

# BUDGET COMPLIANCE – THE IMPACT OF PURCHASE ORDERS



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## WHAT

Considering how poor and manual purchase order (PO) processes contribute to inefficiencies and broken budgets and exploring the value of electronic PO processes.



## WHEN

Tuesday, July 18, 2023  
2:00 PM - 3:00 PM EDT



## WHERE

Live online presentation  
Replays at [StrategicTreasurer.com](https://StrategicTreasurer.com)



This presentation is provided by Strategic Treasurer and Corpay.

# ABOUT THE SPEAKERS

## GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



### ALEX CAMPERI

Alex Camperi is a Sales Director at Corpay, a leading corporate payments company dedicated to empowering businesses of all sizes with simplified vendor payment solutions. Corpay's innovative approach enables AP teams to minimize risk, increase efficiency, and spend less, resulting in significant bottom-line benefits.



### CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

# TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &  
ANALYSIS



## IMPLICATIONS

HOW THE PROCUREMENT  
PROCESS IMPACTS OTHER  
AREAS



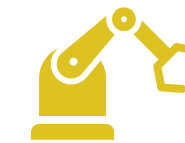
## HAZARDS

OF UNCONTROLLED OR  
MANUAL PROCESSES



## ELECTRONIC PROCESS

ADVANTAGES



