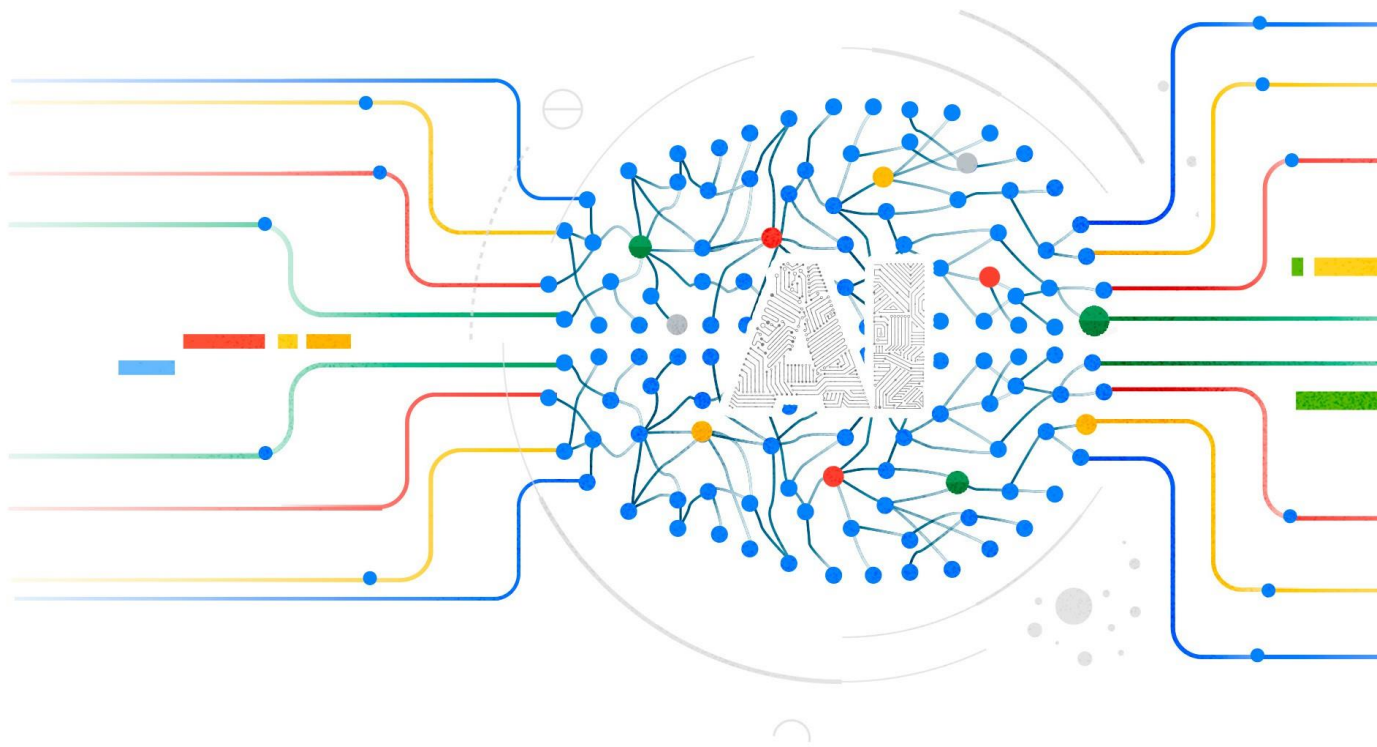




Digital Transformation

Spendwell.AI



Business Spend Management (BSM) SaaS

Spendwell.AI

AI-powered spend management. SpendwellSM

cuSPEND

Spend management for credit unions.

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Private label spend management SaaS.

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Back-Office Digital Transformation

Digital is the key to transformation in today's world, forming the foundation for enhancing customer engagement, optimizing operational efficiency, and fostering a mindset geared toward greater agility and innovation within organizations. This widespread significance of digital technology is prompting many companies to consider appointing a Chief Digital Officer (CDO) to ensure they are maximizing its potential. However, digital transformation goes beyond just technology; it involves creating new experiences, adopting innovative ways of working, and developing new business models.

