



Make the case for change

Five Questions Every CPO Should be Asking

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If the procurement gaps uncovered during the pandemic haven't inspired investment in digitizing Procurement, what will?

At what point is the status quo no longer satisfactory? What's the tipping point to justify investment?

The pandemic exposed the vulnerabilities and fragilities of supply chains. Many companies have been rushing to digitize their businesses to gain visibility and efficiencies – enabling much needed speed and agility.

Yet, many procurement functions still operate with a technology deficit – and a frustrated team – lacking basics such as visibility to spend across the organization and throughout the supply chain. This makes it difficult to mitigate risk and ensure continuity of supply, let alone work on strategic initiatives such as co-innovating with suppliers.

Executives report

77%

cannot gain a clear view of overall spend automatically, in real time

Only

50%

can quickly find alternative sources of supply

We suggest CPOs review these 5 key questions with their teams, to **make a case for change**. Findings from our research¹ will help you pinpoint your gaps and strengths. *How do you fare?*

Question One

How well do you manage supplier risk?



The last few years have shown just how critical Procurement is to the organization. Yet, it also uncovered how woefully underprepared many companies are to mitigate disruption in their supplier networks.

Years of supplier optimization and the drive to lower costs has led to over-reliance on too few suppliers, many a half a world away, which increases risk. Poor visibility is another key issue.

Close the gaps

SAP Ariba Supplier Management: enable end-to-end visibility into your supplier base and factors creating risk, integrated with other procurement processes

SAP Ariba Supply Chain Collaboration: provide visibility into multiple tiers of suppliers and their inventory levels in real time, enabling you with advance notice of potential upstream shortages

Find alternative suppliers through **SAP Business Network**, a dynamic, digital marketplace where millions of buyers and suppliers transact

Executives report

53%

who manage direct spend say their organization has one or more products that it purchases from only one supplier – which can be risky in the best of times, especially for a critical product

Only

50%

regularly refresh risk mitigation plans to address potential disruptions

Fewer than

1/2

have near-real-time or real-time visibility to inventory levels in company facilities (48%) or in supplier facilities (46%)

Question Two

Is your organization still bogged down by manual processes?



Manual processes are a significant barrier to visibility, effective management, operational efficiency and organizational agility.

Organizations that automate processes will be much better positioned to pivot when needed and withstand disruption. It also frees up procurement talent to focus on more strategic initiatives.

Close the gaps

SAP Ariba Procurement Solutions: digitalize and simplify all your processes end-to-end, on a single, integrated platform in the cloud

SAP Ariba Solutions for Direct Spend: connect the people, partners, processes, and information needed to manage all design-to-deliver activities in a simple, smart, and open way

Executives report

47%

say gaining real-time visibility into spend is challenging

42%

experience reconciliation issues and exceptions

37%

say that most/all of their procurement processes are manual

Question Three

What's the adoption rate of procurement solutions in your organization?



The new solutions you procure and implement can't deliver benefits unless people actually use them. If Procurement isn't fully using its own processes and technologies, how can the rest of the organization be expected to?

A key aspect of adoption is ease of use. Solutions need to provide internal stakeholders with an intuitive and guided buying experience, similar to what they have become accustomed to on consumer-oriented purchasing platforms. By improving the buying experience, companies will drive greater adoption and greater compliance.

Close the gaps

SAP Ariba Buying and Invoicing: enable smart and simple guided buying experience to drive visibility, control, and compliance across all spend-related processes and make sure your negotiated savings reach the bottom line for a fast ROI

SAP Ariba Financial Supply Chain Management: automate your payables processes and supplier collaboration to turn your invoices into strategic assets and bolster working capital management results

Executives report

41%

say low adoption of new processes and technologies within the procurement function is a barrier to digital transformation of Procurement

Only

41%

have most of the skills and capabilities they need to adopt new technologies – a clear talent gap

Just

38%

have most or all of the skills and capabilities they need to understand business functions in order to add value – critical to ensuring that the associated solutions serve the business

Question Four

How data-driven is your decision-making?



Timely, actionable data-driven insights are essential given the speed of business.

Yet, many procurement functions still rely on antiquated, unintegrated technology, and there's often still a hefty dose of manual effort to compile and analyze data. Accelerating adoption of predictive analytics and AI/machine learning would help Procurement make more informed decisions, mitigate risk and more effectively support stakeholders.

Close the gaps

SAP Ariba Spend Analysis: gain insight into all spend and suppliers, plus market intelligence, enabling you to see how you can increase savings, mitigate risks, and improve compliance

SAP Ariba Supplier Management: gain reliable, up-to-date and comprehensive view of supplier information, spend, performance, and risk – in one place

SAP Ariba Supply Chain Collaboration: enable real-time information sharing with multiple tiers of suppliers and their inventory levels in real time, providing you with advance notice of potential upstream shortages

Executives report

Only

54%

say their procurement technologies enable them to make data-driven decisions about spend across the organization

Just

48%

say their procurement technologies enable them to perform scenario modeling and what-if analysis with near-real-time or real-time data

Only

39%

of companies automatically intake, interpret, and make recommendations based on third-party data about shipping disruptions impacting tier 2 suppliers

Question Five

How much do you know about external labor across your organization?

