

# Digital Procurement Transformation

Shaping the Procurement function of tomorrow



# How Capgemini can help you

Capgemini is a global leader in consulting, technology services and digital transformation. We work with the world's leading companies to tackle their toughest challenges, at the junction of business and IT. The Capgemini Group is comprised of a complete range of businesses:

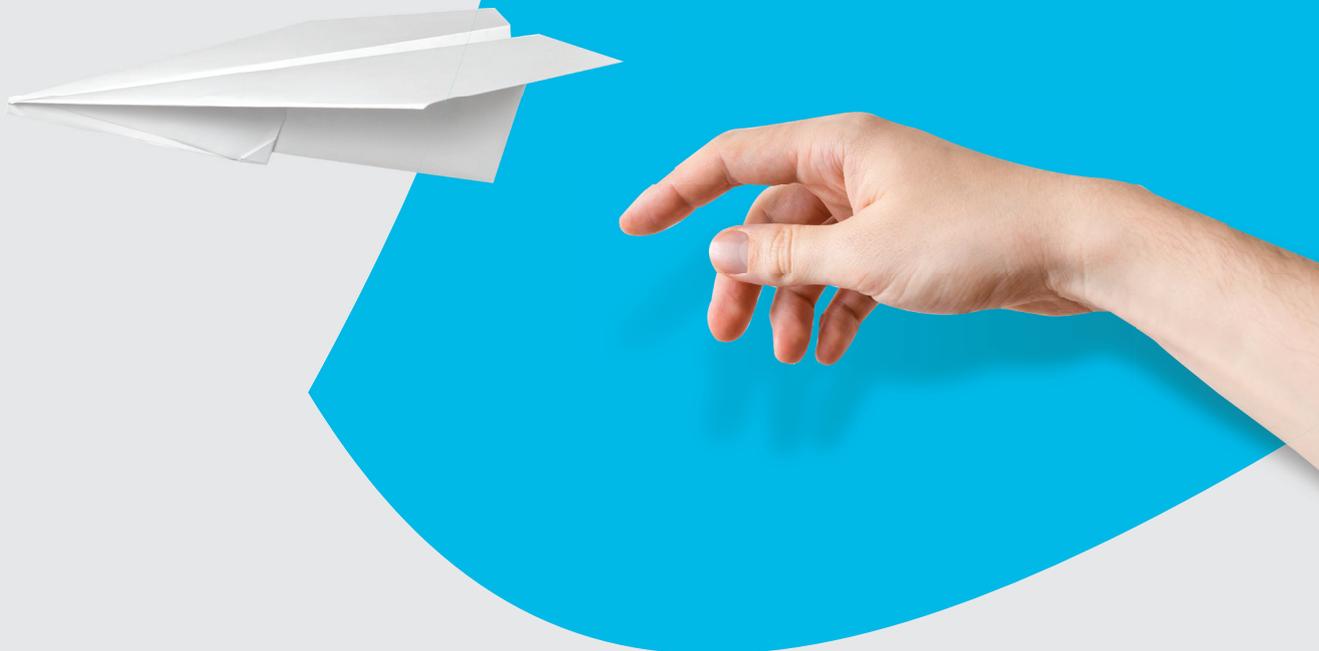
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**Consulting Services:** we use our extensive industry expertise to advise on strategy and help you to transform your business and technology landscape
- 
**Application Services:** We provide a next-generation approach to application development, system integration, and maintenance
- 
**Technology and Engineering Services:** We deliver technology services to suit local requirements for infrastructure, applications, engineering, testing and operations
- 
**Other Managed Services:** We integrate, manage, (co-) develop your IT infrastructure systems, transaction and on demand services and/or business activities

## Procurement is in our DNA

At Capgemini, we have a particularly strong focus on Procurement transformation. Our Centre of Excellence for Procurement comprises a large global network of dedicated Procurement consultants from over 40 countries, who know about the problems that matter and the solutions that work. We rely on our deep functional expertise, partnerships with solution providers and robust tools and methodologies to help our clients succeed. In this way, and building on the strengths of our Group, we have created a strong track record of delivering consistent and superior bottom-line value in nearly all industry verticals.

