

ADVANCING SPEND STRATEGY™

Creating the Right Spend Management Toolkit to Survive the Current Economic Crisis

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Welcome to your world!

- Revenue is dropping.
- Executive pressure to cut costs is rising exponentially.
- Cash is King
- Survival of the fittest is crucial.



Gloom and Doom abounds

- Commodity & logistics costs are roller coasters
- Volatile geo political environments
- Businesses are over extended & collapsing
- Whole industries need assistance to survive



Especially in today's economy ...

Russ Robertson, our CFO says:

“My door is always open to anyone who can help me today to:

- *Drive continuous cost avoidance*
- *Drive continuous performance improvements*
- *Reduce my hard dollar costs in purchasing and payables*
- *Allow BMO to achieve >20% APR on its working capital*

And

- *Requires no capital or credit*
- *Requires no additional resources, IT or otherwise”*

Opportunity is knocking....

- ✓ Businesses MUST have cash to survive
- ✓ Expense Reduction IS Mandatory
- ✓ Business right sizing IS continuing



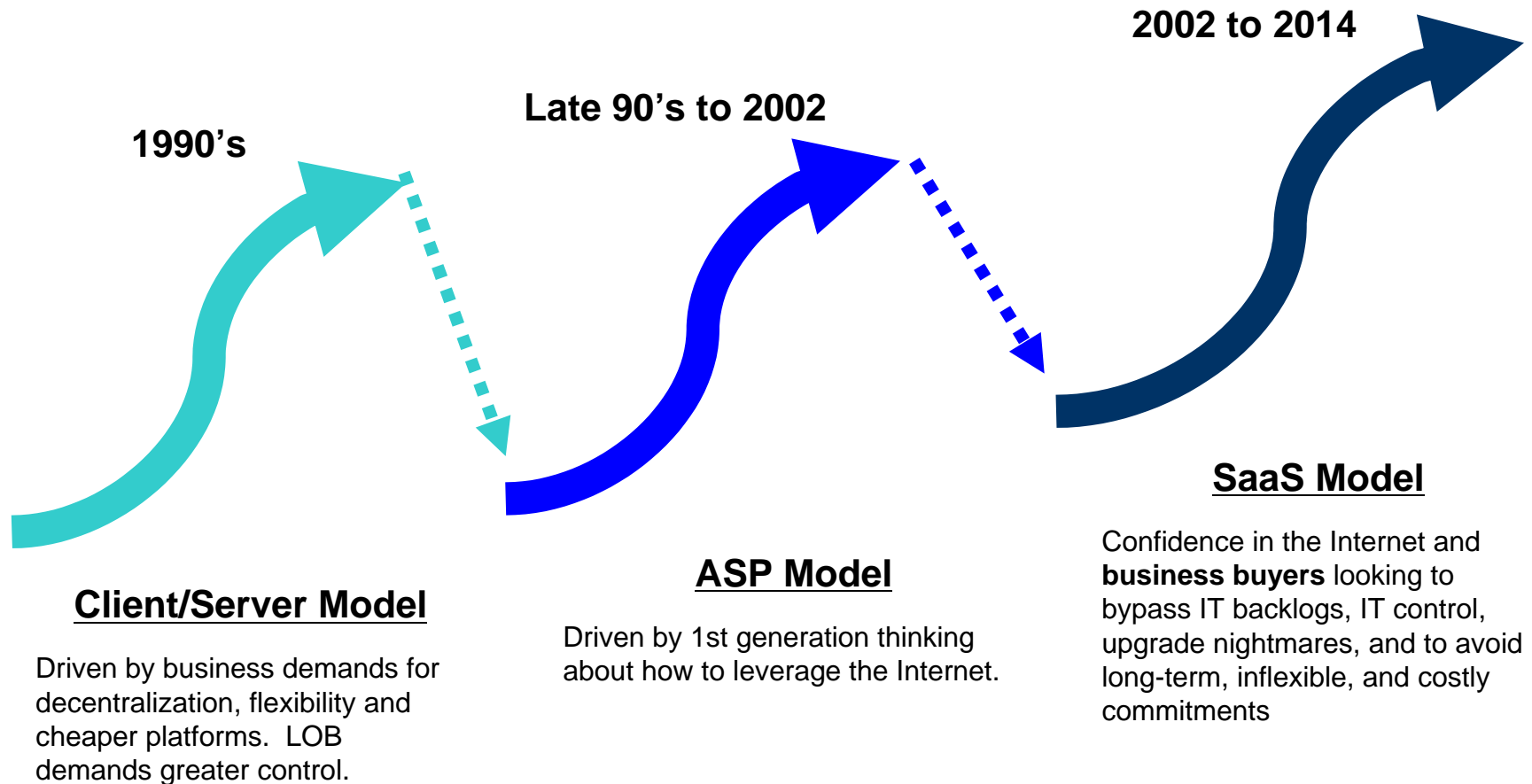
“A *Spend Management* toolkit through a *SaaS* model: The Time is *NOW!*”

