Deloitte.

It's time to join The Digital (R)Evolution!

Procurement Service Offering
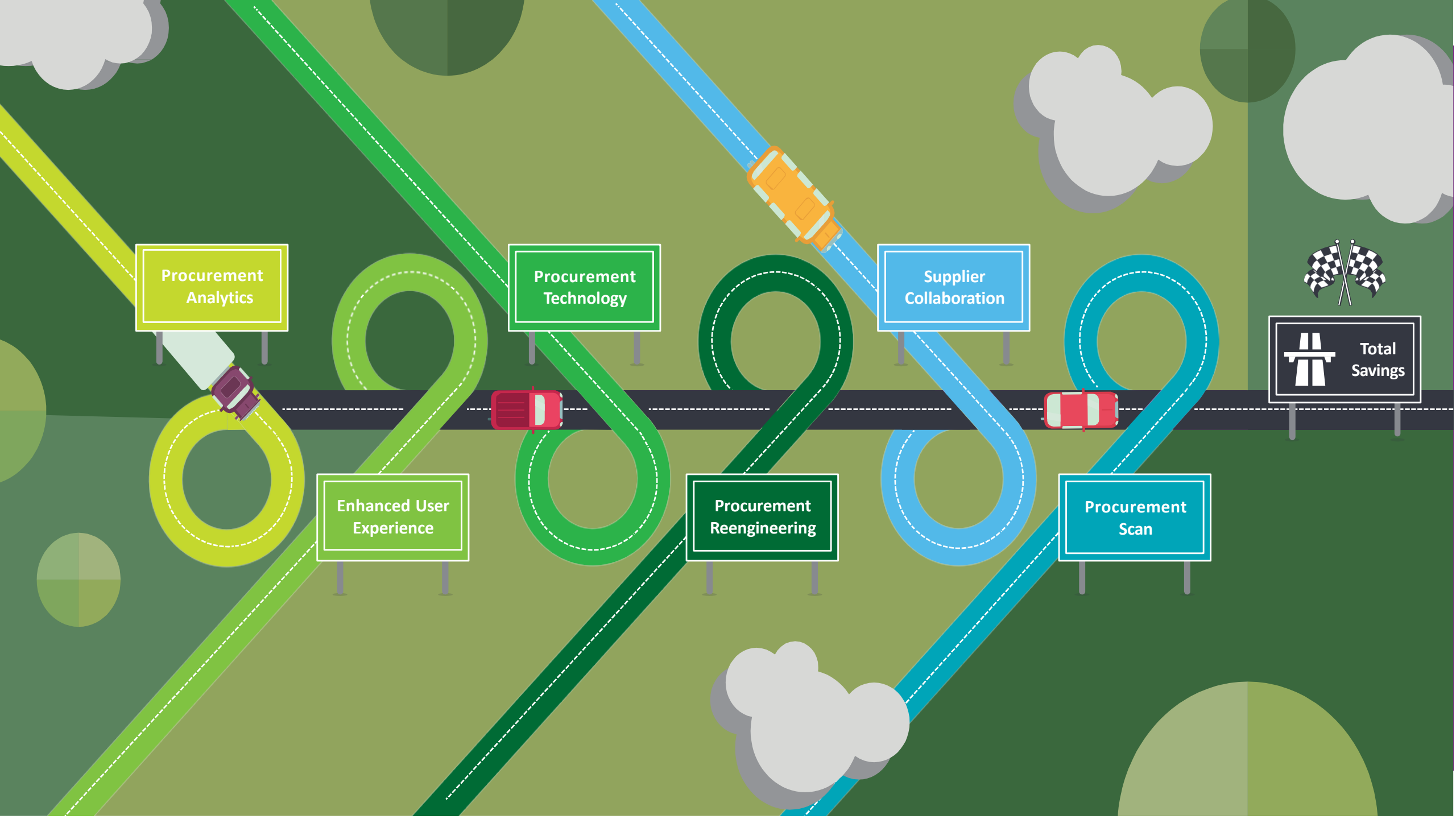
Procurement Scan

