

SAP® Source-to-Pay Pre-Configured Solution Building a foundation for holistic spend management



Is there a way to improve your bottom line without cutting staff or compromising your customers? Try looking at your external spend, which can account for 40 to 70 percent of an average company's cost structure.

Spend management initiatives help companies save money, reduce working capital needs, and mitigate supply risks. Originally focused on indirect spend—products and services, such as stationery or janitorial services, that are not used to manufacture a product—today it encompasses the entire category portfolio, including raw materials.

The incomplete puzzle

A smart purchasing organization is relentless in its search for ways to deliver value to internal clients while saving the company money.

A business can benefit from better, more informed sourcing and procurement decisions. Those are achievable through broad category management, stronger procurement execution, compliance with spending policies and procedures, improved spend visibility, and a reduction in supply risks.

But building a first-class Source-to-Pay capability—from identifying optimal products and suppliers right through to paying those suppliers—can be difficult. In many organizations, a combination of inconsistent processes,

poor data, disjointed systems, and a shortage of methods based on leading industry practices can conspire to thwart the best-laid plans of purchasing executives.

A high-quality Source-to-Pay capability can be yours if you reduce the transactional effort of direct and indirect spend. By accomplishing this, you can spend more time on value-added, strategic activities.

Achieving spend management results

If you're implementing Source-to-Pay based on SAP on-premise components to achieve your goals, Deloitte's preconfigured solution can help you realize the benefits of your initiative sooner. It provides the systems, processes, and business content you need to implement a broad, controlled, and sustainable spend management framework—integrating processes and technology—for direct and indirect spend categories.

Deloitte's preconfigured solution's key features include:

- Accelerators to help reduce the time, effort, and risks of implementing on-premise Source-to-Pay solutions offered by SAP
- Document templates, supplier qualification questionnaires, pricing models, and other content developed from Deloitte's experience in category sourcing, procurement execution, supplier collaboration, and spend management

The Deloitte solution includes the following SAP components: Sourcing/Contract Lifecycle Management (CLM), Supplier Relationship Management (SRM), Supplier Lifecycle Management (SLC), ERP Central Component (ECC), Supply Network Collaboration (SNC), Business Intelligence (BI)/Spend Performance Management (SPM), and Mobile.

It covers the following key processes:

- Category Management/Sourcing
- Contract Lifecycle Management
- Catalog Content Management
- Operational Procurement
- Invoice Verification
- Supplier Collaboration
- Supplier Lifecycle Management/Registration
- Supplier Evaluation
- Reporting/Spend Analytics
- Mobile Procurement

- A “lights out” automated transaction factory for sourcing and procurement operations, which facilitates the capture of spend and transactional data and supports sourcing and procurement intelligence
- System connectivity to assist internal users and supplier self-service—including online catalogs, a supplier portal for registration and order management, and electronic document exchange

The solution can be deployed as a part of Deloitte’s broad spend management services, including strategic sourcing, contract management, and spend analysis guidance.

Preconfigured solution benefits

Deloitte’s Source-to-Pay preconfigured solution offers a number of advantages over traditional implementation service offerings:

- Higher quality, better ability to manage risk: Time-tested and client-tested practices and content can increase the quality of the implementation, and a repeatable approach can lower implementation risks.
- Ease of deployment: The preconfigured system is easy to use and to install. At the same time (point often underestimated), the robust guidelines and documentation that accompany the preconfigured solution help make the system adaptable and easier to deploy.
- Quick jump-start: The preconfigured business scenarios and the components in the SAP preconfigured solution are ready to run, helping to jump-start the implementation activities. Deloitte Consulting’s service offering can dramatically help you cut down on your implementation effort, and accordingly, allow your project resources to spend more time on strategic areas.

Spend management leaders with demonstrated experience

Deloitte has helped more than 300 clients (through 900 projects) handle spend management initiatives—improving strategy, organization and governance, processes, and implementing supporting technology solutions. These include 150 projects involving Sourcing/CLM and SRM solutions offered by SAP. We also assist with outsourcing contract reviews, benchmarking, and supplier relationship management initiatives.

Deloitte fields the largest team of spend management professionals in the United States and the second largest in the world through the Deloitte Touche Tohmatsu Limited global network of member firms. Our professionals have helped clients address more than \$100 billion in sourceable spend in recent years—applying our deep experience in 250-plus spend categories. More than 140 of our category-specific initiatives have delivered savings to clients exceeding 20 percent.

Whether it’s sourcing, contract lifecycle management, supplier relationship management, supplier network collaboration, or spend analytics, we can field a cost-efficient project team consisting of onsite, nearshore, and offshore resources.

We also offer a selection of tools to accelerate your implementation, including time-tested process flows, configuration guides, test cases, change management and training material, and project management templates.

Deloitte holds the highest level of strategic alliance with SAP: Global Partner—Services. And in early 2013 we received the SAP North America Partner Excellence Award for “Top Support Services—Technical Quality.” We have deep experience working with organizations as they implement SAP solutions—including the Supplier Relationship Management suite.

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