



Source-to-Pay Executive Glossary

Your Ultimate Glossary for Mastering Source-to-Pay (And More)

Like all great technologies, ServiceNow is continually advancing and evolving with every release - and so has the language we use to navigate it.

Pretty exciting, right?

With all that change afoot, we thought it was time to build a definitive guide to some of the new and exciting platform elements we've been learning about over the past few years.

So here at CoreX, we decided to build out the **2024 Official ServiceNow Glossary**, including new and exciting Finance, Supply Chain and Source to Pay (S2P) terminology – plus a quick refresher on some critical business and ServiceNow platform terms you might have heard before... but could really use a little reminder on.





That includes:

- **ServiceNow Product Suite Details**
- **Sourcing and Financial Operations Terms**
- **Business Value Metrics (that your BU might ask about)**
- **Operations and Procurement Nitty Gritty**
- **A Few More ServiceNow Terms for Ecosystem Newbies**

Even better, this glossary isn't just a list of definitions; it's your starting point to tackle business challenges head-on. From decoding S2P and ServiceNow acronyms to uncovering the real impact behind each term, this glossary will help you become a catalyst for progress, transforming confusion into action and frustrations into solutions.

Fair warning: This 60+ page glossary dives deep into ServiceNow. Whether you're starting or continuing your platform transformation, it's designed to be your go-to resource for ServiceNow's Finance and Supply Chain suite. Since its release at Knowledge 2023, over 200 customers are already on board. But don't worry - there's still time to explore the powerful features of Finance, Supply Chain, and Accounts Payable. Leading enterprises are expanding their platforms to leverage the new power of FSC workflows, and you can too.

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1

Sourcing and Financial Operations Critical Terms

Procurement and financial management are radically evolving with the rise of digitization and collaboration tools, making these functions more nuanced than ever. This first section gives you a quick but thorough overview of foundational terms that power sourcing and financial operations across the supply chain.

Jump into the first 11 terms to better equip yourself (and your team) with the knowledge to streamline business processes, enhance collaboration and communication across teams, identify areas for improvement, and leverage emerging technology (like ServiceNow solutions and workflows). Whether you're just starting out or a seasoned pro, this section is your go-to guide for navigating the complexities of sourcing and finance so you can make informed decisions to drive business success.

A background image showing a blurred laptop screen on the left and a clipboard with a pen and a pair of glasses on the right, all on a white desk surface.

1

Sourcing and Financial Operations Critical Terms

- Contract Compliance
- Contract Management
- Enterprise Resource Planning (ERP)
- Master Data Management
- Procurement
- Procure-to-Pay (P2P)
- Strategic Sourcing
- Supplier Management
- Supplier Onboarding
- Supplier Relationship Management (SRM)
- Supply Chain Management (SCM)

Contract Compliance

Contract compliance is the assurance that your firm follows all terms, conditions, and obligations outlined in a contract, as well as the monitoring and ensuring that all parties fulfill their contractual requirements.

A lack of contract compliance can result in financial losses for an organization due to breach-of-contract penalties and non-compliance cost increases. Legal issues and operational disruptions can also damage business relationships.

Effective contract compliance strategies include automation, precise definitions, regular monitoring, risk assessment, and auditing. Many companies use IT platforms, such as ServiceNow, which offer tools to create a centralized contract repository with contract review, approval, renewal automation, compliance tracking, audit trails, and risk management.

Contract Management

Contract management is the systematic oversight of contracts from creation and negotiation to execution, compliance monitoring, and renewal or termination. Contract management involves terms, deadlines, deliverables, and performance.

Companies face increased financial risk, operational inefficiencies, compliance issues, and lost revenue opportunities without effective contract management.

ServiceNow can help with every step of the contract management process. Their product Contract Management (Pro) streamlines contract workflows from request through obligation management. This mitigates financial risk, improves operational efficiency, ensures compliance, and optimizes revenue. ServiceNow Contract Lifecycle Management (CLM) module provides tools for contract creation, negotiation, approval, and execution. ServiceNow streamlines contract-related processes and approvals, manages compliance, and offers performance analytics.

Enterprise Resource Planning (ERP)

Enterprise Resource Planning, or ERP, is a software application that integrates processes across an organization - including planning, purchasing, inventory, sales, marketing, finance, human resources—all in a single system.

Without ERP, business can suffer from data silos, inefficient manual processes, error-prone systems, and difficulty scaling. Over the past decade, broad ERP modernization efforts have often been stalled due to the cost and time-intensive nature of transformation efforts in traditional ERP technology, as well as a legacy of tech-debt that companies will need to contend with in order to modernize their ERP systems.

Centralized data and automated processes support growth and improve visibility, streamlining workflows and optimizing operational efficiency. More organizations are leaning towards platforms like ServiceNow to integrate seamlessly with existing ERP systems to enhance processes, help create modern ERP workflows, and form automation strategies to support business objectives.

Master Data Management (MDM)

Master Data Management, or MDM, is focused on creating and maintaining a single, consistent, and accurate view of critical business data ('master data'), which includes information about customers, products, suppliers, locations, and other core entities.

Different departments may use conflicting or outdated data without effective MDM, waste storage space, increase errors, and hinder decision-making and performance. This can also cause regulatory compliance issues.

Technologies like ServiceNow can contribute to MDM initiatives by automating data management and integrating with external data. This can help consolidate data into a single centralized repository, identifying and correcting errors and inconsistencies while employing consistent data formatting and structure across the organization.

Automated MDM provides access to accurate and up-to-date data to relevant systems and users.

Procurement

Procurement is the strategic process of acquiring goods and services, involving identifying needs, sourcing suppliers, negotiating contracts, purchasing, receiving, and managing supplier relationships.

Ineffective procurement can lead to increased costs, supply chain disruptions, quality issues, compliance risks, and reduced overall efficiency.

Many companies today are leveraging technologies like ServiceNow to automate their procurement processes to help optimize spending, regulate supply chain stability, mitigate compliance risks, and increase efficiency. ServiceNow procurement workflows can automate requisition, purchase order creation, and approval processes.