## DRIVERS TO AUTOMATE

MOTIVATING SITUATIONS



## POINTS TO CONSIDER

WHEN ASSESSING  
AUTOMATION SOLUTIONS



## KEY TAKEAWAYS

AND FINAL THOUGHTS

# PROCUREMENT PROCESS

FAR-REACHING IMPACT



## Income statement

- Expenses/spend



## Cash flow/balance sheet

- Capital
- Liquidity

## Spend management environment

Amounts

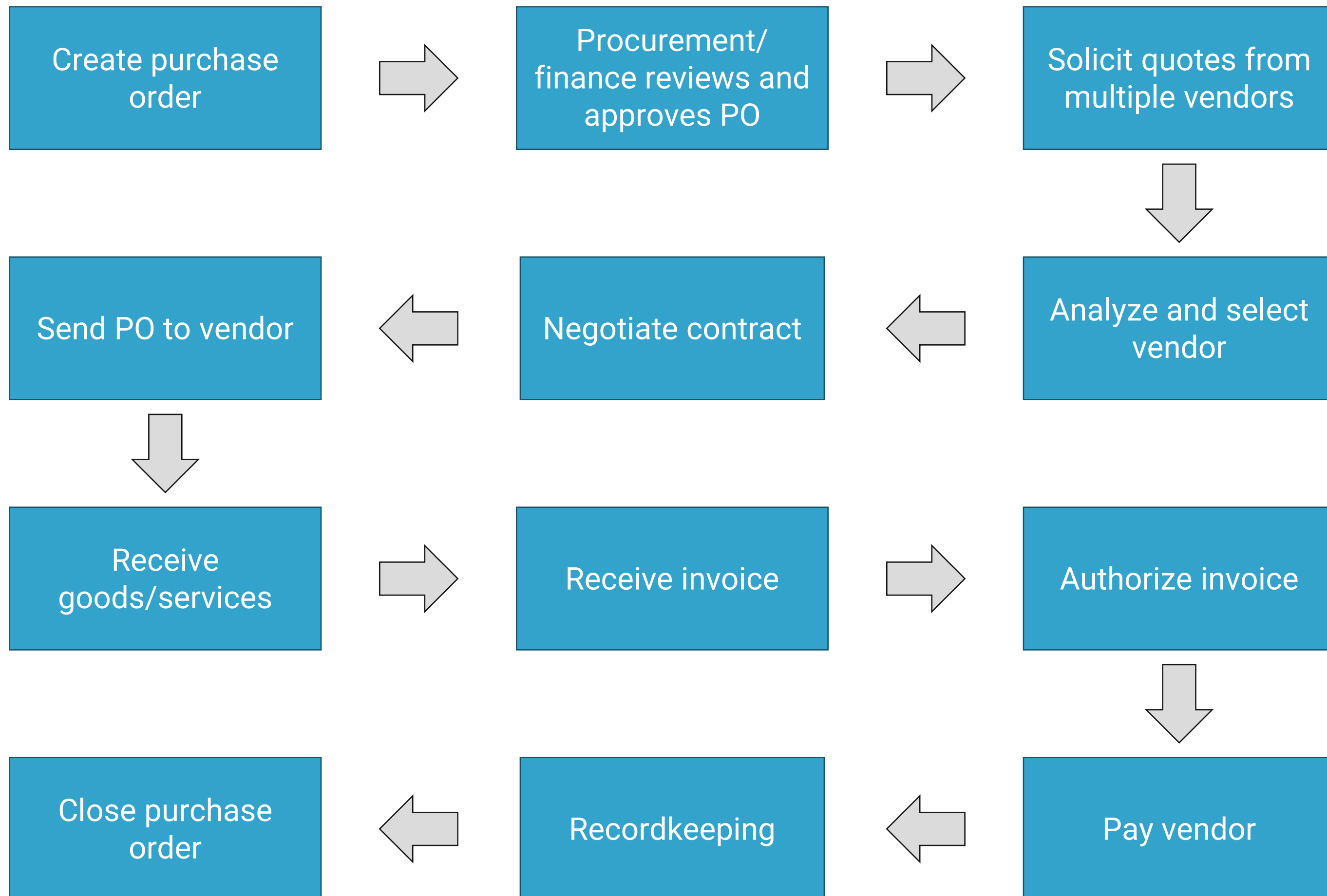
Efficiency of process

Timing schedule

Control mechanisms

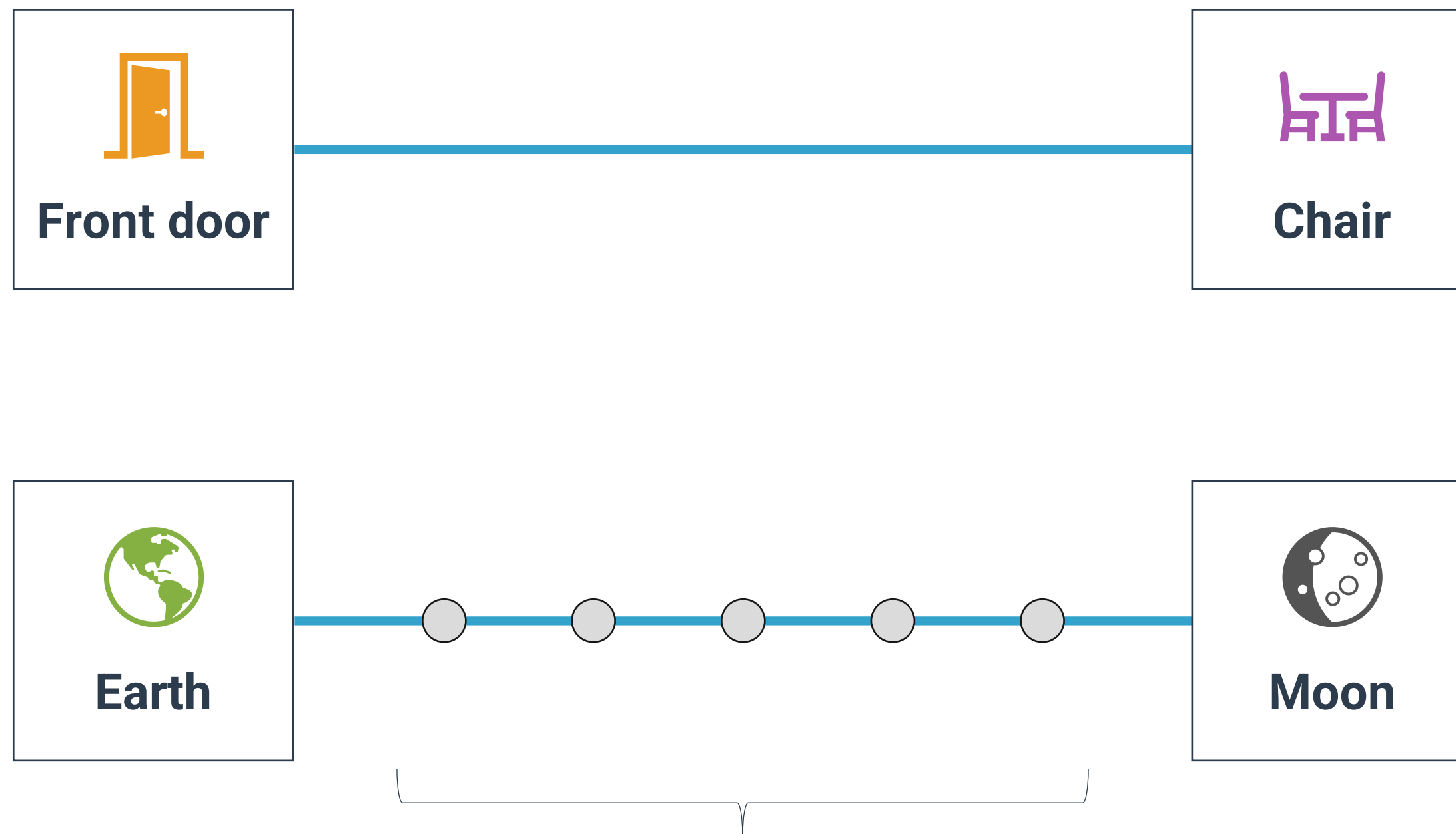
# TYPICAL PROCUREMENT PROCESS

MANY STEPS INVOLVED



# THE FALLACY OF THE LINE

SIMILAR YET VERY DIFFERENT

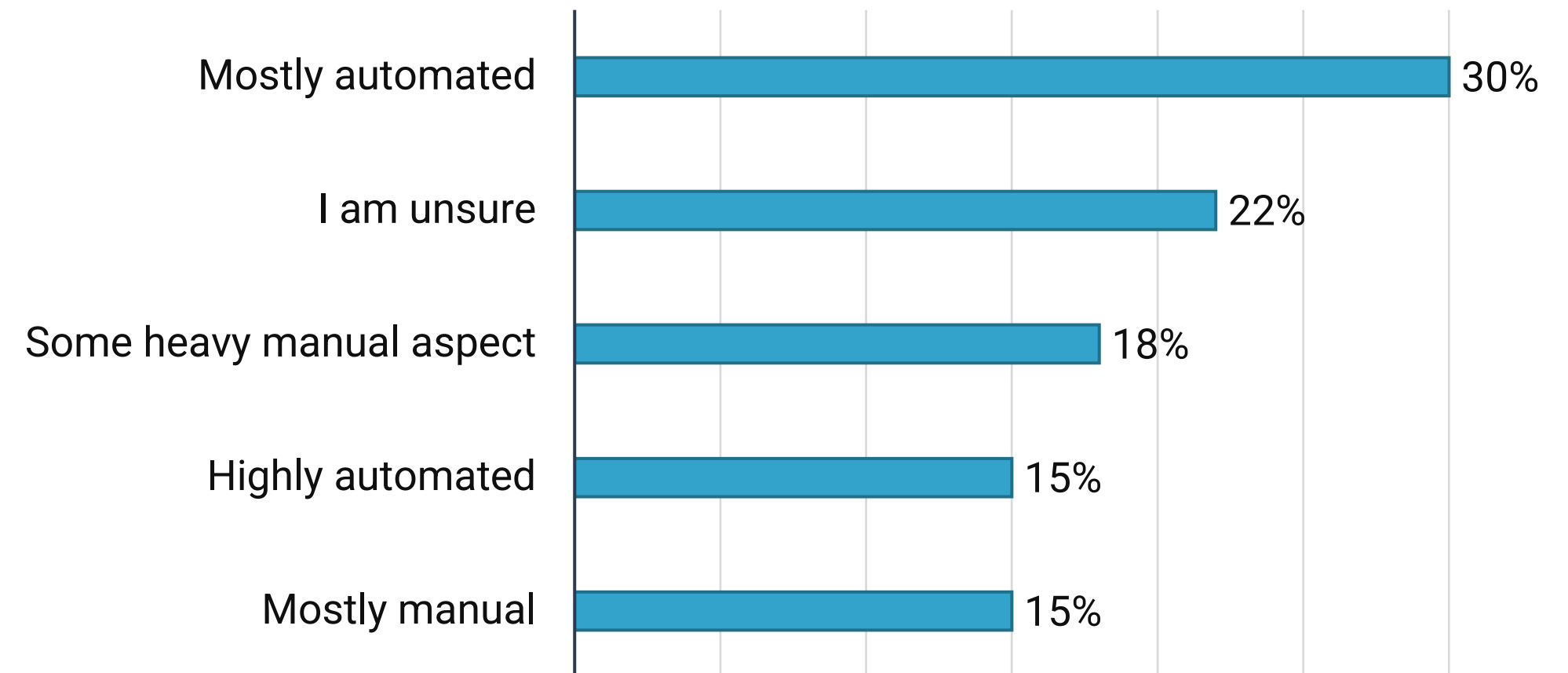


Multitude of steps increases opportunities for:

- Inefficiencies
- Errors
- Delays

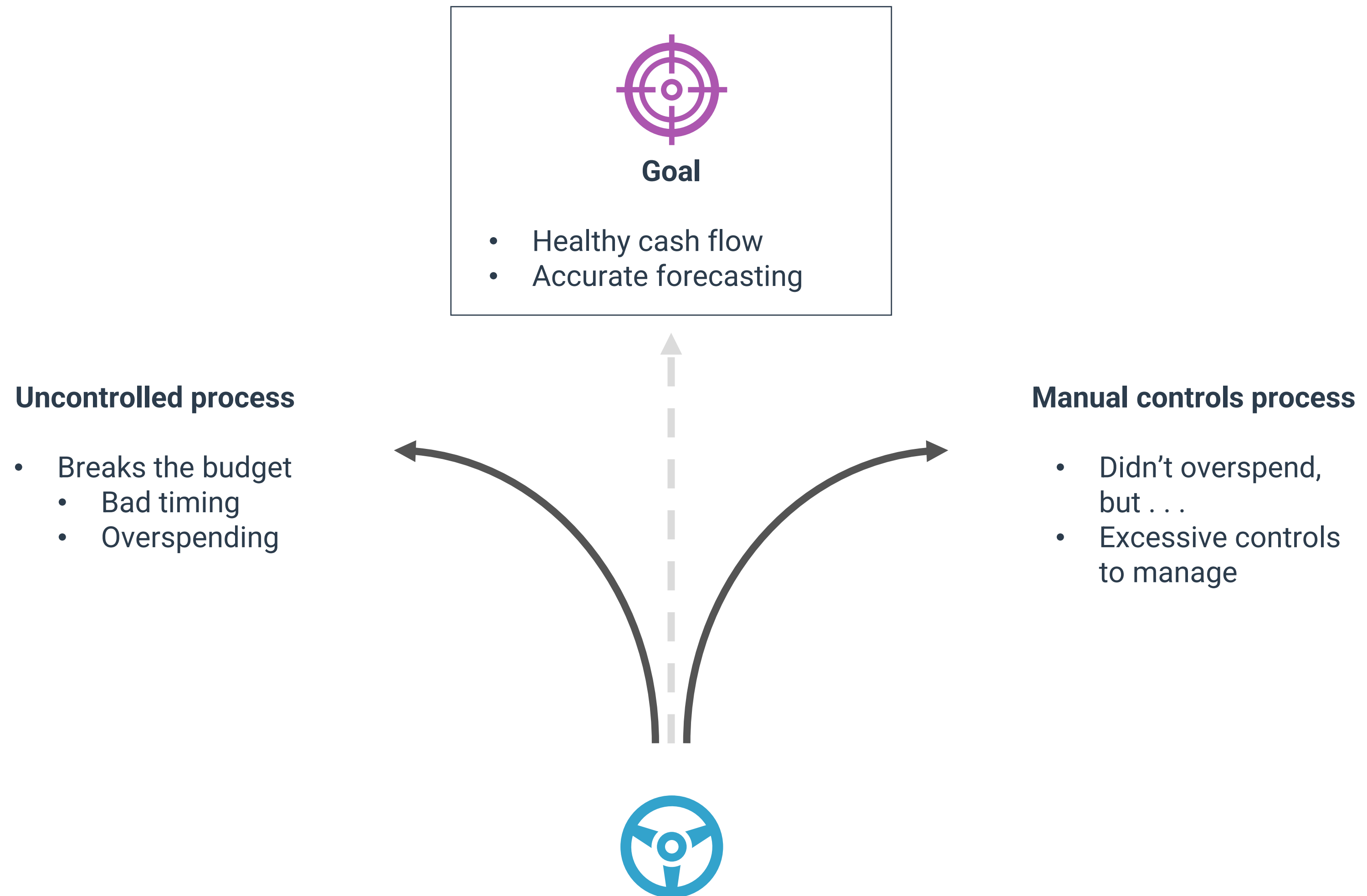
# POLL QUESTION

**Poll 1 - Our procure to pay process is: (single choice)**



# CONTROLS PROCESS


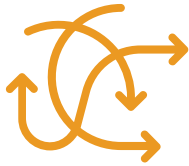
## POTENTIAL PERILS





# UNCONTROLLED PROCESS

## HOW IT BREAKS THE BUDGET

		Month	1	2	3	4
	<b>Timing should fit the budget</b>		Expense 1 \$20M	Expense 2 \$10M	Expense 3 \$5M	Expense 4 \$25M
	<b>Lack of controls leads to bad timing</b>			Expense 1 \$20M		
				Expense 2 \$10M		
				Expense 3 \$5M		
				Expense 4 \$25M		

