THE NEW PROCUREMENT IS HERE AND WE’RE APPLYING IT RIGHT NOW
More and more, organizations are recognizing the critical impact Procurement can have. More than ever, they are feeling the pressure to step up their game. Even the most advanced organizations lack the full portfolio of specialized expertise, information and technology to optimize this impact.

Accenture has invested decades and hundreds of millions in a capability that can help you rapidly expand the role and impact of procurement, quickly. We are passionate about helping organizations achieve new levels of procurement excellence and efficiency – and we do it for more than 190 leading companies, every day.
Opportunity Exists

Spend for strategic and non-strategic goods and services is significant, and when fully optimized, can fund innovation and growth. However, there is a need for better management and expanded capabilities. Incremental internal investment can be hard to justify and standalone third-party investments in software solutions, large scale offshoring or even consulting efforts can be long, expensive endeavors that fail to create sustainable outcomes in the timeframes demanded by today’s business environment. In order to deliver more impact, a different approach must be adopted.

The as-a-service economy is fundamentally changing how organizations work with providers to support all business functions – and sourcing and procurement is not exempt. Business models must be flexible and embrace an integrated approach that leverages expertise, technology and information, and process automation to meet specific, immediate and ever-changing needs. Since these business environments are dynamic, service delivery must adapt accordingly, and more importantly, new models must commercially align to focus on outcomes, not FTEs.

Because the service market is evolving and flexible opportunities now exist, clients are exploring where they can leverage support to gain an advantage...whether that be in savings achievement, operational efficiency, or both.

It doesn’t matter if you want to accelerate the growth of your sourcing and procurement capabilities or simply supplement what you already have in place, Accenture’s approach will deliver the business outcomes your organization seeks to achieve today and in the future.

PROCUREMENT MUST EVOLVE TO KEEP PACE.
THE CHALLENGE OF INDIRECT SPEND

Indirect spend can represent 20% to 40% of an organization’s revenues. It’s big but, also highly fragmented. For each department or functional area, there can be hundreds of unique products and services that are very diverse and specific. Within an organization, these products and services are purchased by thousands of different users. Few organizations are able to strategically manage all of their indirect spend because of three key barriers—and procurement cannot fully address these challenges alone.

1. LIMITED REACH
Procurement organizations typically don’t have—and the business case doesn’t justify hiring—specialized resources to effectively manage each category of their spend.

2. LACK OF INFORMATION
Even after making investments in technology, many organizations are not satisfied with their ability to see their own spend: what they are spending by category, region, geographical location, etc.; how spending and savings compare to what was negotiated; and their performance against corporate savings targets and commitments. Further, they have even less access to market intelligence for every category of spend.

3. LACK OF FOLLOW-THROUGH
Even companies with strong sourcing capabilities have struggled to “close the loop” after sourcing to ensure fast and advantageous contracting, easy and compliant purchasing, and accurate and efficient payment. As a result, some negotiated benefits are long delayed and some never materialize; discounts or working capital improvement opportunities are lost; and the lack of information limits continuous cost improvement opportunities.
Extending reach requires expertise and insights across hundreds of categories and sub-categories, including:

**IT & TELECOM**
Hardware, software peripherals, services, and wireless

**LOGISTICS**
Full truckload and less than truckload, global ocean, and small parcel

**MARKETING**
Agency services, media audit, print, direct mail, trade shows, media

**ENERGY**
Supply and demand-side strategies, regulated and deregulated electricity, natural gas, sustainability

**EQUIPMENT, ENGINEERING & CONSTRUCTION**
Capital equipment and building design, installation, and construction

**BASIC MATERIALS & PACKAGING**
Chemicals, gases, metals, resins, textiles, and all types of packaging

**INDUSTRIAL & MRO**
Manufacturing services, electrical supplies, fasteners, and automation controls

**HUMAN RESOURCES**
Benefits, payroll services, HR technology, recruitment services, training

**CONTINGENT LABOR**
Temp labor agencies, managed service providers, and vendor management systems

**PROFESSIONAL SERVICES**
Consulting, research & development, financial services, and legal

**PROPERTY & FACILITY MANAGEMENT**
Real estate services, building and grounds maintenance, office supplies, and food services