Procure-to-Pay (P2P)

Procure-to-Pay (P2P) is the process encompassing all activities involved in acquiring goods and services, from identifying a need to making the final payment - this includes requisitioning, purchasing, receiving, invoicing, and payment processing.

Manual processes, errors, and late payments can contribute to increased costs, and poor invoice processing or delayed payments. Inefficient P2P leads to compliance risks and cash flow issues, damaging overall business function.

In order to streamline P2P processes, organizations are more frequently employing services such as ServiceNow's Sourcing and Procurement Operations to help optimize spending, regulate supply chain stability, mitigate compliance risks, and increase efficiency. Procurement workflows can automate requisition, purchase order creation, and approval processes.

Strategic Sourcing

Strategic sourcing is a proactive approach to procurement that focuses on optimizing the entire procurement process. This involves analyzing spend data, identifying cost-saving opportunities, building strong supplier relationships, and implementing risk mitigation strategies.

Without strategic sourcing, your company is at risk of suboptimal spending, supply chain vulnerabilities, and inefficient procurement processes.

Many corporations are utilizing platforms like ServiceNow to strategically source and help mitigate risk, improve processes, reduce costs, and ensure supply chain stability. Such platforms can employ supplier management, contract management, and workflow management tools to automate sourcing processes and approvals while gaining insights to spend analytics and integrating with other systems for data exchange and process automation.



Supplier Management

Supplier management is the process of overseeing and optimizing relationships with suppliers, involving supplier selection, onboarding, performance evaluation, contract management, and risk assessment.

Without supplier management, your company could face poor supplier performance, inefficient processes, and a lack of negotiation power, contributing to supply chain disruptions and compliance risks.

Organizations are embracing technology like ServiceNow to streamline supplier onboarding, performance, and management, helping to mitigate risk, eliminate error, improve supply chain resilience, and enhance collaboration and communication with suppliers.

Supplier Onboarding

Supplier onboarding is the process of integrating a new supplier into your organization's procurement and supply chain ecosystem, which involves collecting necessary information, conducting due diligence, establishing communication channels, and setting up processes for collaboration and payment.

Poorly executed, and often manual, supplier onboarding can delay time-to-market, and increase errors, costs, and compliance risks because of inadequate due diligence and documentation. Lack of clear expectations and communication may lead to poor supplier performance.

Organizations are leaning into streamlined supplier onboarding processes, (such as those offered by ServiceNow!) enjoying automated data collection and verification, managed workflows for onboarding tasks, a centralized document repository, compliance checks and approvals, and seamless integration with other systems.

Supplier Relationship Management (SRM)

Supplier Relationship Management, or SRM, is a strategic approach to managing an organization's relationships with its suppliers. This involves building strong partnerships, collaborating on mutual goals, and optimizing the value derived from the supplier network and extends beyond transactional interactions and focuses on creating long-term, mutually beneficial relationships.

Your company may struggle with a lack of collaboration and clear expectations resulting in suboptimal supplier performance and signaling a need for SRM. Concurrently, higher procurement costs and reduced savings can emerge alongside supply chain disruptions and compliance risks.

SRM leads to improved supplier performance, optimized procurement processes, favorable negotiation terms, and enhanced supply chain resilience. As the popularity of automation increases, corporations turn to programs such as ServiceNow to provide a platform for supplier collaboration and communication, performance management and scorecarding, risk assessment and mitigation, onboarding and offboarding suppliers, and streamlining supplier activities.

Supply Chain Management

Supply chain management (SCM) is the oversight of the entire process of creating a product or service, from inception to delivery, encompassing the management of the flow of goods, data, and finances involved in production and distribution.

Companies lacking Supply Chain Management can suffer inefficiencies, stockouts, excess inventory, supply chain disruptions, and delayed delivery, which increases costs, and reduces customer satisfaction. This can be due to supply chain disruptions such as natural disasters, economic fluctuations, or geopolitical issues or a lack of visibility into your supply chain.

Streamlined SCM optimizes inventory, boosts transportation efficiency, reduces waste, and ensures timely deliveries, high-quality products, and excellent customer service. Many companies use tools like ServiceNow to automate finance and supply chain workflows, manage suppliers, contracts, inventory, orders, and incidents, and provide transparency and visibility.



Business Value Metrics That Your BU Might Ask About

It's not enough to deliver technical solutions, you need to prove the value they bring to your business. In today's data-driven world, your executives expect you to back-up your source-to-pay operations with clear, impactful metrics. And it's essential you communicate those metrics with confidence.

Want to get buy-in from your business units (BUs)? You need to show the numbers that matter. This section dives into the key metrics your BUs care about when assessing the ROI and success of your sourcing initiatives. Tracking these metrics, and you'll have concrete proof of the value you deliver - like cost savings, better risk management, and stronger overall performance. Own your results and let them speak for themselves.

2

Business Value Metrics Your BU's Might Ask About

- AP Cycle Times
- Complex Approvals
- Duplicate Payments
- Flexible Budgetary Controls
- Guided Experiences
- Inventory Management
- NPS (Net Promoter Score)
- Operating Margin
- Operational Cycle Time
- Order Duplication
- Purchasing Coordination
- Rogue Spend
- Spend Under Management (SUM)

AP Cycle Times

An Accounts Payable (AP) cycle time is the time between receiving an invoice and transmitting its payment. AP cycle time measures the efficiency of the accounts payable process.

Extended cycle times indicate slow invoice processing, which can cause delayed payments, damaged supplier relationships, cash flow issues, and inefficiency. This can be due to manual and paper-based processes.

Automated AP processes can unify, simplify, and accelerate your AP cycle times. For example, ServiceNow offers automated invoice ingestion, unified workflows, accelerated processing, and process optimization!



Complex Approvals

Complex approvals are multi-step, conditional approval processes in any corporate sourcing flow that involve multiple stakeholders and decision points and often possess specific criteria requirements.