We can support our clients from vision to execution, relying on our broad service portfolio that ranges from digital strategy and innovation to cloud procurement and operating model design:

 Digital Strategy & Innovation	 Cloud Procurement	 Analytics & Performance Management	 Supplier & Category Management	 Operating Model Design
<ul style="list-style-type: none"> <li>• Change, culture &amp; leadership</li> <li>• Digital roadmap &amp; vision</li> <li>• Cognitive Procurement</li> <li>• RPA / AI</li> <li>• Blockchain</li> <li>• Virtual Reality</li> <li>• Rapid Procurement Maturity Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• S2C/ P2P Boost programs</li> <li>• Contract lifecycle management</li> <li>• Supplier Lifecycle Management</li> <li>• Implementation excellence</li> </ul>	<ul style="list-style-type: none"> <li>• Spend analytics</li> <li>• Master Data Management</li> <li>• Big Data</li> <li>• Procurement control tower</li> <li>• Process mining</li> <li>• Risk &amp; Compliance management</li> <li>• Cost break down analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier scouting and innovation</li> <li>• Strategic sourcing (Tail -) Spend management</li> <li>• Working capital management</li> <li>• Make or buy</li> </ul>	<ul style="list-style-type: none"> <li>• Organisational Design</li> <li>• Process Design</li> <li>• BPO/ SSC</li> <li>• Buying Channel Optimisation</li> <li>• Skills &amp; Capabilities development</li> </ul>



# We are Thought Leaders in Procurement

Our clients look to us for guidance on driving value in their organisations through procurement transformations. Great examples of our leadership in this domain are our e-Procurement Research (formerly Capgemini SRM Study), and our bi-annual Chief Procurement Officer Survey.



**E-Procurement Research**

Our e-Procurement Research evaluates a wide range of Procurement solution providers on the depth and width of their offering. This has proven an important asset for companies that are looking to select and deploy a new (cloud) procurement system, as it allows them to compare particular solutions based on their specific requirements. In addition, the e-Procurement Research provides background articles from our experts on the latest e-Procurement tools, trends and functionalities.



**Global CPO Survey**

The bi-annual Chief Procurement Officer Survey explores the main trends and developments that are currently keeping CPO's awake at night. The report typically gives a high-level overview of the complete findings of the research, with input from over 100 CPO's from around the globe. In addition, the report provides an in-depth look into key procurement trends, supported by data and analysis from the survey and contributions from our team of global Procurement experts.



**Articles and blogs**

In addition to these studies, our experts regularly publish articles or blogs on relevant procurement trends and developments. For example, one post<sup>1</sup> by Abdülkadir Tekin examines a range of cognitive solutions (e.g. AI, Machine Learning, RPA, Predictive Analytics), and assesses their potential for application in procurement processes.

Contact us if you're interested in learning more about our e-Procurement Research, CPO Survey or other Capgemini thought leadership assets.

<sup>1</sup> <https://www.capgemini.com/consulting/2018/02/how-cognitive-solutions-will-change-the-future-of-procurement-and-supply-chain/>

# How we see Source-to-Pay

The Source-to-Pay (S2P) process can be extensive and, in many organisations, is often not managed as one coherent set of activities. As a result, companies often face sub-optimisation of different processes. This can be reflected in a slow, inefficient process with significant manual intervention, low spend visibility and a high propensity for maverick buying. Also, the Source-to-Pay process is often supported by a fragmented landscape of IT systems that is costly to maintain, instead of by an integrated solution providing optimal Total Cost of Ownership.

At Capgemini, we believe that the S2P process needs to be approached with an end-to-end vision, stretching from Sourcing to Purchasing to Accounts Payable (see Figure 1). It should be supported by the procurement strategy and an operating model that are fit-for-purpose. In addition, the S2P process must be driven by reliable and uniform master data and enabled by the right tools. To realise the associated benefits, our Procurement experts are able to support clients in addressing S2P challenges from strategy through to configuration and implementation. The following examples of recent client projects briefly demonstrate our approach and the value captured:

## Capgemini Source-to-Pay footprint

### French Cosmetics company

We executed a global implementation to enable a globally harmonised S2C process. We coordinated data migration, implemented a core model solution, facilitated change management and deployed the solution in a total period of 18 months. In the end, this resulted in more effective supplier interaction, demand management, and offered valuable insights from uniform data.

