

# Navigating New Borders: Transforming Geopolitical Uncertainty into a Foundation of Operational Confidence

Presented by:

Sean Solitto, VP of Sales, Relish

Justin Morse, VP of Solution Advisory, SAP



INTERNAL - SAP and Partners Only



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# Navigating New Borders: Transforming Geopolitical Uncertainty into a Foundation of Operational Confidence

- Geopolitical & Macro Trends Impacting Finance & Procurement
- Discussion: How SAP & Relish Customers are Navigating These Issues:
  - Tariffs & Cost Control
  - Supplier Fraud
  - Supplier Sanctions & Watch Lists
  - Supplier Diversity
- Call to Action

# There are 2 Types of Organizations

- Ones that HAVE experienced supplier related financial fraud.
- Ones that WILL experience supplier related financial fraud.
- It does not have to be this way.

## Invoice Fraud Costs the Average UK Business £295,000+ a Year



New data examines the top challenges of finance teams in 2022: rising fraud, retaining talent, late supplier payments, and the relationship with procurement

Financial professionals estimate over £295,000 is lost to invoice fraud per business, every year in the UK. Even more shocking is the fact that 1 in 5 (20%) finance professionals are unaware or unable to even estimate the cost of invoice fraud to their business. This lack of visibility is likely due to the messy paper trails that continue to plague the invoice process.

### 12 Most Common Types of Bank Frauds

Apr 8, 2024 | 7-minute read



**Adam Preis**  
Director of Product and Solution Marketing

Identity 101 | Identity Security | Industry & Standards

Bank fraud is becoming more prevalent, with sophisticated attacks resulting in both financial and reputational damage. One study reports that over **70% of financial institutions lost at least \$500,000 to fraudulent activity** in 2022. The hardest-hit institutions were fintech companies and regional banks.

On top of that, the financial services industry is becoming increasingly regulated, particularly when it comes to verifying customer identities and incorporating anti-money laundering protocols.

Businesses warned to be vigilant when paying bills or switching suppliers as invoice scams make up 55 per cent of money lost to scammers

16 April 2022

- Nearly nine in 10 (89 per cent) owners are worried about the effect the upcoming price rises will have on their business, which could leave them open to invoice scams at this point for the best deal.
- Barclays is urging businesses to be vigilant as data shows invoice scams account for 55 per cent of all money small businesses lost to scammers.
- Barclays data has also shown that the average value of funds stolen has increased 13 per cent.

06/04/22: Businesses are being urged to stay vigilant when paying their bills or changing suppliers, as new data from Barclays reveals that in the last three months, fraudsters stole the most money from SMEs through invoice scams.

## Toyota Unit Loses \$37M To Vendor Payment Fraud

BY PYMNTS | SEPTEMBER 10, 2019



**A subsidiary of automaker Toyota has lost millions of dollars thanks to a vendor payment scam, according to SC Media UK reports.**

The publication said Monday (Sept. 9) that Toyota Boshoku Corporation, one of Toyota's car parts suppliers, lost more than \$37 million to a Business Email Compromise scam, in which a cybercriminal directed a professional within the company to pay a fraudulent vendor invoice.

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# Dealing with Tariffs & Unplanned Cost Increases

## Spend Overview

<b>Total Spend</b> <small>in USD</small>	<b>Invoices</b> <small>in USD</small>	<b>Purchase Orders</b> <small>in USD</small>	<b>Suppliers</b>	<b>Diverse Spend</b>
106M <sup>+1.7%</sup>	128K <sup>-3.12%</sup>	83K <sup>+1.9%</sup>	5.8K <sup>+2.1%</sup>	53% <sup>+7%</sup>

**New Risk Event** ✕

Planned tariff increase detected that impacts the cost structure of top performing products. Review for further analysis.