Manual processes and multiple points of approval delay decision-making and slow procurement cycles. Organizations risk non-compliance with internal policies or external regulations due to manual error. Lack of transparent approval processes and poor visibility hinder collaboration and accountability. Inefficiencies such as these result in increased costs.

You can lay out a more thoughtful approval process via a centralized platform like ServiceNow, which offers approval workflows, management, and role-based approvals, automating your approval process on a centralized platform. ServiceNow defines clear approval paths, offers real-time visibility, and supplies audit trails for compliance and reporting, all while integrating with existing systems and allowing for data exchange.

Duplicate Payments

Duplicate payments occur when an organization pays the same invoice or for the same product more than once. This can result from human error, system glitches, or fraudulent activity.

Duplicate payments result in financial loss, cash flow issues, reconciliation challenges, and damaged supplier relationships.

Invoice automation can help prevent duplicate payments by automating invoice captures, data extraction, and matching. Companies can use programs like ServiceNow to streamline invoice approval and payment.



Flexible Budgetary Controls

Flexible budgetary controls are financial management practices that allow for budget adjustments and account for changing business conditions while maintaining financial oversight.

Rigid budgets hinder agility, can prevent investments in growth opportunities, and leave your business defenseless and unable to respond quickly to market changes or unexpected expenses. This results in decreased operational efficiency and stifled productivity, as a rigid budget cannot support a rapidly growing business.

Employing budgetary controls that account for adjustment and change while continued monitoring and adjusting based on performance will allow your business to remain prepared for different conditions. Companies often use platforms such as ServiceNow to track configuration item costs and automate workflows to help streamline budget approval and adjustment processes.

Guided Experiences

Guided Experiences are structured interactions or processes that lead the user through specific tasks or workflows, providing clear instructions, prompts, and support at each step.

Without guided experiences, your compliance team might struggle to navigate multiple, complex systems (and part-time users will face even more challenges).

Utilize guided experiences to improve user experience, streamline tasks to reduce error and increase efficiency, enhance user adoption, and boost productivity by enabling users to focus on core tasks. ServiceNow's Guided workflows offer step-by-step instruction, and Guided Tours assist users in onboarding and training processes.

Inventory Management

Inventory management involves the overseeing and controlling of the storage, handling, and use of an organization's inventory, ensuring optimal levels of stock are maintained.

Poor inventory management can lead to stockouts which result in lost sales and customer dissatisfaction, excess inventory where capital is trapped in unsold goods and storage costs are increased, and supply chain disruptions and difficulty meeting customer demand due to inconsistent stock levels. In all, time and resources are wasted on inaccurate inventory data and operations are run inefficiently.

Strong inventory management (also offered by ServiceNow!) enhances visibility, reduces administrative burden, streamlines processes, and provides mobile access to manage inventory in the field. With supply and demand balanced, stockouts and excess inventory are minimized, as is storage, handling, and obsolescence expenditure.

NPS (Net Promoter Score)

A Net Promoter Score (NPS) is a metric that is used to measure customer loyalty and satisfaction based on customer responses to a single question: On a scale of 0 to 10, how likely are you to recommend our company/product/service to a friend or colleague?

Without measuring customer loyalty, your business may be unable to identify areas for improvement and fail to capitalize on positive customer experience. Lower customer satisfaction reduces sales and referrals, decreasing revenue and causing reputational damage.

Implementing an NPS program can help focus efforts on retaining and growing your portion of loyal customers. Pain points can be addressed to improve customer experiences, and NPS insight can inform development and marketing strategies. Tools like ServiceNow's Customer Service Management can help by collecting customer feedback, analyzing customer data, using NPS as a KPI for IT services, and linking NPS feedback to action items and improvements.

Operating Margin

An operating margin is a ratio of profitability, measuring how much profit a company generates from its operations for every dollar of revenue. This margin is calculated by dividing the operating income by net revenue and is expressed as a percentage.

A low operating margin indicates high operating costs compared to revenue. This may be due to products or services being underpriced, or industry competition eroding profit margins. Unless your company is intentionally investing in growth, minimal margins threaten your business's growth potential, by limiting funds for reinvestment and expansion.

Often, organizations streamline processes (using technology like ServiceNow) to improve their operating margin by identifying and eliminating unnecessary expenses, expanding product or service offerings, and effectively managing assets.



Operational Cycle Time

Operational cycle time is the total amount of time it takes a company to convert its investments in inventory and other resources into cash flows from sales. This encompasses the time required for a product/service to move from raw materials to monetary value.

A long operational cycle time delays revenue collection impacting liquidity, leaves capital tied up in excessive stock and leads to reduced profit margins and slower time-to-market.

Optimize your operational cycle time with inventory management initiatives (which can be provided by ServiceNow) to balance stock levels in conjunction with workflows (believe it or not, also offered by ServiceNow!) to streamline invoicing, payment, and IT processes. This will result in service delivery time reduction, enhanced collaboration between departments involved in the cycle, and improved production efficiency.



Order Duplication

Order duplication occurs when the same order is placed multiple times, resulting in redundant recording within an order management system.

Order duplication leads to overstocking, shipping errors, and additional administrative work. Inventory discrepancies lead to customer dissatisfaction, and manual processes to identify and correct duplicate orders consume resources and leave room for error.

Companies increasingly utilize products like ServiceNow to help prevent and resolve order duplications by establishing standardized procedures for order creation and processing, implementing data validation efforts, and automating order creation and processing workflows whilst integrating with order management systems to provide order visibility.

Purchasing Coordination

Purchasing coordination involves the management and oversight of the procurement process, ensuring the efficient and effective acquisition of goods and services.

Poor purchasing coordination leads to supply chain disruptions, quality issues, increased costs, and compliance risks regarding procurement policies and regulations.

Streamline the purchasing process by taking advantage of technologies like ServiceNow which offer demand forecasting, supplier management, contract management, order processing, and asset management, all while automating procurement tasks to increase efficiency.



