

Scaling for Success

Transforming and Centralizing Supplier
Management After Substantial Growth

Kathryn Dunstan

Senior Director, Supplier Management & Optimization

Highgate





HIGHGATE

*The Leading Hospitality
Investment & Management
Company*



Agenda

- Navigating Company Growth Challenges & Opportunities
- Finding a Scalable Solution
- Implementation
- Lessons Learned
- Outcomes Achieved
- Future Projects
- Q&A



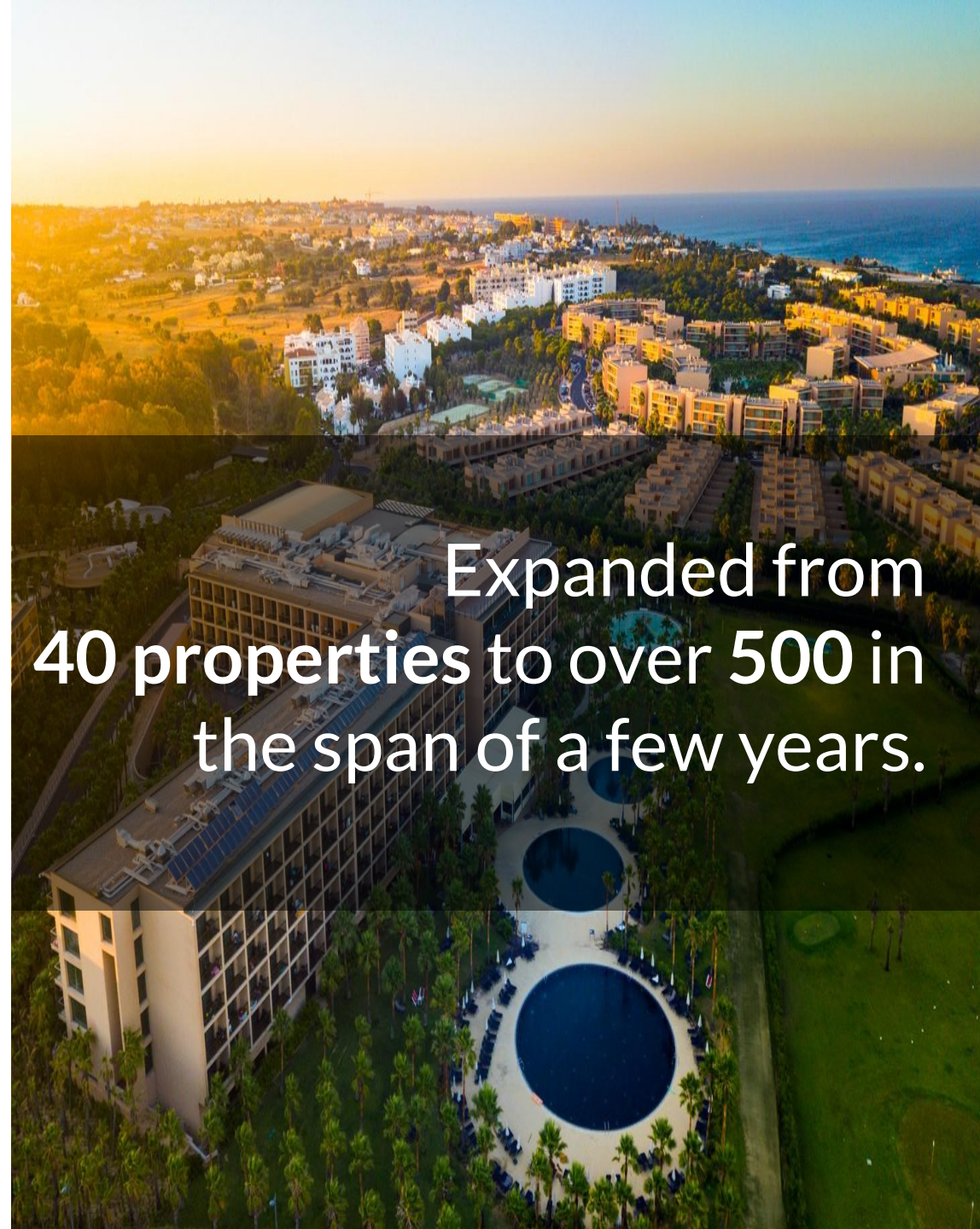
Navigating the Challenges of Company Growth