Warning · now Show More

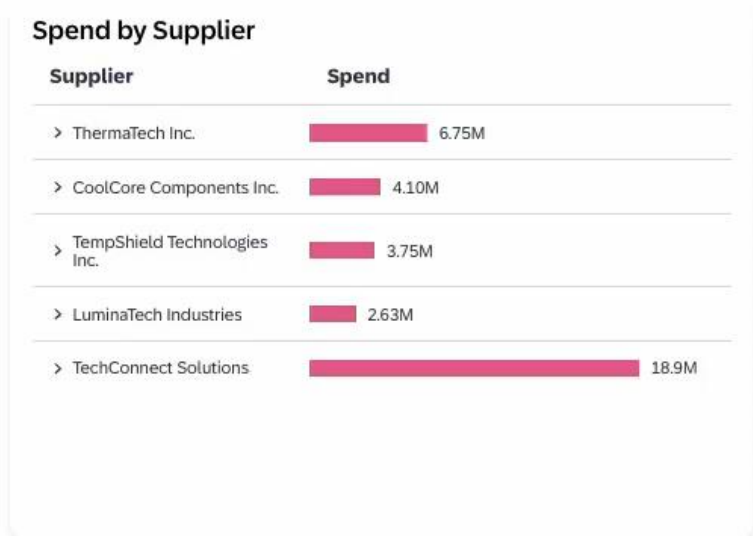
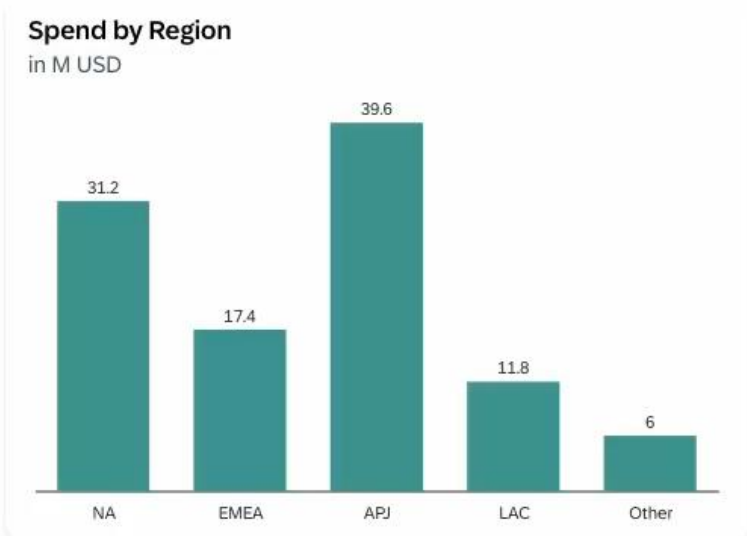