Rogue Spend

Rogue spend refers to purchases made outside of an organization's established procurement processes and policies, often involving unauthorized purchase made by individuals without following proper channels.

Rogue spending can lead to increased costs, compliance risks regarding procurement policies and regulations, security risks from unverified suppliers, and data visibility issues.

Prevent rogue spending by integrating procurement policies into workflows and approval processes using services like those offered at ServiceNow which can also provide data insights into spending patterns and streamline the procurement process, establishing supplier management on a centralized platform.

Spend Under Management (SUM)

Spend under management (SUM) is the percentage of an organization's total spending that is actively managed and controlled by the procurement function, representing the portion of spending aligned with procurement strategies and policies.

Low SUM indicates a limited understanding of spending patterns and cost savings opportunities, inefficient spending due to lack of centralized control, and potential compliance risks regarding procurement policies.

Companies are turning to programs like ServiceNow for spend visibility, contract management, procurement operations workflows to automate purchase requisitions and approvals, supplier management, and compliance management, in order to help improve their SUM.





3

ServiceNow Product Suite Details

As a partner in the ServiceNow ecosystem, we get it navigating the ServiceNow product suite can be overwhelming! But to make the most out of your ServiceNow investment, you need to understand all that the platform has to offer.

And ServiceNow isn't just a platform; it's a powerful ecosystem built to transform and automate your business. When it comes to finance and supply chain work, it's the connective tissue on top of your existing systems of records, uniting your people, processes, technology, and data under one single engagement layer. So whether you're just getting started or aiming to expand your expertise, this section is filled with key terms and concepts to help you streamline your source-to-pay process and drive real value with ServiceNow.



3

ServiceNow Product Suite Details

- Business Intelligence (BI)
- Catalog Management
- Data Migration
- Integration
- Legal Service Delivery
- Module
- Procurement Analytics
- Role-Based Access Control (RBAC)
- Source-to-Pay (S2P)
- Spend Analysis
- Supplier Portal
- Supplier Risk Management (SRM)
- Supply Chain Incident
- Workflow Automation

Business Intelligence (BI)

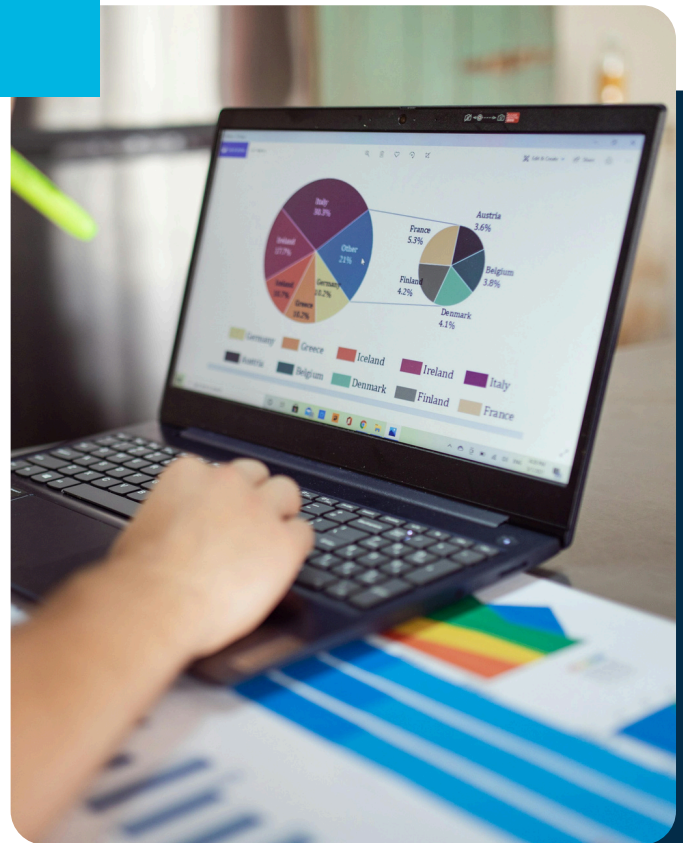
Business Intelligence (BI) is a technology-driven process that analyzes data and information to help organizations make informed decisions. BI involves collecting, storing, processing, and analyzing data to identify patterns, trends, and insights.

Without BI, your company risks data overload due to difficulty managing and extracting value from vast data. This can lead to poor decision-making based either on intuition or incomplete information. Lack of visibility into operational performance causes inefficiencies and missed opportunities.



Catalog Management

Catalog management is the process of organizing, maintaining, and updating product information within a digital catalog. This involves creating product descriptions, setting prices, managing inventory, and categorizing items for easy navigation.



Faulty catalog management allows for inaccurate or incomplete product information, out-of-stock items, and poor search functionality. Operational inefficiencies led to time-consuming manual data entry and updates and missed sales opportunities due to poor product presentation or availability, resulting in lost revenue.

Optimal catalog management includes detailed product descriptions, images, specifications, data accuracy, category structure, inventory management, and multi-channel consistency. ServiceNow can help with their Service Catalog and Product Catalog management.

Data Migration

Data migration transfers data from one storage system or computing environment to another. It involves extracting data from a source system, transforming it into a compatible format, and loading it into a target system.

Suboptimal data migration can lead to data loss, data quality issues such as inaccurate or incomplete data, system downtime, migration delays, compliance risks concerning data privacy regulations, compromised decision-making, and more.

Successful data migration involves thorough planning, including defining the migration scope, data mapping, and establishing timelines. More companies are implementing tools such as ServiceNow's IT Service Management to help with smooth and seamless data migration and verified data integrity.



Integration

Integration combines or integrates multiple systems, applications, or data sources to achieve a flow of information and processes.

Without integration, businesses operate in silos. This leads to inefficiencies, data inconsistencies, delays in decision-making, hindered productivity, increased costs, and eroded customer satisfaction.