Operational inefficiencies

- Duplicate work
- Miscommunication
- Lack of centralized vendor setup
- Unclear approval process

Errors

- Duplicate suppliers (around 80,000 duplicates identified)
- Incomplete supplier information
- Duplicate payments



Expanded from
40 properties to over 500 in
the span of a few years.

Identifying Opportunities for Improvement



Address Inefficiencies

- Streamline and automate supplier onboarding & approval workflows
- Automate collection of compliance documents
- Automate changes or updates to information

Ensure Accuracy of Supplier Records

- Cleanse of duplicate suppliers
- Automate and manage supplier validations
- Automate bank account validations

How do you collect supplier information?

How do you collect supplier information?

77% Rely on email exchanges

How long does it take to onboard a supplier?

How long does it take to onboard a supplier?

30-60 days

Finding a Scalable Solution



Researching Providers



Solution Requirements



Working with Multiple Stakeholders

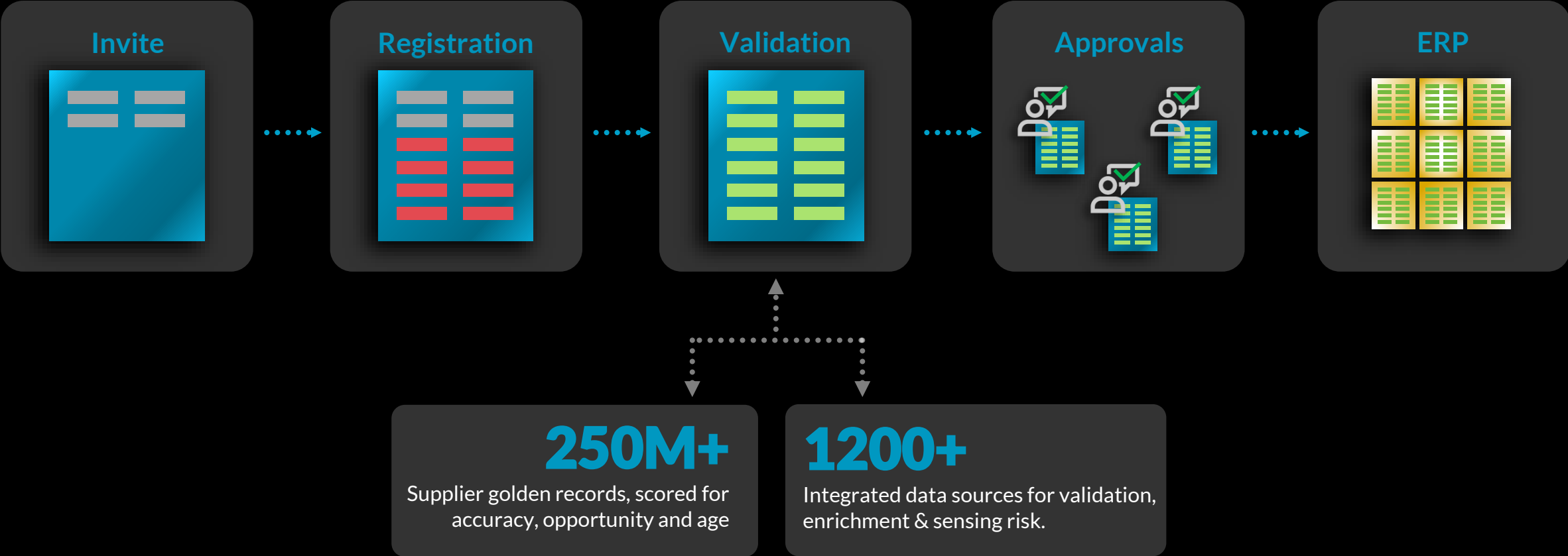


Creating a Business Case



Fully Integrated Onboarding Process Flow

Eliminating Manual Touchpoints & Increasing Controls



Transforming Supplier Management

Implementation



**Centralize
Supplier
Management**



**Meet with
stakeholders
across multiple
departments**



**Cleanse
Supplier
Database**



**Implement
apexanalytix
Supplier
Management
Portal**



**Go live with
apexanalytix**
(Beta group first)



**Identify areas
for future
enhancements**

Lessons Learned from Implementation

1) Document and critically evaluate your current process.



2) Bring in the right people.



2b) But... don't bring in too many people.