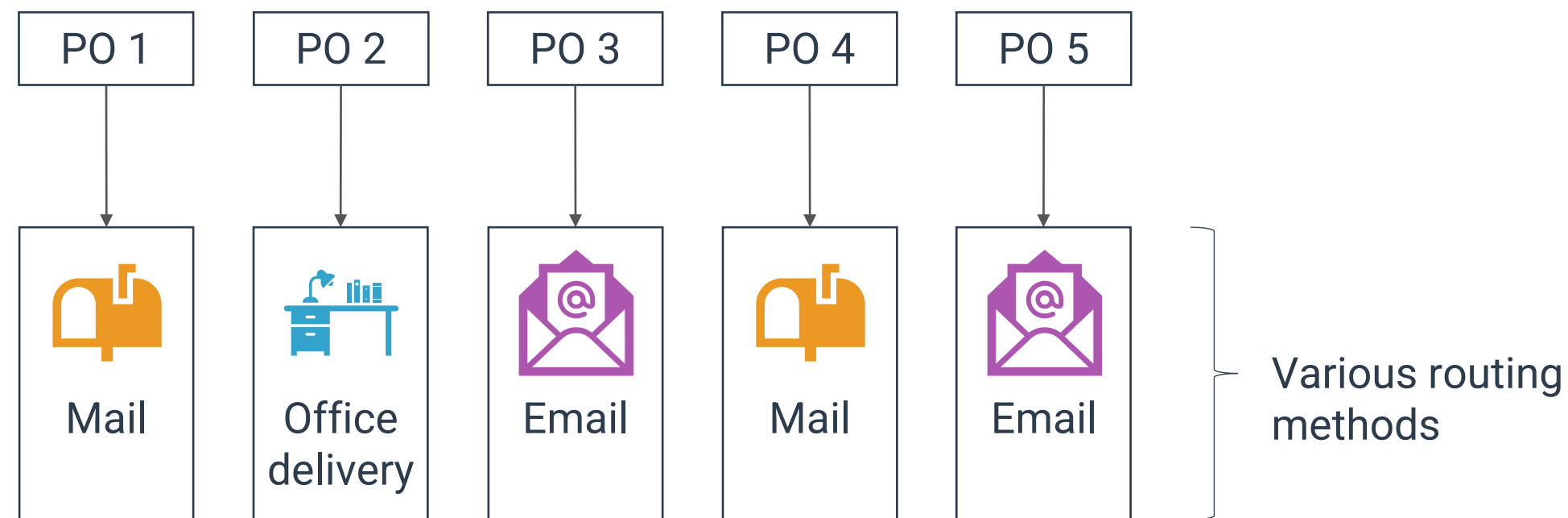


### Effects of bad timing

- Operating expenses (OpEx) shift, thereby exceeding budget
  - Moderate impact on profit/loss statement
- Capital expenditure (CapEx) occurs early, thereby affecting cash and liquidity
  - Large impact on balance sheet

