

## Level Up: 8 Tips to Boost Employee Purchasing Power

If your organization has employees who are new to making business purchases, they may not know how to maximize your supplier relationships or make the most cost-effective buying decisions. For example, which vendors should they use and why? What process should they go through to select a vendor? Once they do make a purchase, how should they expense that purchase? But if your organization wants to make the most of its supplier relationships and gain control of spend, it's crucial for them to know this information.

To help your organization succeed, here are eight tips for demystifying the purchasing process:

# 1

### **Re-evaluate your established policies**

Over the past few years, it's possible your purchasing policies have been put on the back burner. Take the time now to dust off your purchasing rules and check in with your team. Have honest conversations and consider if your policies are outdated or misunderstood, or perhaps in the disorientation of the pandemic, they were simply forgotten. Ask questions if you're seeing an increase in miscellaneous expenses—a tell-tell sign employees aren't sure how to expense purchases. Be proactive about communication to clear up confusion and share refreshed procedures.

# 2

### **Don't leave discounts on the table**

Every time employees buy from preferred suppliers, your organization benefits from negotiated pricing. But do your employees know which suppliers to use and how to maximize the savings? Examine current spending to make sure your team is taking full advantage of existing discounts and opportunities to save money. Create systems for your team to easily find and use preferred suppliers. And don't hesitate to negotiate reduced rates when possible—using preferred suppliers can only help your bottom line.

# 3

### **Leverage tech for spend visibility**

You can't fix what you can't see. If your purchasing is siloed across platforms or teams, then you're missing crucial opportunities to control spend, advance supplier relationships, and grow purchasing policies. Having stronger data also gives you a complete spend picture plus the opportunity to directly identify and support your purchase-to-pay (P2P) supplier and payment strategies. Start by managing all transactions across one platform. Ensure all spend is properly reported and coded. Then leverage that visibility to evolve and improve processes and communication. By using tech to your advantage, you can increase productivity and accuracy, both of which are crucial to spend success.



#### **Be alert to new supplier opportunities**

Grow your preferred supplier pool by looking in your own backyard. You likely have vendors you're using right now with high spend, even if the number of transactions is low. Pull a list of these suppliers together and consider the following: Can you discuss discounts? Could you elevate an approved vendor to a preferred supplier? Advancing and building relationships with preferred suppliers can elevate savings and discount opportunities for your organization.



#### **Use AI to track spend trends**

Your purchasing team can only do so much in a day. Harness the power of artificial intelligence (AI) to analyze your spend data. You have so much information at your fingertips, and AI makes it easy to spot patterns and trends across various payment methods—without burdening employees with time-consuming research. By accessing quick insights, you can make holistic process changes and even get into the nitty-gritty details of various transactions.



#### **Reel in rogue buying or “maverick spending”**

Rogue spending comes in many forms: Large purchases are made through the improper channel. An employee misses using a preferred supplier. Maverick spending can cost you hard-won savings, risk noncompliance, and weaken your bargaining position with vendors. Many organizations find themselves on the defensive in the face of maverick spending. But what's important is the proactive steps your organization takes to curtail rogue buying. Be diligent about regularly reminding employees to follow established processes and use preferred vendors. Educate your team about rogue spending and empower them to make wise purchasing decisions.



#### **Leave inefficiency in the rearview**

It's no great surprise: An unwieldy process slows everyone down. Pause now to ask yourself if your organization is struggling with confusing spend requirements and inefficient systems and touchpoints. Look closely at your buying processes to identify any procedures that are too complex or time-consuming. Inefficient processes make employees less productive and eat up time that could be better spent focusing on strategic opportunities. Help your team hum by regularly reviewing spend procedures and better understanding the behaviors behind how your employees buy.



#### **Remember your external workforce**

Your contingent workforce is likely critical to your organization's success. But are you thinking of it in relation to your purchasing process as a whole? Your contingent workforce process should make it easy to quickly find qualified workers, manage costs, and reduce risks. If your external workforce processes are slowing you down, you may need to fine-tune how you find, procure, and manage external workers.

Your employees undoubtedly understand the importance of optimizing spend, but they may be in the dark about what they can do to help. Shed new light on the subject by putting these tips into practice, so you can improve compliance, reduce risk, and secure better pricing. You'll also help make purchasing and accounts payable employees more efficient, delivering benefits to your organization's bottom line.



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