Sharing some of best practices to drive procurement digitization

01	Get IT and Finance to define inter-connected PoC trial tests – Prior to going into production
02	Maintain your focus on user experience and virtual front-end
03	Completely re-engineer processes to fit the new digital reality; do not try to automate non efficient existing processes
04	Lay the ground work to leverage RPA, AI, blockchain for smart contracting
05	Deploy change management initiatives to overcome resistance to change
06	Identify which digital solutions will add the most value and which suppliers offer the most potential
07	Develop a digital roadmap – With a management sponsor
08	Finally, partner with a mentor or sponsor who will intervene with the right influence

Use case 1: Managing the transformation agenda in phases

					New KPI trends
Category Strategic Sourcing	Savings	Savings + Supply Chain support	Integrated Risk mgt activities + Quality	Introduction and launch of AI solutions	"Intelligent" cost optimization and sourcing
Structure	Country & Site level	Regrouped structures	Centralized	Go beyond Procurement structures	Full information transparency cross organizations
Source of Information	Collecting supplier Data from ERP	Focus on Key market	Introduction of external supplier info	Connecting internal requirements with external market sources	Open Platforms, private or public hosting platforms
Technologies	ERP & Excel	Introduction of BI tools	Introduction of Suite solutions	Introduction of open platform market exchanges	Coming closer to "one full screen view"
Supplier mgt	Supplier focus on 80/20 rule	Supplier mgt with formal reviews	"360" view of strategic suppliers	Strong supplier visibility and "be in charge"	Generate new supplier relationship options

Transformation Journey

Phase 1: Tactical and classic category mgt

Phase 2: Solid traditional spend control

Phase 3: Traditional + Automation

Phase 4: Living Digitalization

Orbit 2 Transformation

Use case 2: Transforming an E2E process

Promote Value creation I Reduce TCO I Manage costs of Quality I Integrate Risk & opportunity mgt

- Driven by high level of ethics
- Promote sustainability
- Challenge status quo
- Execute procurement strategies
- Act with “agility”
- Support quality and audits
- Develop data rational for quick decisions
- Focus on E2E processes & optimization

- Build strategic partnership
- Satisfy business needs with speed
- Identify opportunities
- Align on product development and specifications with sustainability
- Agree on new risk tolerance levels
- Ensure business continuity
- Adapt to fast changing environments

OUTPUTS: “Execution and strategic”

- Project milestones
- E2E dashboards
- scorecards
- Change mgt

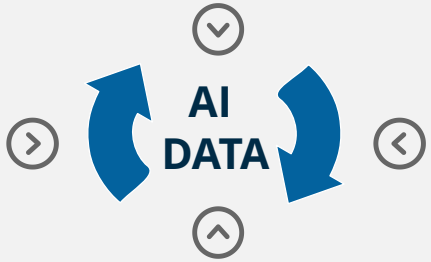
- Optimal supplier relationships
- Create new values with supplier innovation
- Accelerate supplier discovery
- Develop strategic suppliers
- Promote supplier diversity
- Measure supplier performance
- Guaranty sustainability

- Develop & motivate people
- Drive for high standards
- Engage teams
- Help others to succeed
- Monitor speed of change
- Lead cross complex matrix org

Use case 3 : Transforming from traditional to digital

Operational activities or Downstream **"P2P"**	**B2B supplier network**	Commercial activities or Upstream" **Sourcing**"

• PO mgt & delivery
• Receipt & payment
• Quality data source
• Contract execution
• Supplier scorecard
• Continuous improvement
• Supplier creation
• Data preparation for RFP
• Audit, compliance, anti bribery
• Master DATA
	• Electronic PO, Invoice
	• Automated 3 way match
	• Link to supply chain
	  • Acknowledgement
	  • Delivery dates
	  • forecast
		• Supplier selection & mgt
		• Market information
		• E sourcing RFP & e auctions
		• Risk mgt
		• Building scenario
		• Strategic category mgt
		• Supplier tail mgt
		• Contract negotiations
		• Part and product qualification
		• BI – Spend analysis



- For **Direct materials**: transaction link to Supply Chain
- **Traditional IT investments** were/ are made in general & specialized P2P (travel, mkg, BOM, legal etc) solutions **+** commercial modules such as contract, e sourcing, supplier creation, compliance, anti bribery
- **ROI calculations are based** on savings, HC reductions, tools decommissions
- **Recent evolutions**:
  - Cloud solution permit investments outside ERPs
  - Higher expectations on user experiences and supplier interactions

TO

NEW DIGITAL outputs

- Intelligent Sourcing
- Generative Supplier Relationship Management
- Cognitive Risk& Quality Management
- Iterative Innovation
- Intelligent Cost Optimization
- Intelligent Contracts
- Intelligent Procurement & Supply Planning

HOW

?

