that you don’t have the ability to influence), knowing where every dollar goes can help you better understand how to make the biggest impact.



2. CLASSIFY DATA AND DEVELOP INSIGHTS

Once you gain as much visibility into corporate spend as possible, it’s time to segment your spend data and focus your efforts to fuel savings. Be sure to properly classify your vendors so you’re able to make sense of the data. Being proactive with classification will help you stay on top of the process and understand your spend more completely. You’ll also be able to more easily look for saving opportunities in your spend.



3. BUILD RELATIONSHIPS

Now that you know where you can improve your company’s spend, it’s time to put your sales hat on to start conversations with internal business partners. Addressing spend issues begins with developing relationships with other departments so that you can understand their objectives and speak to them accordingly. Without a strong sense of trust between procurement and other departments, it will be difficult to shift pockets of spend while keeping good rapport with all parties involved.



4. ACT ON SPENDING OPPORTUNITIES

Once you’ve found a savings opportunity, whether it’s overspending in a specific category, a duplicate supplier or something else, it’s time to actively address the issue. At this point, you’ll turn to those relationships you’ve built and initiate collaboration to take advantage of the savings opportunity. After all, properly managing your corporate spend can produce incremental savings of 5% to 10%, improve operational efficiency through a better understanding of your vendor base and improve your supplier relationships.

To find out how Staples can help you consolidate your spend, call **1-844-243-8645**.