SUPPLY CHAIN SKILL COURSE

Procurement

SPEND ANALYSIS

A potent tool to improve the buying process and reduce cost.

BRASI
Empowering Education

This booklet contains the presentation slides and speaker notes used in the course.

SKILLMAST
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Welcome to the Procurement – Spend Analysis self-paced course.

In this course, you will learn the fundamentals of procurement, best practices, essential skills, tools and methodologies of Procurement – Spend Analysis, covering the key concepts and terms. It is a self-paced course, allowing you to complete it on your own timing.

This course contains a knowledge check, which is a learning quiz, providing explanation when an incorrect answer is selected. There is also an advanced test based on the case studies that will help you to brainstorm and answer by using the knowledge you got in this course.

In addition to the interactive slides, you also have access to the handbook comprising the slides and notes. The handbook is already set up for printing, which you can do on your home printer or get it printed at a copy and print shop.

Once you have reviewed this course, then you may take the test which is a

separate section in the course. Upon passing the test, you will be able to download your certificate. Your certificate will have a unique ID, which is helpful in responding to verification requests in connection with higher education or employment.

Fasten your seat belt and get into the action! Good luck!

Learning objectives

1. What is Procurement Spend analysis
2. Process of spend analysis
3. Direct vs. Indirect Procurement Spend
4. Spend analysis benefits
5. How to do Spend Analysis
6. Spend Analysis KPIs and metrics
7. Spend Analysis Examples
8. Spend Analytics Reports
9. Spend Analysis with BI Tools
10. Spend Analysis Software

Slide 2

Learning objectives for the Procurement – Spend Analysis certificate program are based on industry research and stakeholder feedback. These include familiarization with the basic principles and practices, essential skills, tools and methodologies of Procurement – Spend Analysis.

You will note that the learning objectives are listed at the beginning. This is to help you keep a tab on the overall course content.

Spend analysis

Procurement Spend Analysis is a strategic process used by organizations to gain insights into their spending patterns, supplier relationships, and purchasing behavior. It involves collecting, analyzing, and interpreting data related to procurement and purchasing activities with the goal of optimizing costs, improving supplier management, and making informed strategic decisions.

Analyzing procurement spend provides data that can be used as a baseline to measure improvements, and to also provide reliable data for deciding strategies to realize short and long term savings.

Spend analysis is the practice of analyzing procurement spend to decrease costs, increase efficiency, or improve supplier relationships.

With spend analysis, you identify and extract valuable information that gives you strategic insights.

It’s one of the key methods procurement organizations use to proactively identify savings opportunities, manage risks, and optimize their organization’s buying power.

That's why we wrote this guide: spend analysis is the foundation of a good procurement strategy.

This guide is for people of all skill levels who want a refresher on the most important aspects of analyzing procurement spend.

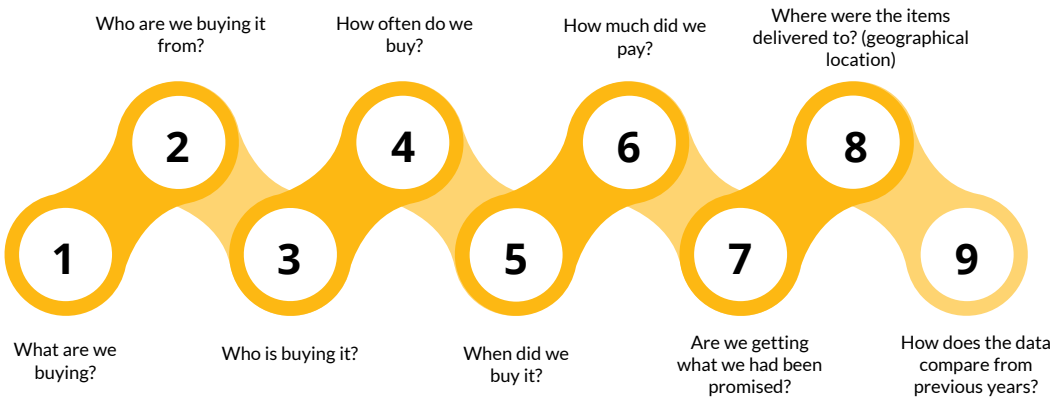
So, let's get started!

What is Spend Analysis?

Slide 4

Spend analytics is one of the key tools that procurement organizations use to proactively identify savings opportunities, manage risks and optimize the organization's buying power. It is often regarded as the fundamental foundation of sourcing. It is a tool that sourcing executives can utilize to engineer superior performance. Data from spend analysis can improve visibility into corporate spend, as well as drive performance improvement, contract compliance, and most importantly, cost savings.

Process of spend analysis



Slide 5

The process of spend analysis involves pulling together purchase history data to answer and assess the who, what, when, where, why, and how of an organization's expenditures.

Direct vs. Indirect Procurement Spend

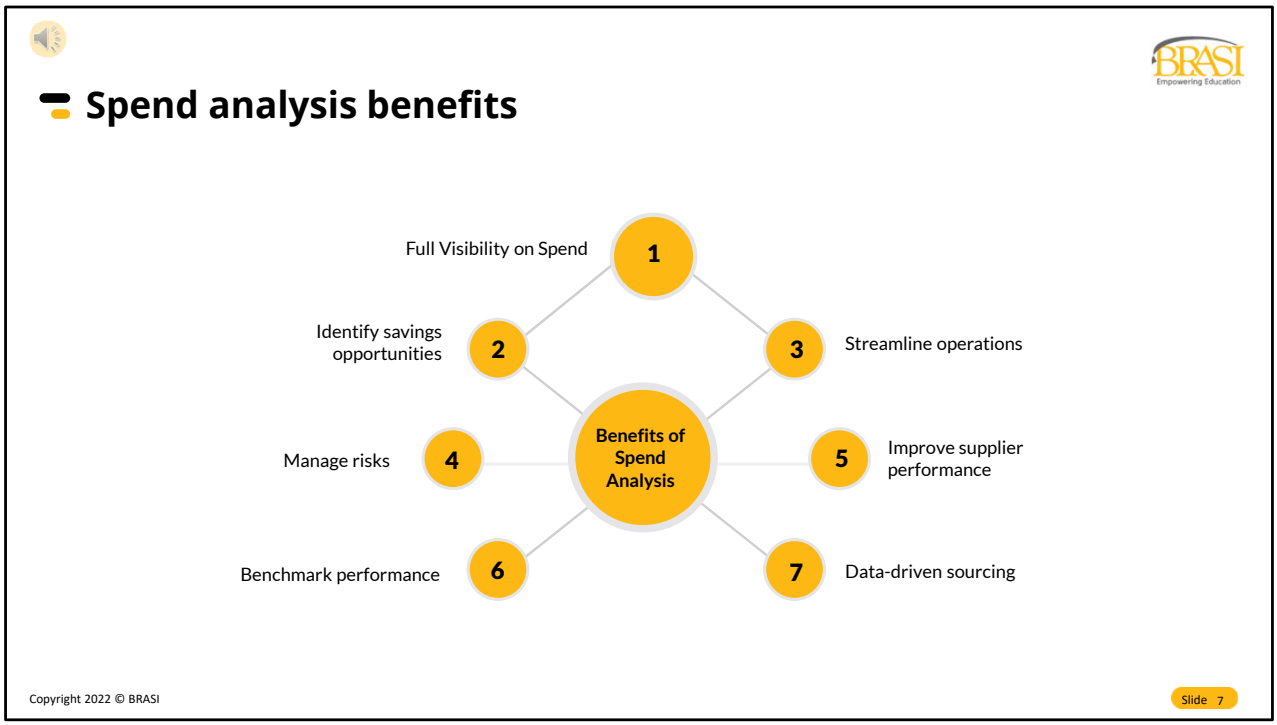
Direct spend in procurement refers to goods and services that are directly related to making products. Examples may include raw materials, components, hardware and services related to manufacturing processes.

Example
- Raw Materials:
- Components and Parts:
- Manufacturing Equipment
- Labor Costs
- Packaging Materials

