Spend Analytics-as-a-Service

An organization’s spending, particularly in a decentralized organization, is highly obscured with little or limited visibility of how money is spent. This hinders the identification of cost saving opportunities, which, in turn, has a direct impact on the bottom line of the organization while destroying shareholder value.

Top challenges faced by CXOs for driving Spend Analytics include:
- Insufficient systems
- Incompatible data sources and poor data quality
- A lack of necessary resources and methodology for spend analysis

By Applying Capgemini Analytics our Clients
- Improve spend visibility
- Enhance spend under management
- Reduce maverick spend
- Decrease transaction cost
- Increase compliance

According to various studies, more than 80% of organizations do not have comprehensive, accurate, repeatable spend analysis capability.
**Our Offer: Spend Analytics-as-a-Holistic-Service**

Capgemini’s Analytics solution does not only constitute a tool, but also serves as a holistic service providing actionable insights at a transactional level. Our client therefore acquires granular visibility of each dollar of expenses incurred by the organization and is able to identify cost saving opportunities with comprehensive multidimensional drill down analysis. This helps to easily identify opportunities while optimizing prioritization.

**Capgemini Value Proposition**

**Value Chain**
- **Analytics**
  - Prescriptive analytics
- **Reporting**
  - KPIs, metrics, performance, trends
- **Data Preparation**
  - Data prepared for analysis
- **Data Extraction**
  - Containers and feeds of heterogeneous data

**Capgemini Advantages**
- Access to scarce, high quality and proven analytics resources
- Enterprise-wide approach to data management and analytics
- Enhanced process excellence and effectiveness of decision making
- Reduction in internal costs through leveraging the Center of Excellence platform
- Ability to handle huge data sets

**Our Methodology**

**Tool Capabilities**
- Ease of use
- Customer-specific classification rules
- Technological robustness
- Multilingual
- Multicurrency
- Multi-taxonomy support
- Category roll up
- Custom rule building
- Browser-based
- Device independent
- Drill down
Key Service Highlights

- Ease of implementation
- Extended arm of procurement
- Focus on savings opportunities
- Limited client involvement
- Pan-industry experience: manufacturing, CPG, services, agribusiness, beverage, automobile, paper
- Intercontinental: Asia, Europe, Americas

Success Stories

Leading Agribusiness Company Identifies €1m Savings Opportunity through Capgemini Spend Analytics.

Initial Situation

One of the world’s leading specialized chemical companies with total indirect spend of $276 million and 9 million+ line transactions.

Challenges

- A lack of spend visibility negatively impacted cash flow and company profits.
- There was a requirement for structured Spend Analysis in order to gain spend visibility across the procurement process, increase PO compliance, and to identify opportunities for supplier base consolidation and processing cost reduction.

Outcome

- Isolated vendors eligible for placement under PO, thereby increasing PO compliance by 6%.
- Identification of opportunities to create catalogs, enabling enhanced cost comparisons for 38% of indirect spend.
- Defined opportunities for PO consolidation for vendors; this led to potential cost savings of €370,000.
- Identification of opportunities for invoice consolidation leading to a €660,000 reduction in transaction costs.
- Vendor isolation, accounting for 35% of early payments; when transferred to on-time payments overall DPO was increased by 3 days.
- Identified employees not submitting claims against advances over the last six months to help release $4m.

Leading CPG Company Recognizes Potential €2m Savings Opportunity through Capgemini Spend Analytics.

Initial Situation

One of the world’s leading CPG companies, operating in 190+ countries with an annual spend of €14bn, 2.2 million transactions and 80,000+ vendors.

Challenges

- Indirect procurement spend was fragmented and stored in different systems. Since the client was restructuring into a global organization, there was an urgent need for a comprehensive global spend report, classified against a common global commodity hierarchy.
- The information was not centrally available and originated from multiple systems and sources.

Outcome

- Global visibility of indirect spend categories.
- A spend report supporting twelve global IP commodity managers for improvements in category management.
- Supplier rationalization at a global level helped identify and avoid maverick spend. This enabled identifying savings of approximately €2m by consolidating the supplier base, resulting in demand aggregation, volume discount and reduced transaction costs.
The Capgemini Experience

Our teams are led by senior practitioners and are recognized as specialists in their respective fields. The Spend Analytics team has a strong analytical and industry background comprising Certified Professional in Supply Management, MBAs, engineering graduates, Masters in Statistics with experience in strategy, consulting, sourcing and procurement.

Our clients get lasting value because we engage directly and meaningfully with stakeholders at each level of the enterprise – from boardroom to shop floor and warehouse.

Our Other Analytics Offerings

Revenue Assurance Analytics: to reduce leakage from order to cash process
- Improved customer query to order conversion
- Enhanced credit and collection performance
- Reduced billing leakage and more sell-ons

Expense Analytics: to help reduce wastage and improve margin
- Recovery of erroneous or duplicate payments
- Increased compliance with procurement policy
- Informed views of global spend

Working Capital Analytics: to help improve Cash Flow
- Optimized treasury performance
- Reduced write off of stock and bad debt
- Effective use of discounts and promotions

Control Analytics: to help reduce business risk
- Dynamic real-time monitoring of key controls
- Predictive leading indicators to prevent failures
- Lower cost of better, broader risk mitigation

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Revenue Assurance Analytics to reduce leakage from order to cash process

Expense Analytics to help reduce wastage and improve margin

Working Capital Analytics to help improve Cash Flow

Control Analytics to help reduce business risk

The key components of the CFO Analytics solution include:

Revenue Assurance Analytics:
- Improved customer query to order conversion
- Enhanced credit and collection performance
- Reduced billing leakage and more sell-ons

Expenses and Payables Analytics:
- Recovery of erroneous or duplicate payments
- Increased compliance with procurement policy
- Informed views of global spend

Control Analytics:
- Dynamic real-time monitoring of key controls
- Predictive leading indicators to prevent failures
- Lower cost of better, broader risk mitigation

Working Capital Analytics:
- Optimized treasury performance
- Reduced write off of stock and bad debt
- Effective use of discounts and promotions

About Capgemini

With more than 125,000 people in 44 countries, Capgemini is one of the world’s foremost providers of consulting, technology and outsourcing services. The Group reported 2012 global revenues of EUR 10.3 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