Use case 4: Building One stop shop SMART Operations Center

Develop Category & Supplier Strategy | **Execute Sourcing Strategy** | **Procure** | **Monitor and Pay** | **Manage Supplier Life Cycle**

- **Negotiation Services** -> assess suppliers, contract tracking ...
- **Source to Contract** -> product master Data, supplier performance, RFP support
- **PO handling**, requests, approvals, respect of policies
- **Supplier mgt**, supplier creations, modifications, compliance, etc.
- **Accounts Payable** monitoring payments, Travel Expenses claims, Process of No PO, release of manual payments.
- **Customer orders to Procurement team**
- **P2P COE,** data maintenance, multiple help desks, core information mgt.
- **Reporting and Data mgt**
- **Accounts Payable => 360 visibility and cash flow mgt**

- Use of legacy tools until decommissioning
- Transition to P2P Suite on cloud
- Introduction of new technologies: AI, RPA, chat bots, voice-based commands

Global harmonization | Digitized Operations | Future-ready

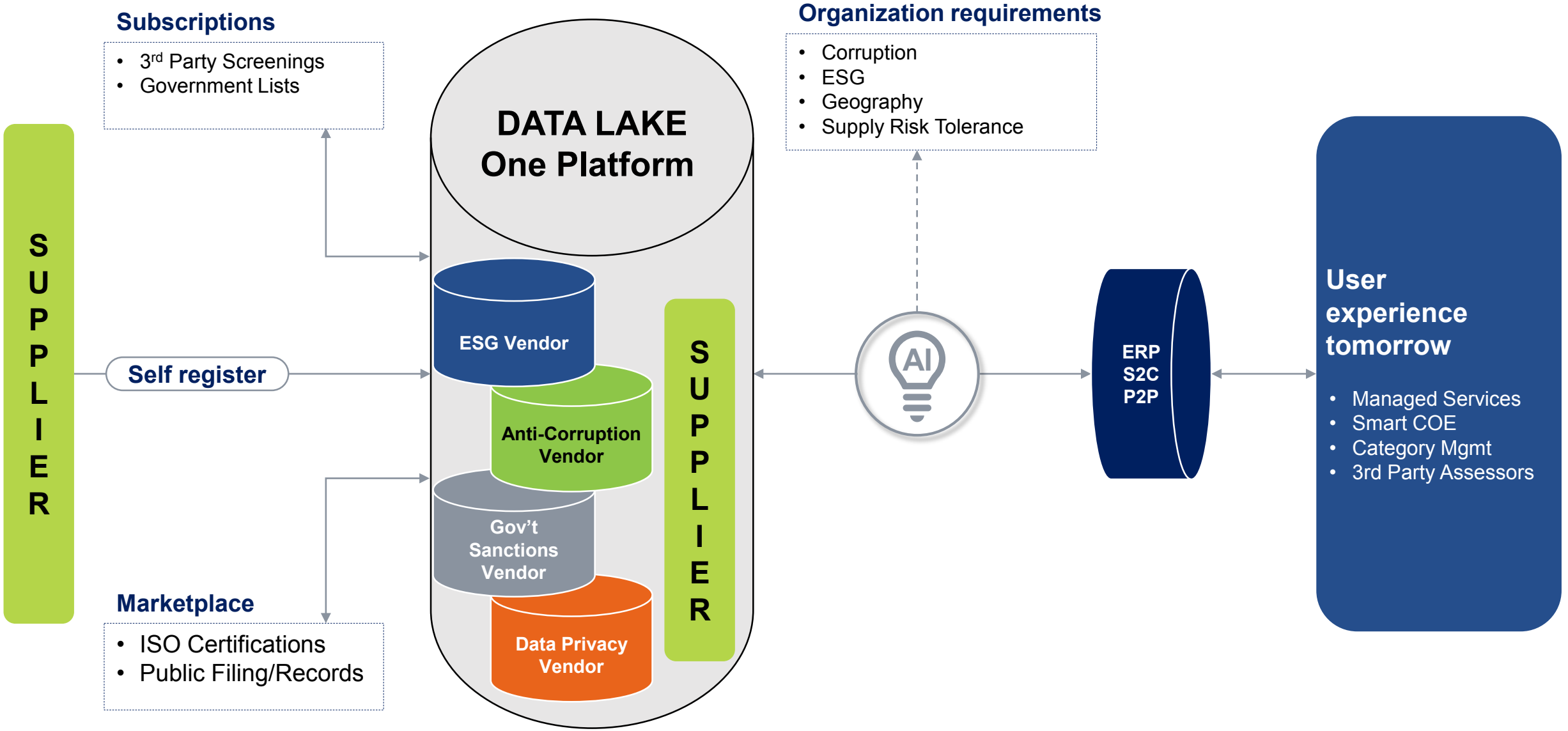
AI Analytics

- Intelligent Risk Management
- Intelligent business decisions
- Intelligent access to published regulations and standards

Benefits

- Immediate visibility on regulations and standards
- Building new TRUST levels and enhanced corporate values…