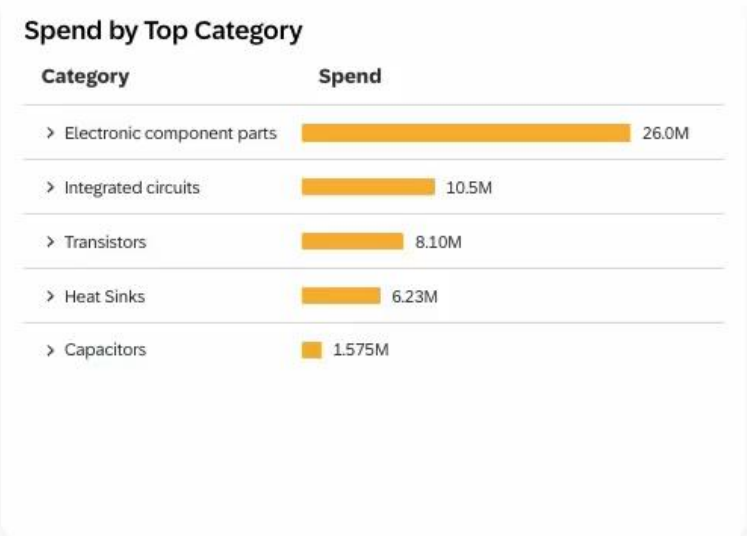
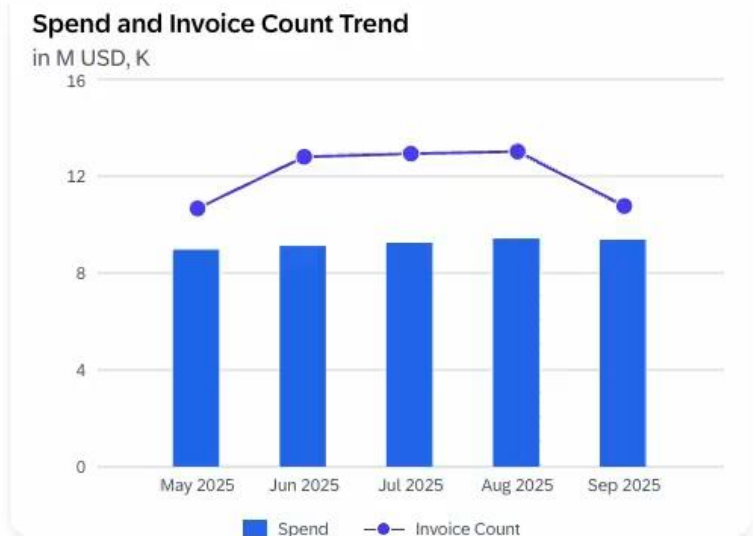
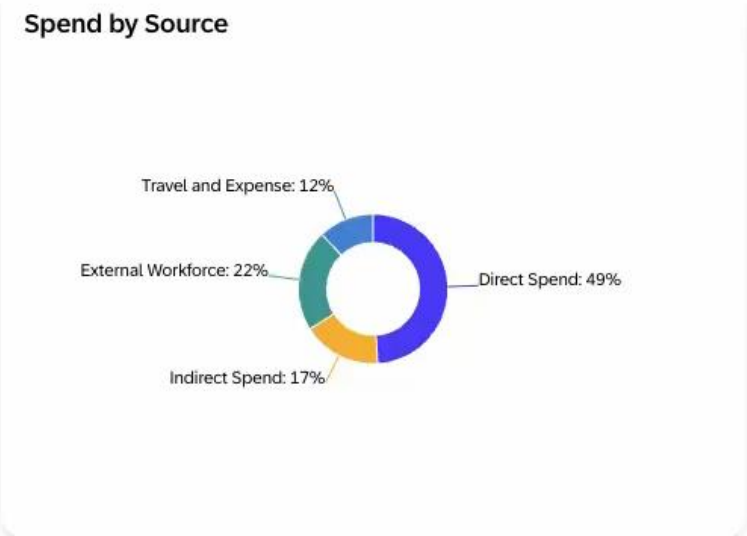
**Filter**

