

Strategic Sourcing in Transportation & Hospitality: Responding to Crisis

The Transportation and Hospitality industry plays the critical role of connecting people across the globe. Representing 15.8M jobs in the US alone, transportation and hospitality provides information, accommodations, transportation, and related services, generating \$2.6T in revenue.¹ With operational restrictions and regional shelter-in-place ordinances, travel is projected to drop by 45% in 2020 resulting in an estimated \$519B loss of annual revenue.²

Innovative procurement teams in Transportation and Hospitality are leveraging software solutions to respond to the current crisis as well as align themselves with the business for a stronger recovery. With collaborative tools to manage suppliers and provide real-time information to business partners, sourcing teams have the agility to weather current uncertainties as well as the visibility to plan strategically for the future.

Top Priorities for Transportation & Hospitality

Sourcing and procurement professionals in the Transportation and Hospitality industry have found creative solutions to support their businesses through crisis. The following initiatives are top-of-mind for these procurement leaders:

- Preserve cash by partnering strategically with key suppliers
- Ensure business continuity by increasing collaboration
- Set sourcing up for long-term success and resiliency

“A digitized supply chain strengthens capabilities in anticipating risk, achieving greater visibility and coordination across the supply chain, and managing issues that arise from growing product complexity.”

[McKinsey & Co.](#)⁶

Preserve Cash by Partnering Strategically with Key Suppliers

How are your suppliers affected by this crisis? With the unpredictable disruptions to global supply chains, sourcing leaders in the Transportation and Hospitality industry need complete [visibility](#) into their suppliers as well as mechanisms for [supplier evaluations and feedback](#).

Successful sourcing leaders can quickly identify and closely partner with their strategic suppliers to achieve mutually beneficial solutions like renegotiated minimums or extended payment terms.

Ensure Business Continuity by Increasing Real-Time Collaboration

With teams spread across geographies and many now working remotely, collaboration technology like video-conferencing and instant messaging becomes a necessity not just for internal communication, but for supplier networks as well.

Procurement teams with digital collaboration capabilities are able to update stakeholders, communicate with suppliers, and [discuss RFx events](#)—all in real-time. These collaboration tools also help eliminate disparate email threads and centralize supplier and contract data for a single source of truth.

Set Sourcing Up For Long-Term Success

How are Procurement teams in Transportation and Hospitality ensuring continuity for their business? Leaders are digging into their [project funnels](#) and timelines to align tight resources. A centralized hub for all procurement initiatives gives teams and the Office of Finance the real-time visibility they need to prioritize projects and plan for the future.

When Finance, stakeholders, and Procurement have real-time visibility into their projected spend and contractual obligations, they are empowered to drive enterprise-wide impact and achieve better business outcomes.



“Scout has been an easy-to-integrate, easy-to-use, one-stop-shop for JetBlue’s project management and sourcing needs.”

[Senior Analyst, Strategic Sourcing at JetBlue⁷](#)

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29% of Procurement professionals consider identifying impacts to their suppliers’ supply chains the top priority in maintaining business continuity.
Gartner³

65% of procurement leaders have limited or no visibility beyond their Tier 1 Suppliers
[Deloitte⁴](#)

50% of procurement professionals believe that it is likely or highly likely that remote work will become the norm.
Gartner⁵

For Finance Leaders

- Gain real-time visibility into procurement spend in the Scout RFP platform to proactively manage cash-flow and supplier payment terms
- Reduce operating costs and improve remote working conditions
- Streamline reporting and analytics across the business for actionable insights into cash-flow

For IT Leaders

- Tap into the Scout RFP strategic sourcing platform to focus on driving down infrastructure-related costs
- Free up resources to spend more time innovating and less time maintaining legacy solutions
- Reduce costs associated with auto-renewals by maintaining all supplier and contract data in one collaborative location

From renegotiating with strategic suppliers, to driving enterprise-wide cost-savings, to preparing their companies for a protracted recovery period, procurement teams in Transportation and Hospitality are mission-critical to the success of their business.

Want to know how you can achieve better business outcomes? Find out how [Scout RFP, a Workday company](#) can help you streamline your procurement processes, track your projects, and manage your suppliers on a single, intuitive platform.

1. U.S. Travel Association, “[U.S. TRAVEL AND TOURISM OVERVIEW \(2019\)](#)”

2. U.S. Travel Association, “[The Economic Impact of the Coronavirus Due to Travel Losses: 2020 Analysis](#)”

3. Gartner, COVID-19 CPO Cohort Charts

4. Deloitte, “[Leadership: Driving Innovation and Delivering Impact](#)”

5. Gartner, COVID-19 CPO Cohort Charts

6. McKinsey & Co., “[Coronavirus impact on supply chain](#)”

7. Gartner Peer Insights, “[Scout RFP](#)”



Scout RFP, a Workday company, is the sourcing and supplier engagement platform trusted by procurement teams to streamline their processes, manage a unified pipeline of projects, and collaborate with stakeholders and suppliers to achieve greater business impact. Managing over \$38.5 billion in project spend, Scout RFP’s powerful platform helps make enterprise commerce faster and more transparent, reduces risk, and provides real-time visibility into spend management.