

Make the Case for Change



Five Questions Every CPO Should be Asking



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Introduction

Ongoing disruption has become a fact of life for businesses, creating an urgent need to identify and mitigate risks. Meanwhile, cost pressures are mounting as prices continue to fluctuate.

More and more businesses are asking: Have we reached the tipping point to justify investment in digitalizing and automating procurement?

Many companies have been rushing to harness technology across their businesses to gain visibility, agility, and efficiency – even more since AI has opened up an ever-expanding array of potential use cases.

However, procurement often gets left out of these strategic initiatives. Many procurement functions still operate with a technology deficit and a frustrated team, lacking basics such as visibility into spend across the organization. This makes it difficult to control costs, mitigate risk, and ensure continuity of supply – let alone work on strategic initiatives such as co-innovating with suppliers.

We suggest CPOs review these five key questions with their teams to **make a case for change**. Research findings will help you pinpoint your gaps and strengths. **How do you compare to your peers?**

6X

Invoices at top-performing procurement organizations are nearly 6X more likely to be associated with contracts, catalogs and blanket POs.¹



Key Questions

1

Can you see and manage spend across your organization?

**2**

Do you use strategic sourcing to drive down cost and risk?

**3**

Are you leveraging AI to reduce manual work, boost efficiency, and gain intelligence?

**4**

Can employees easily buy the goods they need from preferred suppliers?

**5**

How much do you know about non-payroll workers across your organization?



Question 1

Can you see and manage spend across your organization?

Your bottom line is your top priority. That's particularly true as commodity and materials prices remain volatile and consumers and businesses face increasing financial pressure.

To contain costs, you need clear visibility into detailed spend information to enable data-driven decisions. But that can be difficult to obtain when data is scattered across the organization.



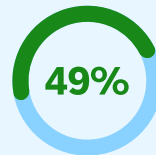
Learn more about how SAP can help you analyze costs and drive savings.



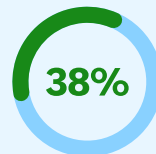
CLICK HERE



of CPOs say monetary uncertainty is a top risk in the next 12-18 months.²



of CPOs say spend analytics is the top driver of digital transformation in procurement.³



of CPOs say cost management is the top strategic priority for procurement for the next 12-18 months.⁴

Close the gaps

Our new **SAP Spend Control Tower** solution aggregates and consolidates data from multiple systems, business units, ERPs, and countries so you can see all your spend in one place, better understand your cost drivers, and maintain good visibility of spend even as your organization evolves.

Our **SAP Ariba Buying and Invoicing** solution makes compliant, cost-effective buying easier for all users, helping you ensure that purchases meet business guidelines and negotiated savings reach your bottom line.

By delivering powerful capabilities that help category managers work more efficiently, our **SAP Ariba Category Management** solution lets you intelligently manage your spend and supply base to keep costs low and obtain the best value for every purchase.

Question 2

Do you use strategic sourcing to drive down cost and risk?

As supply chains remain fragile and cost containment is front of mind, strategic sourcing has become a higher priority. It's a key tool to ensure reliable deliveries of high-quality products to customers at the right price.

Success depends on getting the best combination of suppliers, negotiating competitive prices by using auctions in sourcing activities, working closely with suppliers, and gaining clear visibility and control over your orders, inventory, materials, and more.

The biggest gains come from focusing on large, global spend categories. But it's also worth creating a tactical sourcing strategy to capture and manage one-off buys where spend is not formally sourced.



Top-performing procurement organizations achieve **9.1% greater savings** from awarded auction events.⁵



Top-performing procurement organizations achieve **nearly 3X higher savings** in addressable spend through strategic sourcing.⁶



Average sourcing cycles are up to **4X faster** at top-performing procurement organizations.⁷



Supplier onboarding is up to **4X faster** at top-performing procurement organizations.⁸

Close the gaps

Our **SAP Ariba Sourcing** solution provides strategic sourcing, discovery, and negotiation capabilities to help you find and select qualified, compliant suppliers.