Industry expert Mickey North Rizza, AMR Research

SaaS: Put it in your Toolkit



Delivery Model Evolution



Alphabet Soup of Terms

- **On-Demand** – method of business process delivery such that business demand can be met dynamically.
- **SaaS** – essentially software delivered On-Demand NOT behind the firewall but through an internet connection.
- **Multi-tenancy** – SaaS architected delivery model, where a single instance of the software and data model serves multiple customers on the service.

Not to be confused with

- **ASP** – broad term encompassing any software application offered and managed by a third party provider.
- **Single-tenancy** – Normally traditional ASP, software architected as traditional licensed software, where one instance of the software and data model serves a single customer.

SaaS model is growing

SaaS is forecast to have a **23.8%** compound annual growth rate through 2012 for the aggregate enterprise application markets, far exceeding the total market CAGR of 11.4%.”

Gartner, Market Trends: Software as a Service, Worldwide, 2007–2012

Client adoption of Software as a Service (SaaS) is increasing, driven by ease of deployment, flexibility, scalability and predictable pricing models.

IBM Software as a Service Brochure

“Forrester **recommends** that all applications professionals include SaaS in their firm’s long-term packaged applications strategy”

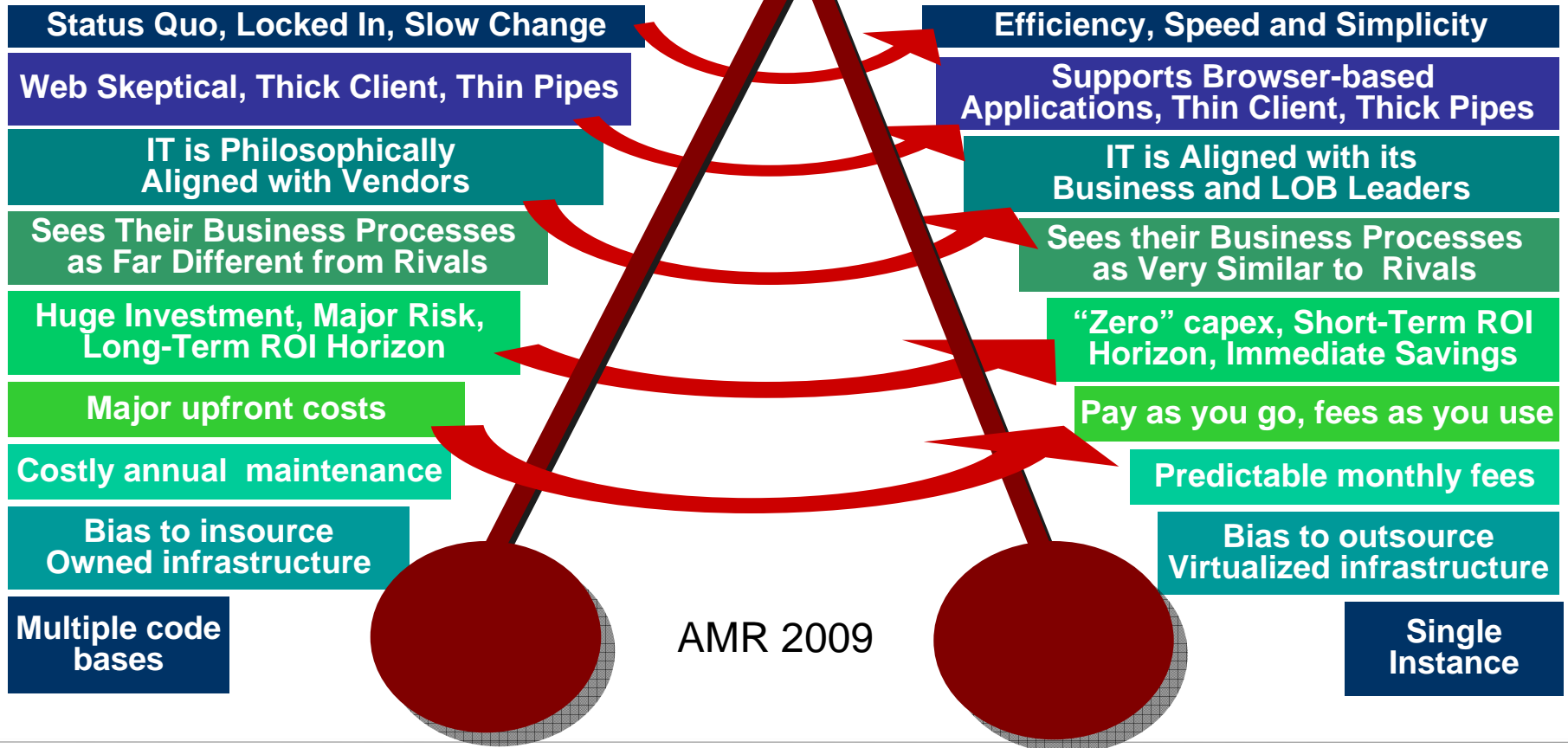
Forrester 2009

Pendulum has Shifted

As Needs Changed

From On Premises Point Solutions

To SaaS Business Process Solutions



SaaS Value: Grab the Opportunity!

Global Insurance Company Executive:

“It’s imperative to diligently manage our expenses to maximize opportunities for growth. Using our SaaS sourcing solution, we have implemented a more efficient process for sourcing.”

“Running the software in **SaaS mode** allowed us to:

- ✓ **accelerate** the start of the project
- ✓ **cut** total sourcing costs by 22% within six months
- ✓ **achieve** an ROI of 8:1 within six months”



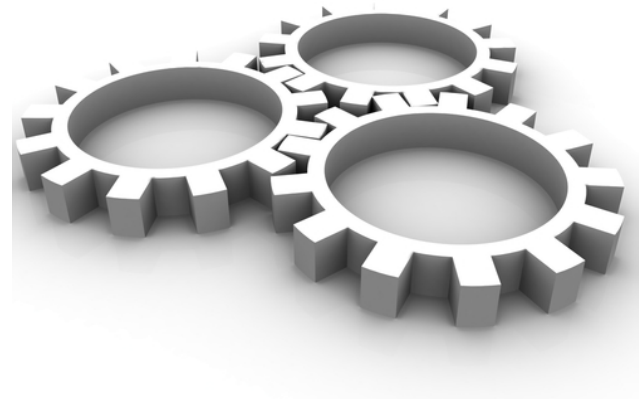
Why Go Capex when you can go SaaS?