Date Range  
Oct 1, 2024 - Sep 23, 2025

Purchasing Category  
All

Source System  
All

Plant  
All



# Bank Account Ownership Validation Methods



## Manual Document Review

Review of bank letters and statements



## Micro-Deposit Verification

Small trial transactions, and verification by supplier



## Login-based Verification

Supplier enters online banking credentials



## Payment Data Pooling

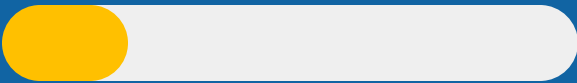
Risk scoring based on customer contributed payment data



## Bank Data Integration

Validation through bank integrations and networks

Efficiency/Speed



Fraud Protection



Global Coverage

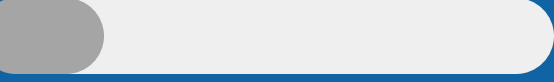
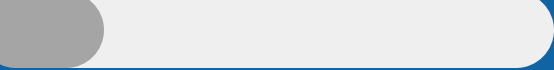


Validation Depth



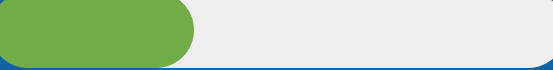
Low Medium High

- High manual effort.
- Some fraud protection if bank is contacted.



Low Medium High

- Reliable for account status but slow.
- Limited fraud protection.



Low Medium High

- Immediate but cumbersome.



Low Medium High

- Fast but only indicative results (risk scoring).
- Limited by data quality and age.



Low Medium High

- Fast and fully automated.
- Highest fraud protection.

# Invoice Fraud Detection: Generative AI Insights & Recommended Actions

**SAP Ariba** Central Invoice Management

Dashboard / Invoices

**INV SI1002398** Draft Invoice Attachments

Process Step	Posting Status	Payment Due Date	Gross Amount
Manual Adjustment	<b>Fraud Detected</b>	Aug 01, 2024	\$1,663 USD

**1 required action**  
Time to resolve: 3 minutes

**Fraud Detection for Payment Informations**  
Bank Account manual adjusted incorrectly

[View Details](#)

Invoice | General Information | Invoice Items (6) | Reference Objects (2) | Tax | **Payment** | Billing & Shipping | Approval Flow

**Required Actions (1)** Edit Delete

Bank Account	Bank Account	Discount	Payment Reference
<b>DE 300 500 800 300 200</b>	DE-200-500-800-300-200	-100.00	236980

⊗ Not Matching

**Recommended Actions**

This supplier has sent an email declaring the change of bank account next to this invoice, and your team member changed the bank account manually. Based on historical data, supplier master data, and official online bank data, this account is not valid. The recommended action is to recall this change.

[Request Information](#)

**Woda Werks supplier transactions**

27 M EUR	
DE 200 500 800 300 20	27M
DE 300 500 800 300 20	0 M

**Need help? Ask Joule**

[Seek other invoices from this supplier](#) [Seek information about this supplier](#) [Create phishing alert](#) [Create team training for similar use cases](#)

[Submit Invoice](#) [Reject Invoice](#) [Cancel](#)

## Invoice Fraud Detection

Fast, intelligent duplicate invoice detection, guiding AP users to more easily review, accept, and reject invoices

# Sanctions List Monitoring: Dynamic Compliance Checks Drive Workflow



Comments (0) All Questionnaire

Supplier registration questionnaire All Updated

Question	Previous Version V5 (Approved)	Latest Version V6 (Approved)
1 Start Validation Process	Yes	Yes
2 Last Validation Date	PASS	PASS
3 DATA ASSURE Form Version (MKJS0465)	1.0	1.0
<b>4 Supplier Validation</b>		
<b>4.1 IRS TIN/Name Matching (IRS TIN Matching) Internal Revenue Service (IRS)</b> This verification process, for both EIN and SSN numbers, ensures that payers file accurate payee TIN/Name combinations reducing or eliminating yearly IRS TIN/Name discrepancy penalties (B-Notices, CP2100(A)s, 972CGs). The IRS can assess penalties of up to \$1,500,000 (\$500,000 for small business) for non-compliance. In the event of intentional disregard, there is no limit.	PASS	PASS
<b>4.2 Foreign Sanctions Evaders List (FSE) Office of Foreign Assets Control (OFAC)</b> OFAC publishes a list of foreign individuals and entities determined to have violated, attempted to violate, conspired to violate, or caused a violation of U.S. sanctions. Transactions by U.S. persons or within the United States involving FSEs are prohibited.	PASS	PASS
<b>4.3 Excluded Parties List System (EPLS) General Services Administration (GSA)</b> The Excluded Parties List System, which is now part of the System for Awards Management (SAM), includes companies that have been debarred, suspended, excluded, or disqualified from receiving Federal contracts, subcontracts, assistance, and benefits. Government agencies and contractors are required to check this list to validate vendors and/or payees are in good standing with the federal government.	PASS	PASS

