

EXECUTIVE BRIEF

Navigating Government Scrutiny in Higher-Education Procurement: **What to Do Now**

Higher-ed procurement has shifted from savings-first to risk-first. R1/R2 institutions face accelerating scrutiny around foreign influence/ownership (FOCI), restricted entities, cyber risk, sanctions, ESG, and fluid federal requirements (e.g., Section 117). Fragmented systems, massive supplier counts, and limited headcount make manual diligence infeasible.

What Changed?

VOLUME & VELOCITY OF RISK:

Financial, cyber, geopolitical, and regulatory signals change daily.

SCALE PROBLEM:

20k–180k suppliers per institution; N-tier exposure is opaque.

CONSEQUENCES ESCALATE:

Funding eligibility, False Claims Act liability, reputational damage, even criminal exposure in extreme cases.

Top 5 Leadership Imperatives

1

STAND UP CENTRALIZED SUPPLIER INTELLIGENCE

One workspace for financial, cyber, sanctions/FOCI, ESG, ownership/parent-child, and adverse media—available to buyers “in the trenches.”

2

ADOPT EXCEPTION-BASED, CONTINUOUS MONITORING

Automate screenings; route only high-signal exceptions (ownership change, sanction hits, credit/cyber downgrades) to SMEs with evidence attached.

3

RATIONALIZE THE SUPPLY BASE

Steer demand to vetted/contracted suppliers; actively manage only ~200–300. Create contingency (e.g., China-plus-one) in sensitive categories.

4

ENCODE POLICY INTO WORKFLOW

Translate agency/state rules into machine-readable checks (proceed/hold + rationale). Trigger at supplier registration and key lifecycle events.

5

BREAK SILOS WITH A RISK COUNCIL

Procurement, IT/InfoSec, Legal, Research Compliance, Export/Trade: one source of truth, clear ownership, shared SLAs, reusable assessments.



30/60/90-Day Action Plan



Common Speedbumps → Practical Fixes

SPEED BUMPS	PRACTICAL FIXES
AGING ERPS / MANY TOOLS:	Use an integration hub; surface intel inside P2P/CLM/ERP.
SME BOTTLENECKS:	Tiered routing, evidence packs, defined SLAs.
FACULTY AUTONOMY CLASHES:	Early comms, demos of “what happens when flagged,” position procurement as problem-solver, not “department of no.”
DATA FRAGMENTATION:	Assign owner of the supplier data fabric; standardize entity resolution and parent-child linkages.

KPIs That Prove It's Working

SCREENING SLA

≤3 DAYS (VS. 30)

FIRST-PASS RISK DETECTION

EARLY-WARNING LEAD TIME

3-6 MONTHS

BEFORE ADVERSE EVENTS

DUE DILIGENCE EFFORT

↓ 85–90%

ANALYST TIME

EXCEPTION QUALITY

↓ MONTH/MONTH

FALSE-POSITIVE RATE

ONBOARDING CYCLE TIME

↓ 60–90%

IN PRIORITY CATEGORIES

Craft is the leading provider of AI-powered supplier intelligence, helping global enterprises unify and analyze supplier data across financial, cyber, ESG, and regulatory domains. By combining public, private, and proprietary sources in a continuously updated data fabric, Craft enables procurement and supply chain teams to act faster, collaborate smarter, and build more resilient supplier networks.

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