

## Unlocking Value

### Manage Risk and Regulatory Compliance

#### The Challenge

Multiple federal agencies (such as the Consumer Financial Protection Bureau and the Office of the Comptroller of the Currency, among others) oversee the banking industry. They provide specific guidance on supplier risk and performance management that impacts strategic sourcing, contract management, and supplier lifecycle management processes.

Federal regulations require the strategic sourcing process to be risk based with documented due diligence in areas of operational risk, information security, and business continuity. Further, decision-support documentation must be clear and reportable. And the contract management process must be linked to performance management and ongoing risk oversight. Additionally, banks require robust reporting to maintain compliance with these regulations. These broad requirements call for an integrated solution for risk assessment, supplier selection, contract lifecycle management, and ongoing reporting.

#### The Opportunity

Our best-in-class financial services customers are managing supplier risk and regulatory compliance by leveraging the following offerings and capabilities:

- Request form generated within the SAP® Ariba® Sourcing solution, which operates as a “smart form” with conditional questions based on the category and risk profile
- Supplier risk assessment functionality of SAP Ariba Sourcing including online scoring, decision support, and award justification
- The SAP Ariba Contracts and SAP Ariba Buying and Invoicing solutions to track supplier selection all the way through to supplier payment
- The clause library to help ensure the appropriate clauses are included based on category and risk profile
- The SAP Ariba Supplier Information and Performance Management and SAP Ariba Supplier Risk solutions to qualify, onboard, measure, analyze, and monitor the supplier lifecycle



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## Manage Services Spend

### The Challenge

Financial services companies have 75% of their addressable spend in services categories such as marketing, consulting, real estate maintenance, outsource operations, technology services, and software services.<sup>1</sup>

Unlike goods categories, these categories are difficult to manage through traditional purchase order and catalog solutions, given the nature of recurring expenses, long-term agreements, and variable month-over-month consumption. However, services spend offers the greatest opportunity for compliance savings given the variable expense and high concentration of the enterprise spend.

The optimal procure-to-pay strategy supports multiyear agreements with fixed and variable pricing. Further, the solution must provide a world-class user experience for the line of business (LoB) managers to oversee contract compliance with a simple process for recurring expenses.

1. Source: SAP Ariba Analytics team.

### The Opportunity

Manage services through invoice to contract:

- Service contracts from sourcing are passed to procurement or contract administration to set up contract pricing terms under the contract document.
- Contract pricing supports multiple pricing strategies at the item, category, and milestone levels with invoice aggregation and pricing discounts over the term of the agreement.
- Invoices are submitted through Ariba Network, matched directly to the contract, and paid following approval from LoB managers.
- Examples include recurring janitorial services, advertising and media agreements with variable campaign expenses, and software implementation projects with a mixture of milestone payments, hardware, and service.

### Let's Work Together

To learn more about how you can use SAP Ariba solutions to address the challenges of managing risk, regulatory compliance, and services spend, along with other financial services challenges, please [contact us](#) or visit [www.ariba.com](http://www.ariba.com).

