



## **SUPPLIER RELATIONSHIP MANAGEMENT FOR THE BANKING INDUSTRY**

The mySAP™ Supplier Relationship Management solution helps banks manage spend for continuous profitability and a quick, measurable return on investment. Support for strategic purchasing and sourcing, operational procurement, and supplier collaboration enables banks to optimize supplier selection and to close the loop between sourcing and purchasing – both within a bank and across its entire supply chain.

Increased competition, new government regulations, new technologies, greater use of outsourcing, and a broader portfolio of products and services have profoundly affected both the profitability and the purchasing processes of banks. To succeed today, banks need tight control of their spending.

That's not easy. Many banks can't easily trace procurement costs, making it difficult to calculate global figures for overall spend by product categories. Banks often buy services and materials from a variety of local suppliers without benefiting from economies of scale. To make matters worse, the bank purchasing officers of local units may not be aware of existing global purchasing contracts, losing out on potential cost savings.

So how can you get a handle on spending? Centralizing purchasing using standard, traceable processes that make it easy to match supplier invoices and payments integrates purchasing into your bank's supply chain. To accomplish this, you must streamline your purchasing operations and abandon heterogeneous, home-grown purchasing applications for standard software packages that provide enterprise-wide control and the flexibility, scalability, and centralized functionality necessary to support globalization.

### **A Comprehensive Purchasing Platform**

The mySAP™ Supplier Relationship Management (mySAP SRM) solution provides a comprehensive purchasing platform for world-class supply management. It supports self-service requisitioning for goods and services and can help you simplify, standardize, automate, and accelerate procurement. mySAP SRM helps you understand and improve the terms and conditions of trade, improve the quality of sourcing decisions, and analyze performance.

mySAP SRM is equipped with fully integrated functionality for contract and compliance management, a common analytical framework, and a single source of master data. It provides cost-effective connections using either XML or Web services so you can integrate suppliers of all sizes into your procurement processes and collaborate with them.

mySAP SRM helps you manage your supply base more effectively and improve supply management throughout your bank. It bridges the gap between operational and strategic sourcing and provides links to key banking and enterprise resource planning (ERP) processes.

### **Robust Sourcing Functionality**

The materials and services your bank receives from suppliers directly impact the quality of products and services you deliver. Studies show that banks that nurture collaborative relationships with their suppliers consistently outperform banks that do not. In the long run, building sustainable relationships with your suppliers is far more profitable than pressuring individual suppliers for marginal cost reductions.

mySAP SRM can help you significantly strengthen your strategic purchasing practices and reduce supply costs. By enhancing sourcing visibility and continuity you can increase the value of products and services that you buy. mySAP SRM provides functionality for category management, supplier qualification, supplier negotiation, and contract management.

mySAP SRM makes sourcing more efficient because it combines enterprise-wide analytics for purchasing control, spend analysis, forecasts, and measurements of supplier performance. You can easily integrate strategy development, strategic sourcing, and purchasing control. You can leverage purchasing know-how by using category-specific templates. These templates provide managers with analysis of spend patterns, process workflows and templates, and the ability to actively manage initiatives against goals set for the category.

mySAP SRM helps your bank achieve visibility into company-wide spend. Global spend analyses provide a consolidated view of total spend across all business units and product categories for all the regions and markets that your bank serves. You can consolidate master data for different spend categories or suppliers to avoid data duplicates. Greater data accuracy allows visibility into global spend and meaningful insights into spend patterns.

mySAP SRM helps you centralize contract management so you can enforce compliance with corporate purchasing rules. You can create, maintain, and distribute the terms of a global agreement to local organizations or business units that need it. With distribution and synchronization of global contract data across your enterprise, managing compliance becomes easier. Local purchasers and logistics coordinators ensure material and service availability by taking global contracts into account and managing supply for their banking office. Analytics facilitate the reporting of purchasing activities related to contracts. Purchase orders or releases are summed and can be compared against centrally negotiated volumes or quantities. Alerts push information out to the responsible employees. And you can identify maverick buying and notify the appropriate manager. When a contract is about to expire, the solution alerts the appropriate person of the opportunity for renegotiation.

mySAP SRM enables you to manage an integrated supplier negotiation and award process, including preparing for bidding events, executing electronic requests for quotations (RFQs) and reverse auctions, evaluating bids, and awarding suppliers.

The solution makes it easy to integrate external market information with internal data and combine structured data (like delivery reliability based on history data) and unstructured data (like compliance against common quality and industry standards) for supplier evaluation and selection.

### **Streamlined Procurement Processing**

Procurement is driven by strategic agendas and policies that span a broad range of spend categories. Competitive banks create purchasing guidelines across organizational boundaries and geographic regions and monitor compliance with those guidelines.