Effective integration streamlines operations, improves data accuracy, enhances collaboration, enables real-time insight, connects disparate systems, automates tasks, reduces errors, and drives digital transformation initiatives.

ServiceNow offers its IntegrationHub, a low-code/no-code platform for building and managing integrations. Organizations can also use ServiceNow's connectors, pre-built integrations with popular systems like ERP, CRM, HR, and IT systems, or Jira integration, which connects modern systems quickly with ServiceNow to accelerate productivity.

Legal Service Delivery

Legal service delivery is the process of efficiently providing legal services and support to an organization's employees, customers, or other stakeholders.

Traditional legal service delivery models suffer inefficiencies, delays, and lack of transparency, leading to increased costs, operational risks, and negative perceptions.

The ServiceNow Legal Service Delivery solution offers a unified experience, streamlines processes improves access to information, tracks and manages legal matters from intake to closure, centralizes legal knowledge and makes it easily accessible, gives insights into legal operations and performance, and connects legal systems with other enterprise systems for seamless data flow.



Module

A module is a self-contained unit of software. Each module has a specific function or functionalities that can be independently developed, tested, and deployed.

Without modules, software can be complex, time-consuming, and error prone. Large, monolithic applications are challenging to maintain, scale, and update.

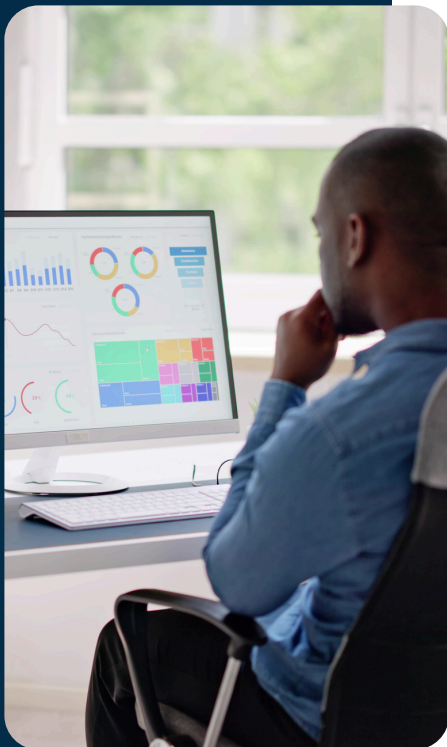
Utilizing modules promotes code reusability, improves development efficiency, enhances software maintainability, breaks down applications into smaller, more manageable components, accelerates development cycles, reduces costs, and improves software quality. ServiceNow is a highly modular platform with pre-built modules that can be configured and customized to address specific business needs. This allows for faster implementation and reduces development costs by leveraging existing functionality to minimize custom development.

Procurement Analytics

Procurement analytics is the process of collecting, analyzing, and interpreting procurement data to identify trends, patterns, and opportunities for cost reduction, risk mitigation, and process improvement.

Without procurement analytics, your organization lacks visibility into spending patterns, supplier performance, and potential cost savings. This can lead to overspending and supply chain disruptions.

Employing technology such as ServiceNow to monitor procurement analytics provides actionable insights, optimizes spending, improves supplier relationships, helps to make data-driven decisions and identify cost-saving opportunities, mitigates risks, and enhances overall procurement performance.





Role-Based Access Control (RBAC)



A Role-Based Access Control (RBAC) is a security model that restricts system access based on the user's role within the organization. In short, an RBAC assigns permissions to roles and then assigns users to those roles.

Manually assigning and managing user permissions for each individual user can be complex, error-prone, and time-consuming.

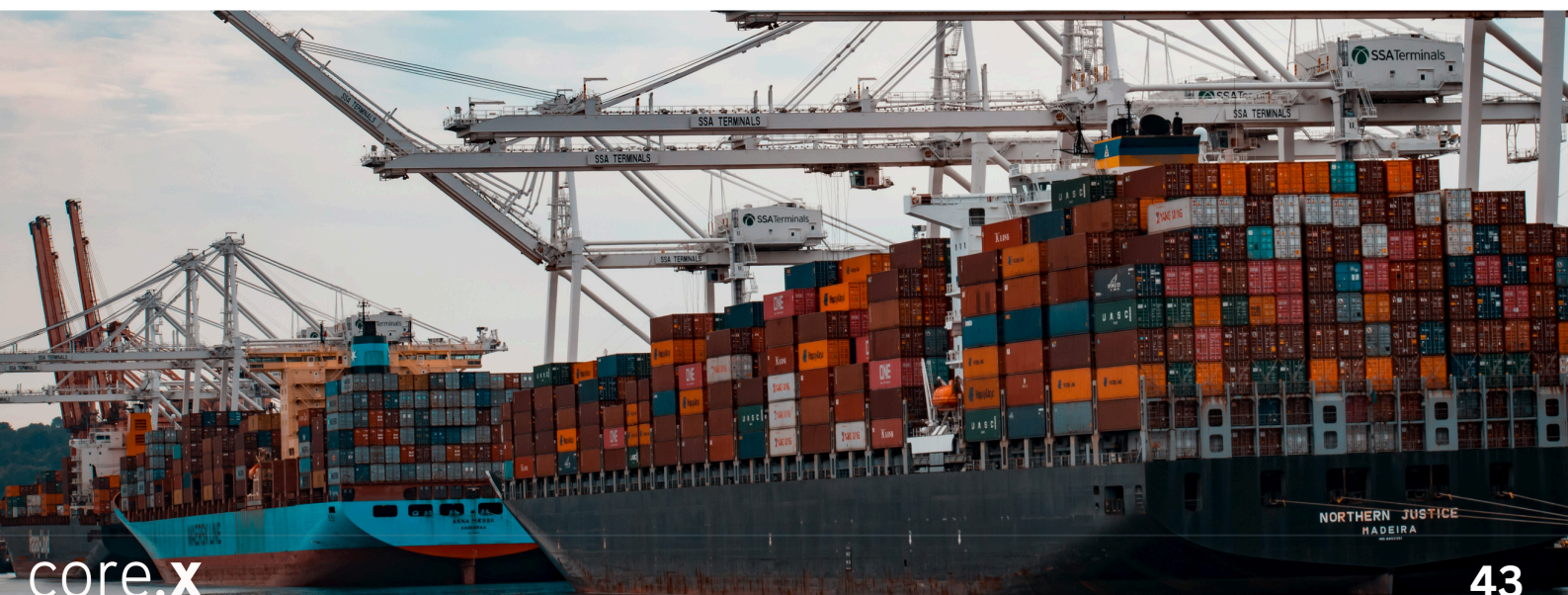
RBAC with ServiceNow simplifies access management by centralizing permissions within roles, reduces administrative overhead, and improves security. ServiceNow utilizes RBAC to control access to its platform and data, allowing granular control, streamlining user provisioning and de-provisioning, and reducing the risk of unauthorized access.

