G-Cloud 15

Embedded Commercial Intelligence (ECI)

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Transforming Business using the Cloud

We have worked with many Central and Local Government clients to support the implementation of their business objectives using cloud technology. Enabling business and enterprise transformation using cloud is a complex, strategic consideration facing many private and public sector organisations.

Cloud technology and services have the potential to reduce cost, remove technology bottlenecks, and facilitate rapid business innovation. As a result, for most organisations globally, adopting cloud technology has become a question of "when and how" rather than "if".

Opportunities for enterprises generally include a combination of one or more of the following:

- Implementing private and/or hybrid clouds for infrastructure and applications
- Smarter use of public cloud infrastructure for optimising existing business functions
- Using cloud for implementing new business services or digital operations
- Reducing cost by moving to consumption-based pricing models that only charge for the actual IT capacity and services used.

Migration or adoption of cloud must be properly choreographed for success. We understand the realities and the business and technical risks that should be fully considered, understood, and mitigated before such a move. Critical considerations include:

- **Alignment of business and technology objectives.** This is essential to fully realise the targeted benefits of any cloud transformation or any refinement of existing cloud services. There can be a tendency to adopt cloud systems to fit current ways of working, rather than adopting and standardising processes where possible. The trade-offs between business, customer and technology requirements must be considered to make informed design decisions
- **Availability and reliability of services.** The avoidance of operational downtime to mitigate in lost revenue, unnecessary operational cost or reputational damage that can disrupt business operations
- **Decentralised support structures.** The need to tailor and revise the approach to operational security to cover the support structures employed by cloud service providers that will have a different risk profile for sensitive information
- **Data handling practices.** Data classification and data-handling practices that reflect the data flow within a cloud environment must be understood and tailored accordingly to protect customer data.

- **Data privacy.** Compliance with GDPR to understand where and how information can be stored or processed. The cloud model enables data to bounce swiftly around the world by using available server capacity in various geographic locations, but this must be within the bounds of what is permissible. This is ever more of a concern as organisations review their front office, back office and out of office experiences

- **Future Technology Trends.** Cloud applications are the stated direction of travel for the major application vendors, but any upgrade path must also cater for the future technology needs of the organisation and seek to minimise technical debt where possible.

A careful assessment of an organisation's needs and different cloud service provider's controls is required, enabling concerns to be addressed and the correct path to the cloud to be selected.

As a trusted advisor, PwC provides the framework, and the wealth of private and public sector experience, to consider the combination of Business, customer experience and Technology activities outlined above. There is no single answer that covers each and every client organisation; we tailor our frameworks to client circumstances and support them:

- As a partner through the complete lifecycle of strategy to execution

- With point business issues encountered during implementation or running the business.

Embedded Commercial Intelligence (ECI)

This section describes in more detail the service features and benefits included within this service definition document.

Embedded Commercial Intelligence (ECI)

PwC works with organisations to strengthen commercial oversight, improve cost control and protect value across complex contracts and cost categories. Embedded Commercial Intelligence (ECI) is a data-driven commercial assurance service that enables organisations to move from reactive, retrospective assurance to proactive, preventative cost control.

Many public sector organisations operate in highly concentrated spend profiles, where a small proportion of suppliers account for most expenditure. In these environments, traditional contract management approaches and retrospective audits often struggle to keep pace with contract complexity, data volumes and operational change.

ECI addresses this challenge by embedding commercial intelligence directly into in-life contract management. It combines commercial, financial and operational data to provide a single, trusted view of contract performance and compliance. This enables organisations to identify issues earlier, intervene more effectively and focus effort on the contracts and risks that matter most.

ECI Features	ECI Benefits
• Dashboards tailored for individual contracts that reflects commercial terms, service model and governance needs of each • Contract-to-controls mapping, translating key terms into an agreed rulebook and control checks aligned to how the contract is managed in practice • Integration of client, supplier and external datasets • Rules-based and AI-enabled checks to validate 100% of charges against contractual terms and approved baselines • Data profiling and quality controls to identify gaps, inconsistencies, and remediation actions • Exception management that automatically flags potential issues, prioritises them by value and risk, and provides item-level	• Moves assurance from sampling to systematic, repeatable validation of spend • Creates a single, agreed 'source of truth' for commercial conversations across functions • Reduced contract leakage and non-compliant spend by identifying unsupported or disallowable charges, with typical leakage around 2–5% • Audit-ready assurance through transparent rules, traceable evidence, and a clear decision trail that supports governance and scrutiny • Strengthens supplier management through consistent, evidence-backed challenge and resolution • Better budget control and forecasting confidence through earlier identification of risks, trends and drivers of cost movement

drill-down with a clear audit trail to support investigation.	• Improved control effectiveness over time by identifying recurring control gaps and embedding remedies into governance and ways of working.

A detailed view on ECI features and benefits within this service definition document are presented below:

1. ECI Implementation

We recognise the difficulties faced when managing large, complex contracts:

- Data split across multiple systems
- High volumes of transactions
- Evolving service requirements
- The need to provide clear, timely evidence for governance, assurance and scrutiny.

We also recognise that contract terms can be difficult to translate into repeatable checks, at scale.

ECI helps by bringing contract terms, supplier billing, and operational and financial data into a single governed view. We then apply clear validation logic to surface exceptions and trends in a way that is usable for contract management and supplier engagement. This supports earlier visibility of risks, more consistent application of contractual rules, and stronger evidence for decision-making. In many contract environments, organisations typically see around 2–5% contract leakage where controls are heavily manual or where validation is difficult to apply comprehensively.

Our contract tailored data model, validation logic and dashboard view provides insights covering two key areas:

- Cost validation
- Cost intelligence.

2. Cost Validation

Cost validation applies the agreed contractual terms relevant to an invoice or spend data to test whether charges are permitted, correctly calculated, and sufficiently evidenced. This extends beyond basic matching controls by validating against the full contractual mechanics and surfacing exceptions in a form that can be acted on quickly - particularly important for large, complex contracts.

Typical cost validation outputs include:

- A contract-aligned set of checks applied to supplier billing data, reflecting the agreed commercial rules and pricing mechanics
- Identification of disallowable costs, duplicate/stacked charges, and out-of-scope items
- Exception packs with drill-down evidence: issue summary, rationale, data sources, value at risk.

3. Cost Intelligence

We then go beyond validating what has been charged and help you understand what driving costs and inefficiencies are. We link validated spend to operational activity, service performance and demand signals so you can see the patterns behind cost movements, pinpoint where costs are being created and focus governance on the decisions and interventions that will make the biggest difference. This supports better prioritisation, clearer accountability, and more consistent control of cost drivers over time.