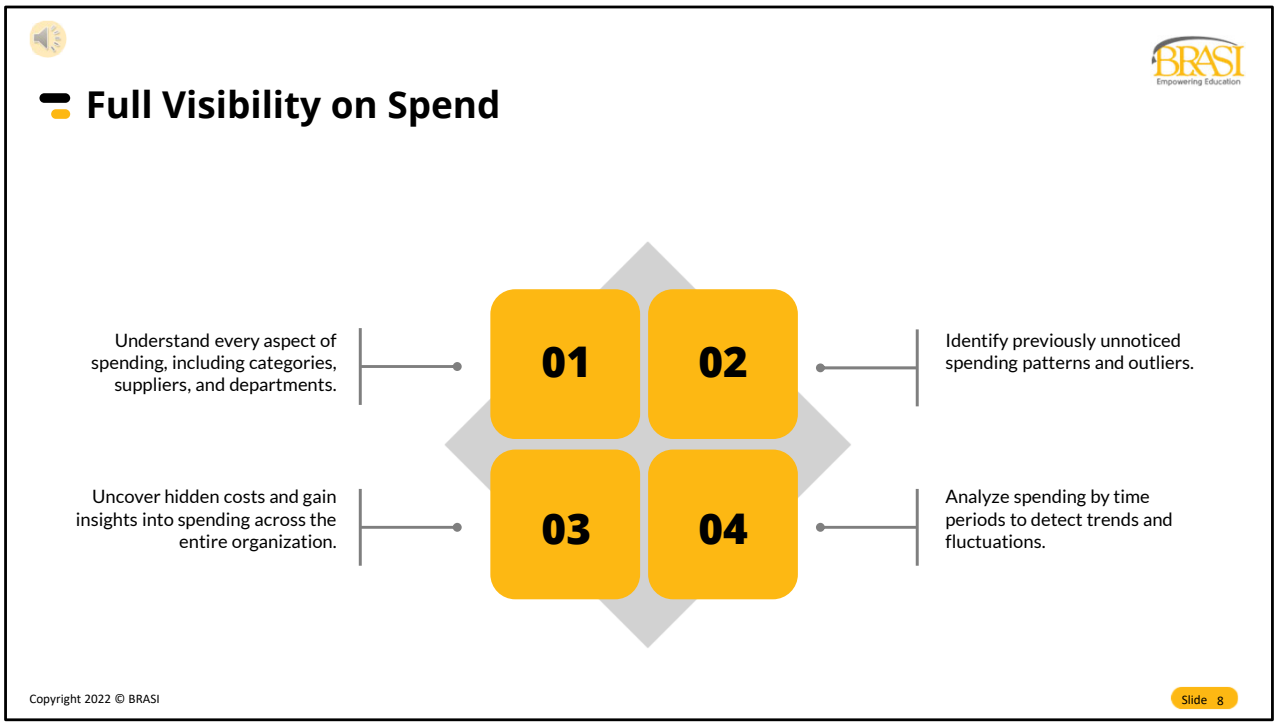
Indirect spend in procurement is the sourcing of goods and services not directly related to manufacturing of products. Indirect procurement enables businesses to maintain and develop its operations.

Example
- IT Hardware and Software
- Travel and lodging
- HR related services (recruitment, training)
- Utilities (gas, electricity, water)
- Marketing services (media buying, agency fees)

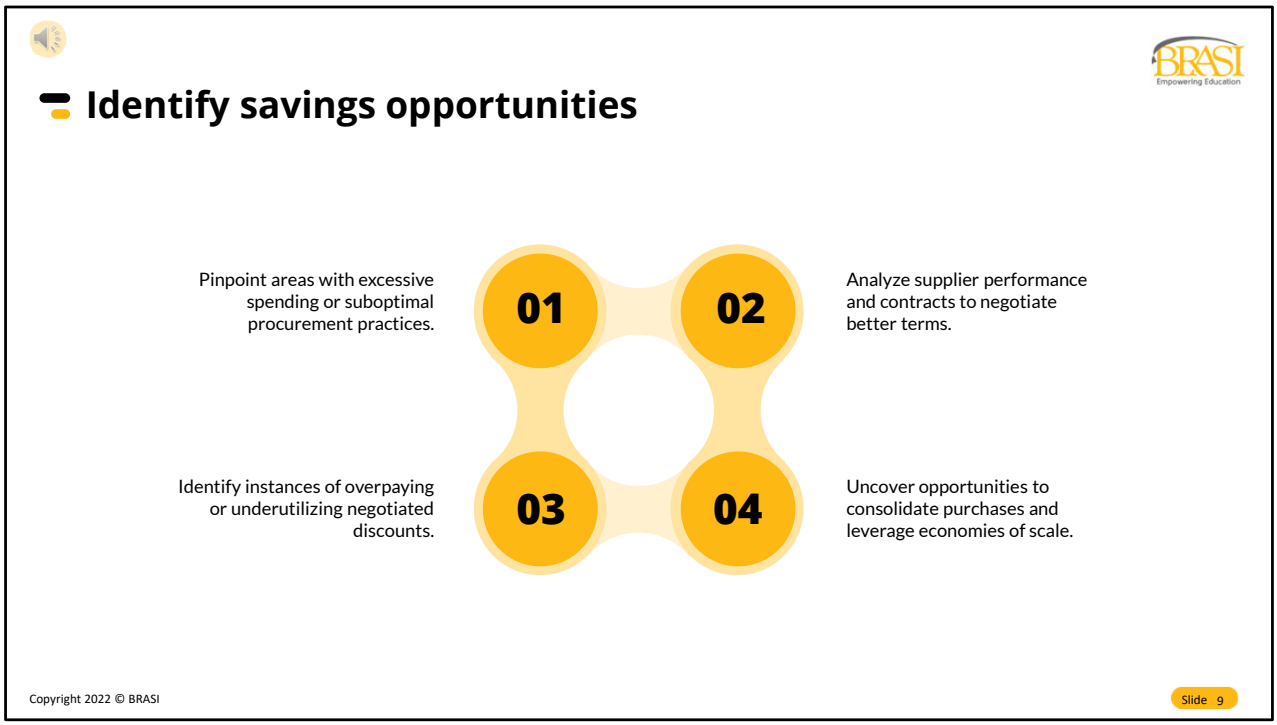
The difference between direct and indirect spend often causes confusion. Let's review definitions and examples for both key areas of procurement.



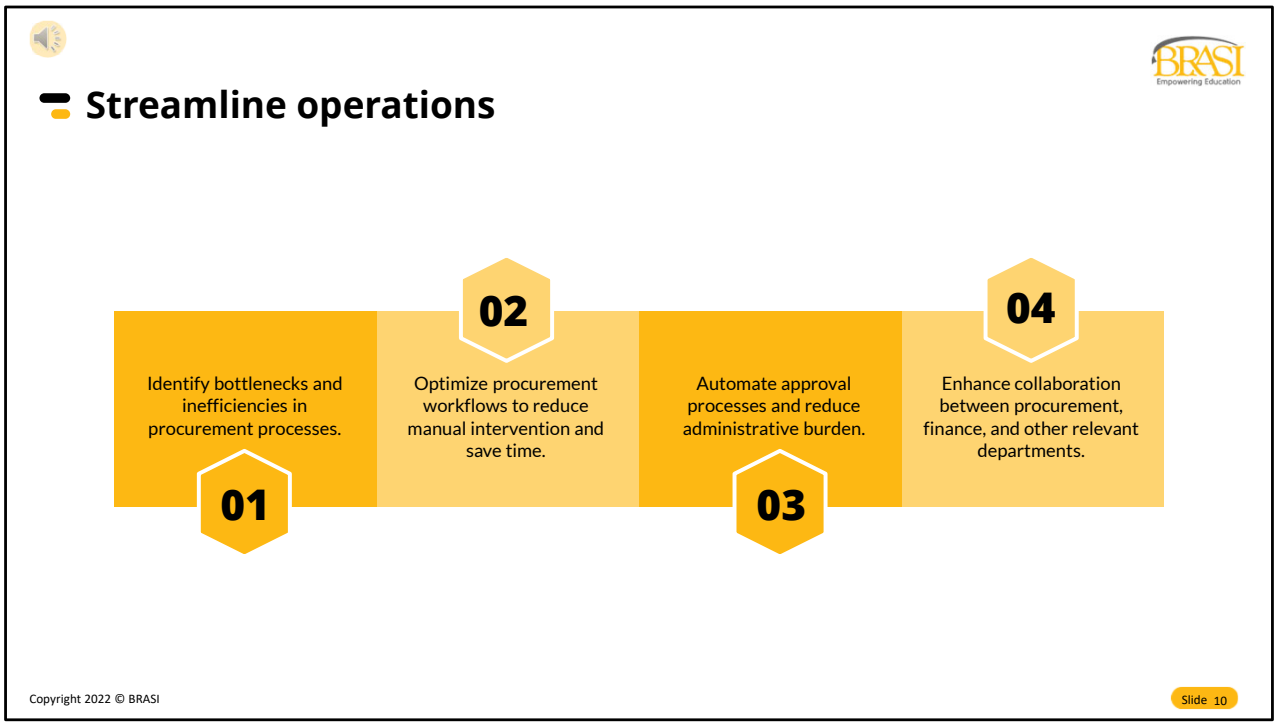
Spend analysis offers a wide range of benefits to organizations across various industries. By thoroughly examining and understanding procurement data, businesses can make informed decisions, optimize costs, enhance supplier relationships, and drive overall operational excellence. Here are some key benefits of spend analysis:



