



A Zip customer
success story

How Betterment Sustains Growth with Procurement Decentralization

Digital Intake-to-Procurement for the Largest Independent Online Robo Advisor

About Betterment

Spokesperson

Peter Lorimer, Chief Financial Officer
Corey Griffin, Controller

Industry Finance

Company Size 400+

Headquarters New York, NY

Tech Stack

Okta, Freshservice, NetSuite, Slack

Key Zip Features

PO/PR to ERP
ERP Vendor Sync
Vendor Onboarding
Renewals
Multiple Approval Workflows

Result from Zip

- 1) One pathway for all things procurement
- 2) \$400K in purchasing savings



Despite its unique operating model and position in a highly regulated industry, Betterment has grown rapidly since its launch in 2010 and is now the largest independent online financial advisor. Recognized as a disruptor right out of the gate, it had its first 400 customers signed up in less than 24 hours after launch and immediately started addressing interest from investors.

Betterment was initially running procurement via homegrown systems and processes. While these were enough to get the company into operation, they did not scale at all. The volume of purchase requests starting to accelerate and no desire to build a dedicated procurement team, so Betterment CFO Peter Lorimer and Controller Corey Griffin turned to Zip as a digital solution that would help them scale without establishing a formal procurement organization.

Problem: Lack of transparency in the purchasing process

Internal customers were frustrated by the lack of transparency into the purchasing and approval process. They wanted to collaborate with Finance, but no platforms in the finance and legal spheres met Betterment's needs or supported the desired interaction.

Stuck between a slow, non-transparent procurement process and a genuine desire to continue their growth trajectory, buyers started labeling all requests as 'Urgent,' taking a growing backlog and making it even more complex for Finance to resolve.

“We very quickly realized we needed some real help to manage the process of procurement intake. We looked long and hard and found that there were a lot of products out there that were primarily focused on the use case for an individual stakeholder, but not a procurement team. It was like a great finance budget tool that was very finance specific or it was a great collaborative legal tool to trade back and forth documents. But there was nothing that sat on top of the entire procurement flow and focused on managing all of these different constituents.”

Peter Lorimer, Betterment Chief Financial Officer

Finding the Solution

“Just like pure serendipity, we got in touch with the team at Zip and when we saw what they were building, it became a no-brainer - this was exactly what we were looking for and what we needed.”

Peter Lorimer, Betterment Chief Financial Officer

Betterment's Finance team has run sophisticated procurement processes from the outset - albeit without an actual procurement team.

Zip has been a key part of making this possible despite Betterment's continued growth. The implementation process took just 90 days, and included integrations with their cloud ERP, supplier management, and contract lifecycle management platforms.

In addition to accessing the intake platform, the Betterment team was able to leverage Zip's knowledge of procurement best practices and workflow recommendations during their implementation. In particular, Zip's mastery of conditional logic made it possible for Betterment to optimize their processes with fewer forms - making the procurement process far more eCommerce-like.

Users expected the procurement process to take less than 14 days from beginning to end, a timeline that has now been repositioned as a goal and bolstered by data visibility that makes it clear how aggressive a timeline that is - especially at peak times like the end of the quarter. Instead, requesters are kept up to date as conveniently and frictionlessly as possible.

Result: Clear ROI and Time Savings

Betterment's Finance team thinks about the ROI from Zip in several ways, the greatest of which is time saved.



Finance is able to be more involved in the procurement process without slowing it down.



Time and money are saved by informing everyone about requests, approvals, and contractual relationships.



Customization of the request approval process increases efficiency, triggering additional questions by business need or spend category. More importantly, people are not involved in a workflow unless they are needed.



Zip is the central pathway for all things procurement, integrating solutions as well as processes.

As the process was built out and digitally enabled, and the 'black box' was broken open, distributed buyers became more invested in the process. Their newfound transparency has allowed Betterment's Finance team to better serve their internal customers and has made those customers and users more empathetic by educating them about the stages in the approval process.

As Betterment continues to grow, they are constantly revisiting their workflows and maintaining an open channel of communication with the Zip product development team. The flexibility of Zip's workflows makes it possible to accommodate functional differences in approval processes and review norms. For instance, their Financial Planning and Analysis team (FP&A) has predetermined assignments that connect requests with approvers. Legal prefers to take a 'hopper' approach, with team members catching review requests as they come in. Making changes to these workflows is so quick and easy that there is no concern about future changes in leadership or process preference.

In their first six months on the Zip platform, Betterment had already processed 400 requests and expanded the workflows to track and manage learning & development budgets.

Realizing Value Without Logging In

Betterment has leveraged the flexibility to use Slack as a Zip approval and notification channel. This integration functions as a reporting layer and increases collaboration as well as user satisfaction. Even approvals can be issued in Slack, making it that much easier to keep the procurement process moving forward.

Audit logs ensure that the right approvals are collected and critical oversight assurances are not bypassed. Customized workflows involve teams when they are needed and remove them when they are not - such as product-based requests that don't need to involve Information Security approvals. This flexibility addresses compliance, a critical requirement in such a tightly regulated industry, without inconveniencing users.

Like the audit logs, comment and activity threads pull all of the detail associated with a request into one central place and provide context for requesters and approvers alike.

“I never expected to hear such amazing feedback from our end stakeholders; they feel like this is a huge win. It's a time-saving improvement for them. They also appreciate the visibility they have on each individual request. They can actually track their progress and see their own cues.”

Peter Lorimer, Betterment Chief Financial Officer