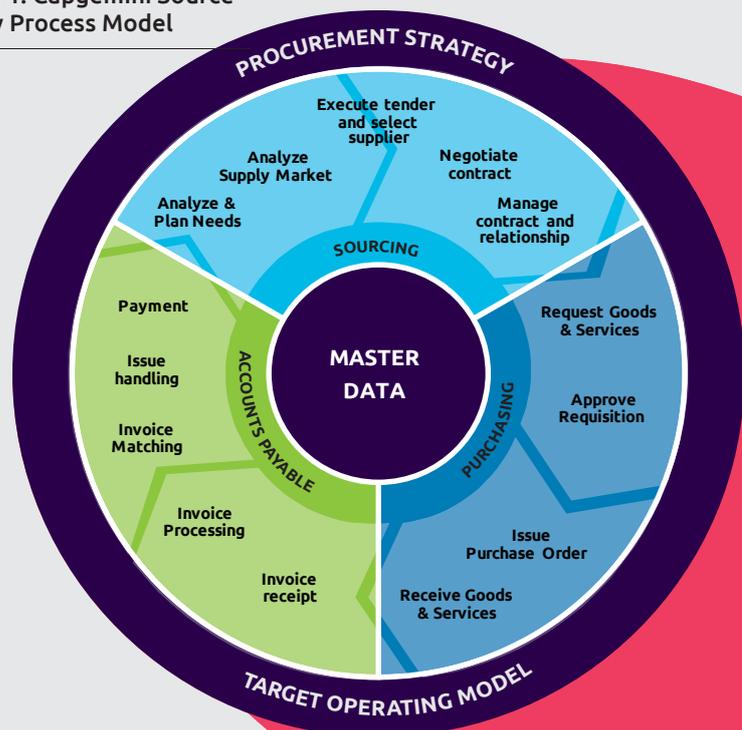
### Dutch Electronics company

We guided the vendor selection for a S2P, contract and performance management solution to replace the on-premise solution that was in place. We then designed the solution based on best practice templates and managed the vendor in configuration. We also managed testing, migration, change management and training. This resulted in an on-time delivery of two new procurement solutions, with positive user feedback.

### Global retailer

Facing a scattered IT landscape for S2C, we ran an extended Proof of Concept with the proposed solution for this client. We first realized a sandbox configuration for selected functional scenario's and built a S2C roadmap. Then, through demonstrations of use cases, development of a detailed implementation planning and a solid, bottom-up business case, we gained significant buy-in from both management and business users to proceed.

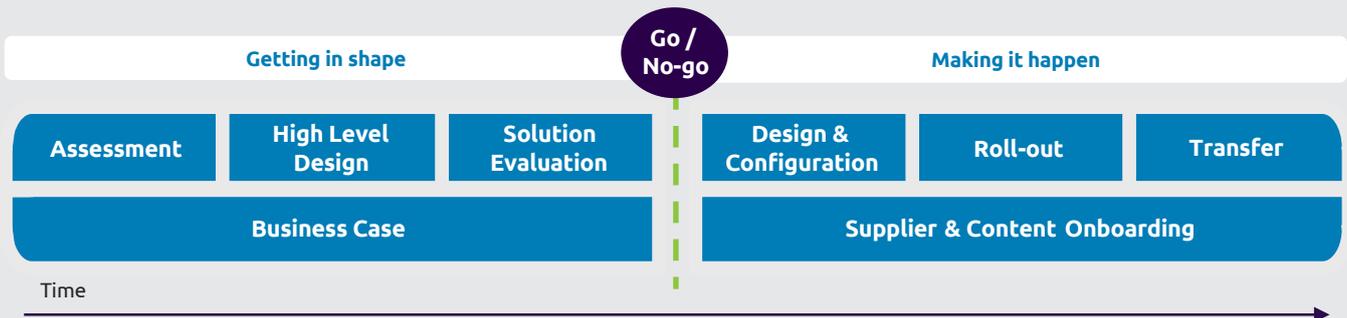
Figure 1. Capgemini Source-to-Pay Process Model



# How we help you transform

Capgemini is able to support procurement transformations from start to finish. For example, in the scope of Cloud Procurement, we offer a full range of services:

Figure 2. Capgemini Cloud Procurement Approach



The following examples of our approach outline how we help our clients across various stages of their cloud procurement transformation.



### Solution Evaluation

We have a proven approach for procurement solution evaluation, whether for Purchase-to-Pay (P2P), Sourcing or Contract Management. We start by developing a long list of potential vendors. Based on initial requirements and input from our e-Procurement Research, we are able to quickly score the suppliers to arrive at a short list. We then help create the right mix of selection criteria, such as functional coverage, ease of use and flexibility. After this, we assist in developing use cases and organising vendor demo's, as critical input for the final evaluation and selection. The fact that Capgemini has worked together with many different solution providers provides us with first hand experience and knowledge. It also prevents us from working towards proposing just one or two specific solution providers.