- Faster Time to Value – weeks not months or years
- Scalable model meets needs of all sizes of organizations
- Faster approval cycle (expense vs. capital)
- Lower total cost of ownership
- Avoidance of IT Expenses
- No separate maintenance fee
- Pay-for-use-model
- Requires no client-owned/managed infrastructure except for Internet access
- Faster response times to business issues
- Quick way to more spend under management



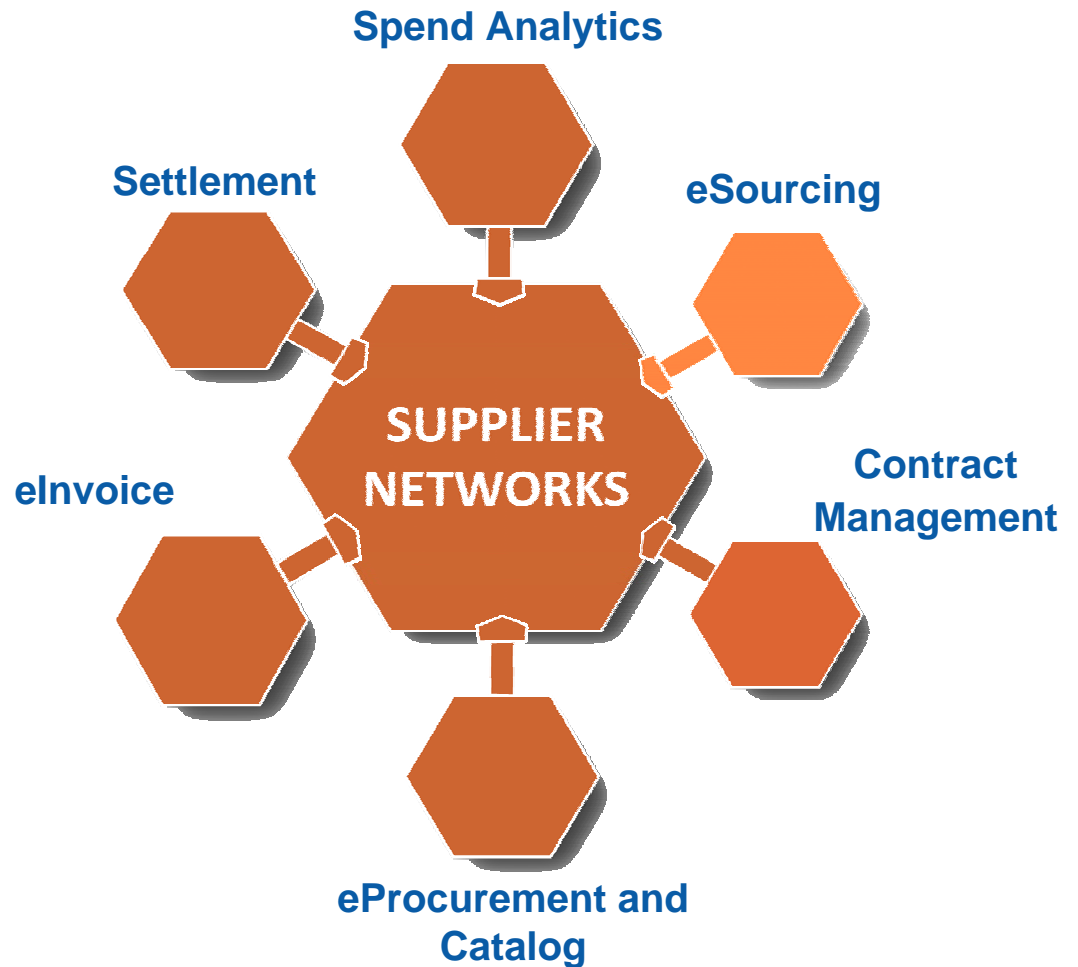
Software is a utility Applications on-demand