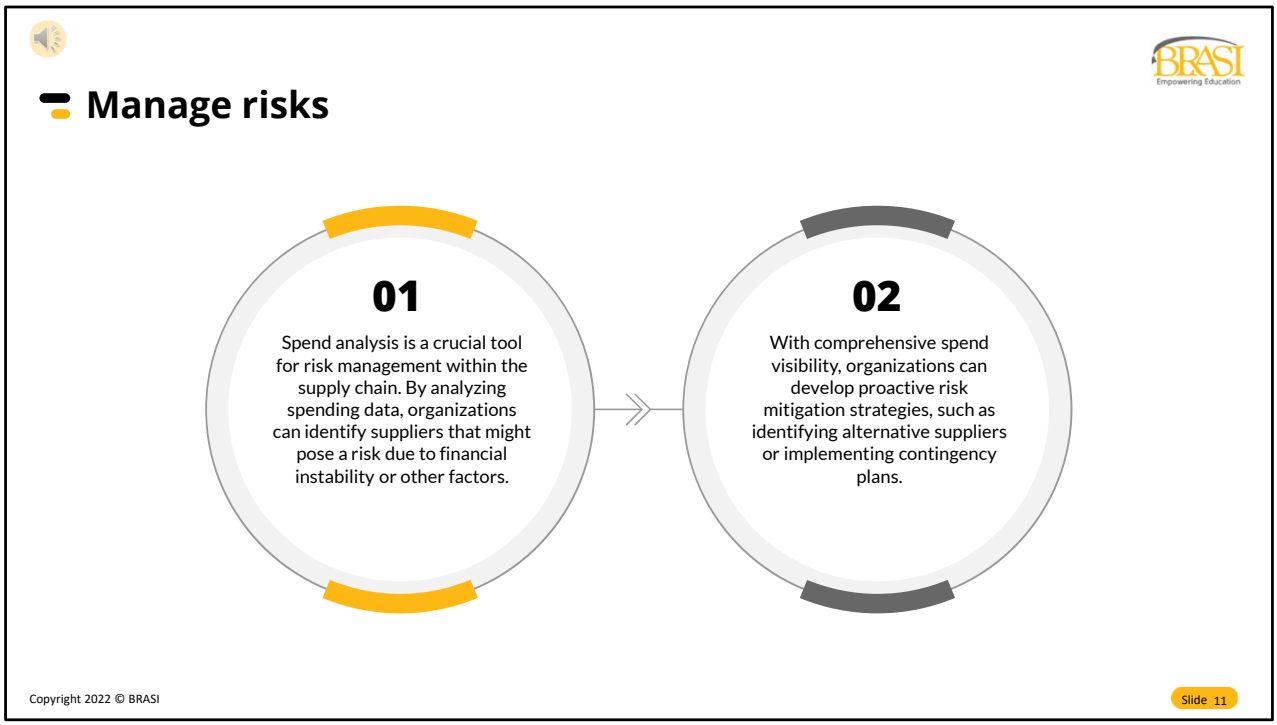
The key benefit that spend analysis can provide to an organization is better visibility and actionable spend intelligence. It gives you a comprehensive view of the metrics that drive improved cost savings, process efficiency, and supply-chain performance.
Spend visibility goes beyond tracking spending, as it gives both a detailed and holistic picture of how money is moving through your company. Having spend visibility allows for analyzing past spend which can be utilized for planning future direction.



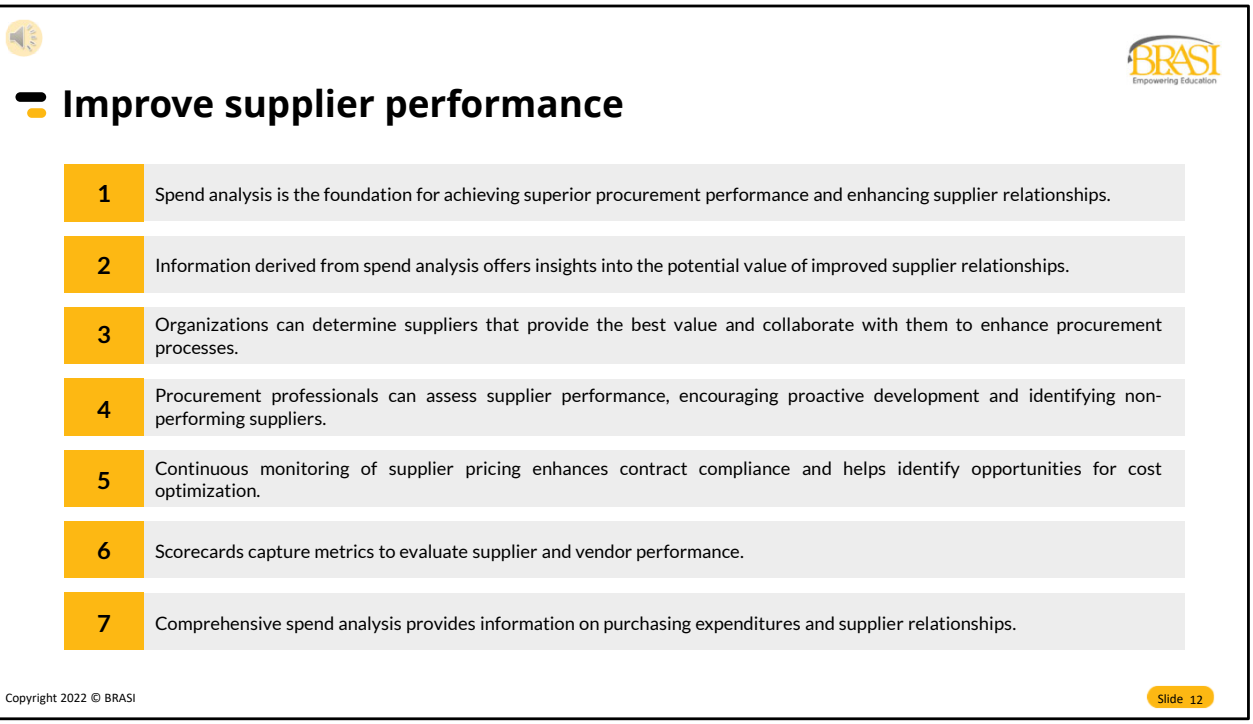
Spend analysis helps you meet your cost reduction goals and also follow up on incremental savings initiatives. Improved visibility helps identify cost-saving opportunities by reducing wasteful and maverick spending. You can benchmark your suppliers and their contract terms.



Spend analysis contributes to cost-effectiveness and process efficiency in a lot of organizations. There will be a significant reduction in cycle time for creating reports and ad-hoc analyses, reducing labor costs and freeing up time for more productive work.

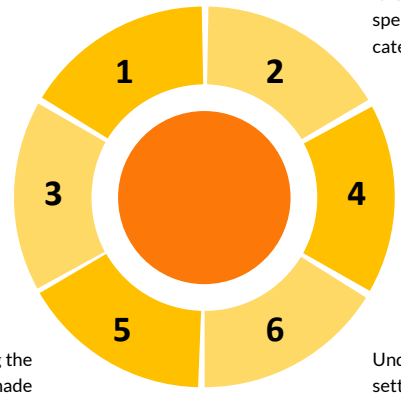


Good spend analysis data will also allow you to track and identify suppliers who have non-contracted spend and spend with non-contracted vendors. When your spend data is enriched with suppliers' credit scores and other revenue information, you can better assess your organization's overall supply chain failure risk.



Once the organization determines which suppliers offer the best value, it can work with them to establish more evolved procurement processes and inventory programs. Procurement professionals can peer into the performance of their suppliers to encourage proactive supplier development. At the same time, they can root out non-performing suppliers and help boost contract compliance by monitoring pricing on a continuous basis.

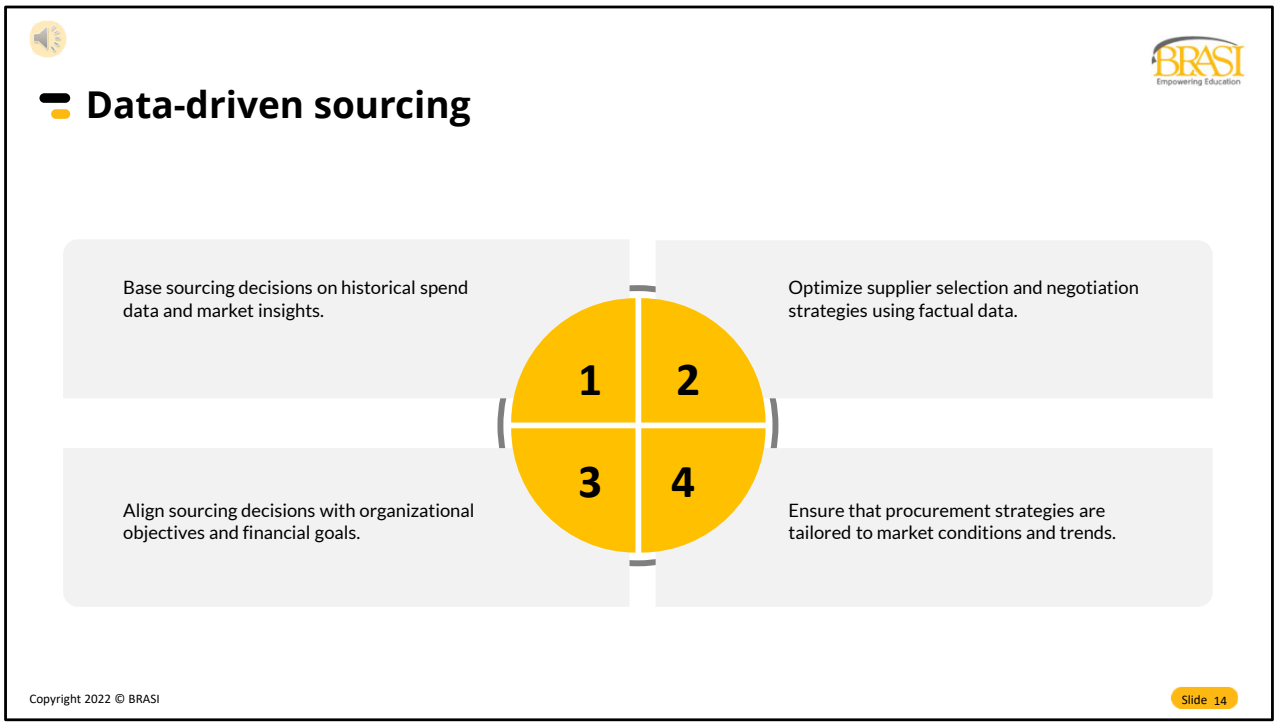
Benchmark performance



1. Spend analysis allows internal benchmarking across various business units and locations.
2. It facilitates the measurement of global spending on office supplies and similar categories.
3. Meaningful comparisons derived from spend analysis support strategic decision-making.
4. Centralizing and organizing spend data enables answers to broader questions, such as vendor count and spend by category.
5. Identification of vendors generating the highest cumulative revenues is made possible through spend analysis.
6. Understanding these insights is vital for setting realistic and achievable improvement targets.