### Design & Configuration

Once the specific solution has been selected, Capgemini will carry out detailed organisational and process design together with the client and solution partner, building on best practices from the solution provider and Capgemini. Via short and iterative 'Design-Configure-Test' sprints, we realize an agile-like configuration of the solution, while ensuring continuous alignment between business requirements and configurations. In parallel we set up the integration to e.g. ERP systems. This is typically followed by a pilot implementation to assess adoption rates and verify impact.



### Roll-out

The Capgemini Procurement team has supported many clients in global roll-outs of procurement solutions. We are able to coordinate and drive the full process, including change management and benefits tracking of the business case. Depending on the pre-determined guiding principles, we can facilitate full end-user training or use the 'train-the-trainer' approach. We will work to ensure that processes and systems function according to expectations, that training material is available, that the internal support structure is set up and the required change is embedded in the organisation.

# What can you gain?

That is the big question, quickly followed by “How do you get there?”. As highlighted in our vision and approach towards digital procurement transformation, Capgemini has the know-how and experience to help you answer these questions. Below are examples of benefits that have been realized together with our clients.

**Reduced cost of procurement**

**Increased compliance**

**More hands-free processing**

**Enhanced user experience**

**Improved control and reporting**

**Increased savings**

**Lower TCO for IT**

**Higher process efficiency & accuracy**

**Real-time spend visibility**

**Optimised working capital**

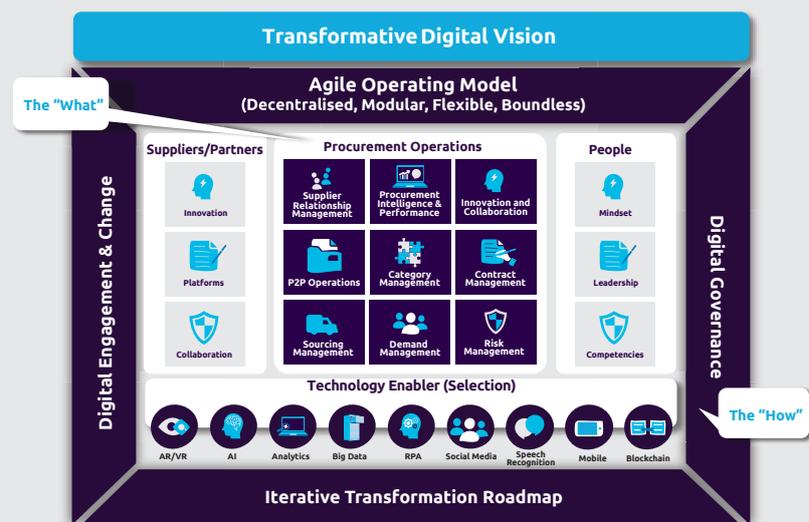
**Intensified supplier collaboration**



# Becoming a truly digital organisation

Becoming a truly digital procurement organisation goes beyond merely optimizing the functional parts of procurement and implementing new systems and tools to support its core processes. It requires a fresh look at the Procurement operating model along with a profound and transformative digital vision. We believe that digital transformation is first and foremost a business transformation. People, not technology, are the most important piece in the digital transformation puzzle. Digital transformation has become the ultimate challenge in change management because it impacts not only industry structures and strategic positioning, but all levels of an organization, every task, activity and process. To provide companies with a structured approach that can guide their journey to becoming digital, Capgemini Consulting has developed the following framework for digital procurement transformation:

**Figure 3. Capgemini Digital Procurement Transformation Framework**



Defining (and fulfilling) an ambitious but realistic digital vision typically comes down to answering two main questions: “What” do we want to achieve, and “How” will we realize it? The “What” refers to the distinct set of digital transformation elements to be implemented by the organisation, including the strategic assets and digital investments that are used to create those elements. This can entail, for example, investments in people and leadership development, building a digital culture, enhancing digital collaboration and innovation with suppliers, or improving procurement operations supported by digital tools. These efforts can be supported by a set of technology enablers, such as Artificial Intelligence, Robotics Process Automation or Analytics.

The “How”, then, is the way that senior executives drive change throughout the organisation. This includes creating and communicating a vision, establishing governance and measurement mechanisms, and building a digital-ready culture. It also relies on laying out an effective and holistic transformation roadmap to bring about the change and achieve the desired benefits. Research by Capgemini has shown that 62% of respondents see their corporate culture as the number one hurdle for digital transformation<sup>2</sup>. Therefore, providing the right foundation to support the envisioned digital transformation is essential.

Contact one of our experts to find out how Capgemini can support you in your digital procurement journey.



## About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of 200,000 team members in over 40 countries. The Group reported 2017 global revenues of EUR 12.8 billion.

Visit us at

[www.capgemini.com](http://www.capgemini.com)

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