Use case 5: ONE integrated compliance and cognitive sourcing platform



Use case 6 => IT infrastructure needs to adapt to these new solutions

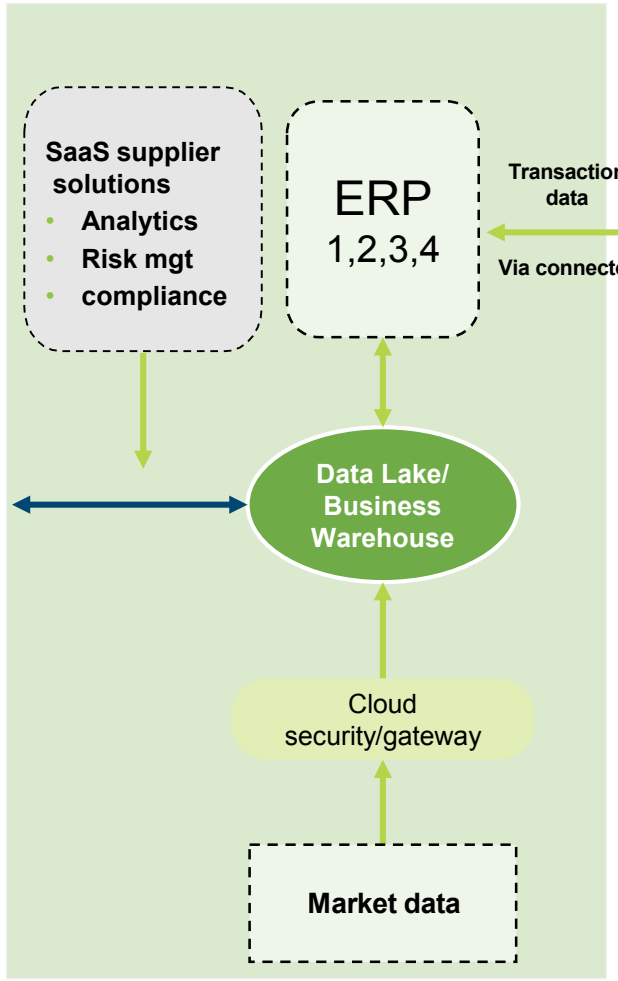
New Digital outputs

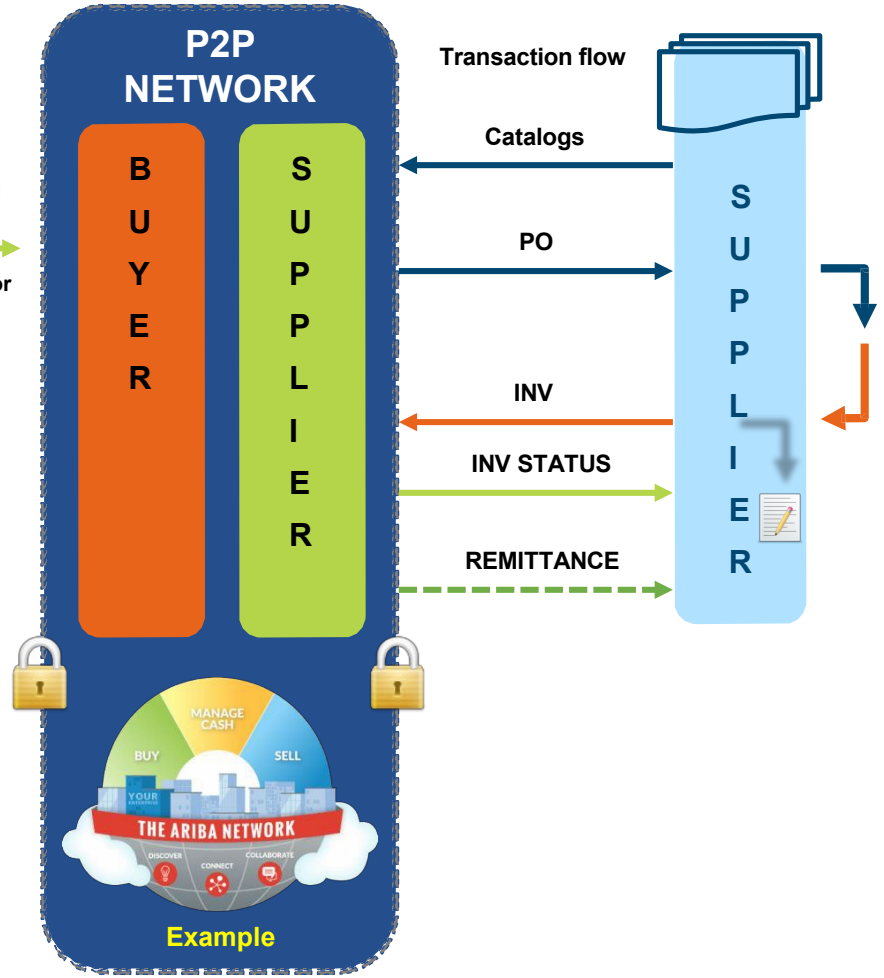
- Intelligent Sourcing
- Generative Supplier Relationship Management
- Cognitive Risk& Quality Management
- Iterative Innovation
- Intelligent Cost Optimization
- Intelligent Contracts
- Intelligent Procurement & Supply Planning

User Experience Digitalization

- Managed Services
- Smart COE
- BPO
- Change mgt
- Transformation

New category mgt dynamics Indirect & Direct





Savings + Operational excellence

New AI Risk & Opportunities Experience

Technology lead – Data collection

P2P transaction value

B2B transaction value