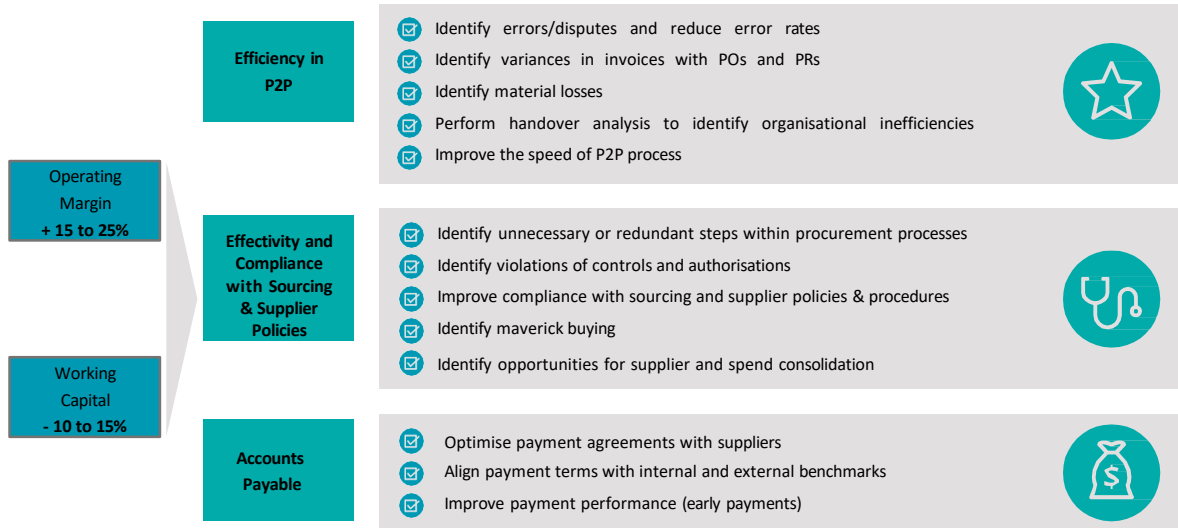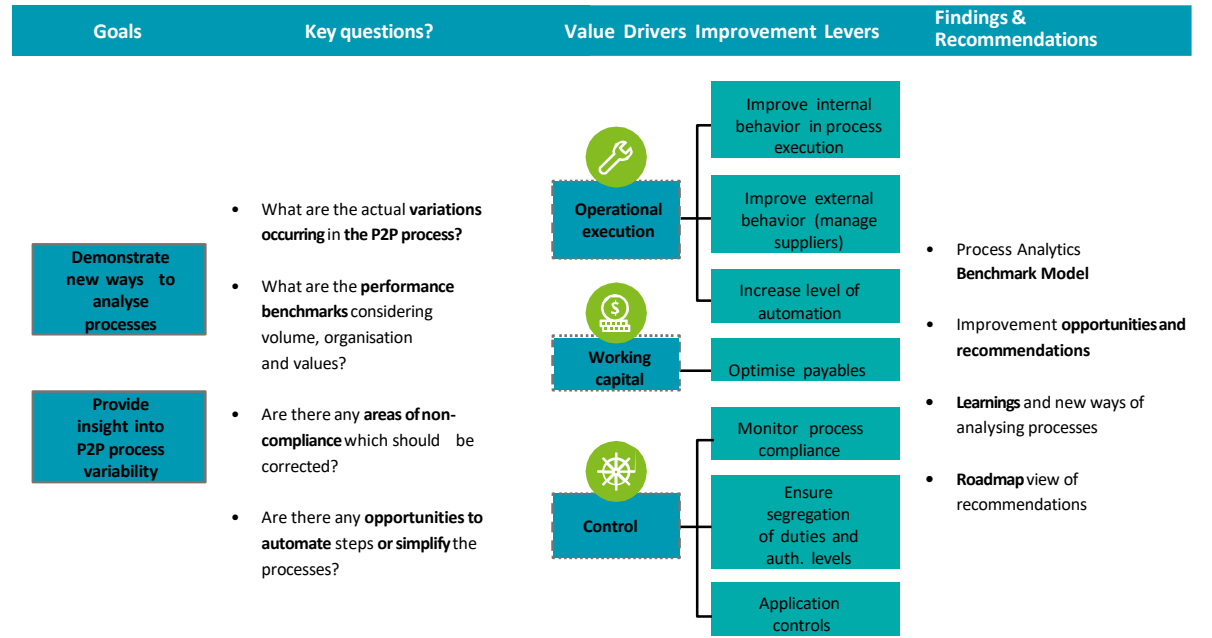| Procurement Scan	Procurement Reengineering	Procurement Technology	Supplier Collaboration	Procurement Analytics	Enhanced User Experience
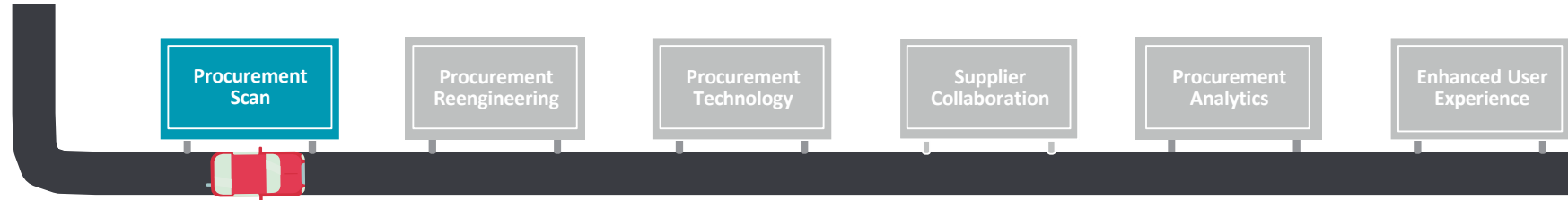
Cut through the endless meetings, inquiries and opinions. Go straight to where everything happens, with no filters. Accessing your running platforms is the best way to identify where the real issues lay. Deloitte can help you get to the bottom of things with own proprietary tools, developed and tested in some of the biggest and most complex organisations in the world.