Source-to-Pay (S2P)

Source to Pay (S2P) is the comprehensive procurement process, from identifying a need to making the final payment to the supplier. This includes sourcing, procurement, contract management, invoice processing, and payment.

Traditional, manual procurement processes are inefficient and time-consuming, increase costs, delay payments, cause supplier issues, and are hindered by a lack of spending visibility.

Organizations are increasingly adopting S2P processes, leveraging workflow technology such as ServiceNow, to improve efficiency, reduce costs, enhance supplier relationships, automate and optimize stages of the procurement cycle, gain better control over spending, mitigate risks, and improve overall performance.



Spend Analysis

Spend analysis analyzes a company's expenditure data to identify spending patterns, uncover cost-saving opportunities, and optimize procurement strategies.

Without spend analysis, your company lacks spending visibility, becoming at risk for overspending, inefficiency, and missed cost reduction opportunities.

Practical spend analysis includes insight into spending habits, supplier performance, and potential cost savings to identify areas for improvement, optimize supplier relationships, and make data-driven procurement decisions. Platforms such as ServiceNow can help with data integration, process visibility, and reporting.



Supplier Portal

A supplier portal is a secure online platform that enables businesses to interact with suppliers. This is a centralized location for managing supplier information, communication, collaboration, and transactions.

Without a working supplier portal, your company may face inefficient communication and collaboration, delays, errors, and increased costs. It may still use manual processes for information exchange, document sharing, and invoice processing, which consumes time and increases the risk of error.

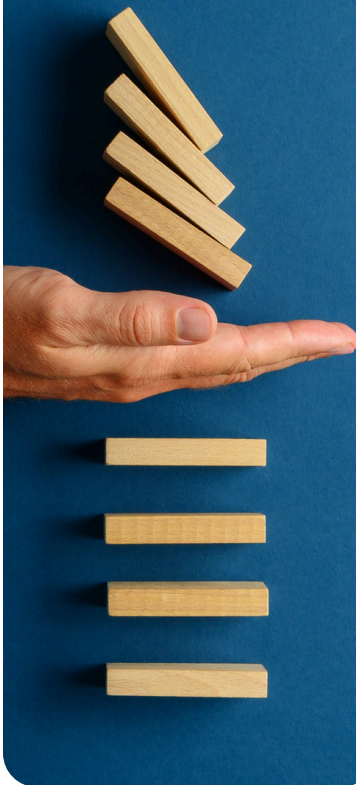
ServiceNow's Supplier LifeCycle Ops streamlines interactions between buyers and suppliers, improves communication, reduces paperwork, accelerates business processes, and offers a single source of supplier information. This allows for better collaboration and decision-making. In addition, the ServiceNow® Supplier Collaboration Portal application provides a seamless unified employee portal experience for supplier contacts.

Supplier Risk Management (SRM)

Supplier Risk Management, or SRM, is the systematic identification, assessment, and mitigation of potential supply chain risks by evaluating suppliers' financial stability, operational capabilities, compliance adherence, and possible disruptions.

Lacking strong SRM, your company is exposed to risks like supplier bankruptcy, quality issues, cyberattacks, and natural disasters. This can cause financial loss, reputational damage, supply chain disruptions, and overall operational inefficiencies.

SRM proactively identifies and addresses potential risks and reduces the likelihood of disruption. Organizations harness technology like ServiceNow to help implement effective risk and incident management.





Supply Chain Incident

A supply chain incident is a disruption or interruption in the production and distribution of goods, services, or information within a supply chain, ranging from minor delays to catastrophic failures. They can be caused by natural disasters, supplier failures, cyberattacks, economic instability, and logistics issues.

Supply chain incidents lead to operational disruptions, financial loss, customer dissatisfaction, and reputational damage.

Supply chain workflows can help mitigate the impact of supply chain incidents, automating the finance and supply chain and eliminating manual errors. Technology like ServiceNow's Supplier Lifecycle Ops can help identify, quantify, mitigate, and respond to risks.

Workflow Automation

Workflow automation involves the application of technology to automate and streamline business processes and reduce manual intervention to increase efficiency and create digital workflows that define the sequence of tasks, decisions, and actions required to complete a process.

Manual business processes are time-consuming, inconsistent, and prone to error. A lack of automation can lead to bottlenecks, delays, and decreased productivity.

Workflow Automation with ServiceNow reduces costs, strengthens productivity, builds consistency, expands visibility, and grows productivity and collaboration.

ServiceNow allows for the rapid development of workflows without extensive coding and offers process visualization, integration capabilities, real-time monitoring, and mobile access.





4

Operations and Procurement Nitty Gritty

This next section dives into the typical “day in the life” language for sourcing, procurement, financial, and operational teams.

So whether you’re heads-down managing contracts, juggling the coordination of multiple suppliers, or tackling complex compliance requirements, these building block terms give you the ultimate foundation to orchestrate operations and procurement functions seamlessly.

A background image showing a blurred laptop screen on the left and a clipboard with a pen and a pair of glasses on the right, both resting on a white desk. The lighting is soft and natural, suggesting an office environment.