SAP Business Network enables you to collaborate seamlessly with suppliers connecting you to millions across 190 countries.

Our **SAP Business Network Supply Chain Collaboration** solution gives you visibility into suppliers inventory levels to advance notice of potential upstream shortages.

Our **SAP Ariba Supplier Risk** solution embeds comprehensive risk management into your source-to-pay process.

The **Spot Buy capability** in SAP Ariba procurement solutions allows you to direct tail-spend purchases to approved buying channels.

Discover how to accelerate sourcing cycles



[CLICK HERE](#)

Question 3

Are you leveraging AI to reduce manual work, boost efficiency, and gain intelligence?

AI isn't just a buzzword on everyone's lips. It's a powerful tool that can automate the busy work that shouldn't consume your team's time, like processing POs and invoices, so you can transform speed and operational efficiency.

Critically, AI can also provide in-the-moment guidance on decisions – for example, by highlighting supply risks and their potential business impact.



Top-performing procurement organizations achieve nearly **75% lower** PO and invoice processing costs.⁹



Publishing a sourcing event takes **up to 50% less time** with AI-driven event creation in SAP Ariba Sourcing compared to manual event creation using predefined, templated formats.¹⁰



Onboarding for category managers is **up to 56% faster** thanks to large language models in SAP Ariba Category Management that accelerate strategy development across hundreds of categories.¹¹

Question 3, continued

Close the gaps

Our SAP Ariba solutions digitalize and simplify all your procurement processes end to end in the cloud. Now, we're making our best-in-class solutions even stronger by infusing them with AI that delivers game-changing capabilities.

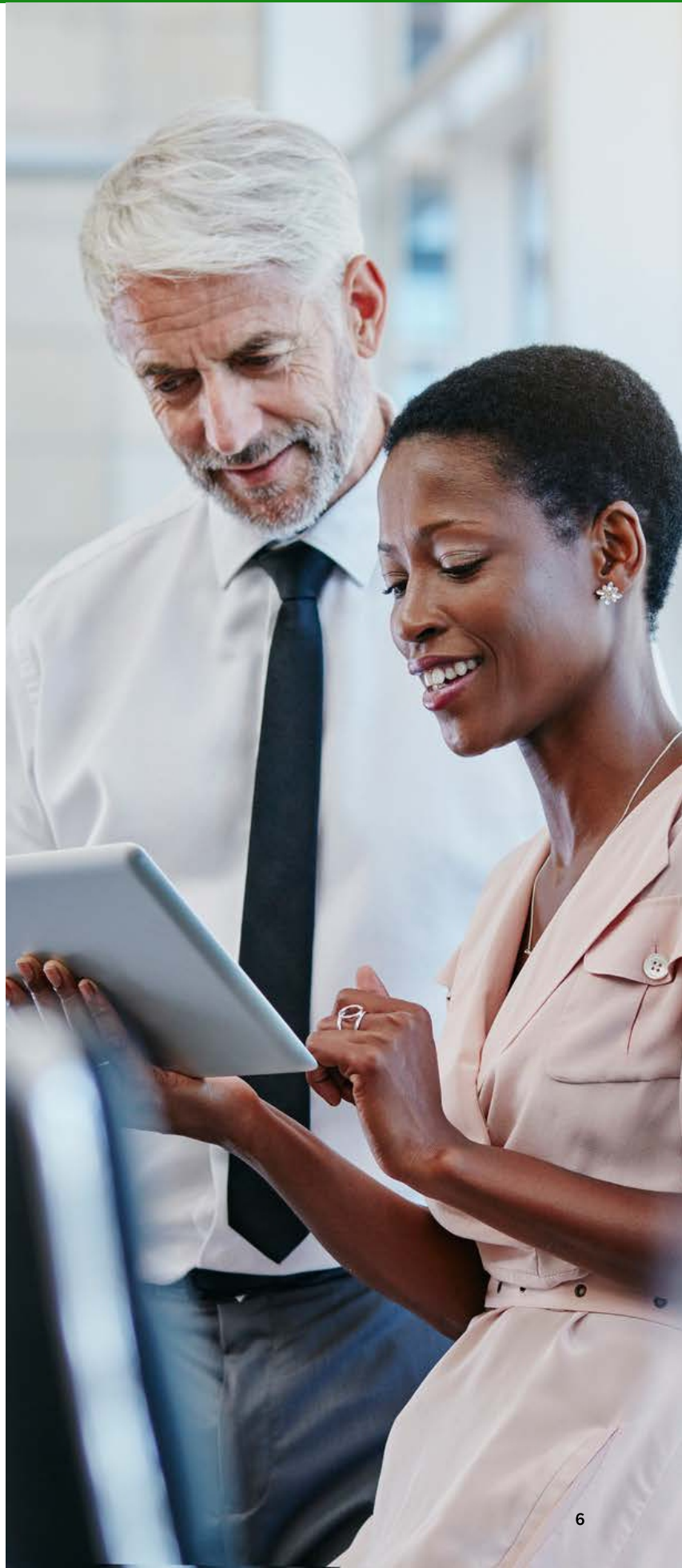
For example:

- **SAP Spend Control Tower** uses machine learning to provide better guidance on where opportunities lie.
- **SAP Ariba Sourcing** uses AI to enable faster, easier creation of sourcing events and help you invite and choose the best suppliers (check out this [short video](#) to see it in action).
- **SAP Ariba Category Management** empowers your category managers with contextual insights and recommendations using generative AI and large language model (LLM) integration.

Discover more about how AI is transforming procurement.



[CLICK HERE](#)



Question 4

Can employees easily buy the goods they need from preferred suppliers?

Searchable purchasing catalogs make it easy for employees to find and buy the materials they need from approved suppliers, based on negotiated contracts. This helps reduce maverick purchases, strengthen compliance, and increase spend under management.



Top-performing procurement organizations create **3X more** purchase transactions from contracts, catalogs, and blanket POs.¹²



Requisition-to-order cycles are up to **3X faster** at top-performing procurement organizations.¹³



Invoice approval cycles are up to **81% shorter** at top-performing procurement organizations.¹⁴



GET INSPIRED

Find out how global healthcare leader **Smith+Nephew** has achieved impressive results from its procurement transformation.

Close the gaps

Our **SAP Ariba Buying and Invoicing** solution enables a smart and simple guided buying experience to drive visibility, control, and compliance across all spend-related processes while enforcing negotiated savings.

The **Spot Buy capability** in SAP Ariba procurement solutions allows you to direct tail-spend purchases to approved buying channels.

Question 5

How much do you know about non-payroll workers across your organization?

Every year, large organizations spend millions on contingent workers and on services provided by third parties, including consulting and advisory firms, IT outsourcers, and facilities management companies.

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 and means companies don't know whether they're getting full value for their money from this spend.

The vast majority of C-suite executives say that contingent workers comprise **5-15%** of their total workforce spend.¹⁵