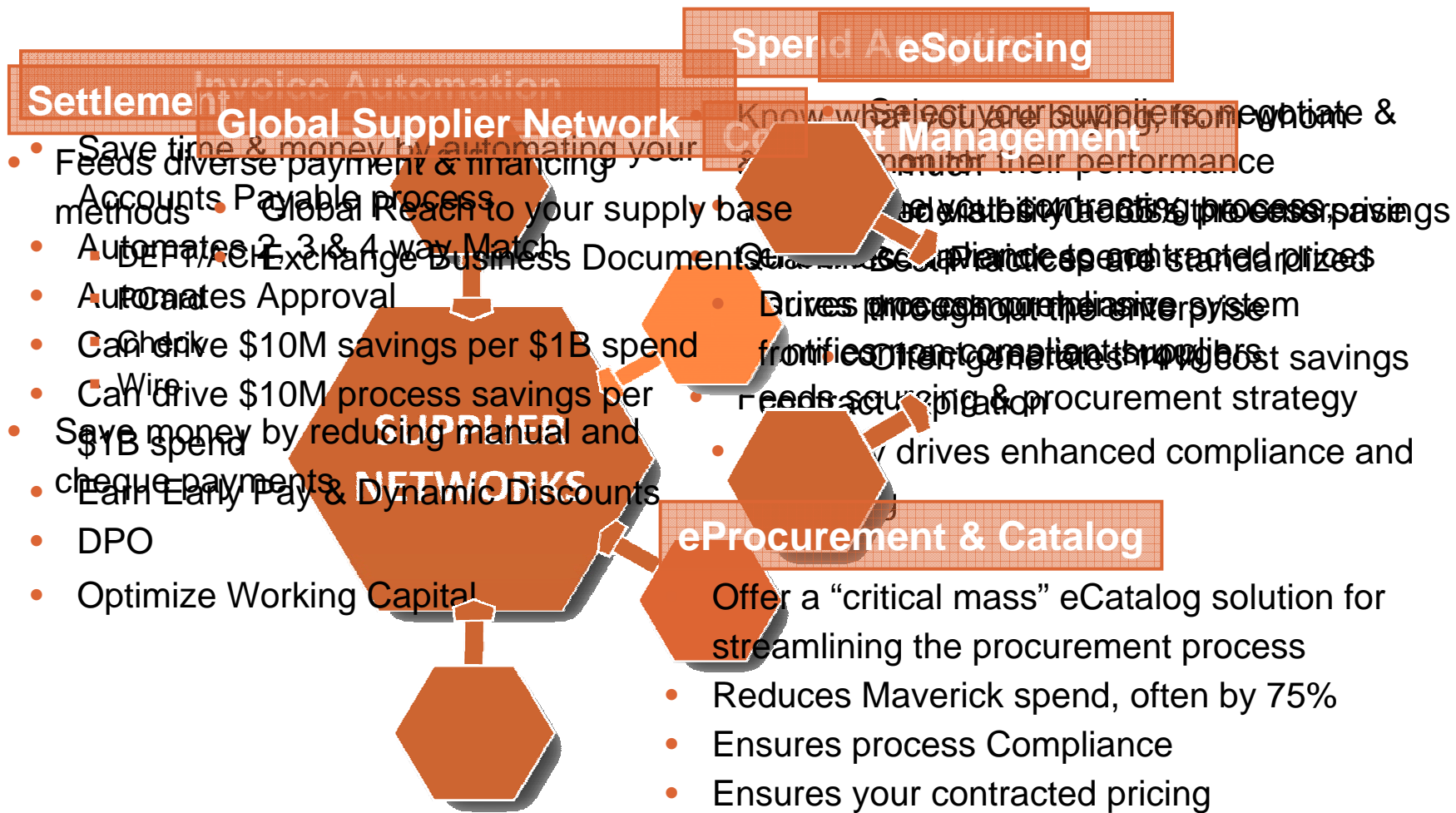
Spend Management Tools to Mine the SaaS Opportunity



Toolkit should include SaaS Spend Management Solutions

- Integrated suite of solutions
- Start anywhere
- Drive immediate value
- Fill in ERP gaps or complete solution module