4

Operations and Procurement Nitty Gritty

- Invoice Management
- Purchase Order (PO)
- Purchase Requisition
- Three-Way Matching

Invoice Management

Invoice Management is the process of receiving, processing, and paying vendor invoices. This encompasses the entire lifecycle of an invoice, from creation to payment.

Manual Invoice Management is often time-consuming and prone to mistakes. Paper-based processes can lead to lost invoices, delayed payments, inaccurate financial data, and increased risk of fraud.

Effective Invoice Management accelerates invoice processing by streamlining workflows, enhancing accuracy, and mitigating risks in turn reducing costs. ServiceNow's offers Accounts Payable Invoice processing, uses a special Document Intelligence tool to ingest and extract invoices. Which in turn creates integrations to facilitate communication with any external or third-party applications. Overall simplifying an often-complex process, reducing verification time and errors.



Purchase Order (PO)

A Purchase Order (PO) is a document, specifically a binding contract, issued between a buyer and a supplier. The document includes descriptions, quantities, prices, applicable discounts, payment terms, delivery dates, and other associated terms and conditions. A PO serves as a formal offer and becomes legally binding once accepted by the supplier.

Without a standardized PO process, your company is at risk for overspending, delayed payments, and inaccurate invoice management, resulting in damage to supplier relationships. Manual Purchase Order creation and management can be time-consuming, error-prone, and inefficient.

A well-structured PO process ensures accurate ordering, timely payments, and effective supplier management.

Automating PO creation and approval can reduce errors, improve efficiency, and enhance financial control.

ServiceNow Procurement modules provide visibility into purchase orders and integrate seamlessly with existing financial systems to facilitate better asset management, cost tracking, and contract management.

Purchase Requisition

A Purchase Requisition is an internal document generated by an employee or department to request the acquisition of goods or services. It outlines the required items, quantities, and budget allocation, essentially acting as a formal request for procurement. Approval may be required to create a purchase order.

Organizations face unauthorized spending, budget overruns, and inefficient procurement issues without a standardized purchase requisition process. Manual requisition is time-consuming, error-prone, and lacks visibility.

A well-structured purchase requisition process reduces unauthorized purchases, ensures that spending aligns with budget, streamlines procurement, and automates the requisition workflow while integrating with other procurement systems. ServiceNow can help you with purchase requisition approval and merging, sourcing and purchasing automation, and editing purchase requisition lines, all through their Sourcing and Purchasing Automation under Sourcing and Procurement Operations.

Three-Way Matching

Three-way matching is an accounts payable process that compares and verifies three documents: the purchase order (PO), the invoice, and the goods receipt or receiving report (GRN). The goal of a Three-Way Match is to ensure that the quantities, prices, and items listed on all three documents match before approving payment.

Without three-way matching, companies are at risk of paying for goods or services not received, paying incorrect amounts, or falling victim to fraudulent invoices.

Successfully implemented three-way matching helps prevent overpayments, fraudulent activities, and accounting errors. ServiceNow Accounts Payable Operations allows for invoice processing on the ServiceNow platform. Accounts Payable Operations integrates with financial systems to provide visibility into purchase orders, invoices, and potentially goods receipt information.



5

A Few More ServiceNow Terms For Ecosystem Newbies

From CMDB to ITOM, we've got ServiceNow newbies covered when decoding the endless acronyms and tech lingo in the ServiceNow ecosystem. We know navigating a new platform is challenging enough, that's why CoreX is here to make researching ServiceNow jargon a little easier (and yes, we're all about using Command+F to zip through the glossary!).

Get up to speed and boost your confidence with the platform, so you can configure workflows, integrate with other systems, and chat like a pro with the ServiceNow experts on your team. Discover the final must-know ServiceNow terms in this glossary essential to sourcing and procurement.



5

A Few More ServiceNow Terms For Ecosystem Newbies

- [Configuration Management Database \(CMDB\)](#)
- [Discovery](#)
- [IT Operations Management \(ITOM\)](#)
- [Integration Hub](#)
- [Knowledge Management](#)
- [Orchestration](#)
- [Service Catalog](#)
- [Service Legal Agreement \(SLA\)](#)
- [Service Portal](#)
- [Virtual Agent](#)

Configuration Management Database (CMDB)

A Configuration Management Database (CMDB) is a data repository that stores and manages information about all components of an IT system, including hardware, software, network devices, and other IT assets, for improved configuration management.

Without a CMDB, your company lacks a centralized information source about IT infrastructure. This can lead to asset management, incident management, change management, and service delivery challenges. Outdated or inaccurate information can contribute to inefficiencies, disruptions, and increased costs.

With ServiceNow's robust CMDB platform, your organization can have a single source of IT asset information. This will allow for better decision-making, improved service delivery, reduced risk, and accurate and up-to-date information. Corporations can optimize asset utilization, streamline incident response, ensure compliance, and manage change more effectively utilizing ServiceNow's CMDB platform.

Discovery

Discovery is the process of identifying and collecting information about IT assets within an organization's infrastructure, which can include hardware, software, network devices, and other IT components.

Without a systematic discovery process, you have limited visibility into your company's IT environment, leading to inaccurate asset inventories, inefficiencies in asset management, and potential security vulnerabilities. A lack of comprehensive information can also hinder incident response and problem-resolution efforts.

ServiceNow has a Discovery solution using an automated process that continuously scans and identifies all the components within your IT infrastructure. It plays a crucial role in maintaining an accurate and up-to-date CMDB. ServiceNow's Discovery provides a foundation for effective IT management. Companies can utilize Discovery to gain visibility into their IT environments, improve asset management and optimization, accelerate incident response and problem resolution, support IT service delivery and optimization, realize fast time-to-value, integrate data with connectors to build an up-to-date CMDB with automated workflows, and more.

IT Operations Management (ITOM)

IT operations management, or ITOM, is designed to ensure efficient and cost-effective operation of IT services, managing provisioning, capacity, performance, and availability of IT infrastructure and resources.