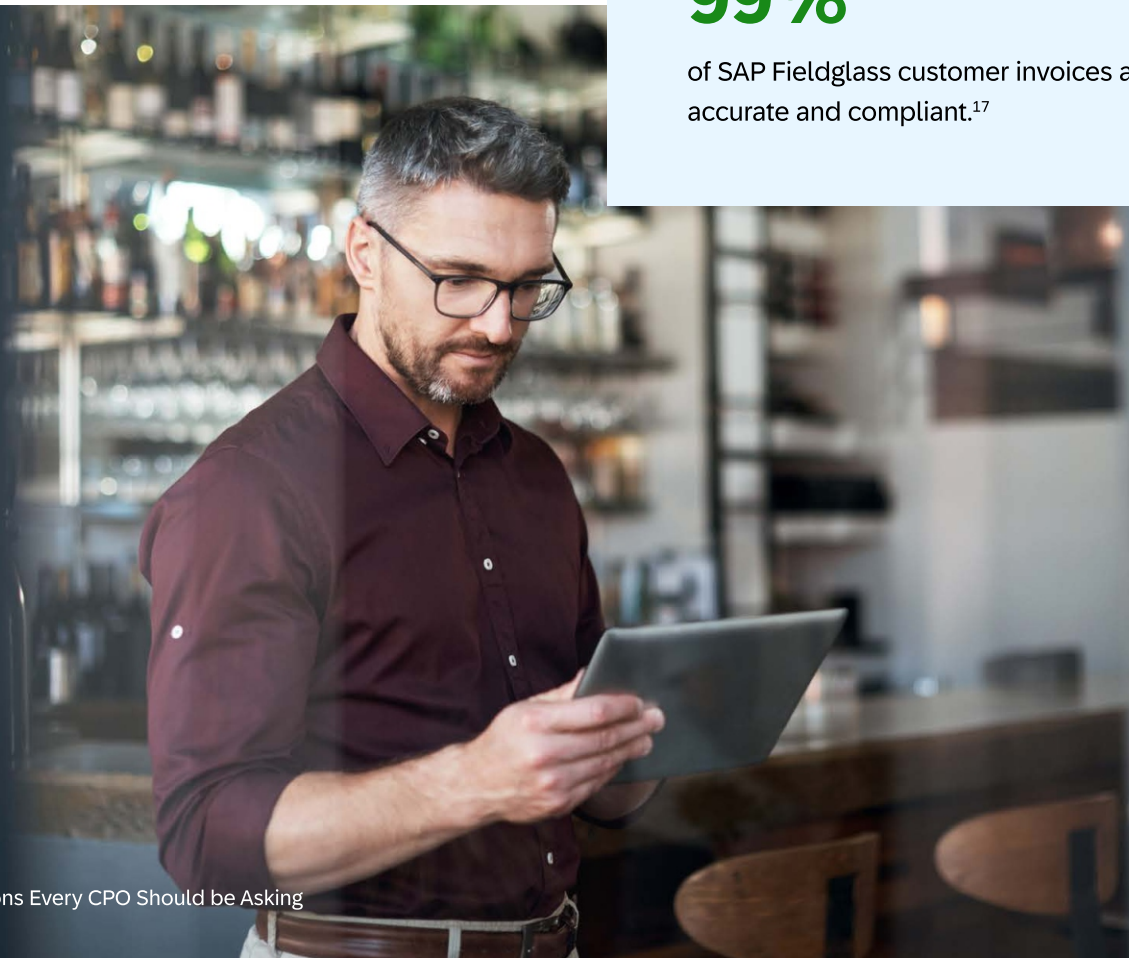
To put that into context, if an organization spends US\$1 billion on its workforce (including on employees' salaries), it spends between \$50 million and \$150 million on contingent workers.

#2

Cost savings are the second biggest reason for increasing use of the external workforce, according to C-suite executives.¹⁶

99%

of SAP Fieldglass customer invoices are accurate and compliant.¹⁷



Question 5, continued

“

From a global procurement perspective, down to a very specific spend subcategory, data from SAP Fieldglass solutions is giving us access to the insights we need to realize our next-generation procurement strategy.

Gregg Schneider, Global Services
Strategic Capability Lead, Accenture

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Close the gaps

Our **SAP Fieldglass Contingent Workforce Management** and **SAP Fieldglass Services Procurement** solutions enable you to gain visibility into and actively manage your external workforce, improving ROI and reducing risk.

Our **SAP Fieldglass Worker Profile Management** solution gives you a single, standardized view of your external workers – including those not tied to a job posting or statement of work – so you can centralize tracking and management of headcount, reporting, and on- and offboarding tasks.



GET INSPIRED

To discover how Accenture is taking services procurement to the next level, read the **case study** or watch this **short video**.



What will you do with total clarity?