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<b>4.4 Designated Foreign Terrorist Organizations (FTO) Department of State (DOS)</b> Foreign Terrorist Organizations (FTOs) are foreign organizations that are designated by the Secretary of State in accordance with section 219 of the Immigration and Nationality Act (INA).	PASS	PASS
<b>4.5 Excluded Individuals and Entities (LEIE) Office of Inspector General (OIG), Health &amp; Human Services (HHS)</b> In the health care industry, anyone who hires an individual, entity, or contractor on the LEIE may be subject to civil monetary penalties (CMP) by the OIG ranging into the millions of dollars. To avoid CMP liability, health care entities need to routinely check the LEIE to ensure that new hires, current employees, or contractors are not on the excluded list.	PASS	PASS
<b>4.6 Address Validation</b> This verification process does the USPS address validations	PASS	PASS

# Sanctions List Monitoring: Achieve Continuous Compliance

**SUPPLIER**

Filters

Supplier	Supplier ID	Country	Creation date	Last validation	Monitor	Actions
<input type="checkbox"/> ACME	S4567896	EE.UU	8/17/2023, 3:37:39	8/17/2023, 3:37:39	Yes	<a href="#">View results</a>
<input type="checkbox"/> Greenleaf	S456854	EE.UU				
<input type="checkbox"/> Blue Wave	S789076	EE.UU				
<input type="checkbox"/> Silver Lynx	S421345	EE.UU				
<input type="checkbox"/> Bright Star	S409589	EE.UU				

**Result matches**

**Canadian Consolidated Autonomous Sanctions List** Warning

ACME Inc Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.

[Remove red flag](#)

**Canadian Freezing Assets of Corrupt Foreign Officials Act** Good

ACME Inc Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.

[Add red flag](#)

**DPRK Reports** Good

ACME Inc Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.



## Proactive Protection

- Identify compliance risks as soon as they arise, rather than waiting for a scheduled revalidation.



## Customizable Monitoring

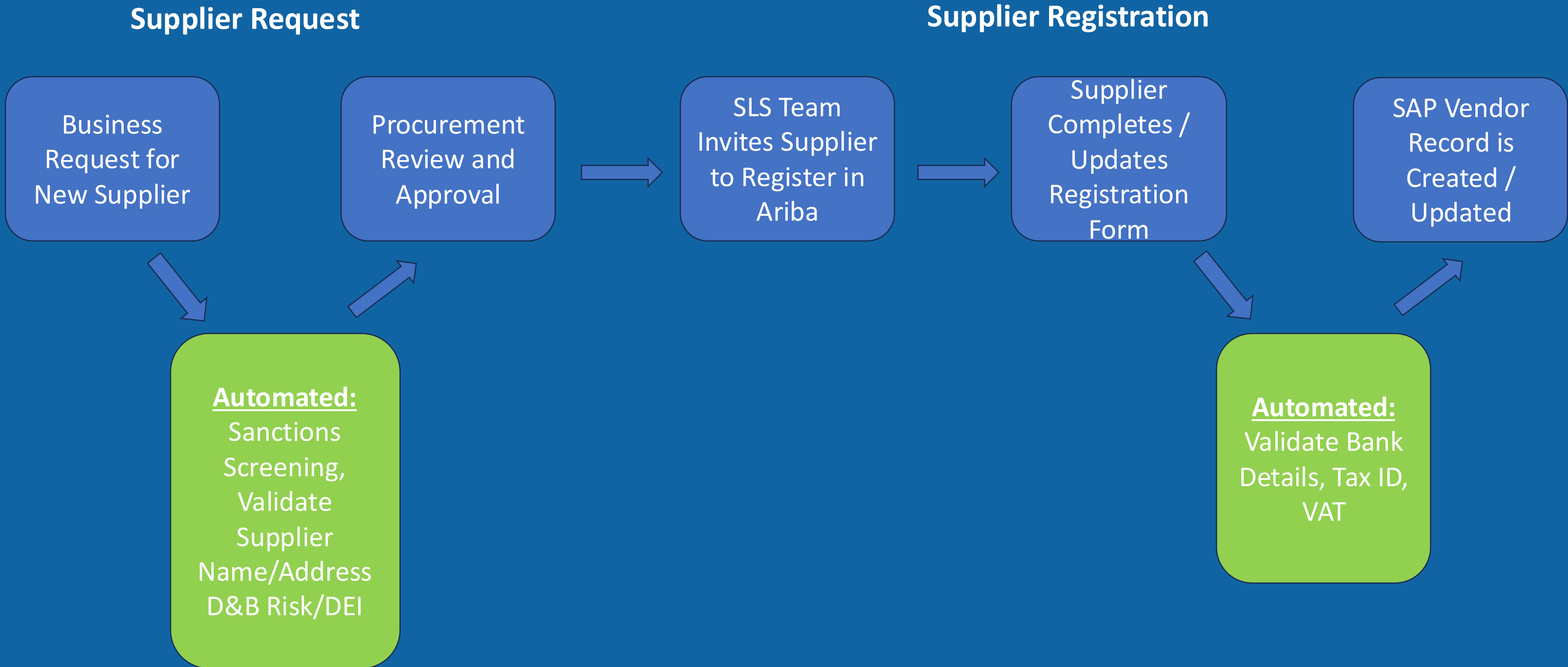
- Choose which suppliers to monitor based on and configure monitoring frequency.