Lessons Learned from Implementation

3) Shoot for the Standard



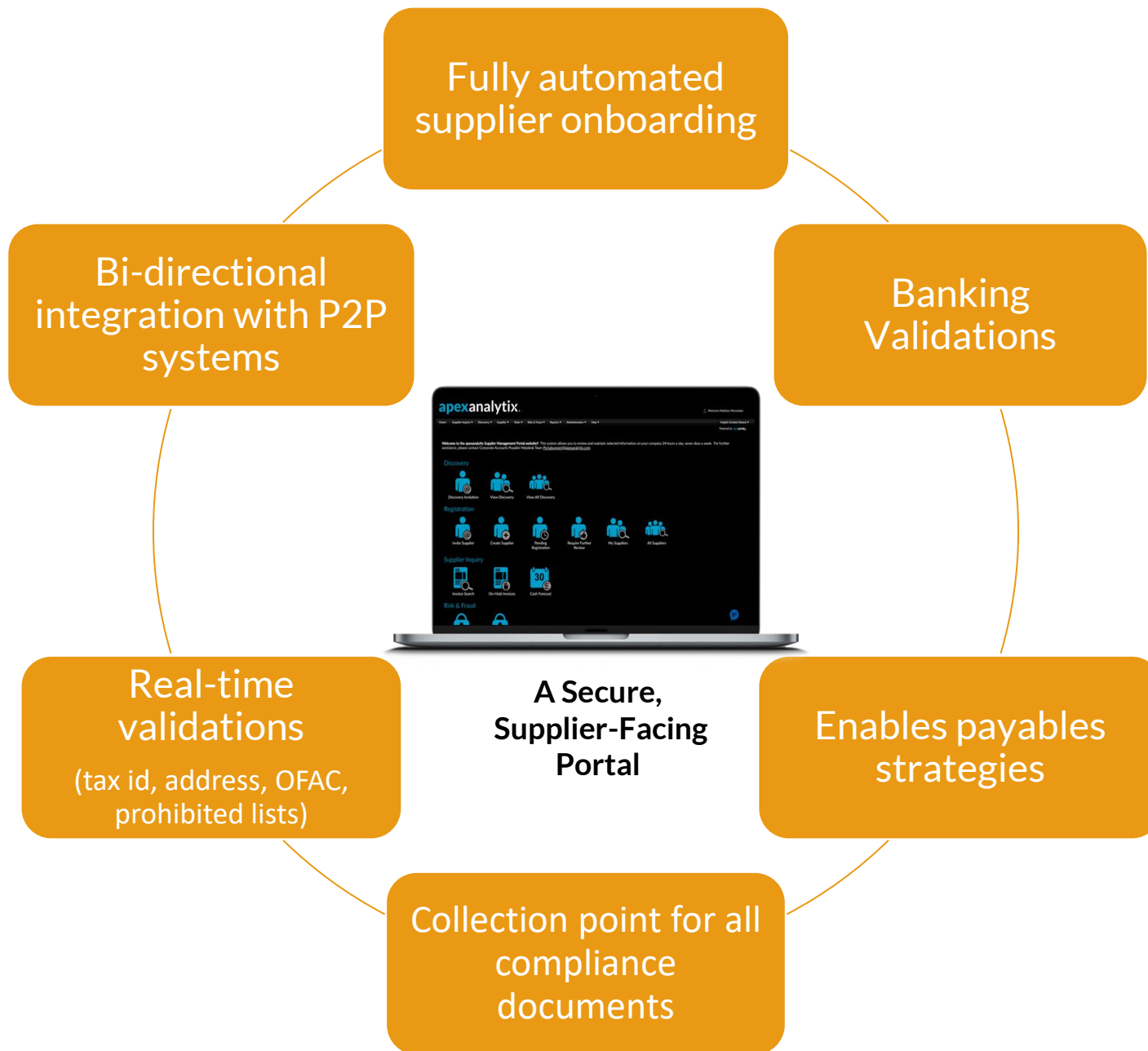
4) Manage a Project Plan



Timeline Support Communication

Lessons Learned from Implementation

- Critically evaluate your current process
 - Remove redundancies
 - Document your workflow
 - What no longer makes sense?
 - What is working well?
 - Where are your bottle necks?
- Bring in the right people
 - Higher Management Support
 - Review from their perspective
 - What is important to them?
 - What do they feel is working well?
 - Where are their bottle necks?
- But...don't bring in too many people
 - Too many requirements
 - Tends to over complicate the process
 - You won't be able to please everyone – and that is okay
- Shoot for the Standard
 - 80% of setups will fall into a standardized process
 - Aim to solve for solutions, in advance, for the 20% who will not fit in the bucket
 - Provide additional solutions/tools for the outliers
- Project Plan
 - Timeline – Build in an extra month
 - Lean into your support – you can't do it all
 - Communication



Supplier Management Enhancements...

...Will Lead to Better Outcomes



Streamlined and faster onboarding process



Increased compliance, decreased errors or gaps (1099)



Increased protection against fraud



Increased opportunities for P2P strategies



Scalable, configurable solution that can adapt to our needs if we continue to grow

Outcomes Achieved: Supplier Data in Portal

100%

Of suppliers are in our
apexanalytix | Portal



90%

Of suppliers are going directly
through apexanalytix | Portal.

10%

Of suppliers (governments,
utilities) are uploaded into our
ERP and automatically fed to
apexanalytix | Portal for
