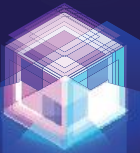


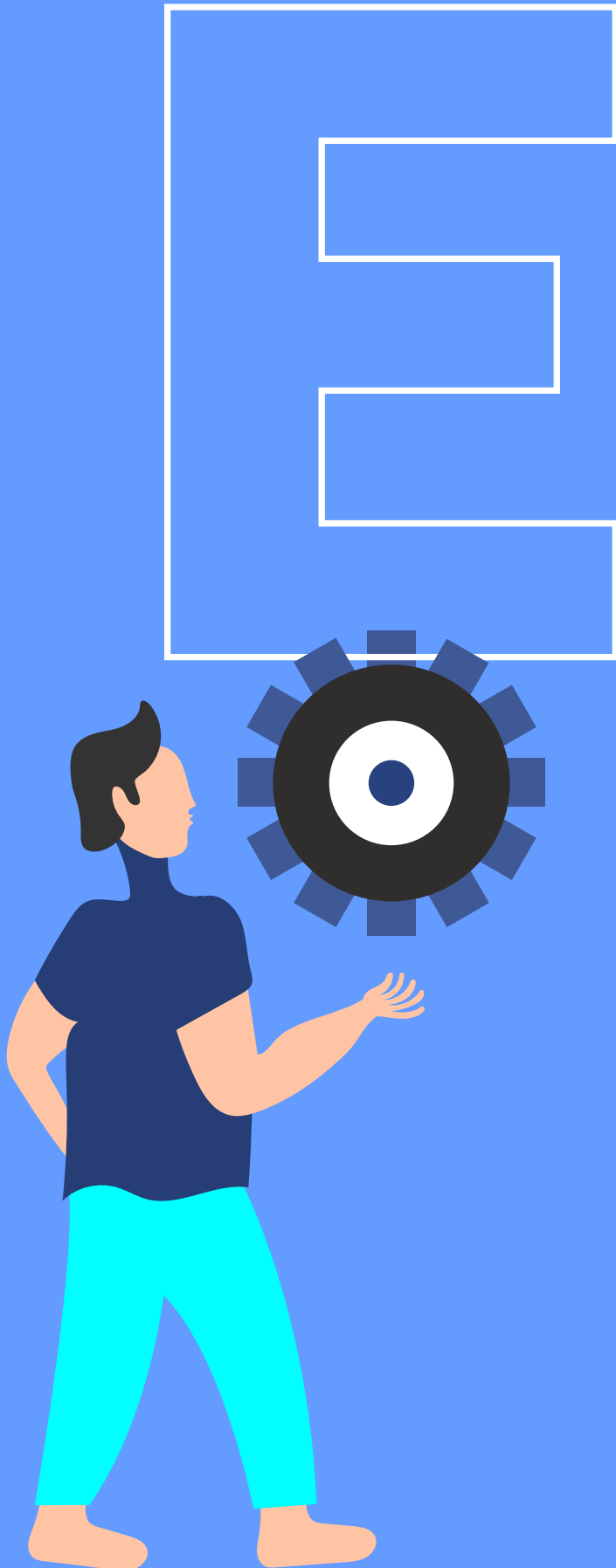
GET THE DATA THAT PROCUREMENT PROFESSIONALS NEED

Procurement leaders are left in the dark about contracts that fall within their responsibility. So make sure you have no blind spots in your data reserves....

BY URI HARAMATI, CEO, TORII







everyone is doubling down on cutting costs these days. Between inflation, fears of a recession, and global unrest, this makes total sense – as long as they’re not cutting in a vacuum—because eliminating the wrong costs is almost as bad as eliminating no costs. It risks pushing businesses backward.

Cloud (or SaaS) applications, which have exploded in adoption, are an untapped source of potential savings. In fact, Amalgam Insights predicts that improving SaaS purchasing and negotiations can result in a \$24 billion spending reduction globally.

Are you confident your team is making the best decisions regarding renewing cloud application contracts? Are they cutting the most costs possible in the right places and securing the best deals for the right apps?