## Streamlined Workflow

- Confirm or dismiss potential sanctions matches directly to reduce noise and focus only on actionable risks.

# Automate Risk and Validation Steps, Integrated with 3<sup>rd</sup> Party Data Sources into Digital Supplier Registration



# Sanctions, Banking, D&B Insights (August)

## Relish Sanction Party Screening

Supplier Name	Relish Result	ELC Legal Compliance outcome
Supplier 1	IRS Exempt Organizations List	Proceed - List no risk
Supplier 2		Proceed - false hit with name
Supplier 3		Proceed - false hit with name
Supplier 4	IRS Exempt Organizations List	Proceed - List no risk
Supplier 5		Proceed - false hit with name

## Bank Account Validation (GIACT)

GIACT code and recommendation	# of cases	ELC action
Risk Alert	4	3 false result, corrected by supplier - 1 is pending with supplier for clarification
Reject	1	Under clarification with supplier as the bank account may not be free for collecting payment
Declined	4	Under clarification with supplier

## D&B DEI Insights

	July	August	Total
Woman Owned Business Indicator	6	2	8
Minority Owned Indicator	3	2	5
Certified Small Business Indicator	3	2	5
Ownership Primary Ethnicity Code Value	1	3	4
Ownership Primary Ethnicity Description	1	3	4
Small Disadvantaged Business Indicator	2	1	3
Disadvantaged Business Enterprise Indicator	2	1	3
Minority Business Enterprise Indicator	1	1	2
Woman Business Enterprise Indicator	1		1
Minority Serving Institution Indicator		1	1

November 2025 | Caesars Palace | Las Vegas, NV

# Improving Diversity Spend: Recommendations & Insights

**SAP S.Tech Enterprise** | Category Strategy Execution

## Heat Sinks 2025

**Initiative Progress** | Initiative Details | Related Goals and Benefits | Investments

**Initiative Progress**

Based on Goal: Reduce tariff impact and increase supplier base

Status: On track

**Associated Sourcing Project**

Guided Sourcing Project: [Heat Sinks 2025](#)

Effective Period: Sep 23, 2025 - Nov 7, 2025

Initiative Progress: 0%

Guided Sourcing RFP: [Create with Joule](#)

**Initiative Details**

Name	Enhancing Supplier Network in North America and low tariff regions	Start Date	Sep 23, 2025	Value Lever	Reduce Supplier Cost and Market Expansion	Assignee	Paul Simmons
Description	Launch a strategic initiative to expand and diversify the supplier base in North America and other low tariff regions. This involves identifying high-quality suppliers, reducing reliance on single sources, and improving procurement efficiency. The focus will be on evaluating partners, securing favorable terms, and fostering long-term relationships to support growth, lower costs, and reduce supply chain risks.	End Date	Nov 7, 2025	Category	Heat Sinks	Created by	Catherine Miller
		Baseline Spend	USD 10,000	Region	NA		

**Joule**

**Added Diverse Suppliers** 2 of 2

- EcoTherm Solutions
- Donna Wong
- GreenSink Innovations
- Laura Freeman

**Added Diversity Related Questions**

- Is your business minority-owned, woman-owned, veteran-owned, or other recognized diverse business enterprise?
- What are your company's diversity and inclusion policies and practices?
- Describe your company's supplier diversity program, including how you engage and incorporate diverse suppliers within your supply chain.