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

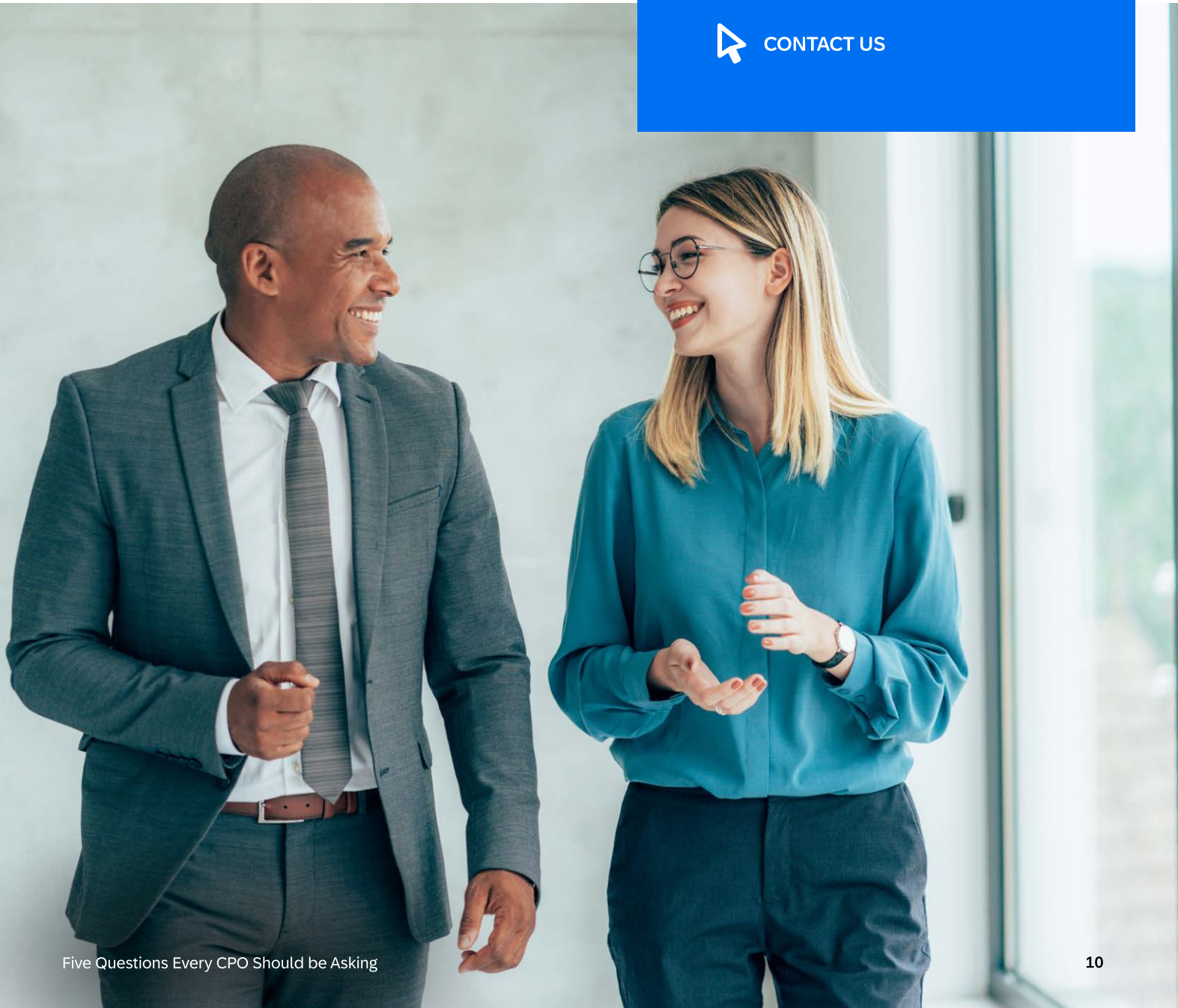
In other words? **It's time to unlock the power of procurement.**

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

Our mission is to help companies like yours prosper. We've helped thousands of companies make a case for change and we'd like to extend this offer to you.



CONTACT US



Sources

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- 2-4: **[“Across the procurement-verse: Changing trends in the procurement function,”](#)** Economist Impact, May 2024.
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- 15-16: **[“Decoding Confidence in the Procurement Function,”](#)** Economist Impact, June 2023.
- 17: **[SAP Fieldglass Benchmarking Services.](#)**