# MANUAL PROCESS

## OPPORTUNITIES FOR INEFFICIENCY

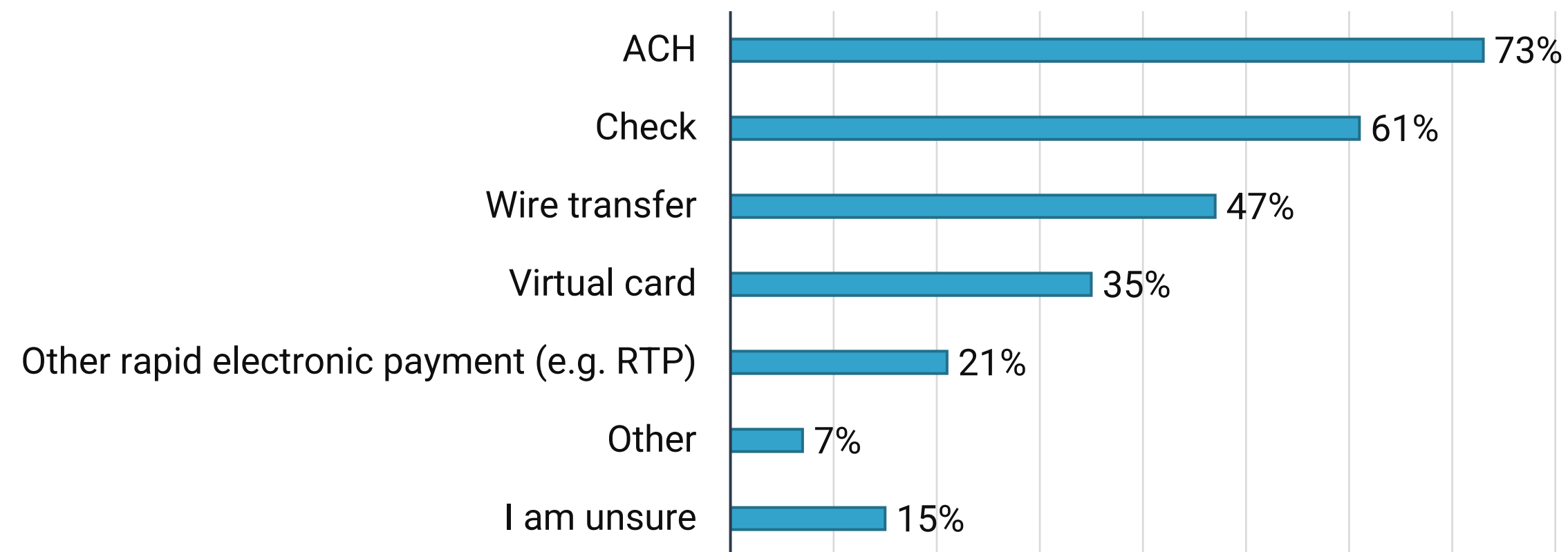


### Leads to defects/errors

- Rekeying, handoffs
- Poorly designed process
- Latency issues (timing)