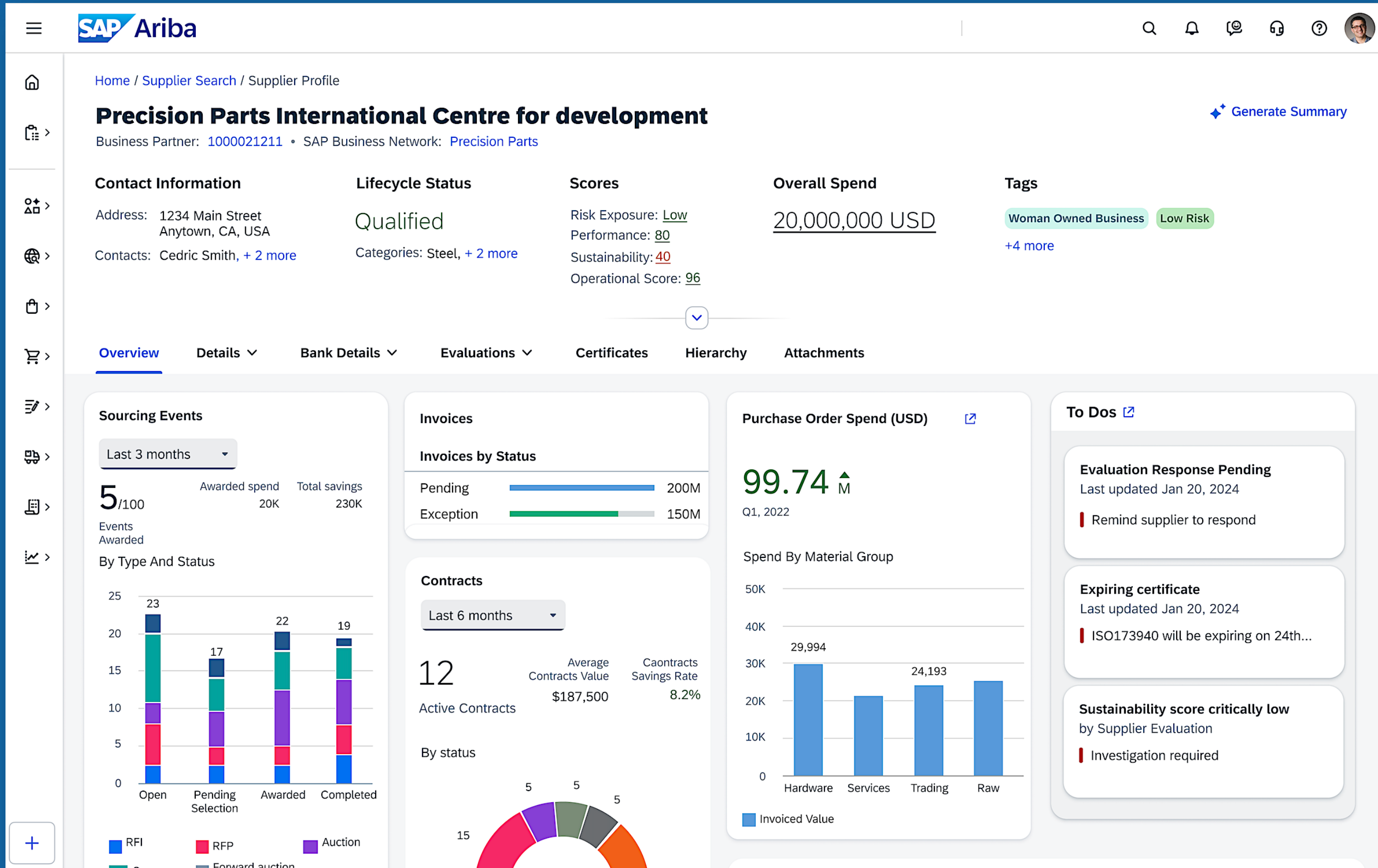
[Edit](#) [View More](#)

Done. To maximize savings, our benchmarks suggests

Message Joule...