Deloitte provides you with key-insights into your organisation which enable you to maximise the impact of your operations and increase the success rate of your projects.

Operating Margin + 15 to 25%

Working Capital - 10 to 15%

Efficiency in P2P
- ☑ Identify errors/disputes and reduce error rates
- ☑ Identify variances in invoices with POs and PRs
- ☑ Identify material losses
- ☑ Perform handover analysis to identify organisational inefficiencies
- ☑ Improve the speed of P2P process

Effectivity and Compliance with Sourcing & Supplier Policies
- ☑ Identify unnecessary or redundant steps within procurement processes
- ☑ Identify violations of controls and authorisations
- ☑ Improve compliance with sourcing and supplier policies & procedures
- ☑ Identify maverick buying
- ☑ Identify opportunities for supplier and spend consolidation

Accounts Payable
- ☑ Optimise payment agreements with suppliers
- ☑ Align payment terms with internal and external benchmarks
- ☑ Improve payment performance (early payments)

"Process X-Ray is used at some of the largest companies in the world to address business issues, such as finance transformation, working capital reductions, process harmonisation initiatives, compliance questions and tax issues."
Gartner, May 2013

Goals	Key questions?	Value Drivers	Improvement Levers	Findings & Recommendations

Demonstrate new ways to analyse processes

Provide insight into P2P process variability

- What are the actual **variations occurring** in **the P2P process?**
- What are the **performance benchmarks** considering volume, organisation and values?
- Are there any **areas of non-compliance** which should be corrected?
- Are there any **opportunities to automate** steps **or simplify** the processes?

Operational execution
- Improve internal behavior in process execution
- Improve external behavior (manage suppliers)
- Increase level of automation

Working capital
- Optimise payables

Control
- Monitor process compliance
- Ensure segregation of duties and auth. levels
- Application controls

- Process Analytics **Benchmark Model**
- Improvement **opportunities and recommendations**
- **Learnings** and new ways of analysing processes
- **Roadmap** view of recommendations

Deloitte's analytical tools can pinpoint process variability and rework activities in the S2P processes:

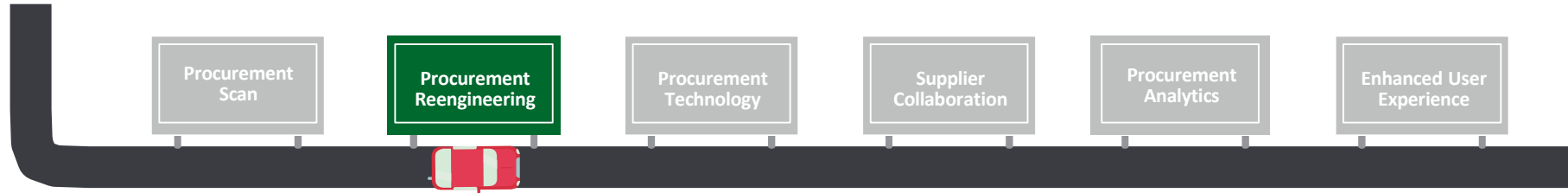*How many invoices are received without a cost assignment?*

From which supplier do you receive most invoices without reference?

Which are the bottle neck processes?

Procurement Reengineering

Deloitte is a recognised leader in evaluating, designing, and implementing technologies to enable best-in-class sourcing and procurement, and has delivered sustainable results for 300+ clients globally. Deloitte has nearly 200 000 individuals worldwide, with over 500 focused on Sourcing & Procurement business, advisory, technology implementation, and change management.
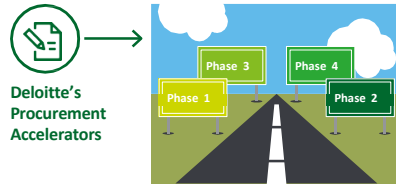
Deloitte's Procurement Accelerators

P2P business case tool:

Industry Print and Enterprise Value Delivery:

Key Alliances

Roadmap & Implementation Plan
The Deloitte Implementation & Roadmap provides a framework for organisations to develop their way forward.

