

“

Capgemini was a natural choice for us – with their experience, we knew that we would work with a competent partner with the development and implementation of the new eProcurement system. Together we made it into the global success it is today.”

Anders Paulsson,
Director Sourcing at Ericsson AB



Global eProcurement rollout at Ericsson

Ericsson has successfully transformed their purchasing in more than 100 countries through end user friendly eProcurement technologies resulting in more than 90% global compliance on indirect spend.

The situation

In early 2000, the Ericsson Group – one of the world’s leading providers of telecommunications equipment and related services to mobile and fixed network operators – lacked a truly efficient routine for purchasing. Throughout the Group, there were a number of local, home-grown purchasing solutions with high manual order costs. This led to enormous purchasing costs, a situation that management was keen to avoid.

Management came to the conclusion that there was too much maverick buying going on. What they needed was increased contract compliance, plus the ability to streamline invoicing – which demanded purchasing orders on all purchases throughout the Group. Therefore, management set a goal to create one common procurement channel for all indirect spend, based on four devices: one process, one platform, one system and one interface.

The solution

To make this goal a reality, Ericsson turned to the Capgemini IBX Business Network for the implementation of IBX Purchase-to-Pay. It was launched in 2001 and a global rollout was initiated, which included Ericsson companies in more than 100 countries. Anders Paulsson, Director Sourcing at Ericsson AB says: “Capgemini was a natural choice for us – with their experience, we knew that we would work with a competent partner with the development and implementation of the new eProcurement system. Together we made it into the global success it is today.”

More value for money

According to Anders Paulsson, the global rollout of eProcurement brought positive organizational change to Ericsson as well as giving the purchasing staff a higher status. "Previously, the purchasing departments negotiated and administered contracts. Regardless of the quality of the contract they were not visible (and hence not available) to end users. By implementing IBX Purchase-to-Pay, the call-offs were moved from the purchasing departments to end users. This way, call-offs are steered to preferred suppliers. Together with the transfer of the operational support to shared service centers, it added time and resources for the purchaser to maintain a more strategic focus when it came to negotiating and updating contracts. It has been made visible that through eProcurement you can save money on every transaction, capture spend and earn greater savings on the bottom line. The purchasing department has become important for our management when reaching financial goals."

A global rollout

It was important that Ericsson be able to cover all call-offs of indirect spend and service functions on a global level. Anders Paulsson continues: "This is where Capgemini stepped up and proved their competence and experience. In the beginning, the supplier catalogs contained an enormous amount of products. However, it is not the size of the catalog that is important, but rather that its content is right and relevant for us. Capgemini put a lot of effort into making sure that the catalogs contained the products that we need. IBX Purchase-to-Pay also plays an important role here because it lets the buyer set a number of requirements on the supplier. IBX Purchase-to-Pay is easy to use and has great functionality."

Change management is always an issue when implementing a global rollout of one common system. Anders Paulsson continues: "You need to address the project in the right way and make sure there are people who have the competence to use the implemented system properly. Another issue is culture and language. Customs and ways of doing business are different between countries, and are in some cases dependent on market maturity. IBX Purchase-to-Pay bridges these gaps."

Anders Paulsson went on to emphasize that the increase in IT maturity during the last few years increased the positive reception for IBX Purchase-to-Pay, but also raised demands and expectations for the system. "Earlier, the tolerance was high. Now the demands on the system are higher for applications as well as usability. Today we have zero tolerance. In the beginning, we were forced to push the system out to the organization, but thanks to the high usability of IBX Purchase-to-Pay it is now pulled out by the organization."



About Capgemini

With almost 145,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at www.capgemini.com

In collaboration with



Ericsson is a world leader in the rapidly changing environment of communications technology – providing equipment, software and services to enable transformation through mobility.

With approximately 115,000 professionals and customers in 180 countries, Ericsson combines global scale with technology and services leadership and supports networks that connect more than 2.5 billion subscribers. Forty percent of the world's mobile traffic is carried over Ericsson networks.

Founded in 1876, Ericsson has its headquarters in Stockholm, Sweden. Net sales in 2014 were SEK 228 billion.

For more information on this project, please contact:

success.story@capgemini.com