Joule uses AI, verify results.

# Improving Diversity Spend: Visibility to Supplier 360 Insights



Enriched view of supplier information including:

- performance,
- compliance
- transactional data

enabling organizations to make more-informed decisions

# Actionable Takeaways

1. Prevent supplier fraud – make sure you are automating the validation of bank account ownership. If you are not doing this today, come find the SAP team – there are easy ways to do this quickly
2. Prepare your team for new regulations – start identifying data sources that will help you identify how your supply base meets ESG goals. Also think about monitoring ALL suppliers against sanctions lists. Don't get caught flat-footed, this stuff changes every day!
3. Come by the Booth to see these tools in Action
4. Look out for our Podcast on “The Future of Procurement”

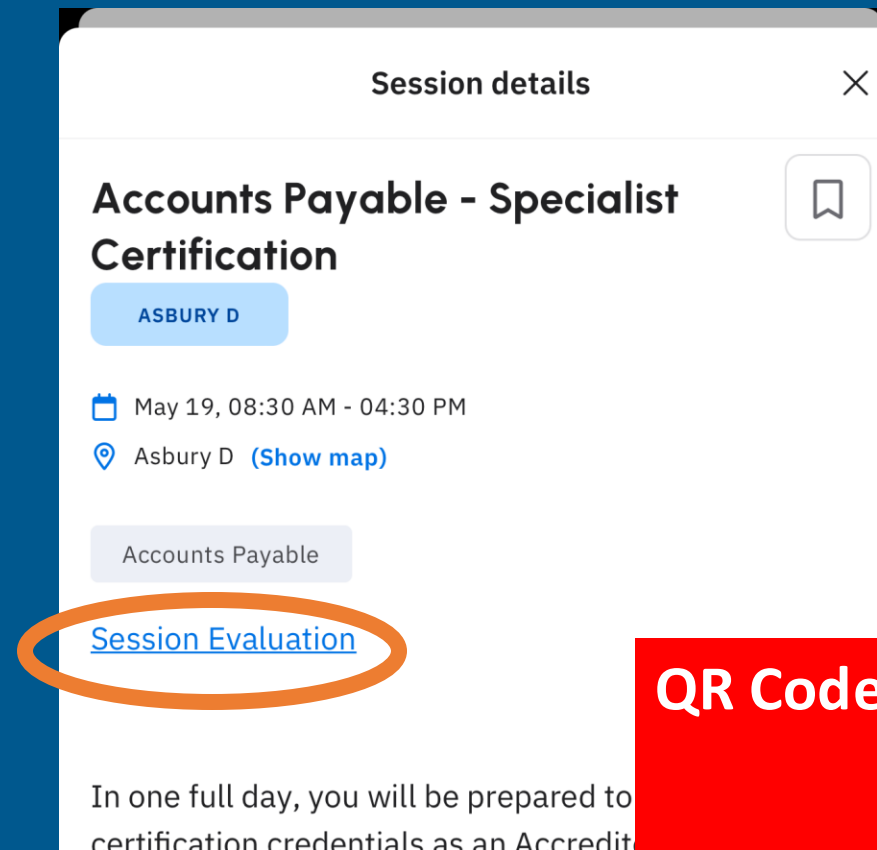


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- Also accessible via the mobile app



QR Codes will be shared closer to event

# QUESTIONS?

Justin Morse - Vice President Solution Advisory

SAP Spend Management

[Justin.Morse@sap.com](mailto:Justin.Morse@sap.com)

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