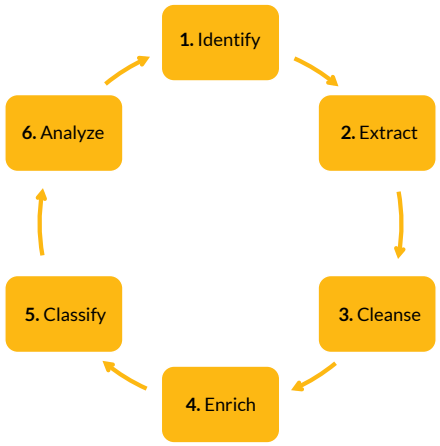
Slide 13

Spend analysis gives you the opportunity to benchmark your performance internally across business units in different locations. This paves the way for meaningful comparisons that can be used for strategic decision-making.



Spend analytics enables sourcing professionals to identify trends, market changes, performance issues, consolidation opportunities, and sourcing potential. It can be used to identify sourcing categories, segment suppliers, and narrow down critical suppliers for development programs.

How to do Spend Analysis



While spend analysis projects vary in shape and size, they typically include six key steps from spend identification to analysis.

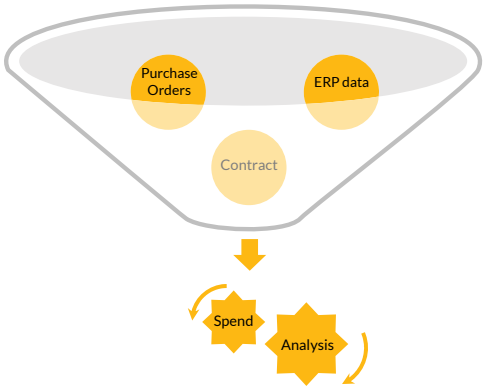
These six steps are fundamental in the spend analysis process and serve as a structured framework to turn raw procurement data into valuable insights that inform strategic decision-making and drive cost optimization.

1. Identify Data Sources

Begin by identifying all potential sources of procurement data within your organization. These sources may include:

- Purchase orders
- Invoices
- Contracts and agreements
- Supplier databases
- Payment records
- Expense reports
- External market data
- Industry reports

Comprehensive data sourcing is essential to get a holistic view of procurement activities.



The first step is to get an overview of what spend will be covered. Doing this allows you to restrict those purchases to just a few key sources.
You can segment your spend into different groups and, from there, determine all the spend data sources available from your departments, plants, and business units. Start by identifying the areas of your business that make significant purchases, such as procurement, finance, and marketing.

2. Data Extraction

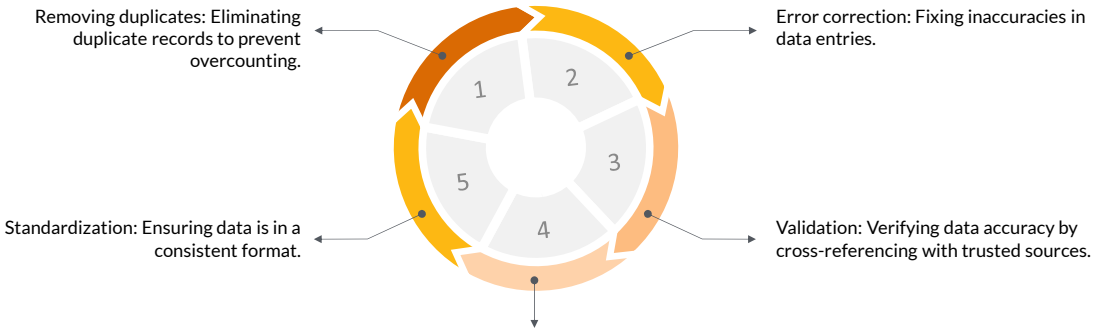
1. Data extraction involves the actual retrieval of data from the identified sources. This is often done using specialized software tools that can access and extract data from various systems and file formats.

2. Data extraction must be accurate and complete to ensure that no relevant information is missed.

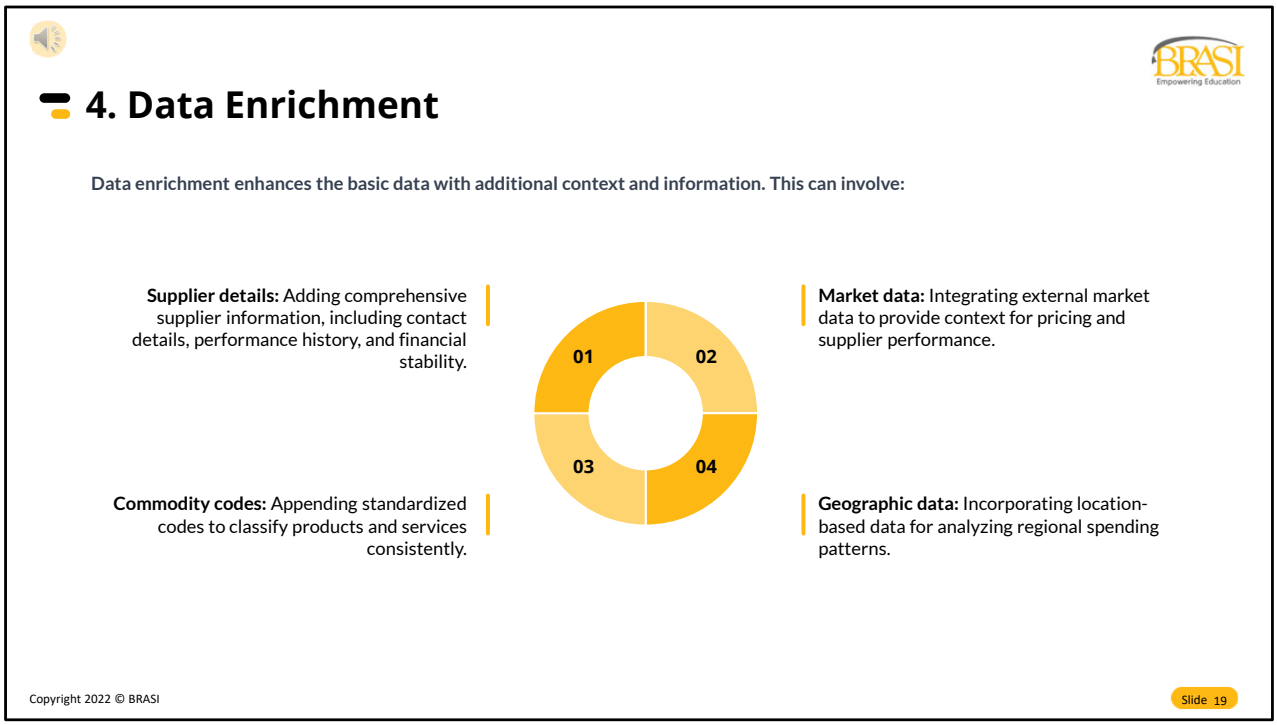
Data extraction is a crucial step in the data lifecycle, as it enables organizations to access valuable information, derive insights, and make informed decisions based on data-driven evidence.

3. Data Cleansing

Data cleansing is a critical step to ensure data quality. It includes:



Cleansing spend data detects inaccuracies and removes corrupt records and redundancies. This includes finding and eliminating errors and discrepancies in descriptions and transactions to ensure accuracy. Data cleansing lets you identify which contacts in your database are incomplete or irrelevant. Typos are removed, and missing codes are validated and corrected for up-to-date information.



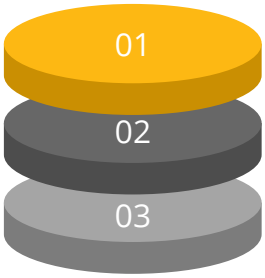
Data enrichment refers to the process of enhancing, refining, and improving raw spend data. It also includes standardizing the spend data for easy viewing. Enriching the spend data makes sure that all the header and line-level names and details are accurate and to a specific naming standard.

5. Classification

Data classification involves categorizing and organizing the data for analysis. Common classification methods include:

Spend category classification: Grouping spend data into categories like raw materials, IT, or marketing.