Full suites of demo systems
Deloitte possesses its own demo solutions for SAP, Coupa and Ariba. As part of proof of concept, demo systems are created to tailor client requirements.
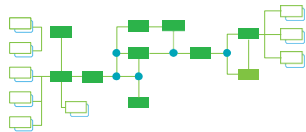
IndustryPrint™
An industry-specific, enterprise-wide business process model that captures industry leading practices and Deloitte's cumulative industry knowledge and experience.
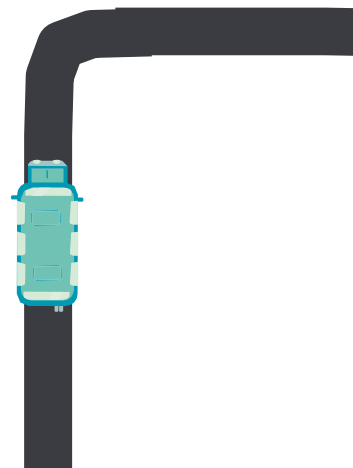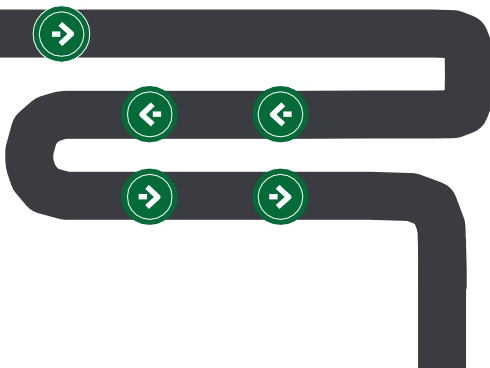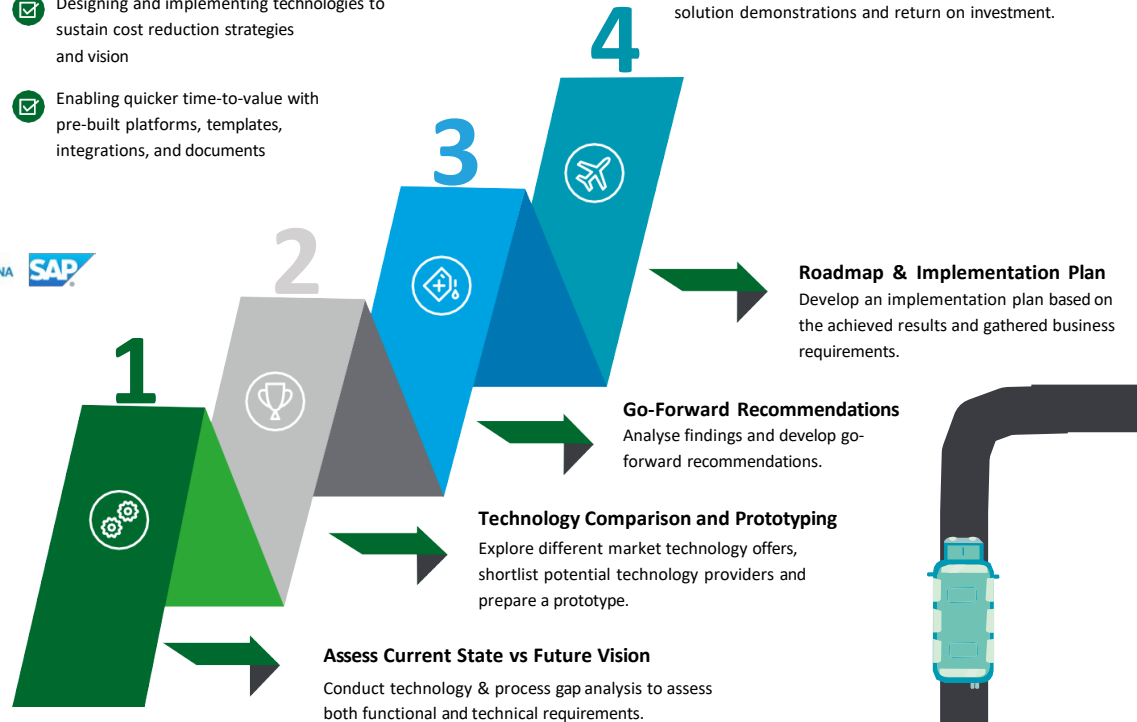
Deloitte delivers value by
- Making the right technology selections
- Designing and implementing technologies to sustain cost reduction strategies and vision
- Enabling quicker time-to-value with pre-built platforms, templates, integrations, and documents
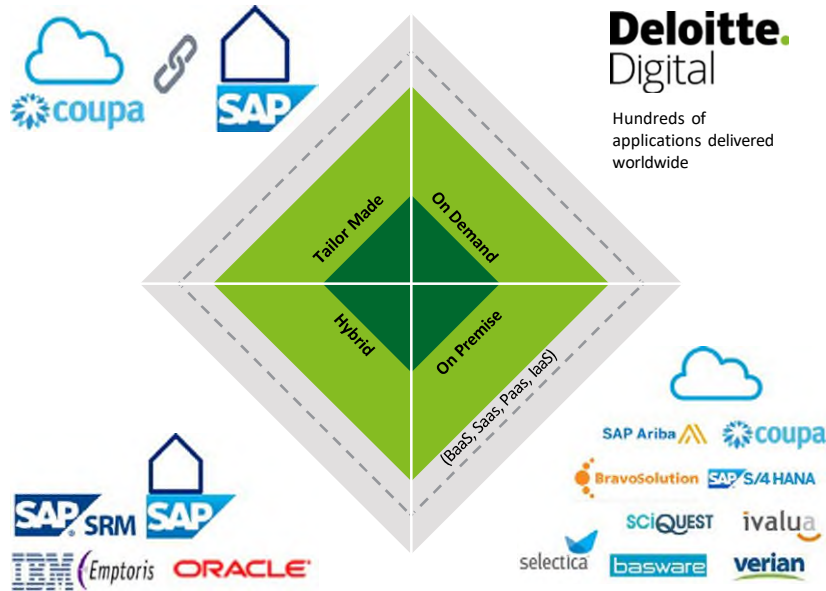
Tool selection and proof of concept
The evaluation approach is a sequential process that compares vendors by company information, functional capabilities, technical fit, solution demonstrations and return on investment.

