

A large, teal-colored arrow pointing to the right, with the text "High performance. Delivered." centered within its shaft.

High performance. Delivered.

Procurement BPO: You're Missing the Point

Video Transcript

You've probably heard about Accenture's acquisition of Procurian—but that is just the beginning.

By integrating the best of both company's capabilities, Accenture now possesses the most comprehensive Procurement BPO offering ever.

Procurement BPO delivers the highest ROI of any form of outsourcing—and gives you an opportunity to identify what you are missing—a margin point or more of profit.

And it all starts with Indirect Procurement.

Indirect Spend is bigger than you think, a lot bigger.

Companies spend 15 – 30 percent of revenues on indirect goods and services they need to run their business.

It's big, yet it's undermanaged.

Even the best companies professionally manage only half of their indirect spend.

Why? Because it's really hard.

The spend is fragmented across hundreds of unique subcategories, each with very specific characteristics, sourced by hundreds of buyers spread across the organization.

We see three major barriers among our clients when they try to control Indirect Spend.

Most Procurement operations have generalists who try to apply a one-size-fits-all approach across hundreds of sub-categories—but the

same team that knows how to buy specialty chemicals may not know how to buy ad agency services.

As a result budget holders block procurement causing 50-60 percent of the spend to be sub-optimized. When the supplier knows more than the buyer, it is hard to negotiate effectively. Suppliers have near-perfect information about their costs, what others are paying, and the demand, giving them the upper hand.

As a result, you may be leaving another 3-5 percent of savings on the table.

Disconnected processes among buyers, negotiators and auditors leave room to buy the wrong product or service at the wrong price.

Without strong linkage and measurement between each step of the process, half of your savings can evaporate.

As a result, another 30 percent of negotiated savings aren't realized.

Procurement BPO can overcome these barriers and drive five times the savings—the missing margin point.

Let's take a look at how. Accenture now has deep category specialists across every indirect spend category.

These specialists have a detailed understanding of their domain, the stakeholder and each spend category. And they can unlock previously off-limit areas of spend.

Negotiating the best price for a product or service requires real-time information into supply market dynamics. This knowledge can only come from domain expertise, research, and being in the market every day.

Accenture now has access to real-time intelligence into supply, demand, pricing, and best-in-class terms and conditions, so you can level the playing field with suppliers.

Compliance is never 100 percent—but with Procurement BPO it is possible to realize more than 90 percent savings through a connected, end-to-end process that can stop the leaks.

By tracking immediate spend—you can ensure savings are realized, pricing is accurate, and identify non-compliance before it happens.

So there is a big opportunity to seize a margin point or more.

You can't optimize all of your spending without the three key enablers that Accenture Procurement BPO can deliver.

- You can reinvest these savings into growth, innovation or the bottom line.
- Accenture procurement BPO provides flexibility, enables agility and mitigates risk.
- Now is the time to take indirect procurement to the next level.