DATA DEARTH

All too often, Procurement is stuck making decisions without sufficient data. They can’t answer critical questions about which cloud apps are most valuable to the organisation, how many apps and licenses are actively being used, which applications are overlapping or duplicative, and how many people are using them.

Much of this decision-critical data is tucked away in corners of the organisation and completely invisible, and impossible to fully track down. These blind spots put procurement in a precarious situation.

THE NEW DECENTRALIZED REALITY

Much of the mystery around cloud app data can be attributed to the decentralisation of application ownership and management. Since SaaS apps are available to any user with a corporate email and an internet browser, employees throughout the company can trial, purchase, and integrate new applications without informing procurement, finance, or even IT. In fact, according to Microsoft, 80% of employees use non-sanctioned applications (also called Shadow IT).

Decentralisation spreads critical data thin throughout the organisation. Information about costs, license utilisation, usage trends, and contract terms gets siloed and scattered. Procurement is left in the dark about contracts that are their responsibility.

Instead of making data-driven decisions

about whether to renew a contract or how many licenses they'll need, they are forced to guess.

When you need to find significant savings, guesstimates aren't good enough. It's essential for procurement to have access to all relevant data with enough time to make an appropriate decision. Without this, many contracts for deadweight applications and unneeded licenses are likely to renew.

WHAT PROCUREMENT NEEDS

For Procurement to finally—and easily—get the insight they need for continuous spend management and cost savings, three things are a must:

- 1. Visibility**
- 2. Time**
- 3. Collaboration**





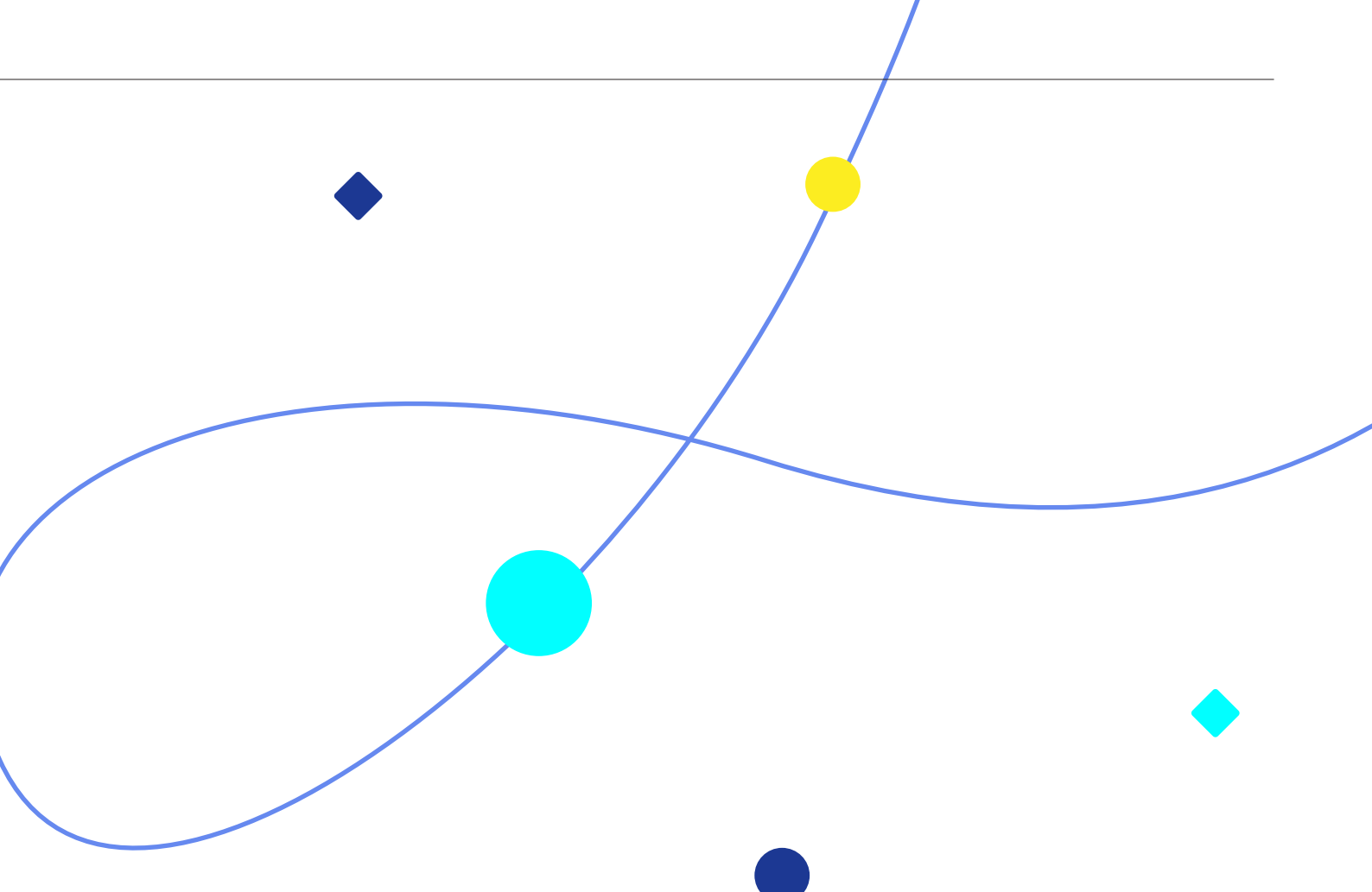
VISIBILITY

Cloud applications are trickier to discover than their on-premise counterparts due to the ease with which employees acquire them on their own. But they can also be easier to monitor because, unlike installed apps where there's no way to see how many people are actually using what you paid for, SaaS data is there for the picking – if you know where to look.

Having a real-time, complete picture of which apps exist, how much they cost, who the app owner is, how many licenses they have, and how much they are, or aren't, used—all of this is possible.

Procurement's greatest ally in uncovering this data is the IT department. IT has a shared interest and responsibility in understanding which applications exist within the company ecosystem. Additionally, many IT teams are exploring tools such as SaaS management platforms that automatically and continually discover and store this data in one central location.

With critical data like this at their fingertips, Procurement can walk into contract negotiations with all the leverage needed to get the best possible deal and save a significant amount of money. Not only that, but they can see which licenses aren't being used and reharvest them instead of purchasing new ones and needing to true up. Or even choose not to renew if not enough people are actually using particular apps.



TIME

Time is a valuable commodity – and something procurement professionals don't have nearly enough of, especially when it comes to contract negotiations and renewals.

Too often, procurement teams find out about renewals just a few weeks or a month in advance. This creates a cascading backlog of work, resulting in procurement teams rushing from renewal to renewal. Many contracts also auto-renew without procurement's knowledge.

Even when they have a bit of advanced notice, it's often not enough to chase down all the data they need from app owners

on usage and costs – or to evaluate other options, such as competitive apps that may deliver more functionality and better prices.

Using tools that eliminate the need to chase data saves a lot of time here and ensures you actually collect all the right information. In addition, IT departments that use SaaS management tools can help Procurement create auto-notifications of renewals well in advance and access a shared-visual renewal calendar, so they're never surprised. Once these pieces are in place, procurement can focus on the third key to effective cost savings—collaboration with other stakeholders.



COLLABORATION

To truly optimize spend and make sure the right apps are renewed at the best price, procurement needs to collaborate with people across the company, in addition to the IT department. This requires understanding the objectives of all departments using or requesting apps, as well as departmental and company budget parameters and spending goals.

Procurement must share expectations around cloud app purchasing and renewing contracts – as well as when app owners can or can't purchase new licenses for employees, company policies for auto-renewal and sourcing, and whether there are specific factors that change who is accountable for a contract.

And when procurement discovers competitive applications being used in the company, and how many people are using each or even several of the apps,

they should approach app owners and IT to determine which apps are really necessary or can be eliminated. This is a decision that should never be made in a vacuum.

MORE SAVINGS ARE IN REACH

The essential data that has historically been out of reach for procurement is now readily available, without any effort. With the right tools, you can automatically discover all the information you need and drastically cut costs on the right cloud applications across your company, while improving agility and productivity.

With everyone on the same page, working towards the same goals, and basing decisions on the same, reliable data, Procurement can be a true strategic partner, gain the leverage needed for contract negotiations and renewals, and proactively enable unprecedented savings.



