




EY Law
procurement
and supply
chain contracting
services

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow diagonal line is positioned above the 'Y', extending from the top right towards the center.

Building a better
working world



Procurement contracting challenges by the numbers

Procurement teams are focused on supporting organizations through a range of activities including strategic sourcing and vendor management. Effective contract management is essential to support procurement activities yet contracting functions often face challenges such as incorporation of consistent terms, swift contract review and execution, capture of contract data and identification of contract risk.

1 out of 3

Contract functions do not have the data needed to illustrate their value to leadership

14%

Increase in average time between contract initiation and signature since 2010

77%

Procurement contracts that are low to mid-complexity

3 out of 4

Organizations do not have defined, pre-approved fallback positions to guide contracting discussions

9%

Of contract value is typically “leaked”, or lost, though ineffective contracting

Challenges

- ▶ Slow contract turn-around times
- ▶ Undefined processes
- ▶ Inconsistent contract positions
- ▶ Lack of access to accurate contract data or analytics
- ▶ Low-complexity, low-value work pulling time away from high-complexity, high-risk work
- ▶ High costs
- ▶ Disproportionate amount of time spent configuring and managing technology solutions
- ▶ Limited insight into contract risk



EY Law procurement and supply chain contracting services

EY Legal Managed Services teams work with procurement, the legal department and other stakeholders to provide procurement and supply chain contracting services that help organizations address the critical challenges that impede efficient and effective contracting operations. EY teams consist of legal and contract professionals trusted by global organizations to help design, improve and support each step of the procurement contracting process from initiation to signature. These teams bring years of experience and a proven technology-driven, data-oriented approach to help reduce risk and costs and take on the aspects of contracting that pull procurement and legal teams away from their primary focus areas.

Legal Managed Services

Legal and contract professionals

Experienced, scalable team of 3,500 professionals located across the globe to provide around-the-clock support

Defined processes

Pre-defined steps from intake through filing

Templates and playbooks

Simplified, harmonized, pre-defined and regularly refined

Technology

Managed by EY teams so you don't have to

Data analytics

Centralized access to contracts, reporting and metadata

Benefits

- ▶ Allow procurement and legal to focus on high-value activities resulting in greater job satisfaction
- ▶ Increase efficiency and responsiveness

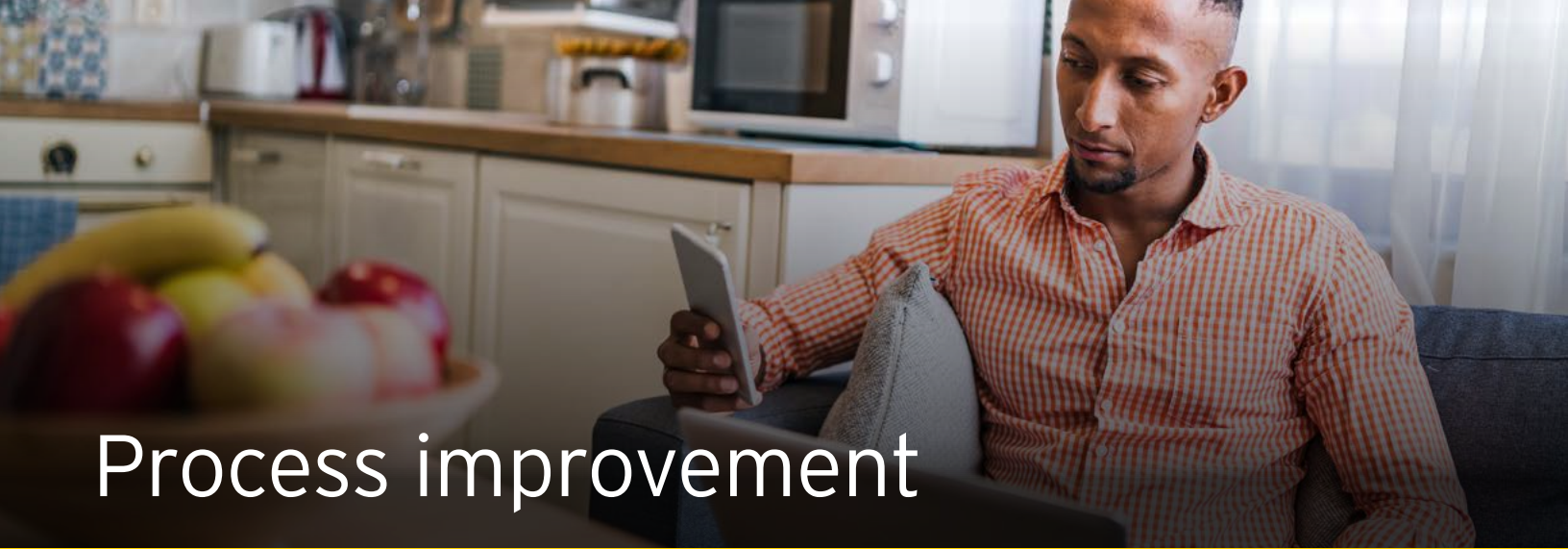
- ▶ Promote consistency across the enterprise
- ▶ Reduce the time between contract initiation and signature