1 Assess Current State vs Future Vision
Conduct technology & process gap analysis to assess both functional and technical requirements.

2 Technology Comparison and Prototyping
Explore different market technology offers, shortlist potential technology providers and prepare a prototype.

3 Go-Forward Recommendations
Analyse findings and develop go-forward recommendations.

4 Roadmap & Implementation Plan
Develop an implementation plan based on the achieved results and gathered business requirements.

Procurement Technology

Procurement Scan | **Procurement Reengineering** | **Procurement Technology** | **Supplier Collaboration** | **Procurement Analytics** | **Enhanced User Experience**

In a marketplace of constantly changing technology, you may find yourself with a complex digital environment that is difficult to manage, costly and where choices are hard to make. Deloitte will deliver your advice through implementation, from both a business and technology perspective, helping you address disruptive forces with greater insight and confidence.

We are confident that we can make your business succeed. Here are some examples of our experience:

Deloitte. Digital

Hundreds of applications delivered worldwide

Tailor Made | On Demand | Hybrid | On Premise

(BaaS, SaaS, PaaS, IaaS)

SAP Ariba | Coupa | BravoSolution | SAP S/4 HANA | SCiQUEST | ivalua | selectica | basware | verian

SAP SRM | SAP | IBM Emptoris | ORACLE

Partnership and Certification

Deloitte is a preferred partner for SAP, Ariba and Coupa, among others
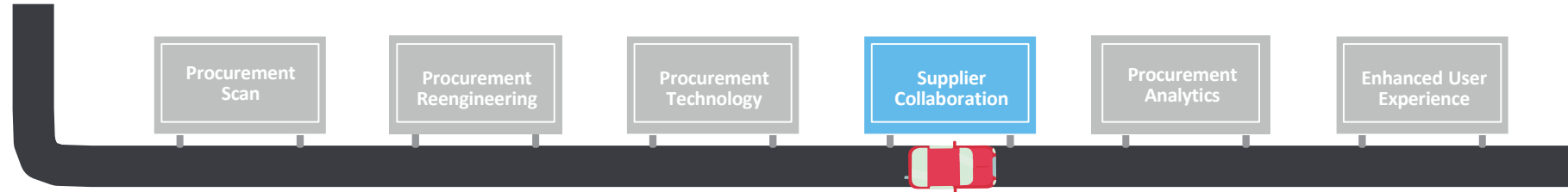
SAP® Certified
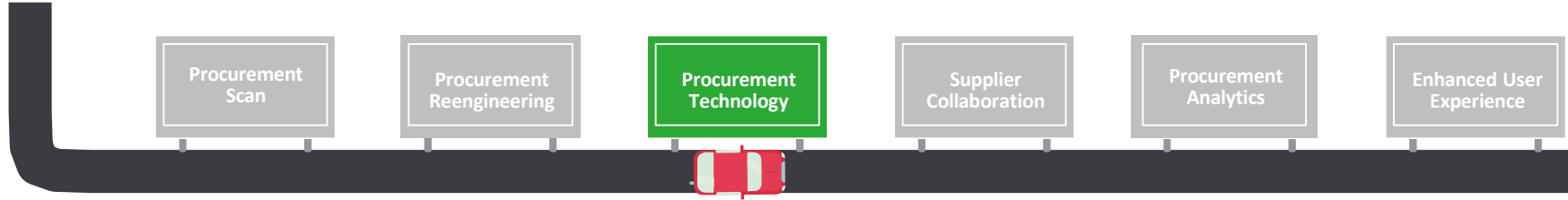
Our Procurement Framework is about establishing fair value, rather than slashing costs by leveraging on-and off-premise technology. As a result Deloitte can drive your business outcomes:

Operating Model Enablement

Productivity

Benefit Realisation and Control

Collaboration and Innovation

Deloitte Procurement Framework

Mobile Working | Online Collaboration | Embedded Analytics | Cloud Deployment | Usability Prioritisation | Social Networking

- Supports decentralised working
  Engages leadership
  Improves processing time
- Deliver hindsight, foresight, insight, and real-time data with cross-system views
- Enhances productivity
  User satisfaction
  Increased compliance
- Enhances business engagement
  "It's who you know"
  Real-time feedback
- Lower Total Cost of Ownership
  Leverages innovation
  Simpler implementation and maintenance
- Faster issue resolution
  Traceability and visibility
  Better specifications

There are several factors to take into consideration when choosing your organization's technology:

Software Investment | Initial Services Investment | Remote Locations | Hardware/Infrastructure Investment | Software Customisation | Ongoing Services Investment

Access | IT Infrastructure | User Interface | Company Profile | Implementation Time

| Procurement Scan | Procurement Reengineering | Procurement Technology | Supplier Collaboration | Procurement Analytics | Enhanced User Experience |

Supplier Collaboration

Supplier Relationship Management (SRM) is widely accepted as a key answer to some of the priority challenges of procurement departments. The implementation and ongoing execution of an SRM initiative can be greatly supported by many of the latest procurement solutions. Quick deployment, real-time reporting and intuitive dashboards help to refocus the workforce on the most value added tasks.