Organizations that have yet to implement an effective ITOM approach risk avoiding unplanned downtime, slow performance, security breaches, high operational costs, and a lack of visibility.

Of course, ITOM is more than just a technology strategy but an approach to improve service quality, predicts issues, minimizes user impact, enhances incident response and problem resolution, optimizes performance, and automates workflows across teams. Many firms look to technology layers like the ITOM module in ServiceNow to streamline their program adoption and capitalize on ecosystem-wide best practices.





Integration Hub

An Integration (or Information) Hub is a centralized platform that facilitates the connection and interaction between software applications and systems. It effectively acts as middleware and allows data and processes to flow smoothly between various platforms.

Without a cohesive integration strategy businesses rely on custom, point-to-point integrations, which can be time-consuming to develop, maintain, and scale. Your company may struggle with data inconsistencies, errors, and delays, making managing multiple integrations complex and inefficient.

ServiceNow's Integration Hub streamlines the integration process by providing a standardized approach to connecting applications and offering pre-built connectors, APIs, and automation capabilities, thus reducing development time and effort. Using Integration Hub to achieve centralized integration management leads to improved data consistency and quality, enhanced operational efficiency, faster time-to-market, and better decision-making.

Knowledge Management

Knowledge Management is the systematic process of identifying, capturing, organizing, storing, contributing, and applying knowledge and expertise (in the form of articles, documents, FAQ's, video libraries, etc.) to improve performance and decision-making for an organization through effective information sharing.

When in need of productive Knowledge Management, businesses struggle to retain institutional knowledge, share best practices, and solve problems efficiently. This can increase costs, reduce employee productivity, and hinder innovation and adaptation.

Knowledge Management systems, like that of ServiceNow, capture and leverage intellectual capital, give easy access to relevant information, accelerate problem resolution and incident closure, improve employee productivity and satisfaction, and reduce costs associated with knowledge loss. Knowledge can also be applied to onboarding, identifying skill gaps, data security, and maintaining enterprise knowledge.

Orchestration

Orchestration is the automated coordination and management of complex IT processes and services. This involves automating tasks, workflows, and dependencies across multiple systems and applications.

Reliance on manual processes, which are error-prone and inefficient, can be time-consuming, cause delays in service delivery, increase operational costs, and reduce agility.

Companies are more often turning to solutions such as ServiceNow's IT Orchestration, which can automate workflows and repetitive tasks. In turn, this reduces manual intervention, improves the overall efficiency of IT operations, enables faster incident response and change implementation, helps ensure consistent service delivery, integrates effectively with other systems, and streamlines IT processes overall.

Service Catalog

A Service Catalog is a centralized repository that lists all services offered, ranging from simple password resets to complex application development projects.

Without a Service Catalog, your company is at risk of inefficient service request management, inconsistent service delivery, lack of visibility into IT service offerings, increased costs, reduced customer satisfaction, and hindered productivity.

ServiceNow's Service Catalog module provides a single source of information on IT services, empowers end-users to self-service, allows organizations to create, manage, and publish IT services, provides a user-friendly interface for end-users to browse and request services, and integrates with other ITSM modules to streamline service delivery.

Service Level Agreement (SLA)

A Service Level Agreement, or SLA, is a formal contract between a service provider and a customer, which outlines the level of service expected and typically includes metrics, such as response times, uptime, and resolution times, and remedies for service failures.

Without good SLA management, your firm could face breaches of contract for failing to comply with the terms of a specific agreement. This can lead to disputes, dissatisfaction, and performance issues and hinder the ability to measure and improve service quality.

Employing technology such as ServiceNow can help your organization create, manage, and monitor SLAs while defining service level targets, calculating performance metrics, and automating SLA breaches and notifications. ServiceNow's SLA Management module integrates with other ITSM modules to improve service quality and customer satisfaction, enhance accountability and performance management, facilitate proactive problem management, and support continuous service improvement.

Service Portal

A Service Portal is a user-friendly, self-service interface that provides access to IT services, information, and support. It is a single-entry point where employees and customers can interact with IT. In the ServiceNow Ecosystem, the Portal has a more specific connotation to an element available by default on the platform that interacts with parts of the platform so users can access platform features through portals.

Without a Service Portal, there is an increased reliance on email, phone calls, or in-person requests to access IT services, resulting in long wait times, inefficiencies, frustration, and difficulty tracking and managing service requests.

ServiceNow's Service Portal empowers users to quickly and easily find the information and services they need, reducing the need for IT support, improving efficiency, enhancing user satisfaction, providing valuable data on service usage, and integrating with other ITSM modules.



Virtual Agent

A Virtual Agent is a computer program designed to stimulate human conversation, usually through text interactions, by leveraging artificial intelligence and natural language processing to understand and respond to user queries, provide information, complete tasks, and direct users to appropriate resources.

Traditional help desks struggle to efficiently handle high volumes of inquiries, leading to long wait times, frustrated users, and reduced productivity. It can be challenging to provide consistent information and support across different channels.

Redefine your support experience with a virtual Agent. ServiceNow's Virtual Agent is a conversational AI platform that will enable your organization to build and deploy intelligent virtual assistants. The Virtual Agent integrates seamlessly with other ServiceNow modules, allowing users to create incidents, request services, and access knowledge articles through natural language interactions.

Phew - 67 pages later, are you feeling like a ServiceNow whiz yet?

In all seriousness, thanks for exploring CoreX's Source-to-Pay Executive Glossary! Designed to be more than just a collection of terms, this eBook is your launchpad for mastering ServiceNow and transforming finance and supply chain from routine work to the strategic powerhouse driving your business forward.

We can't wait to see what you accomplish, from effectively communicating real-world outcomes with stakeholders to leveraging new technology like ServiceNow to innovate and elevate your operations.

Ready to transform your operations and unlock value?

Let CoreX, with over a decade of ServiceNow expertise, guide you to success in Finance, Supply Chain, and Business Operations.

[Explore Our Solutions](#)