- ▶ Increase consistency in contract terms
- ▶ Reduce turn-around times by supporting automation

- ▶ Speed processes
- ▶ Increase transparency into data and processes

- ▶ Provide insight into supplier relationships and potential risks
- ▶ Increase access to performance metrics

The bottom line for the organization: reduced risk and increased value realization through faster procurement and more transparency into supplier relationships



Process improvement

EY teams take a four-step approach so that the appropriate and consistent processes and resources are in place to support contracting operations. Defined metrics, clear rules and supporting tools mean EY teams can help your organization attain the benefits of improved contracting with minimal hassle.

1
Define success metrics

2
Analyze existing templates, contracts and positions

3
Build clause library, templates and playbooks

4
Configure technology to support process

The contracting process in action

Once the process is agreed and resources are in place, initiating contract requests with EY teams is fast and easy. When a request is received, the EY triage desk will help to direct the request to the right resource in the right location, including an appropriate EY contracting professional, the client contract/commercial manager or the client legal professional. Work is completed in accordance with the pre-approved approach established in the governing playbooks.

Metrics will be available throughout the process to improve transparency. Deviations from standard terms will also be identified and monitored to determine whether modifications to the templates and playbooks should be considered to maintain consistency and ease of doing business.





Impactful results

With truly global resources that bring deep legal and procurement experience, EY contracting services help deliver meaningful and measurable benefits to clients:

Faster turn-around times

30%–40%

Less time spent on average from contract initiation

to contract signature due to improved processes and market-aligned contract terms that make the organization easier to do business with

Lower cost

1/3

Reduction in operational costs

Reduced risk

A consistent enterprise approach enables greater risk identification and control without compromising business responsiveness

Deliver greater value

Team effectiveness is improved by freeing up time for procurement to focus on higher-value activities

Decreased spend leakage

Better insight into supplier contracts helps deliver better management of obligations and supplier relationships and reduction of spend leakage

Recent examples where EY teams have helped clients

Improved procurement contracting for global consumer products company

Co-designed and supported purpose-built service for the purchasing function supporting manufacturing operations in 70 countries:

- ▶ Created over 300 templates and 39 playbooks with the client's approval
- ▶ Helped establish contract database with over 6,000 relationships
- ▶ Provided team of 22 full-time professionals provide 24/7 support
- ▶ Reviewed and facilitated 37,000 contracts – and counting
- ▶ Reduced turn-around times by 60%

Re-aligned support for global bank's buy-side contracts

Helped establish one consistent contract triage and review process:

- ▶ Handled review and facilitation for 75% of total contract volume
- ▶ Supported contracting needs in all necessary time zones
- ▶ Improved business response and closure times by 65%
- ▶ Realized 5% additional savings each year
- ▶ Facilitated self-service for 15% of work

Improved buy-side contracting for global manufacturing company

Helped re-engineer processes for direct and indirect purchasing contracts:

- ▶ Created and support new triage, assignment and monitoring system
- ▶ Standardized playbooks and facilitation procedures with the client's approval
- ▶ Increased contracts reviewed from 50% to 100%
- ▶ Reduced turn-around times from five to two days
- ▶ Reduced the cost per document by 36%

About EY

EY is a global leader in assurance, tax, strategy, transaction and consulting services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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