Benefits enabled by technological functionality

Procurement tools

Simplify day-to-day work
- Direct access for users to catalogues of preferred suppliers

Decrease hurdles in finding the suitable suppliers
- Ready available global searchable supplier databases
- Tender and bid management tools

Real-time reporting

Improve efficiency of logistics
- Order execution tracking

Get the full overview
- Spend analysis

Improve continuously and propagate best-practices
- Supplier performance

Contract management

Simplify ongoing relationships
- Frame contract management

Decrease routine back-office workload
- Standardised and automated contract lifecycle management

Visibility and integration

Improve efficiency of logistics and decrease risks
- Internal integration to ERP systems
- External connectivity to supplier networks

Supplier Management

Get the full overview
- Single Source of Truth for supplier Master Data

Ensure up-to-date data
- Self service interfaces for suppliers

Improve governance
- Embedded workflows

Automation

Improve efficiency of logistics
- Electronic transmission of invoices, shipment notices and relevant documentation

Decrease routine back-office workload
- Workflows and predefined custom business rules accelerating processes

Supplier collaboration and its benefits

Components of collaboration:

- Mutually beneficial agreements
- Logistical coordination
- Aligned policies and processes
- Common metrics and tools
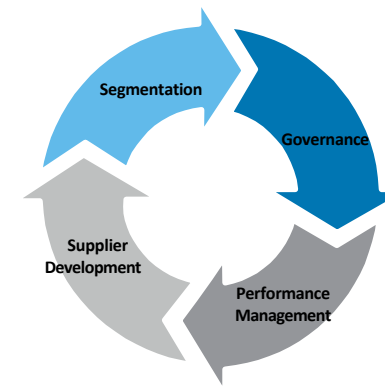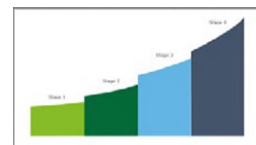- Continuous improvement
- Vision and goals sharing

Benefits of collaboration:

- ↑ Efficiency
- ↑ Compliance
- ↑ Supplier performance
- + Competitive advantage
- ↓ Costs
- ↑ Supply risks
- + Joint innovation
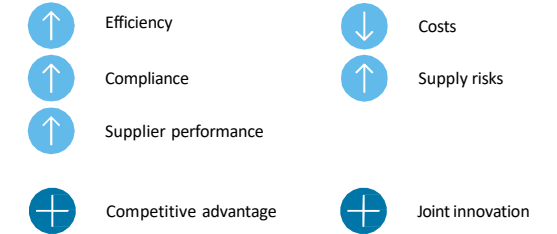
Identification of strategic suppliers and evaluation of collaboration potential:

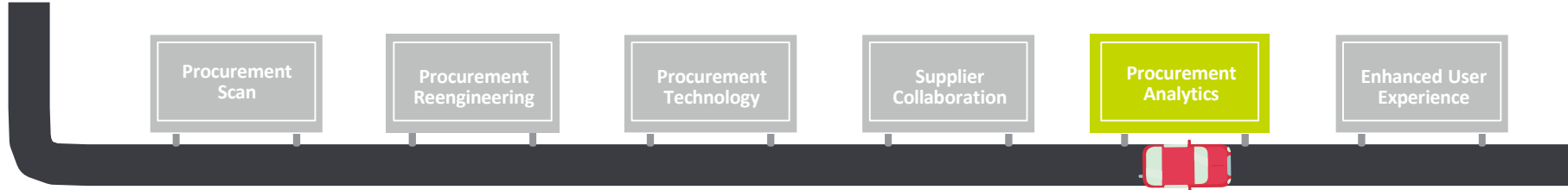Improvement of logistical execution, sharing of goals and joint ventures

Definition of ownership, roles, key processes and communication routes

Performance monitoring of established KPIs, targets and SLAs

Procurement Analytics

Procurement professionals have today at their disposal, more information than ever before.
The question that needs to be answered is if they are using it to out smart their competition.
While organisations tend to know how much they spend, most of them hesitate when asked where money is being spent.