Implementing a comprehensive Business Spend Management (BSM) application can significantly enhance the efficiency and effectiveness of non-core back-office operations for financial institutions. Here's how such an application can address various goals of digital transformation:

Why Focus on Expense?

Immediate Financial Impact:

- Saving \$500,000 in unnecessary overhead costs can have the same effect on the bottom line as increasing revenue by \$5,000,000. This direct cost-saving approach is often more manageable and faster to achieve than generating new sales ([Accenture | Let there be change](#)) ([BDO](#)).
- Savings from cost reductions go directly to the bottom line, improving profitability without the need for additional revenue ([Accenture | Let there be change](#)).

Strategies for Spend Reduction

1. Manage Consumption

Leverage Human Nature:

- Implementing strict frameworks for manager oversight and encouraging competition among peer groups can lead to improved performance and significant savings. This approach can generate savings of nearly 50% without reducing prices ([BDO](#)).

2. Buy Better

Professional Procurement:

- Digital procurement tools can access the global marketplace, leverage volume aggregation, and manage demand and specifications effectively. This professional approach to procurement can deliver "apple-to-apple" savings of up to 42% ([Accenture | Let there be change](#)) ([McKinsey & Company](#)).

Efficiency through Technology

3. Robotic Process Automation (RPA) and Artificial Intelligence (AI)

Enhanced Processes:

- AI and RPA can manage inventories, make stocking order cues, and automate the procurement process, including the 4-way accounting match (order-receipt-invoice-inspection). This automation reduces manual intervention and errors ([McKinsey & Company](#)).
- These technologies can significantly speed up processes, reducing invoice processing time from 15 days to 60 seconds, improving error-free processing from 30% to 99.9%, and reducing overhead costs by 30% ([McKinsey & Company](#)) ([McKinsey & Company](#)).

Leverage Existing Vendors for Business Process Outsourcing (BPO):

- BPO can eliminate the need for internal warehouses and distribution, replace internal support desks, and take over many non-banking staff accounting tasks. This allows the organization to invest in upskilling employees to higher-value roles, increasing overall efficiency and reducing costs ([McKinsey & Company](#)).

Centralized Control and Visibility

Straight-Through Processing:

- A BSM application enables digital straight-through processing, where data is captured once and flows electronically through the entire process, building an audit trail for each transaction. This reduces errors, delays, and duplication of efforts ([McKinsey & Company](#)).

Centralized Digital Control:

- Digitally connecting people, partners, processes, and information ensures that all activities from design to delivery are managed in a simple, smart, and open way. This centralization enhances visibility and control over business spend, leading to more informed decision-making and efficient operations ([BDO](#)) ([McKinsey & Company](#)).

Case Study: Medium Sized Financial Institution

Practical Implementation:

- Spendwell.AI's straight-through processing eliminated paperwork from requisition to payment, lowered costs, monitored operations, and managed warranties. This system not only reduced costs by about \$100,000 annually but also brought uniformity and control across the FI's business units, streamlining the purchasing process and eliminating inefficiencies ([McKinsey & Company](#)).

Conclusion

A comprehensive Business Spend Management (BSM) application, such as Spendwell.AI, is integral to achieving digital transformation, particularly for non-core back-office operations. By reducing costs, improving efficiency, and providing better control and visibility over business spend, Spendwell.AI plays a crucial role. Spendwell.AI can be leveraged to address all non-banking functions across all departments, offering a centralized control solution that integrates seamlessly with existing core platforms where needed. Utilizing strategies like managing consumption, professional procurement, and advanced technologies such as Robotic Process Automation (RPA) and Artificial Intelligence (AI), Spendwell.AI enables financial institutions to achieve substantial operational improvements and cost savings. This drives sustainable growth and enhances profitability, making Spendwell.AI essential for comprehensive digital transformation initiatives.