**TRAVEL**
Airfare, hotel, car rental, incentive programs, and meeting venues
These are not new challenges, but there are new ways of solving these problems. Additionally, each organization needs different levels of support – one size fits all is not an option. Some departments may be heavily invested in building a robust indirect team and only seek short-term strategic sourcing support in a few categories; some seek procure-to-pay only solutions for efficiency gains; while others may need to build an indirect function from the ground up. Whatever situation you find yourself in – gaps exist – recognize the bigger opportunity to optimize the effectiveness of the billions spent on goods and services.

Today’s conversation is centered on long-term value and outcomes focused solutions. Our approach to indirect spend is different and is designed to augment your procurement organization—not replace it. Our programs leverage the deep supply market knowledge, analytical insights, innovation, flexibility, and collaboration that are representative of procurement business process services. We aggregate data that comes from helping clients optimize billions of dollars of spend—and translate it into valuable insights and then help each client put them into action and drive business outcomes.

We draw upon our comprehensive capabilities and deploy just those assets required to address the gaps between your current and desired states. Working closely with your functional and business leads, we finely tune each program according to your unique needs and objectives. Clients benefit from a service model that provides value far greater than former lift and shift models.
A Standardized but Flexible Model

It starts with a closed-loop source-to-pay process. Our approach can be comprehensive, or modular, ensuring clients have access to an end-to-end model when needed. Category plans are tied to what gets negotiated, and in turn, to what is purchased, then received, and paid. Outcomes are balanced and control and visibility provided throughout the end-to-end source-to-pay process to capture savings and maximize value in an efficient manner.

**CATEGORY PLANNING**

Before strategically sourcing products and services, our category experts—who have a deep understanding of the relevant markets, suppliers, and functional users’ needs—spend time with stakeholders to design category strategies and plans. Desired outcomes and associated strategic projects are defined.

**STRATEGIC SOURCING**

We then execute, leveraging our unmatched market intelligence to negotiate best-in-class agreements. Our sourcing leads engage business stakeholders to ensure project alignment for incumbent negotiations as well as RFPs for entirely new goods and services. Stakeholders are equipped to make informed decisions from Recommendation Reports that summarize the results of RFP responses compared to Accenture intelligence and insights.

**CONTRACT FACILITATION & MANAGEMENT**

Accenture provides a unique set of Contract Lifecycle Management services that go far beyond simply flagging expiration dates and administrative contract data management. We accelerate the contract cycle which, in turn, accelerates savings. We identify best-in-class terms and conditions for specific products and services and the leading suppliers. Additionally, we provide category-specific contract templates and assist clients in contract negotiations.
**CATEGORY & SUPPLIER ENABLEMENT**

You can create a fast, simple, easy-to-use purchasing experience for your buyers. Our category and procurement expertise define optimal buying channels. Buyers are then guided to the information they need using a Buyer Portal or help desk. Touchless processing from requisition through eInvoicing is maximized. Errors and incorrect payments are minimized with three-way matching, and payments timed to optimize discounts and working capital. When implemented properly, organizations can expect to process 80% of transaction volume through automated channels.

**TRANSACTION MANAGEMENT**

Additional automation and analytics are applied to improve efficiency and experience for the 20% of transactions that require intervention from purchasing through payment processing. RPA bots reduce and often eliminate human intervention by replicating manual steps and correcting supplier and category information. Triage management by seasoned procurement professionals is focused on less common, more complex issues, ensuring buyers receive what they need, when they need it.

**SUPPLIER MANAGEMENT**

We leverage our extensive supplier enablement capabilities to enable eInvoicing, eCatalogs, and supplier help desks. Further, we help manage supplier relationships with emphasis on performance monitoring, contractual compliance and risk management.