What does a successful analytics system look like?
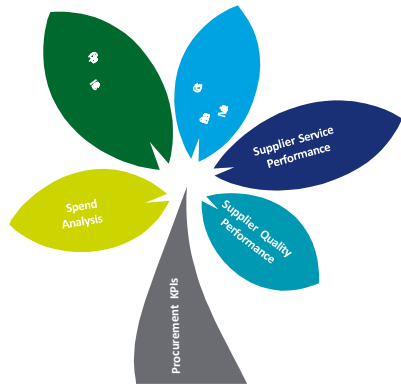
Delivers **Accurate** spend data and insights

Actionable insights and visibility into where the money is spent

Accessible to everyone, everywhere

Detailed, industry-specific sourcing and procurement benchmarks to compare KPIs:

Supplier Service Performance
- On-time deliveries percentage
- Accurate delivery rate
- Percentage of overdue supplier shipments
- Percentage of supplier over shipments

Supplier Quality Performance
- Warranty utilisation
- Rejection rate

Cost Performance Measures
- PO volume
- Price of materials to sales ratio
- Purchase price variance
- Discounts taken and missed
- Days payable outstanding

Spend Analysis
- Strategic spend percentage
- Direct and indirect spend percentage
- Spend variance percentage
- Diversity spend percentage
- Discretionary versus non-discretionary spends
- Top N suppliers

Compliance KPIs
- Contract compliance

Does your organisation know where money is being spent?
Advances in analytical technologies have made it possible to develop refined and detailed views of organisational reporting. By providing insight on how that money is being spent, organisations can have an even bigger impact on decision-making.

Self Service Reporting/Confident Decisions
- Are we compliant with our policies and contracts?
- What Products/Components can be rationalised?

Data Reliability
- How can changes to those cost drivers impact my current purchase price?
- What are my biggest drivers of cost?

Know, decide and act with confidence

Supplier Performance
- How do my costs compare to other market-based costs?
- How does my suppliers' performance compare across purchases?

Spend Analysis: Clear Visibility
- Which categories represent the greatest take-out/value-engineering opportunities?
- What categories present the biggest cost-saving opportunities?

You would be able to build a procurement dashboard that is accurate, user friendly, that includes relevant metrics for spending processes and sub-processes, and leverages native capabilities of your Procurement platform

Total Orders This Quarter 14,007 ▲ $59,808,352 ▲   Total Outstanding Delayed Orders 22,532 $123,720,247

Approvals This Quarter 14,002 ▼ $82,622,094 ▲   Avg Approval Time This Quarter 16.7 Hours ▼

Enhanced User Experience

Procurement Scan | Procurement Reengineering | Procurement Technology | Supplier Collaboration | Procurement Analytics | **Enhanced User Experience**
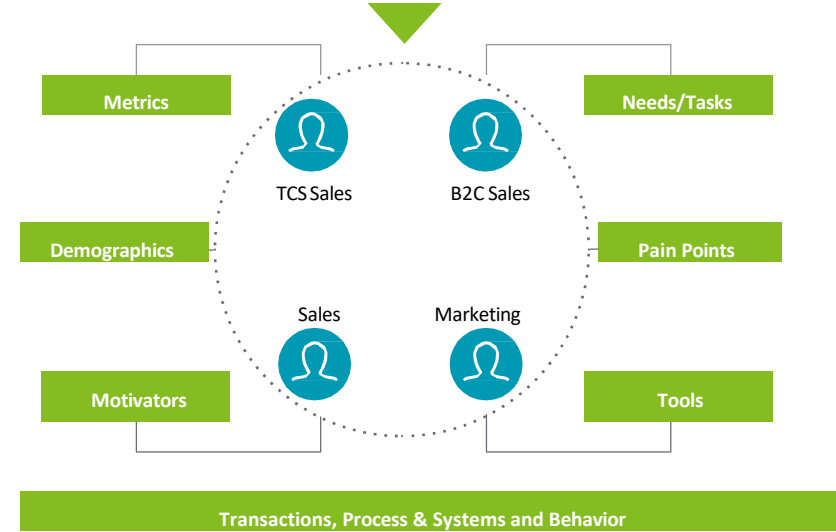
You need to achieve innovation not just once, but consistently over time. Deloitte will work with you to challenge assumptions, taking end-to-end innovation from vision to reality. We'll help you develop your own signature capabilities, systems, and structures specific to your enterprise through ideation, creative strategy, innovation process, and design development that you need to be effective.

From *8 steps & 24 clicks* to…   *3 steps & 4 clicks:*
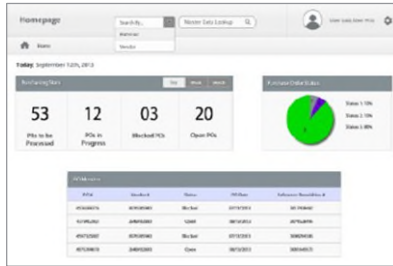
53	12	03	20
POs to be Processed	POs in Progress	Blocked POs	Open POs
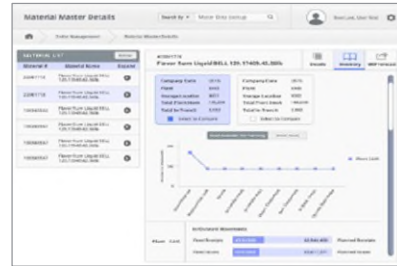
Example: Purchasing solution for the Operational and Strategic Buyers

- Easy to Use
- Easy to Remember
- More Productive
- More Accurate
- More Engaging

Our Methodology at a Glance:

Usability Metrics · User Research · Personas & Roles · Use case & Storyboards · Information Architecture · Wireframing · Visual Design & Prototyping