You can use mySAP SRM with the mySAP ERP solution to create an environment for decentralized, simplified requisitioning, reliable order processing, and integrated financial settlement. The result is a streamlined procure-to-pay process with integrated, catalog-based requisitioning that is highly standardized, automated, and easy to use. Employees can search for and buy products while you reduce overhead and allow purchasing professionals to focus on managing supplier relationships instead of transactions. mySAP SRM handles key tasks, including requisitioning, order management, receiving, and financial settlement on its own without the need for an ERP system.

mySAP SRM tightly integrates catalog management with e-procurement, tying views and categories to different regions, markets, or buying organizations. It gives you tools to effectively manage the flow of content from your suppliers into your catalogs. Suppliers can collaborate with your buyers by uploading their catalogs directly into your system.

You can set up, manage, and survey complex approval rules for the process of self-service requisitioning. Those rules combined with templates, workflows, and designated roles support compliance with centralized purchasing governance and policies to help you enhance process standardization and transparency.

mySAP SRM also accelerates your procure-to-pay process and improves the visibility and accuracy of all invoice-related information by integrating purchasing and payables. You can monitor and process all incoming invoices, regardless of which system is used to book them. If your bank books invoices in back-end systems, you can deploy a shared service center for invoice management. The solution matches all invoices to relevant orders to prevent duplicate payments or price variances. You can detect exceptions and automate the exception-handling process.

### **Multichannel Supplier Enablement**

Successful supplier relationships require good interaction with your bank's purchasing organization. To achieve such interaction, you must offer cost-effective methods for suppliers of all sizes to connect with your purchasing processes.

mySAP SRM supports multiple channels for supplier interaction so you can make the most of your resources. The solution includes an integration broker for XML-based document exchange, an electronic supplier network, a Web-based supplier portal, and a set of applications for collaborating with suppliers.

The Web-based supplier portal serves as a single point of entry for suppliers where they can access information and perform transactions, such as updating catalog data, accessing bid invitations and participating in auctions, processing acknowledgements, tracking payment status, and suggesting changes to orders.

### **A Long-Term Foundation for Centralized Purchasing**

mySAP SRM can provide a long-term foundation for securing cost and quality advantages from centralized purchasing and for broadening supplier involvement. Only mySAP SRM can effectively link your sourcing and procurement processes, the various departments within your bank, and your bank with its entire supply base.

mySAP SRM is a scalable, highly configurable, and flexible global purchasing solution that can help your bank make the transition to centralized purchasing and low-cost, country-specific sourcing models. The solution supports 24 languages and multiple currencies – as well as a wide range of local regulations, laws, and tax requirements. Specific business benefits include:

- Quick, significant, and sustainable cost savings
- Value-generating supplier relationships
- Accelerated business innovation
- Increased time for value-adding activities, such as improved customer service
- Improved compliance with the Sarbanes-Oxley Act and other regulatory requirements

**Let mySAP SRM Cut Purchasing Costs for You**

mySAP SRM can help your purchasing department play a greater role in your bank's cost-savings strategy. It provides the increased spend visibility that lets you make the most of potential savings. By centralizing supply management processes, making those

**“Return on investment is happening. We've seen tangible benefits in procurement. Plus, we're starting to see the same results in finance and HR ...”**

Aidan Long, Program Director, Bank of Ireland.

processes more efficient, and maximizing supplier relationships, mySAP SRM can significantly improve your bank's bottom line. Like most banks today, the Bank of Ireland was trying to increase profits by better managing resources and cutting costs. However, the bank lacked a central procurement system to properly monitor expenses and effectively manage suppliers.

“Prior to the implementation of SAP software, we didn't have a group-wide procurement system,” says Aidan Long, program director for the Bank of Ireland. “So we didn't have visibility of costs, standard best-practice procurement procedures, and uniform purchase orders.” The bank used mySAP SRM to reduce costs, increase purchasing efficiencies, monitor buying behaviors, and improve collaboration with business partners.

Bank employees browse an online catalog to purchase items. The system ensures compliance with business rules and pricing policies, and with a global view of procurement activities, the bank can negotiate better contracts with suppliers. The SAP® procurement solution has also improved supplier selection, shortened cycle times, and lowered process costs. “We are seeing benefits from process efficiency and visibility,” says Hugo Flinn, former general manager for finance and business services for the Bank of Ireland. “We have enabled management to challenge costs on a transaction-by-transaction basis. Plus, we are realizing benefits from better supplier management.”

**Learn More**

For more information on how mySAP SRM can enhance supplier relationship management for your firm, please visit the SAP Web site at [www.sap.com/solutions/business-suite/srm](http://www.sap.com/solutions/business-suite/srm).

**Powered by SAP NetWeaver®**

mySAP SRM is powered by the SAP NetWeaver® platform, the open integration and application platform that enables change. SAP NetWeaver helps companies align IT with their business. It allows companies to obtain more business value from existing IT investments and to deploy a service-oriented architecture. SAP NetWeaver reduces total cost of ownership and complexity across the entire IT landscape.

SAP NetWeaver powers mySAP Business Suite solutions, SAP xApps™ composite applications, and partner solutions. It provides the best way to integrate all systems running SAP or non-SAP software. SAP NetWeaver unifies integration technologies into a single platform and is preintegrated with business applications, reducing the need for custom integration.