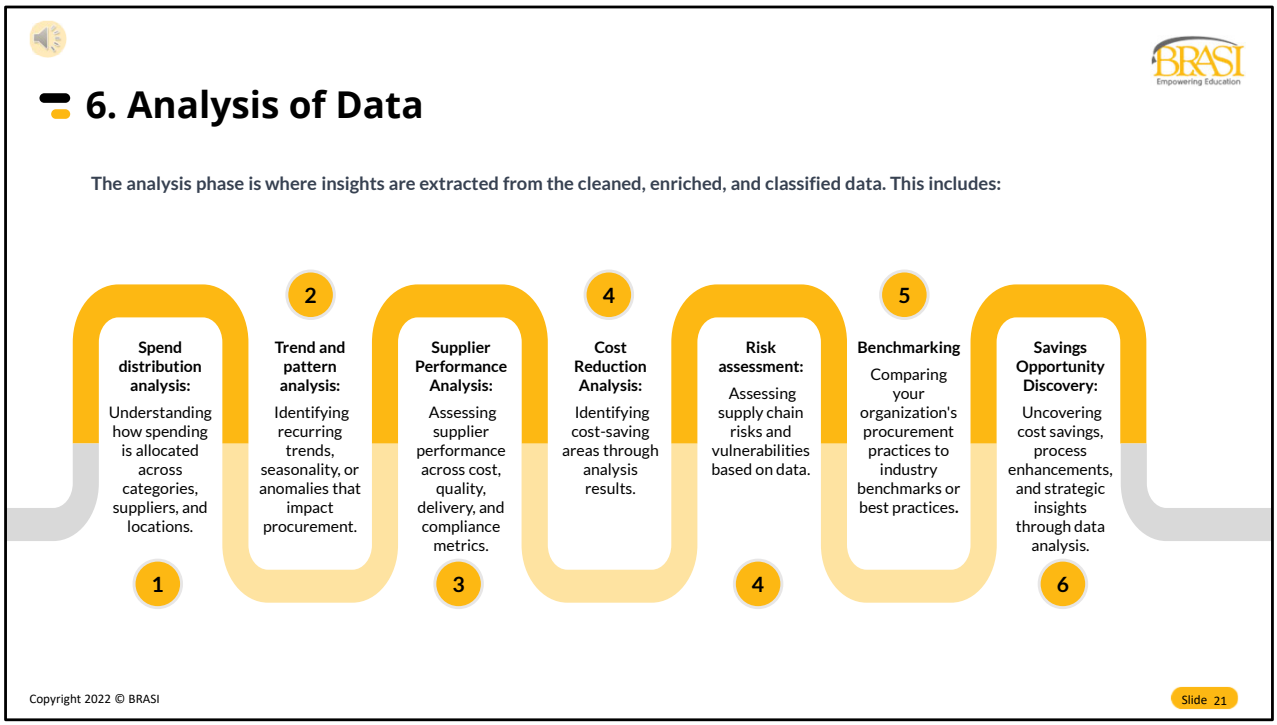
ABC analysis: Prioritizing items or suppliers based on their significance to procurement.



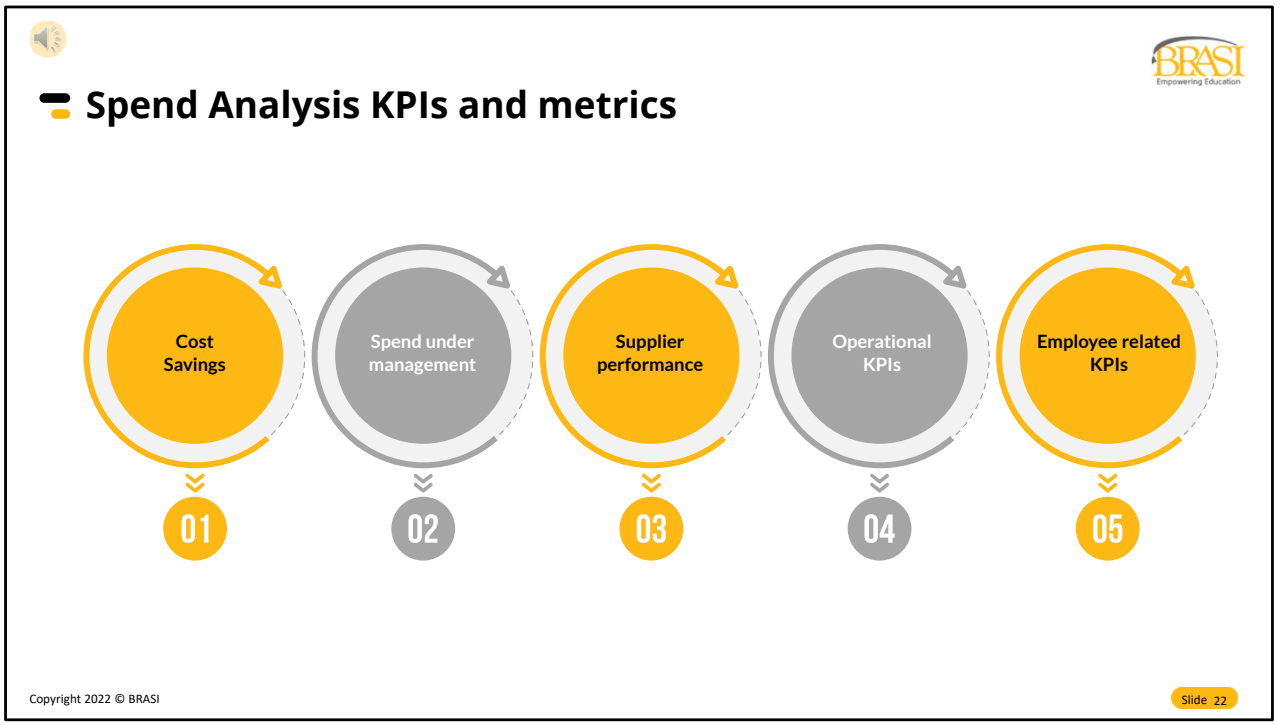
Supplier segmentation: Segmenting suppliers based on factors like performance, criticality, and risk.

Slide 20

Classification typically involves grouping several suppliers of the same parent company or organization. Unifying heterogeneous spend data into clearly defined categories makes spend easier to address and manage across the whole organization. Classification is about harmonizing all purchasing transactions to a single taxonomy, enabling procurement to gain visibility of the global spending to make better sourcing decisions.
Both direct and indirect procurement spend can be grouped into categories, enabling analysis and management of similar goods or services.



The last step is to identify opportunities for savings and other procurement improvements. Analysis can answer business problems like "What are the best contract deals per supplier?" or "Are buyers purchasing from preferred suppliers?"
You can identify opportunities for reducing the number of suppliers per category and negotiating better rates.
If you've come this far, it is beneficial to consider how external data assets can provide deeper and more strategic enrichment to your analysis. By connecting 3rd party data to your spend, you can make more strategic decisions powered by data.



Procurement data can be sliced and diced based on a number of key performance indicators (KPIs), or metrics, relevant to the procurement organization. They exist to measure the effectiveness and performance of procurement management.

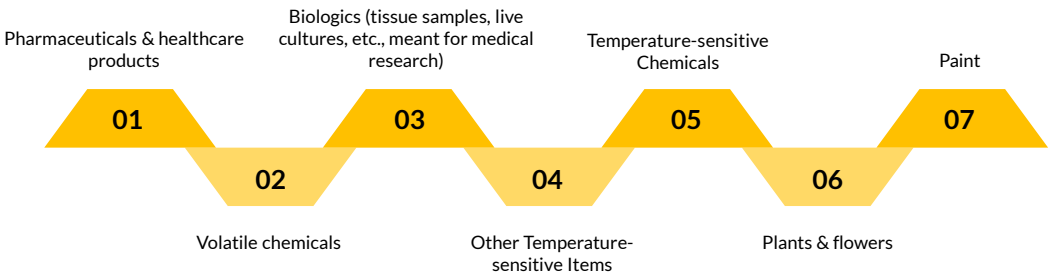
In addition, proper KPIs help you also to identify savings opportunities, manage supplier risk, and streamline procurement activities across business units.
Typical KPIs for procurement fall into these five groups:

5 Important KPIs for Spend Analysis

Cost savings	Spend under management	Supplier performance	Operational KPIs	Employee related KPIs
Key driver of procurement strategies	Share of spend impacted by procurement	Leveraging supplier performance	Leveraging procurement performance	Basis for rewards programs and development
Cost savings	Spend under management	Contract compliance	Cycle time	Number of projects
Total cost of ownership	Tail spend	Supplier performance	Number of suppliers	Training hours
Cost avoidance	Maverick spend	On time delivery	PO coverage	Customer satisfaction

These KPIs offer a well-rounded view of procurement effectiveness, supplier relationships, operational efficiency, and the impact of employee-related factors on spend analysis and procurement outcomes. Organizations can use these KPIs to set goals, monitor progress, and continuously improve their procurement processes and strategies.

Spend Analysis Examples

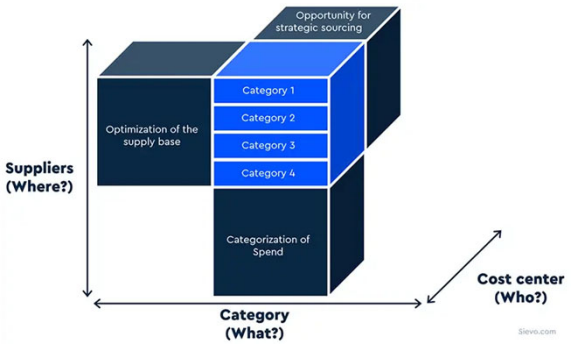


These examples demonstrate how spend analysis can be applied across various industries to uncover insights that lead to cost savings, improved supplier relationships, and more informed procurement decisions.

Spend Cube

Each axis of this cube contributes critical information:

- Category analysis tells what specific types of goods and services you buy.
- Cost center analysis reveals which functions (or end-users) within your organization drive the demand.
- Supplier analysis tells you which suppliers you're buying from.