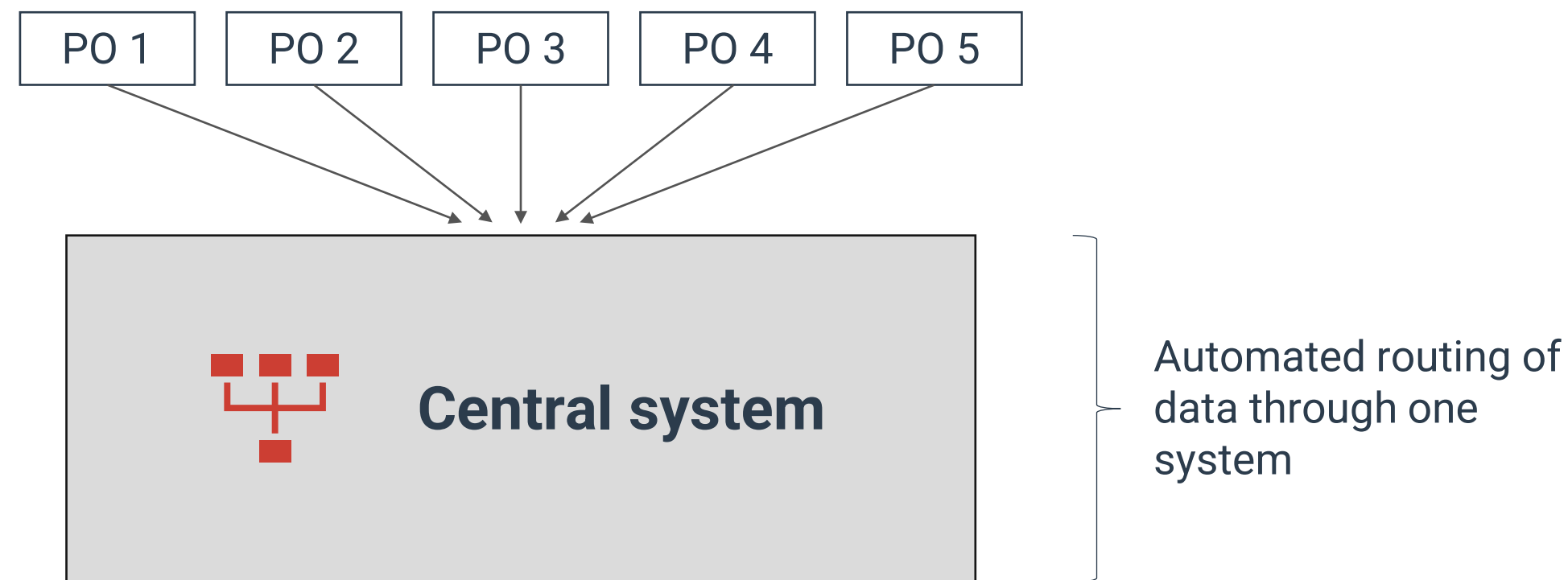
# POLL QUESTION

**Poll 2 - Our payables process has automated payment generation of the following types: (select all that apply)**



# ELECTRONIC PO PROCESS

BETTER TIMING AND EFFICIENCY

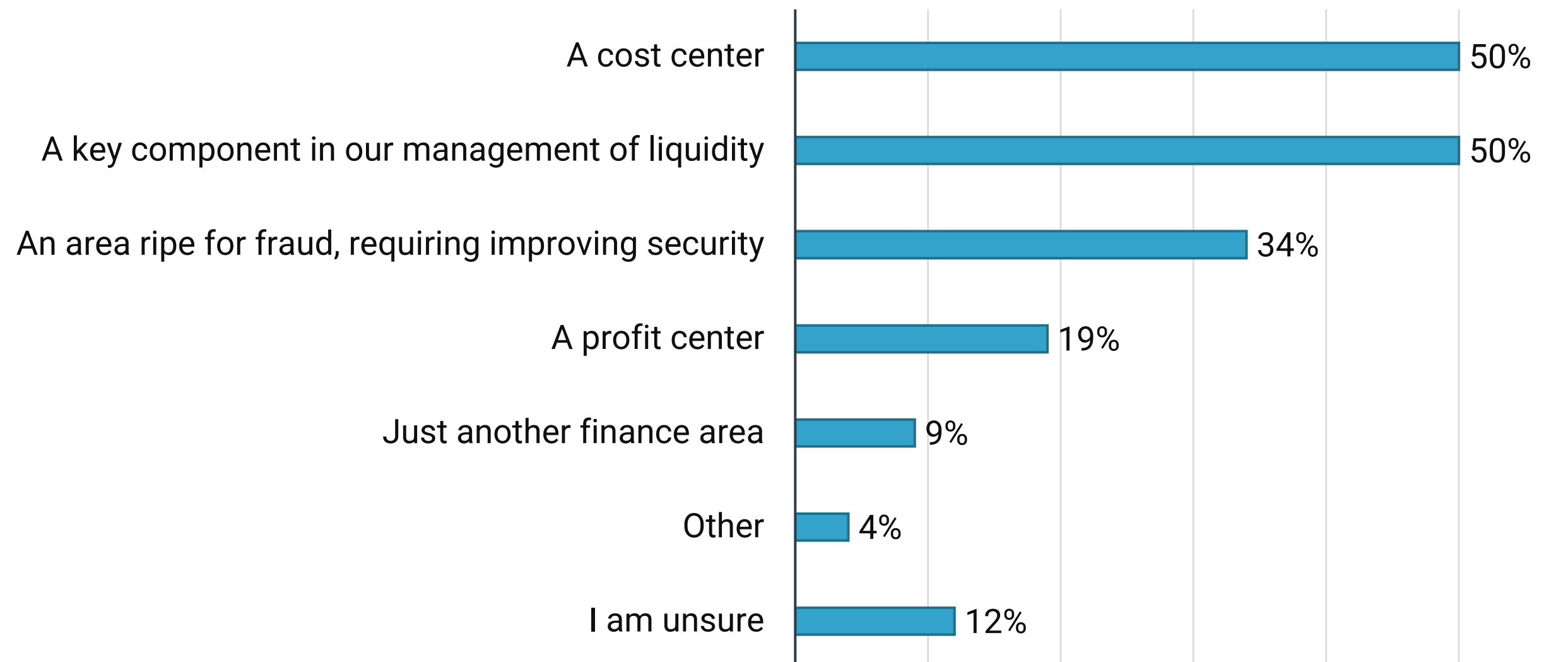


## Benefits of automation

- Single version of the truth
- Single approval
- Single view
- No handoffs
- No overspending
- Speed
- Cohesiveness for:
  - OpEx
  - CapEx
  - Liquidity

# POLL QUESTION

**Poll 3 - We look at payments and the payments process as: (select all that apply)**

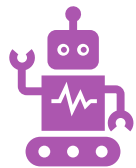


# DRIVERS TO AUTOMATION

BROADER SHIFTS INCREASING NEED FOR AUTOMATION



Remote work increases need for reduction of manual processes



Generational demand for less manual labor



Supply chain relationships need to remain healthy



Competition moving to automation

# ITEMS OF CONSIDERATION

## ASSESSING AUTOMATION SOLUTIONS



### Questions to ask

- How much will this relieve us of manual tasks?
- Can this solution scale as our situation becomes more complex?
- Which payment types and payment file formats are supported?
- Will I need additional vendors to handle payment execution, credit cards or underwriting?