**EPRO TECHNOLOGY MANAGEMENT**

We operate within our own proprietary platform, which is included with our solutions and complements the clients’ eProcurement technology (which they use to enter requisitions). We assist clients in enabling their platform using our extensive experience and relationships with SAP/Ariba, Coupa, and other providers. For clients that lack eProcurement technology—or those that want to advance it—we evaluate their current technology environment and the impact it has on their Procurement objectives. From there, we assist in weighing alternatives and selecting the best eProcurement solution for their situation. We can implement, enable, and maintain it as well.
Since the challenges with indirect spend are unique, it demands a unique solution, something that most clients are not able to fully replicate on their own. A digital foundation supporting the process is central to making it all work.

**INTELLIGENT DIGITAL PLATFORM**

enables automated processing, data capture and standardized virtual process management. A proprietary multi-client, cloud-based platform integrates project management activities, and captures and directs market and client data throughout the process. Clients access a suite of Procurement Performance Management tools to engage with projects, view program performance and discover intelligence and insights.

**DIGITAL INSIGHTS & ANALYTICS**

fuel decision-making. Accenture manages more than indirect spend than any other organization in the world (over $158 billion at last count); we capture market intelligence from our activity (in real time) on behalf of each client for a huge informational advantage in supplier negotiations. Further, we capture intra- and inter-client data to arm our analysts who create invaluable insights to improve performance.

**SPECIALIST NETWORK**

an expert network of category teams and procurement specialists leverage the insights and digital platforms to deliver outcomes for all or parts of the process. More than 15,400+ procurement team members are focused on various elements of the process – sourcing, contracting, buying, and category management. Our spend categories are managed by 1,500+ specialists with a profound understanding of the markets for the specific goods and services they manage, bringing an appreciation for the departments' functional needs, instantly establishing credibility with stakeholders.

Few, if any, companies can hire and justify the number of experts needed to fully optimize all of their indirect spend. But the calculation changes if you plug into an organization that manages indirect spend for others, many others.
Closer Look: Digital Tools

Supporting clients on their digital journey begins with insight into the big picture through a Performance Management Suite of tools.

The savings we help you capture are compelling, up to five-times greater than the average performance. By leveraging expertise to support your existing teams, we can help you access additional spend and categories that have traditionally been off limits. Through real-time market intelligence, we can help you drive even better sourcing outcomes and pricing. And, we can bring processes and tools that help savings hit the bottom-line. Because this infrastructure is ready to plug into your organization today, you do not have to spend years building these capabilities. In addition, the flexible model can adapt and scale to meet the changing needs of your business.

Business outcomes our clients experience through this approach include:

- Increased spend under management
- Improved transparency and insight
- Enhanced compliance and greater savings
- Ongoing cost and supplier performance improvement
- Flexibility to rapidly respond to change
- Ability to support strategic objectives like: risk mitigation, sustainability, innovation and growth

COMPELLING BENEFITS
Accenture’s global delivery network enables fast and efficient delivery across the integrated procurement process. We provide services from 33 regional delivery centers servicing clients in 120 countries and 40+ languages. This enables us to provide near-shore front office services, back-office offshore efficiencies, low-cost country sourcing, and local sourcing as appropriate for each program. Scaling fast is what we do every day.
AS-A-SERVICE IS HERE TO STAY

Why Procurement? Because it represents a very large percentage of spend and most organizations struggle to get all of it just right. The as-a-service economy is allowing organizations to take another look at process optimization and efficiency and increased savings opportunities.

Leveraging our existing but flexible procurement infrastructure provides the ability to immediately expand and improve your reach and impact. As organizations consider the next big opportunity for business transformation, our proven capability for spend management will support your procurement function today and scale with your organization for future growth.

We’ve invested in the best specialists, so you don’t have to. Our aggregate market intelligence cannot be replicated. And, we’ve built proprietary technology tools to support our end-to-end process.

PROCUREMENT SERVICES HAS NEVER BEEN EASIER TO ACCESS.

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions – underpinned by the world’s largest delivery network – Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 425,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives.

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