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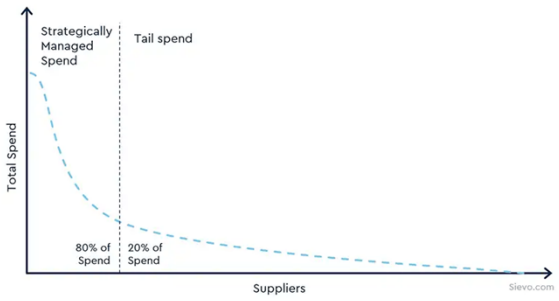
The spend cube is a way to look at spend data projected as a multidimensional cube. The three dimensions of the spend cube are suppliers, corporate business units, and categories. The dimensions could include subcategories of the different units across the organization. The spend cube is typically the final output of a spend analysis process. It allows you to look at all of the analyzed data from a variety of angles. A spend cube is usually needed if a company is not managing the full percentage of expenditures across all business units. The 3 axes represent Category (What you are buying), Cost Center (Who you are buying it for), and Supplier (Who are you buying it from). These are the three legs of the stool – if any one leg is not there, the entire model falls apart.

Tail Spend Analysis

Every procurement team will have a different perspective on what a spend tail is. What it constitutes in one organization or within one spend category may be different from another. It can include:

- spot or one-off purchases,
- maverick or "rogue" purchases outside contracts,
- purchasing card buys and petty cash items
- E-catalogue spend
- any other low-value purchases that bypass procurement processes



Tail spend is defined as the amount of money that an organization spends on purchases that make up approximately 80% of transactions but only 20% of total spend volume. Tail spend is generally considered low-value purchasing, as it makes up only a small portion of spend (usually 10-20% of each spend category). Tail spend is easy to ignore but at a big cost. It is the place where procurement organizations may be leaving money on the table and utilizing their resources inefficiently.

With millions of purchases every year, companies can easily overlook small or infrequent spending. Procurement teams invest heavily in their core spend areas, but the tail-end remains a largely untapped opportunity for most companies.

Supplier Spend Analysis

Different types of vendor reports visualize spend insights in several ways: by vendor, by category, and by geography, for instance. Vendor reports enable year-on-year comparison and analysis for data-driven decisions. Spend can be optimized by identifying and implementing opportunities for consolidation

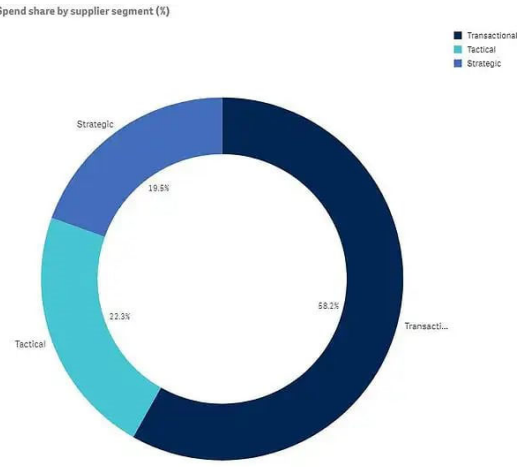
Top 100 suppliers and their total spend share

#	Supplier	Spend (EUR)	Share of spend previous year %	Share of spend %	Cumula... share of spend (%)	Supplier since	Last month spend
1	Ardagh	259 041 109	6,58%	6,12%	6,12%	2018/04	2025/11
2	Westrock	171 834 165	4,01%	4,06%	10,19%	2019/01	2024/10
3	Refresco	125 432 159	3,01%	2,97%	13,15%	2018/04	2024/10
4	Creative Flavors	123 750 258	1,80%	2,93%	16,08%	2019/10	2024/10
5	American Crystal Sugar Company	79 872 920	1,97%	1,89%	17,96%	2019/01	2023/11
6	adm	67 668 823	1,76%	1,60%	19,56%	2018/04	2025/11
7	Cargill	55 487 850	1,89%	1,31%	20,88%	2018/04	2025/11
8	Sonoco	55 071 970	1,03%	1,30%	22,18%	2019/01	2023/11
9	Georgia-Pacific	52 797 087	0,91%	1,25%	23,43%	2019/01	2023/11
10	Bunge Cooperatief	49 840 271	1,38%	1,18%	24,60%	2019/01	2025/11
11	Infinitum	49 254 289	1,11%	1,16%	25,77%	2019/02	2025/11
12	The Scoular Company	48 409 092	1,13%	1,14%	26,91%	2019/01	2023/11
13	WPP	43 505 575	2,74%	1,03%	27,94%	2019/01	2025/11
14	Mars	42 903 912	0,76%	1,01%	28,95%	2019/01	2023/11
15	Dentsu	42 022 763	0,01%	0,99%	29,95%	2019/01	2021/11
16	Omnicom	41 629 128	0,93%	0,98%	30,93%	2018/12	2025/12
17	Infusester West	38 616 203	1,01%	0,91%	31,84%	2019/01	2023/11
18	Ingredion	36 200 868	0,96%	0,86%	32,70%	2019/01	2025/11
19	Peab	35 048 889	0,01%	0,83%	33,53%	2019/10	2025/12
20	Canpack	33 645 814	2,09%	0,80%	34,31%	2018/04	2024/10
21	Ardent	33 609 185	0,85%	0,79%	35,12%	2019/01	2023/11
22	Fanjul	33 070 562	0,90%	0,78%	35,90%	2018/04	2024/09
23	Pepsico	30 417 475	0,59%	0,72%	36,62%	2018/05	2025/12
24	Baldwin	30 204 991	0,66%	0,71%	37,33%	2019/01	2023/11
25	Graphic Packaging	28 997 536	0,72%	0,68%	38,02%	2018/05	2024/10
26	Tate & Lyle	28 756 039	0,84%	0,68%	38,70%	2018/04	2025/12
27	Mccain	28 127 020	0,62%	0,66%	39,36%	2019/01	2023/11
28	Grain Craft	27 958 534	0,79%	0,66%	40,01%	2019/01	2023/11
29	Nordzucker	26 546 900	0,53%	0,63%	40,65%	2018/04	2025/11
30	Pilgrim Food	25 192 052	0,69%	0,60%	41,25%	2019/01	2023/11
31	Döhler Group	23 890 160	0,54%	0,56%	41,81%	2018/04	2025/11

Supplier spend analysis is the task of identifying the amount of spend coming from critical vendors. It involves creating a detailed spend profile for each vendor using historical consumption data. Knowing this can help focus efforts on getting the best value from these preferred vendors and consolidating the relationships.

Category Spend Analysis

The first step in doing a category spend analysis is understanding the scope and breadth of the category. Are you buying similar goods and services from too many different vendors? This analysis is built on hierarchies, and the spend transactions are categorized into the most appropriate category.
Allocating spend consistently into categories makes the data easier to navigate, interpret, and understand. When organizations can focus on prioritizing their top spend categories, it helps them identify and forecast savings opportunities.

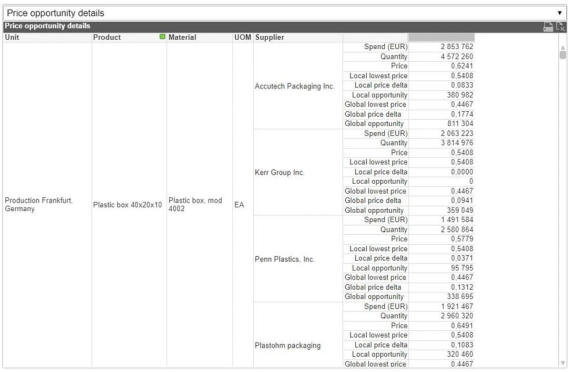


Category spend analysis allows you to explore spend in a defined spend category hierarchy. This is useful in identifying spend leakage issues.

Category spend analysis is a critical procurement process that focuses on the systematic evaluation of an organization's spending within specific spend categories, such as goods, services, or commodities. This analysis aims to gain insights into how money is allocated across different categories, identify cost-saving opportunities, and improve procurement strategies.

Item Spend Analysis

Item Spend Analysis gives the ability to know whether a specific item is being purchased from various suppliers or in several locations and at different item prices. It can highlight the different opportunities for purchasing in the business. You may also identify spend leakage issues, such as purchasing from non-preferred vendors and maverick spend.



Item spend analysis refers to analyzing expenditure at an item/ SKU level. It focuses on individual purchases by classifying each one of them to identify what department it was for and what supplier was used.

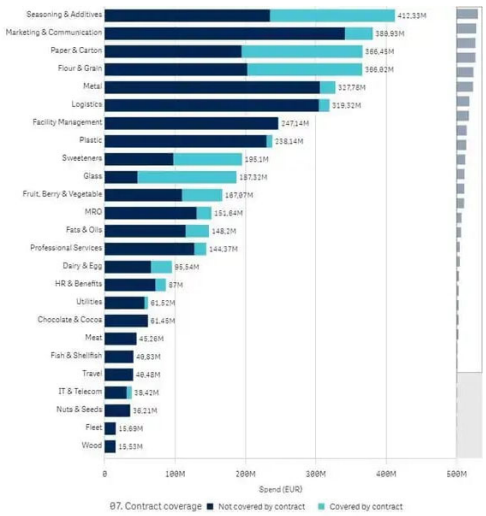
Payment Term Spend Analysis

Payment term spend analysis utilizes data and gives a comprehensive view that enables you to identify unrealized discounts through late payments of invoices or opportunities to negotiate better payment terms to capture unrealized interest.
It also covers the review of payment patterns to identify practices and activities that are not done properly.

