

Managing Disruptions for Procurement with Workday Strategic Sourcing: Cash Preservation

Given recent shifts in consumer demand, production processes, and corporate strategies, many businesses are finding traditional revenue streams unreliable in this uncertain economic climate.

To preserve cash on hand, Procurement organizations are stepping up in partnership with Finance and Operations, leveraging real-time visibility into payment terms and

contract data, improving remote working conditions and reinforcing the importance of supplier collaboration.

67% of surveyed CFOs are considering deferring or canceling planned investments¹

TIP
Revisit variable costs while expediting receivables²

Examine Contracts for Opportunities to Renegotiate

The Challenge: Economic and public health uncertainties are impacting businesses of all sizes and their abilities to fulfill contractual obligations. As a result, many CPOs are reviewing contract agreements (including those that are off-cycle), existing supplier relationships, and current/future sourcing projects, but much of that data is siloed among separate teams in legacy solutions.

Workday Solution: Negotiate and update payment terms when necessary. Leverage a holistic view of your contracts to triage issues and risks, keeping in mind auto-renewals, level of urgency, and unpredictable external factors.

Pull consolidated reports of contract terms from a single source of truth. [Workday's strategic sourcing and supplier engagement platform](#) provides Procurement with key business data on suppliers, contracts, and payment terms.

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Companies that focus on strategic sourcing enjoy not just enhanced profitability, but a range of positive results including improved cash and working-capital performance.

[Harvard Business Review](#)²

Control Spend by Deprioritizing Nonessential Projects

The Challenge: If sourcing project data and planning information is not centralized, it can be difficult for Procurement teams to quickly halt nonessential projects and conserve cash. The question for the business becomes: is the inability to easily collaborate across stakeholders and suppliers making it difficult to conduct remote business more effectively?

Workday Solution: Gain complete visibility into your sourcing project pipeline. Act as a collaborative steward of company funds and [prioritize or pause the right projects](#) in real-time to ensure business critical needs are met while conserving cash.

Easily conduct remote business more effectively with a click. With instant visibility into strategic suppliers' current projects, past awards, and historical performance, the business and Procurement are empowered with the right data to negotiate concessions or delayed payment options.

Drive Indirect Cost Savings Across the Organization

The Challenge: As different industries and regions approach varied recovery timelines, procurement teams must review all indirect expenses and prioritize initiatives that align most closely with critical business imperatives. At the same time, Procurement must drive indirect cost savings for the business by enabling the team with real-time data, planning abilities, and collaboration tools.

Workday Solution: Partner with Finance to prioritize strategic sourcing projects. Consider what the future will look like for your business and assess the state of the market with Workday's reverse auctions and capabilities for dynamic negotiations plus analytics.

Drive to collaborative success with suppliers and stakeholders. With [Workday Strategic Sourcing's intuitive onboarding](#) and streamlined RFX functionality, sourcing teams can easily tackle new projects with greater efficiency.

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Having Workday Strategic Sourcing as our centralized Procurement system provides insight into all critical needs of our business so we can pivot quickly to purchase what is urgent.



Jean Johnson
Chief Procurement Officer at LogMeIn

For Finance Leaders

- Gain real-time visibility into procurement spend in the Workday Strategic Sourcing platform 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 cash-flow
- Assess financial risk within the supply base and develop strategies to optimize relationships or transact with alternative suppliers
- Enhance business partnership, drive efficiency and accelerate communication with key stakeholders and suppliers

For IT Leaders:

- Tap into the Workday Strategic Sourcing platform to focus on driving down infrastructure-related costs
- Free up resources to spend more time innovating and less time maintaining legacy solutions
- Meet compliance targets and mitigate risk by managing obligations in one searchable platform
- Maintain operational integrity by eliminating synchronization of multiple copies of the same data
- Reduce risk and costs associated with auto-renewals by maintaining all supplier and contract data in one collaborative location

Workday Strategic Sourcing offers a sourcing and supplier engagement platform trusted by procurement teams. To learn how our strategic sourcing platform can help your organization streamline processes, manage a unified pipeline of projects, and collaborate with stakeholders and suppliers to achieve greater business impact, please reach out to: Sales at workday.com/contact or +1-877-967-5329.

1. PwC, "PwC's COVID-19 CFO Pulse Survey"
2. Deloitte, "COVID-19: Managing cash flow through a period of crisis"
3. Harvard Business Review, "High-Performance Sourcing and Procurement Driving Value Through Collaboration"



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