

Digital Excellence



Digitizing Procurement

Foreword

Millions of companies, buyers and suppliers, are now connected and do commerce on B2B networks.

One of these, the SAP Ariba Network, boasts over a trillion USD in annual transactions.

As AT Kearney puts it: *"Backed by digital tools, the focus of procurement will be on collaborating with a network of external partners to create innovative new business models."*

Digital is a disruption, but it's a chance to develop strategic business relationships and bring more value to the organization.



#1. Digitizing motivation

Why digitize?

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Pause for an instant and **think** about your **personal buying habits**.

How did they **change** over the **past decade**?

Amazon, Uber, Groupon, your shopping done on the internet and delivered at home, your food ordered online ... and many more digital examples.

Quicker, better and broader offering, cheaper, no downtime, benefits are visible and tangible. Now back to your organization. **How did procurement change?**

Online, mobile, integrated and instant is becoming the norm at home, but how far behind are organizations lagging?

Why not at work?

It is high time to insufflate a new energy into procurement.

We surely all like the paper touch and feel but wouldn't it be nice to observe the responsiveness of online procurement tools? To have accurate and extensive reporting at the tip of your fingers? To get things moving even if not in the office, on your phone, on your tablet, on your emails?

Many question marks that converge to one answer, to one verb: **Digitize**.



#2. Scope

What to change?

The way you **collaborate**.

The way you **negotiate**.

The way you **purchase**.

The way **procurement** is **perceived** in the **organization**.

Digitization is all about implementing a **vision**. This can be supported by a tool, but in the first place, this is about **changing minds**.

Extract **more value** from your procurement cycle and **change minds**: procurement becomes a function in the organization that other departments turn to in order to get **purchasing insights**.

Procurement is not a cost center. This is where your organization **starts** when it comes to **changing the way** you **purchase**.

Implement a social and environmental responsibility, nurture supplier relationships and bring use changes to your teams.

Everybody in your organization should be **empowered** to become an **actor** of the **transformation**.

Is it even necessary to mention the golden rule?

**No Purchase Order,
no Payment!**



#3. Benefits

Benefits

Data insights

Know what you buy and how you spend your budget. Identify potential **Savings**. Define your **procurement strategy**.

Suppliers

Outsource and empower them to bring in additional savings. Free up some time on your teams by shifting some tasks to suppliers.

Throughput and savings

Do **more** with your current resources. Buy better quality, cheaper prices. Automate when possible and reduce your approval cycle times.

Future improvements

Leverage patterns in your buying habits to anticipate your needs. Save time and money by ordering during down cycles. Bring in artificial intelligence in your procurement mix.

Risks

Anticipate and be proactive while enforcing process compliance. Quantify your risk exposure and plan backup solutions.



#4. Strategy

Set **ambitious goals** but start a step at a time. Pilot this change in a location, department, category.

Like any change, **digitization** is an **investment**. Prove the value to your procurement team and the rest of the organization without disrupting operations

Based on your pilot phase learnings, **streamline** the **implementation** process and replicate **successes** while avoiding pitfalls for the rest of the organization.

Ensure satisfaction by communicating about digitization all along the project.

People first!

Over-invest in **change management** and **training** as roles and daily job contents may change. Provide continuous **education**, emphasize on **benefits** and added value, for the organization, the team and the individual

Strive for satisfaction:

- Prepare the change,
- Communicate about current shortcomings,
- Emphasize on what is going to be improved,
- Listen to your teams and gather requirements,
- Proceed step by step and change one thing at a time,
- Work on adoption with all actors, including suppliers, who will play an active role in the success of your digitization strategy.



Conclusion

Digitizing Procurement

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Digitization is an amazing and **captivating journey** as it is exploring new horizons and use cases.

The way you and your organization work and collaborate will change.

However, digitization does not change procurement fundamentals.

Leveraging online tools will allow you to get **additional savings** and is part of the **competitive edge** you need today.

Get in touch now to know how Digital Excellence can assist you in choosing an online procurement tool and **leverage digitization to generate savings.**

Surround yourself with a team of experts to ensure that your digitization project is a success.



Digital Excellence

Generate savings through SAP Ariba

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