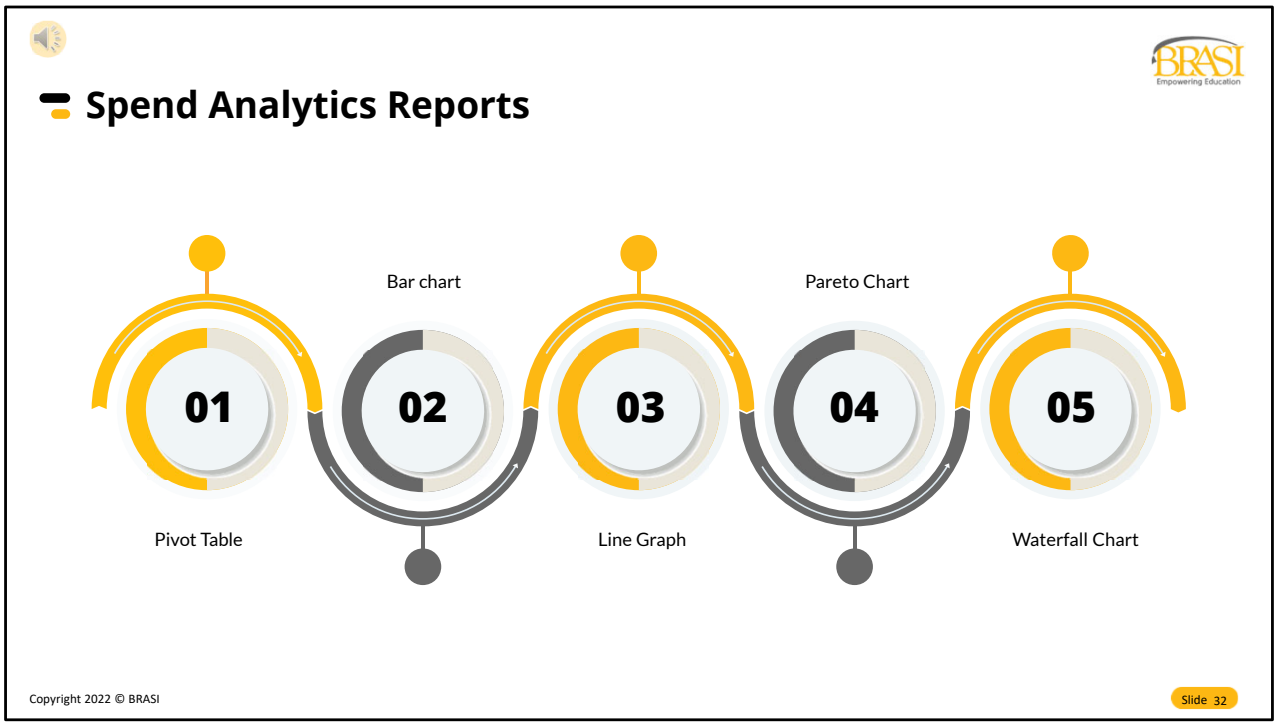
Payment term spend analysis provides excellent insights for companies to analyze payment practices and terms within their purchase-to-pay (P2P) processes. It explores the opportunities of leveraging all possible discounts or interest from the invoice payment process while increasing working capital.
Suppliers may reward early payment of invoices with discounts, but early payment may also mean losing interest in working capital.

Contract Spend Analysis

Contract spend analysis tells companies if they are complying with their existing negotiated contract terms. It analyzes spending with vendors by contract to identify leakage through non-compliant contracts. It ensures that the best contract deals per supplier have been negotiated and that all buyers purchase from preferred suppliers.



Contract spend analysis is a specialized form of spend analysis that focuses on evaluating an organization's spending in relation to its contractual agreements and commitments with suppliers and vendors. It involves systematically reviewing and analyzing procurement data to ensure compliance with existing contracts, identify cost-saving opportunities, and assess supplier performance within the context of contractual obligations



Spend analytics reports are a critical component of the spend analysis process. These reports provide visual representations and detailed insights into an organization's spending patterns, supplier performance, cost-saving opportunities, and other relevant procurement metrics. Here are some common types of spend analytics reports:

Pivot Table

Pivot tables are a convenient way to build intelligent, flexible summary tables. Unlike basic tables which only have rows and columns, pivot tables quickly summarize the information (e.g., totals, averages, count, etc.).

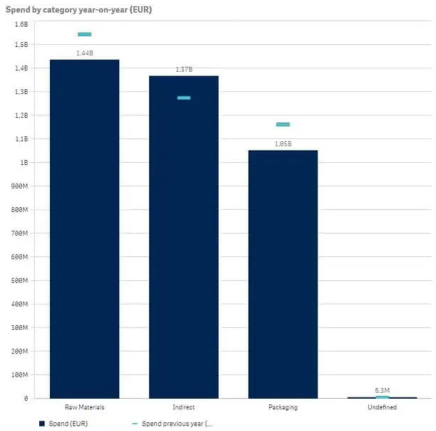
Product_3 / Supplier	Values	
	Spend (EUR)	Supplier count
Totals	**3 864 118 576**	**7 763,00**
Raw Materials	**1 436 665 171**	**780,00**
Creative Flavors	112 784 214	1,00
American Crystal Sugar Company	72 248 117	1,00
adm	62 655 549	1,00
Cargill	51 148 800	1,00
Bunge Coöperatief	45 242 976	1,00
The Scoular Company	43 899 426	1,00
Mars	38 839 510	1,00
Infusester West	35 364 910	1,00
Ingredion	33 070 473	1,00
Fanjut	30 692 029	1,00
Ardent	30 472 818	1,00
Pepsico	27 446 308	1,00
Baldwin	27 445 220	1,00
Mccain	26 536 264	1,00
Tate & Lyle	26 273 586	1,00
Grain Craft	25 588 051	1,00
Nordzucker	23 672 594	1,00
Pilgrim Food	22 595 010	1,00
Döhler Group	21 330 244	1,00
Tine	19 628 098	1,00
Keynes Brothers	18 864 791	1,00
Bartlett	18 262 354	1,00
Star of the West	17 090 981	1,00
Kikkoman	14 237 802	1,00
Givaudan	14 002 420	1,00
Sweet Ingredients	12 874 352	1,00
RICHARDSON LIMITED	12 481 197	1,00
Olam	12 444 880	1,00
King Milling Company	12 296 662	1,00
SUN Maid Growers of California	10 573 162	1,00
Ingredient Flavoring	10 123 916	1,00
Schweppes International	9 741 736	1,00

Pivot tables are a convenient way to build intelligent, flexible summary tables. You can look at the same information in different ways when analyzing large amounts of data.

In the example , a simple pivot table of supplier count by product category provides a good overview of where raw materials are being purchased.

Bar chart

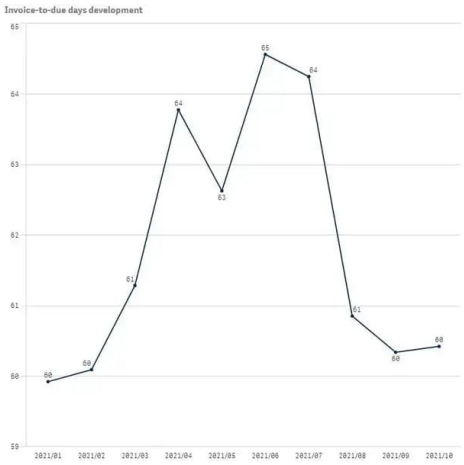
The most basic graphical report is a bar chart, which visually shows relative amounts of a numerical value. As a reporting metric, the small ticks are added on top of the bars to compare the spend to the previous year. This example shows the user spend by category compared to last year.



A bar chart is a graphical representation of data that uses rectangular bars or columns to show the values of different categories. Bar charts are widely used for visualizing and comparing data across different groups or categories. They are effective in displaying data that is discrete or categorical, making it easy to understand and interpret trends, comparisons, and patterns.

Line Graph

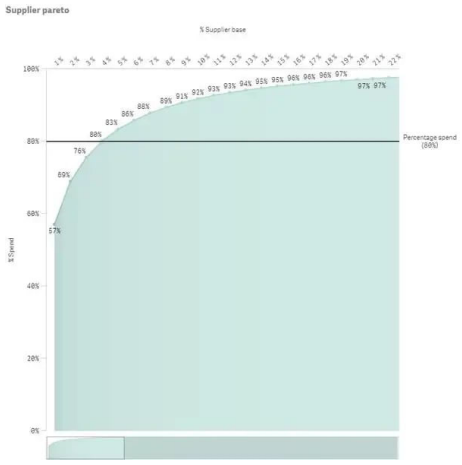
Line graphs are also simple but effective spend analysis reports. They are usually effective in representing change over time. For instance, the line graph below can tell the user at a glance that June has the highest invoice-to-due average.



A line graph, also known as a line chart, is a graphical representation of data that displays information as a series of data points connected by straight lines. Line graphs are particularly useful for showing trends and changes in data over a continuous range, such as time.

Pareto Chart

In spend analysis, Pareto charts are very useful in opportunity identification because they visually show the 80/20 rule: 80% of the spend is accounted for by the top 20% of suppliers (in the example below, it's closer to 3%!). Keeping an eye on this supplier Pareto chart can tell procurement how heavily they rely on their key suppliers.