Organizations are turning to contingent workers and services providers to meet business goals. In fact, the “external workforce” accounts for 42% of workforce spend.

Yet, most procurement professionals lack visibility into these workers including who they are, what they do, and which systems and facilities they access. This creates significant risk for the organization, and decreases the value realized from your external workforce.

Close the gaps

SAP Fieldglass Contingent Workforce Management and **SAP Fieldglass Services Procurement:** gain visibility and actively manage your external workforce, improving ROI and reducing risk

SAP Fieldglass Worker Profile Management: manage and track your external workforce with standardized worker records in one place

SAP Fieldglass Assignment Management: centrally deploy, manage, and pay external resources across all facilities, for all types of projects - with one solution

Executives report

45%

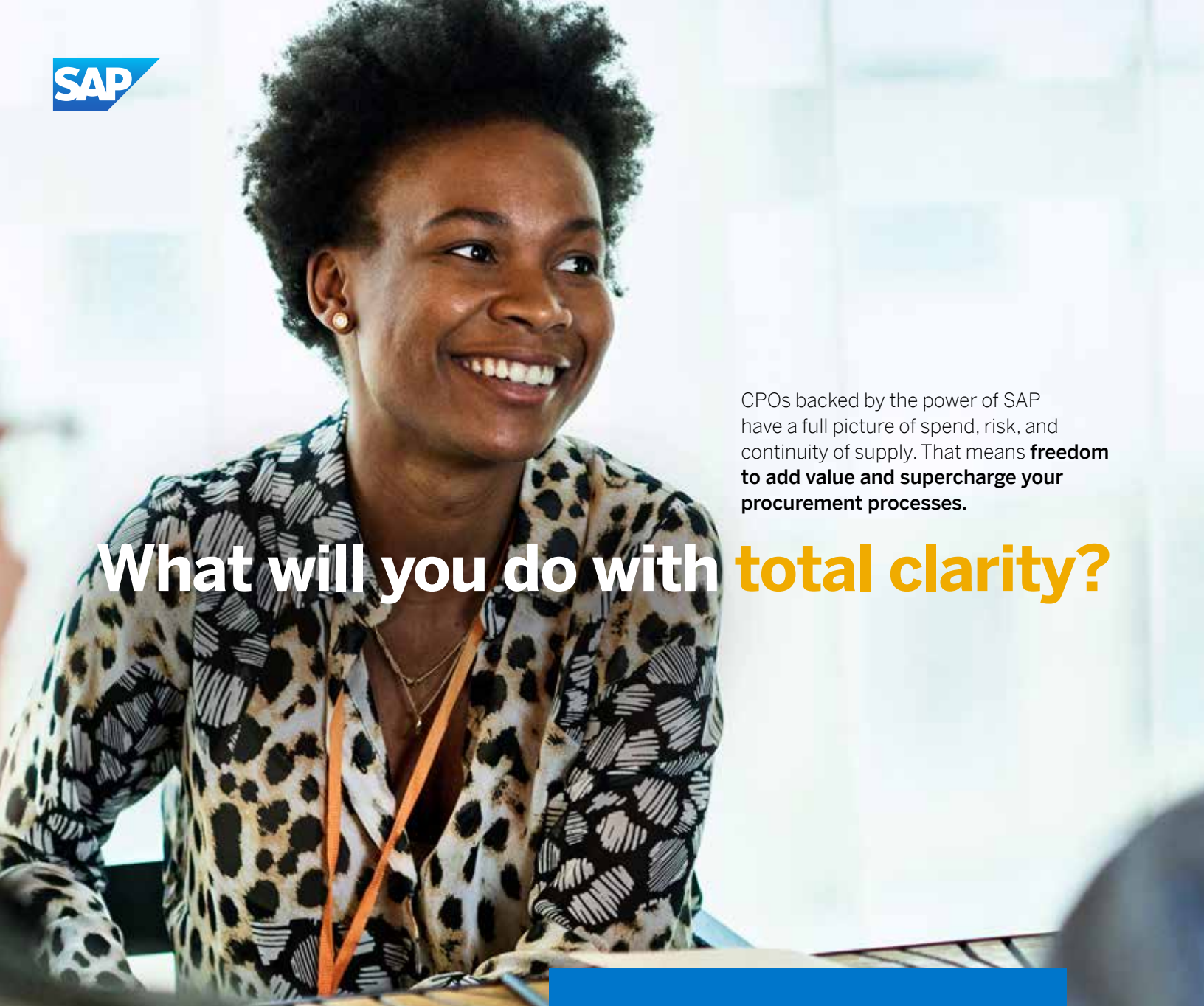
experience digital security breaches with contingent workers

37%

experience compliance issues with services providers

35%

experience unauthorized spend with contingent workers and services providers



CPOs backed by the power of SAP have a full picture of spend, risk, and continuity of supply. That means **freedom to add value and supercharge your procurement processes.**

What will you do with **total clarity?**

**We'd like
to help you
make a case
for change**

To get started,
contact your
SAP Partner

¹ All data cited from: Agile Procurement
Insights Research by SAP in collaboration
with Oxford Economics