validation.

Outcomes Achieved: Faster Supplier Onboarding

Previous

		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

30 days to onboard a supplier
(without banking)

Current

		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

7 days to onboard a supplier
(without banking)

Outcomes Achieved: Touchless Capture, Approval, & Update

Currently,

37%

Of supplier-initiated changes submitted are fully automated end-to-end. Meaning they were approved and updated in the ERP without human intervention.

Previously,

0%

Every change was manually verified by the Vendor Management Team and the Treasury Department, which slowed down the approval process.

More Results

Before Implementing apexanalytix



No validation of supplier tax information



2 fraud cases reported



8% Virtual Credit Card acceptance rate



Averaged 200 ticket requests per month

to void & reissue payments due to invalid address

After Implementing apexanalytix



Validating suppliers' tax information

required for 46% of our supplier base

0

fraud cases reported

18%

Virtual Credit Card acceptance rate

Average **70** ticket requests per month

to void & reissue payments due to invalid address

Opportunities for Future Projects



HIGHGATE

- **Bring Value to Suppliers**
 - Add more self-service features (Inquiry)
- **Add More Validations and Controls**
 - Review of Insurance Certificates
 - Cyber risk
- **Align with Other Company Initiatives**
 - Capturing Diversity statuses
 - ESG and Sustainability – collecting supplier information
 - Duplicate Payment Prevention in our Portal

Questions?

Kathryn Dunstan

Senior Director of Supplier Management and Optimization

Highgate

Kathryn.Dunstan@Highgate.com