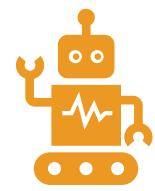
# FINAL THOUGHTS

## HOW TO PROCEED



### IMPACT

- Procurement activities impact multiple areas
- Understand the entire process



### AUTOMATION

- Automation matters for efficiency
- Scalability
- Control and security



### THOUGHTS

- Your competition is automating
- Automate once and realize ongoing benefits
- Automation is easier now than in the past



### INEFFICIENCIES

- List the areas of inefficiency
- Eliminate, simplify or automate
- Measure the benefit



# LET'S CONNECT

DON'T LET THE LEARNING END HERE...  
CONTACT US WITH ANY FUTURE QUESTIONS

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## STRATEGIC TREASURER

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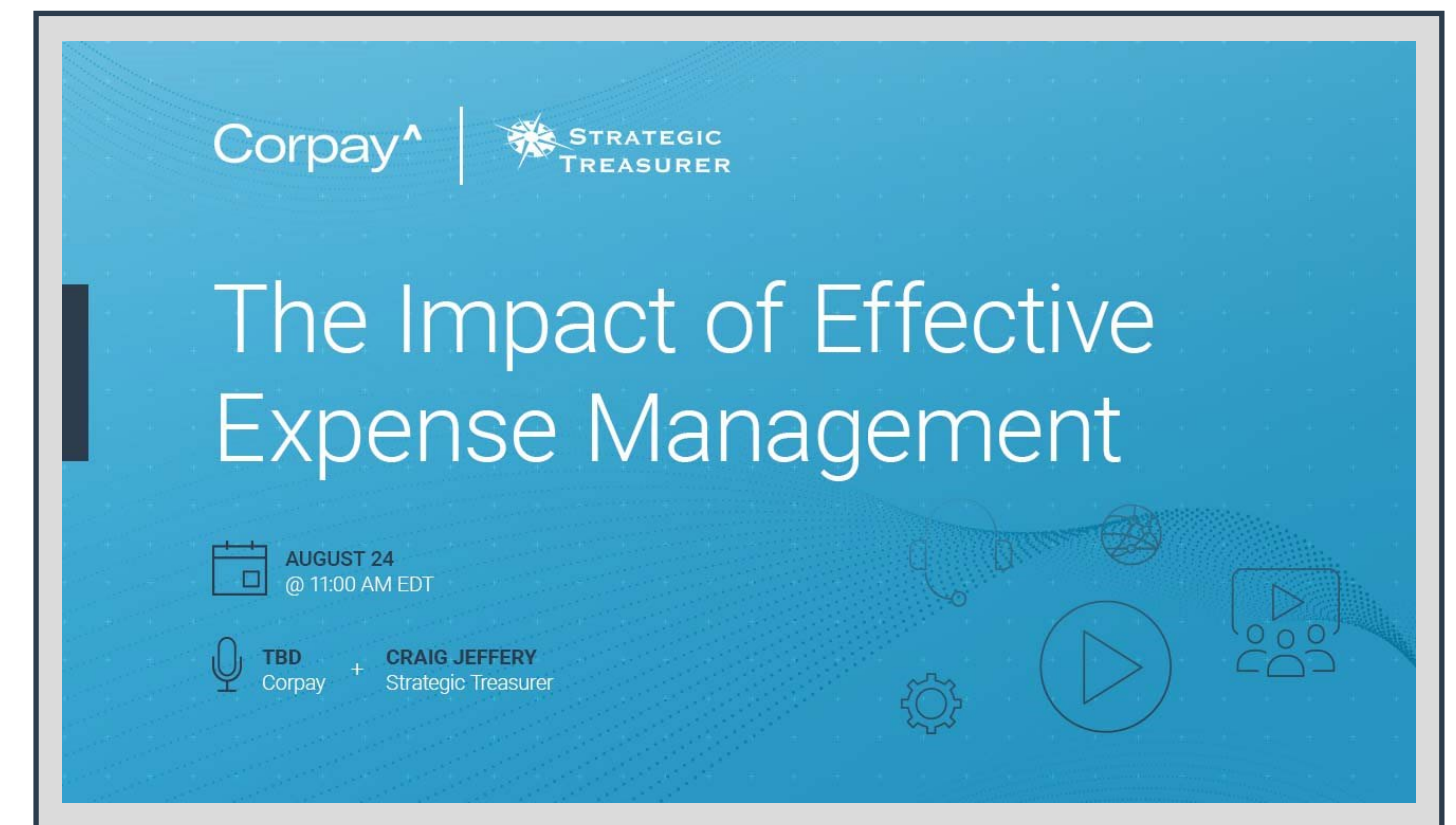
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Join us as we explore the substantial costs and challenges that arise from inadequate expense management, and uncover proven strategies for implementing streamlined processes within modern accounts payable departments.



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- Liquidity & Risk
- Banking Services
- Treasury Technology



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- Survey Participation
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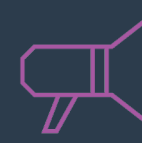
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- Marketing Team Support
- Content Amplification
- SME Speaker Bureau



### RESEARCH Market Data

- Treasury Insights (Data Services)
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