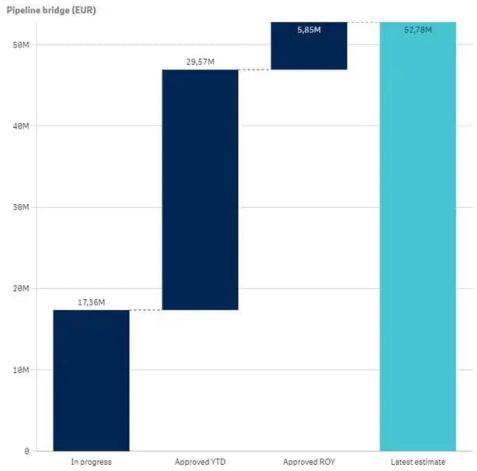


A Pareto chart is a specific type of chart that combines both bar and line graphs to visually represent data in order of importance. It is used to identify and prioritize the most significant factors or categories within a dataset. The Pareto chart is based on the Pareto principle, which states that roughly 80% of effects come from 20% of causes

Waterfall Chart

The waterfall chart is used to show the cumulative effects of positive and negative values. This type of chart is commonly referred to as a "bridge" in finance.

In a nutshell, we take the data and split the spend change into components. As a result, you have a complete view of your procurement savings and the contribution that procurement has made to improve the company's bottom line.



A waterfall chart is a data visualization tool that displays a series of data points in a sequential, cumulative manner to show how an initial value is affected by a series of positive and negative factors, ultimately leading to a final value. Waterfall charts are used to illustrate the incremental impact of various factors on a starting value, making them particularly useful for financial analysis, budgeting, and performance analysis.

Spend Analytics Dashboards

A Spend Overview Dashboard provides an overview of your spend performance by comparing data of one selected period to the previous one. In the example above, this view is filtered by year-to-date and presents the data by three key aspects: category, organization, and supplier.

It shows multiple charts that visualize different sets of spend data. You can see in this example the distribution of spend by categories (raw materials, indirect, packaging, and undefined), distribution by organization (Americas and EMEA) as well as the distribution of spend by top 10 suppliers.

With a dashboard like this, you can track the top suppliers by region, spend changes by category, purchase process developments, as well as supplier count developments.

A dashboard in the software context is referred to as a user interface or view that captures and presents a holistic view of information about a series of predefined topics.
A spend analytics dashboard is a dashboard that visualizes sets of spend data into charts for the purpose of analysis. These sets of data are selected based on predefined parameters, business targets, or KPIs.
The benefit of a dashboard is an instant high-level picture of spend data.

Spend Analysis with BI Tools

Power BI (Business Intelligence) is a suite of business analytics tools used to analyze data and share insights. It is a cloud based data analysis which can be used for reporting and data analysis from a wide range of data source. Power BI dashboards provide a 360-degree view for business users providing them the ability to see all of the most important metrics in real time, and usually in different kinds of devices.

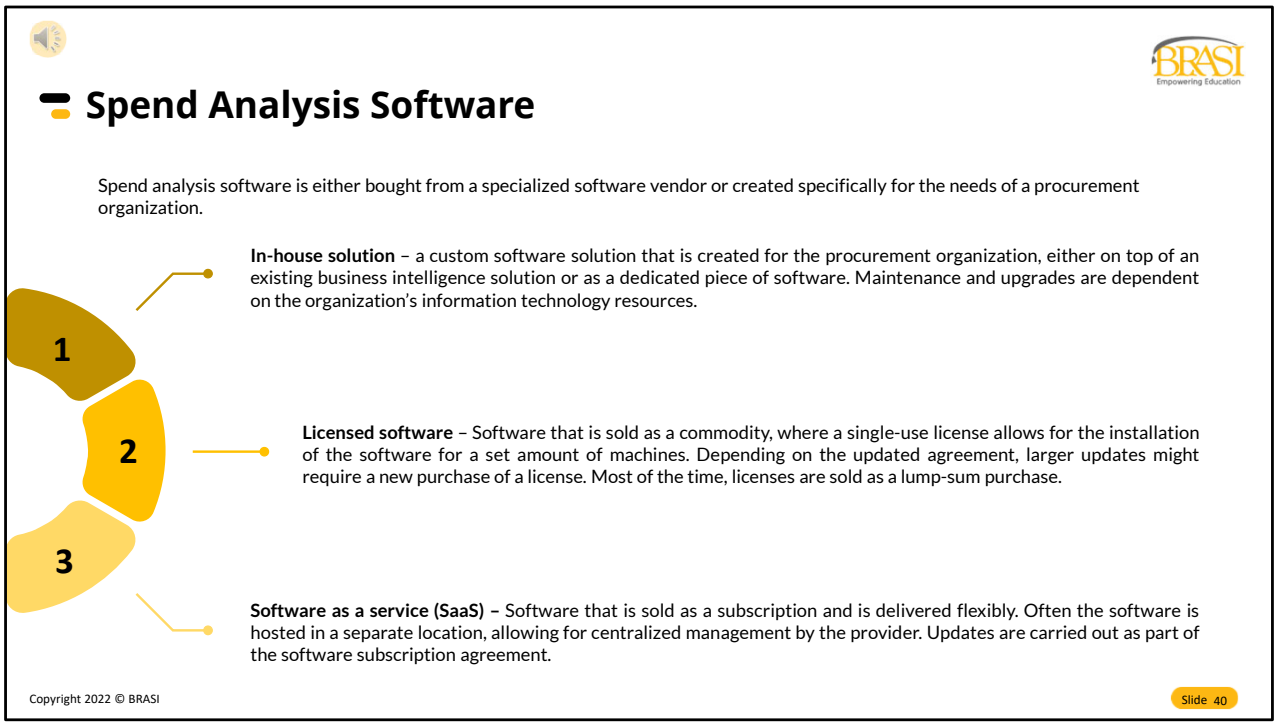
01 Materials (volumes and prices included) that the procurement organization purchased this period and if there are any changes within a specific period of time

02 The number of vendors whom the company has purchased from a particular year and the amount of money spent per vendor in a given time

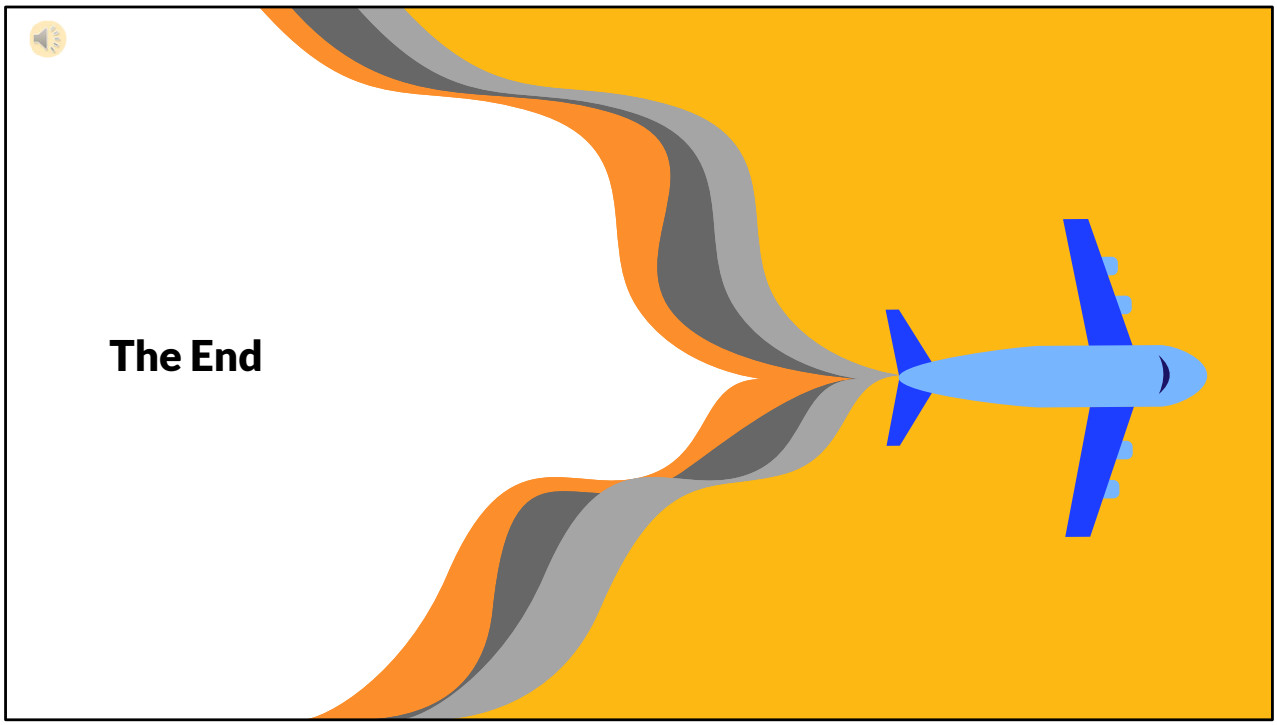
03 The number of transactions done in several stages of the procurement cycle

04 The number of requisitions, contracts, and purchase orders processed across the organization by buyer and the average value of each transaction

Business Intelligence (BI) tools are a type of application software used to collect, structure, and visualize large amounts of data. While BI is broadly used for many business purposes, they are a little less flexible than analytics software.
Using business intelligence (BI) tools for spend analysis enables companies to have a better understanding of their costs, which makes it easier to align expenditures with revenue.
three good choices for BI tools: Microsoft Power BI, Tableau, and QlikView.



Spend analysis software provides a consolidated view of procurement spend including data from invoices, purchase orders, and other business financial records.
Spend data may be collected from a number of different sources such as enterprise resource planning systems (ERPs), purchase-to-pay suites, or even shared Excel reports.
Compared to the other spend analysis tools mentioned (Excel and BI), spend analysis software is the most robust tool for performing this type of analysis.



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