

Turbulent Global Economy Presents Payment Professionals with New Opportunities for Spend Management Success

Terry Wellesley, Managing Director, BMO Spend & Payment Solutions, January 21, 2009

A remarkable transformation in how organizations approach and manage spend has been unfolding in the commercial payment world over the past year, intensified by the current economic crisis. Terry Wellesley of BMO Spend & Payment Solutions provides insights into how organizations can help customers improve spend management through the application of technology.

In challenging times, there is heightened pressure on organizations – both public and private – to maximize control over spending, capitalize on early payment discounts and gain transparency. With better data, increased automation and tighter controls on corporate spending, organizations are optimizing their cash flows and cost-savings across the entire organization.

Today's global marketplace and electronic transaction capabilities have fundamentally changed how organizations procure goods and services, establish relationships with and manage suppliers, and make payments to those suppliers. This is demanding entirely new sets of needs in payment solutions to quickly, efficiently and securely do business with suppliers all over the world.

The current economic pressure hasn't changed organizations' need to keep purchasing goods and services; it has, however, escalated the need to ensure that commercial spending is as efficient and effective as possible.

Consequently, companies are turning to spend and payment solutions like never before. They're looking for technologies and services that will help generate efficiencies and drive cost reductions.

As revenues decline, the focus turns to finding opportunities for cost savings. Spend and payment processes, which have traditionally been manual and resource-intensive, are key areas of savings opportunities.

Coupled with today's market realities is a rise and expansion of new regulatory frameworks that demand increasing levels of transparency. New accounting rules and increasingly strict government oversight have lengthened already-onerous procedures to keep all processes and transactions fully compliant.

In this pressured environment, organizations are looking to gain more accurate and complete information on spend, and use that data to drive bottom-line value to their organizations through:

- technology solutions that will help save money and increase transparency, from the beginning of the procurement process to the end;
- best-in-class processes that become shorter and paperless; and
- automating time-consuming and onerous manual tasks.
- organizations need integrated and holistic solutions from their service providers.

By combining spend management solutions with full-service financial products, BMO is able to help customers achieve spend management success.

BMO's Spend Management Solutions suite, which has come to fruition over the past six months, was developed in conjunction with BMO's advisory council of top customers.

Now, BMO effectively brings together the diverse worlds of finance and physical supply chain management through a partnership with Ariba, one of the world's largest spend management technology providers. BMO's diverse range of services can be easily integrated into a customer's existing ERP system; everything is under one roof. This consolidation also allows more creative and flexible pricing. As a bank, BMO is in a position to focus on the longer-term relationship and provide customers with total procure-to-pay solutions from their trusted banker.

Customers are able to log onto BMO's bank interface to:

- fully automate their purchase order, invoice receipt, invoice reconciliation and settlement processes;
- effect payments through a full range of corporate products including purchasing, T&E and fleet cards and electronic funds transfers (ACH and DEFT);
- leverage third-party financing and capture dynamic early payment discounts;
- gain immediate access to a growing number of more than 180,000 enabled suppliers worldwide; and
- efficiently monitor and control contract creation and performance.

BMO has the ability as a major bank to establish partnerships with best-in-class global solutions providers. In turn, the bank can bring to clients seamlessly integrated solutions and data integration. Customers are able to pinpoint and execute the most effective spend and payment strategies, and also to take advantage of advanced consulting and support.

The current economic crisis presents a golden opportunity to eliminate wasteful procurement and spending practices, and implement solutions that enable better transparency and provide more control over corporate spending. Now is the time for private and public organizations to put real spend management tools to use. The benefits will be even greater when the economy gets back on track and organizational spend begins to increase once again.

Terry Wellesley is managing director of BMO Spend & Payments Solutions. A division of BMO Financial Group, BMO Spend & Payment Solutions (formerly BMO ePurchasing Solutions) is a leading commercial card, spend and payment solutions provider in North America.

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