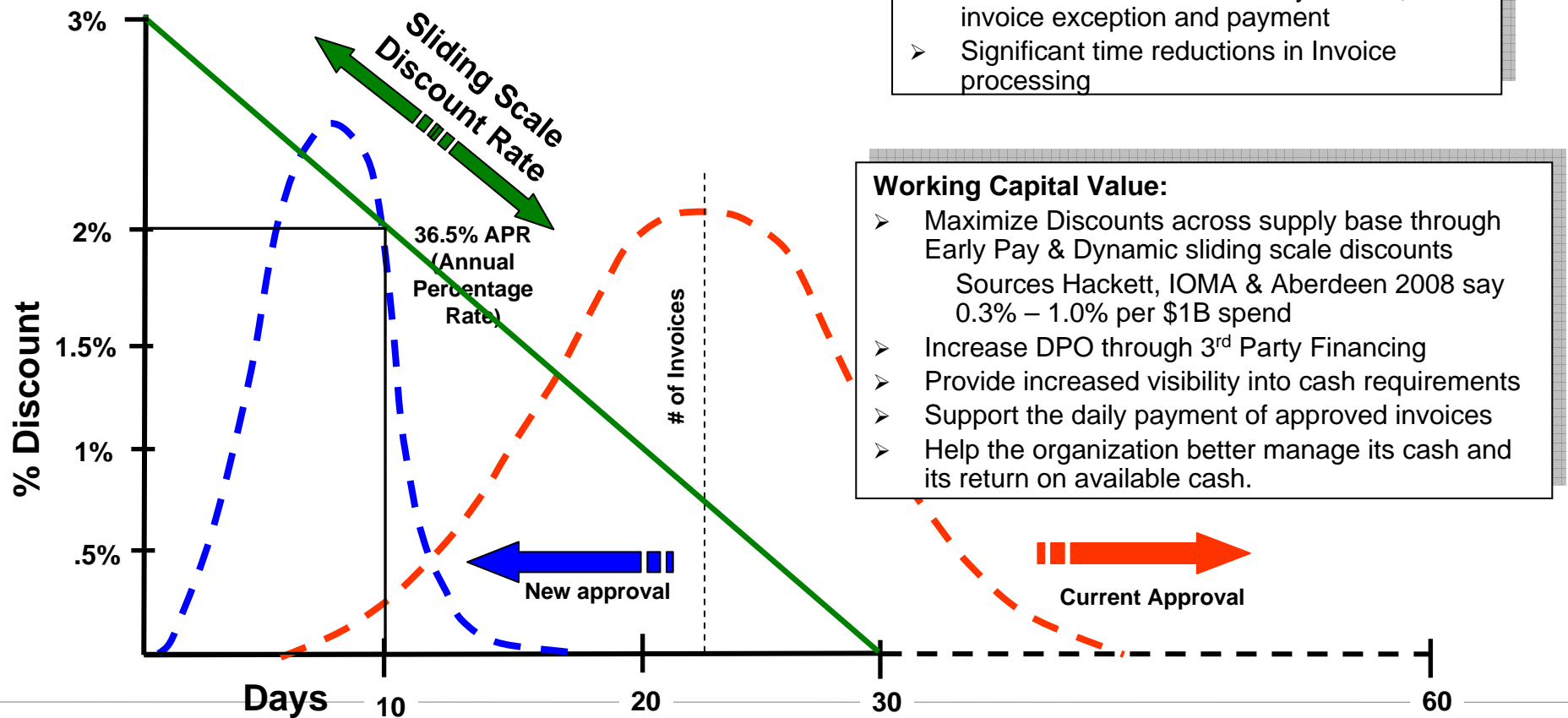
Working Capital Optimization

Process Value:

- Increase Invoice approval efficiency
- Enables “touch-less” invoice reconciliation (manage the exceptions only)
- Electronic audit trail for every invoice, invoice exception and payment
- Significant time reductions in Invoice processing

Working Capital Value:

- Maximize Discounts across supply base through Early Pay & Dynamic sliding scale discounts
Sources Hackett, IOMA & Aberdeen 2008 say 0.3% – 1.0% per \$1B spend
- Increase DPO through 3rd Party Financing
- Provide increased visibility into cash requirements
- Support the daily payment of approved invoices
- Help the organization better manage its cash and its return on available cash.



Bottom Line – *“Create the Right Toolkit”*

If you want help, we can help you:

- ... no matter where you are in your Spend Management Toolkit
- ... no matter the size of your organization

We can help you this year:

- ... 55% transaction automation savings
- ... 5% working capital improvements
- ... 8% -10% annualized savings
- ... No capex



Thank You

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