

## The Compliance Shortcut: Why Cutting Corners Costs More



In the race to keep operations running smoothly, procurement often faces pressure to move faster than the system allows. The temptation? Skipping an approval step, raising a quick PO outside of contract terms, or sourcing from an unvetted supplier. In the moment, these shortcuts feel like agility. But in reality, they create hidden risks that cost more in the long run—financially, operationally, and reputationally.

**Here are five reasons why cutting corners is never the best route:**

### 1 Price Leakage from Maverick Spend

When purchases happen outside approved contracts, they rarely benefit from negotiated terms. Over time, even small off-contract buys accumulate into major cost leakage.



**Key Insight:** Every bypassed process erodes the savings procurement worked hard to secure.

### 2 Audit and Regulatory Exposure

Missing documentation or skipped approvals leave gaps that auditors and regulators quickly uncover. The penalties, reputation damage, and loss of internal trust often outweigh the "speed" gained.



**Key Insight:** Compliance safeguards the business—it isn't red tape, it's insurance

### 3 Strained Supplier Relationships

Unstructured buys confuse suppliers with duplicate orders, unclear commitments, or delayed payments. Over time, suppliers deprioritize buyers who don't engage consistently.



**Key Insight:** Respecting process signals respect for supplier partnerships.

### 4 Loss of Spend Visibility

Every off-system transaction is data lost. Without a complete view of spend, procurement loses leverage in negotiations, cannot forecast accurately, and risks making decisions in the dark.



**Key Insight:** Visibility is the foundation of control—no data, no strategy.

### 5 Cultural Erosion Within the Business

When teams see leaders bending rules for convenience, discipline breaks down across the organization. Over time, compliance becomes optional, not non-negotiable.



**Key Insight:** Procurement must set the tone—process and agility can co-exist, but shortcuts undermine both.



## What This Means for Procurement Teams

Agility is essential, but it cannot come at the expense of compliance. The challenge for procurement leaders is not to bypass process, but to design processes that are **fast**, **intuitive**, and **transparent**, so business users don't feel the need to work around them.



## Bottom line:

Cutting corners feels quick, but costs dearly. True agility comes from systems where compliance is effortless, adoption is natural, and value leakage is impossible.