Traditional Approach

Role → Transactions
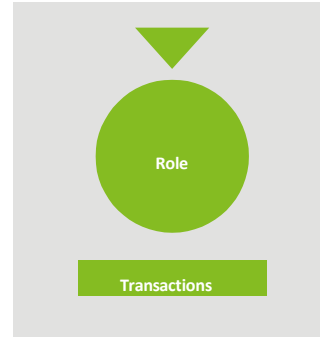
Our understanding is that most of our clients need to achieve the following business objectives:

- Transition to a more Supplier-Facing Supply Chain
- Lean Thinking Principles to Eliminate Process Waste
- Follow a "One Number Principle", (everyone looking at the same data, in the same place)
- "Make it where you sell it"

Personal Approach

Metrics · Needs/Tasks · Demographics · Pain Points · Motivators · Tools

TCS Sales · B2C Sales · Sales · Marketing

Transactions, Process & Systems and Behavior

However, they face "make or break" challenges that need to be addressed:

Speed to Market · Sustainability of Training · Disparate Processes · High Learning Curve · Adoption Issues

Shadow Systems/Tools · Lack of Mobile · Not User Friendly · Time Consuming · Inconsistent Usage

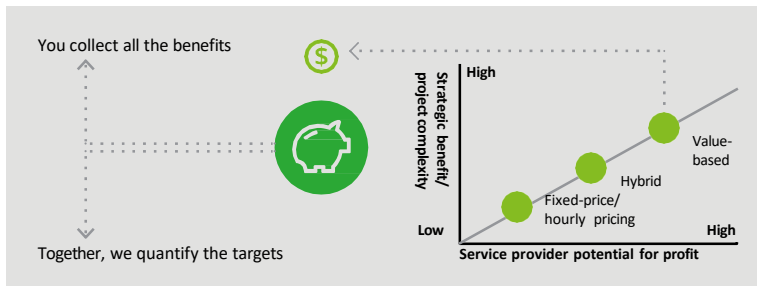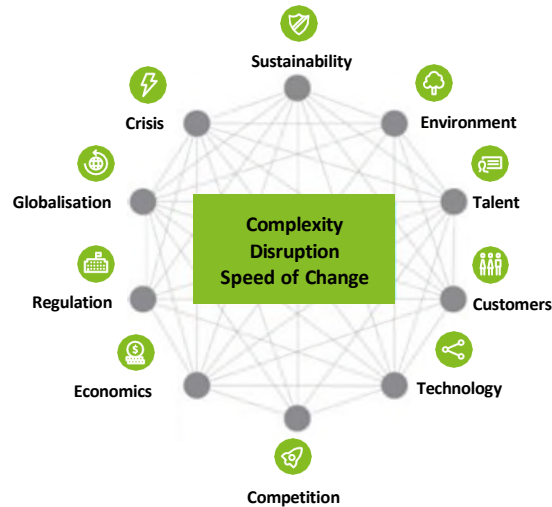| Procurement Scan | Procurement Reengineering | Procurement Technology | Supplier Collaboration | Procurement Analytics | Enhanced User Experience |

What our clients get

Deloitte is translating these disruptive forces into business solutions, by working alongside clients to understand the implications. Deloitte can define, refine and implement those solutions for long-lasting results.

We see certain macro trends defining a new reality; changing the world in which clients and Deloitte must compete.

- We see an ecosystem of forces at play from technology to regulatory to environment
- By their very nature, eco-systems are highly complex, highly interdependent, and highly fluid
- Each force is complex and requires an in-depth, nuanced understanding
- Each of these forces have the opportunity to disrupt - it is the relative speed and convergence of these forces that causes the greatest disruption and complexity for our clients
- There's an element of balance at play here as well – reflecting tension that clients face between realities of operating a business and responding to disruptive forces
- What are we doing that's different from others?

Sustainability · Environment · Talent · Customers · Technology · Competition · Economics · Regulation · Globalisation · Crisis

Complexity Disruption Speed of Change

You collect all the benefits

Together, we quantify the targets

Strategic benefit/ project complexity

High

Low

Value-based

Hybrid

Fixed-price/ hourly pricing

Service provider potential for profit

High

Let's talk

Jan Janek
Senior Manager

- ✓ Sourcing & Procurement practice lead for Deloitte Austria
- ✓ Source-to-Pay (S2P) trusted advisor Expertise with various e-Procurement solutions
- ✓ Thought leadership on digital and future procurement
- ✓ Experienced in leading transformation programs

Tel: +43 676 5727 067
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Christina Stöbich
Senior Consultant

- ✓ Procurement Skills Development
- ✓ Source-to-Pay (S2P) trusted project manager with focus on sustainability
- ✓ Thought leadership on digital and future procurement
- ✓ Experienced in leading procurement teams

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Deloitte's culture of innovation is perhaps best illustrated by Deloitte Greenhouse's cutting-edge physical spaces located around the world designed to help clients tackle their complex problems. They apply a tested set of principles that combine behavioural science, analytics, technology, and facilitation to break through traditional methods of problem-solving.

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