

Ariba Sourcing On solid ground

For those familiar with the world of sourcing and procurement, the concept of long-term planning can seem more a myth than a reality. Along with expectations that business requests must be met more or less immediately, sourcing managers and procurement staff are also likewise often expected to focus on immediate, near-term needs rather than more thoughtful category management and long-term planning. This is a vicious cycle that can be hard to break.



Today, however, sourcing and procurement leaders have an important capability at their disposal: cloud computing. Cloud-based solutions hold the potential to quickly transform the world of sourcing and procurement, for reasons that are by now fairly obvious. But when it comes to getting started on the cloud journey—which for many organizations will require a transformation of processes and new set of technology solutions—many questions remain. That’s where Deloitte, along with an approach built around Ariba, an SAP company, can help.

Bringing order to chaos

Many sourcing and procurement organizations are often under constant pressure to deliver value to the business by cutting spend. Within some organizations, the approach to cutting spend can lack structure, or it can involve “shortcut” sourcing activities that can fail to address the value-spend equation strategically. But Deloitte’s Ariba-enabled approach to sourcing can help bring discipline and rigor to these activities, giving your organization access to resources, tools, and accelerators that can relieve technical burdens while also helping to deliver clarity when it comes to spend and bottom-line value.

How we can help

Deloitte brings years of experience in source-to-pay technology strategy and implementation to clients' sourcing and procurement initiatives. We have helped some of the world's largest organizations achieve their key sourcing and procurement goals by providing experienced resources, a tailored implementation methodology (mix of Agile and Waterfall) suited to hybrid solutions, dedicated tools and accelerators, and direct access to SAP Ariba.

In addition to technical strength, Deloitte's Sourcing & Procurement practice also brings deep business insight to help our clients with everything from spend analytics and strategic sourcing to category management activities. In fact, we draw on the full capabilities of our firm, from tax and risk to consulting, growth services, and financial advisory services worldwide.

Here are some of the specific sourcing areas in which we can help:

- Collaborative and auto scoring on bids submitted by multiple suppliers
- Online negotiations with the suppliers through bidding process
- Workflow process to assist in ability to enforce compliance in the management of critical sourcing processes, such as document approvals and financial signoffs
- Awarding scenarios
- Integrated messaging
- Multiple types of auctions (including reverse, bid transformation, Dutch, and more)
- Sourcing project management
- Template-driven events to allow repeatability

Without the right processes in place, even the best technology can come up short. Start with a clear understanding of business goals—and know how your processes will need to be aligned to achieve those goals.

Potential bottom-line benefits

Transforming the sourcing picture through Ariba can offer organizations multiple potential benefits, on multiple fronts:

- Reduce sourcing cycle times
- Achieve sustainable savings
- Reduce "maverick" spend
- Reduce IT application and infrastructure support costs related to procurement applications
- Set quick wins and immediate savings in motion through strategic sourcing events such as auctions and RFPs
- Realize sourcing savings via integrating Ariba and SAP across day-to-day operational transactions
- Deliver enhanced visibility into the purchasing process as well as spend
- Reduce repetitive manual labor and risk of error through increased automation and self-service transactional processing
- Free up procurement and operations resources to focus on more strategic issues instead of transactional processing

How to get more value from Ariba-based sourcing

Our work in Ariba Sourcing on behalf of clients has uncovered a host of insights that are applicable to sourcing challenges across industries. Here are a few highlights:

Focus on process

Without the right processes in place, even the best technology can come up short. Start with a clear understanding of business goals—and know how your processes will need to be aligned to achieve those goals.

Pursue a category-driven approach to sourcing

Sourcing departments should expand on the list of spend categories that they are managing. Today, most procurement organizations have attained some degree of maturity and have already reaped the sourcing-related benefits from the easily attainable spend categories. Now it's time to examine the next layer of more sophisticated spend categories for potential sourcing benefits.

Collaborate and engage

Internal stakeholders and key suppliers can both be instrumental in meeting savings targets through sourcing improvements. Plus, collaborating with internal stakeholders helps them begin to view the sourcing team as a valuable strategic partner. Externally, engaging with suppliers can help give them a fresh perspective and improve the effectiveness of your ongoing collaboration.

Tighten spending controls

In many organizations, not every dollar of savings negotiated through strategic sourcing sees the light of day. But companies can establish spending guidelines that are enforced by automated system controls (such as approval workflows). And this approach can help reduce unauthorized spending by establishing that goods and services are bought only from approved suppliers at contracted prices.

Use sourcing reports to guide decision-making

Reporting dashboards that focus on sourcing can give your team fresh, important insights on prior and current sourcing activities as well as on bidding events. The result? The potential to improve overall efficiency and make smarter sourcing decisions.

Plan for change

An Ariba-based approach to sourcing introduces some fundamentally new ways of doing business. Training and post-implementation support can play big roles in driving adoption in the face of such change. Consider starting with a detailed stakeholder impact analytics, and expect to provide tailored communications and other resources to each group.

Case studies

- When a global manufacturer of polymers and fibers consolidated four SAP ERP instances into one new SAP instance, it relied on a rapid Ariba Source deployment during the business process transformation phase of the initiative. Ariba Sourcing was implemented quickly, helping the company realize savings much earlier in the transformation.
- A refining and marketing company embarked on a Supply Chain Transformation program intended to create a step change improvement in performance and generate significant cost savings. Deloitte partnered with the client to assist in the deployment of SAP/Ariba Sourcing. This helped the client standardize processes, improve performance measurement, enhance resource management, and spark a change in the supply chain organization's culture.

Related SAP® offerings

- Ariba Sourcing and Contract Management
- Ariba Procurement and Catalog Management
- Ariba Invoice and Dynamic Discount
- Ariba Network
- Fieldglass for Contingent Workforce
- Concur Cloud for Travel and Expense

For additional information please visit:

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