Maximizing procurement efficiency

How do you measure up?

Standout digital tools are transforming procurement, enabling leaders to achieve greater cost control, manage more spend with fewer resources, and focus more tightly on strategic tasks.

How do your results compare to your peers'?

Now you can find out—and apply best practices to elevate your performance to the next level.[1]

Benchmark your way to **better business outcomes**

Use the experiences of top-quartile companies to enhance your strategy. [2]

1 **Benchmark your business**

Apply industry metrics to find out where you stand today.

2 **Set your priorities**

Identify gaps and targets to improve your performance.

3 **Build a case for change**

Create a compelling business case for investment.

Accelerate sourcing times and increase savings

Top-quartile organizations embracing smart, easy-to-use capabilities like guided sourcing and category management gain insights that lead to informed decisions and improved results.

>9% **annual sourcing savings**

Top tactics include using auctions, educating suppliers, and focusing on large spend categories.

4 x **faster sourcing**

Best practices include:

- Gathering a thorough set of requirements
- Forming teams of sourcing specialists
- Using intuitive analytics tools

Enhance supplier onboarding and compliance

New tools to onboard and manage suppliers are delivering speed and efficiency.

300% faster supplier onboarding

Best practices adopted by top companies include embedding processes to mitigate supplier risk, using flexible templates, and enabling proactive risk alerts.

60% higher supplier compliance

Organizations are prioritizing contract-based suppliers, using SAP Ariba features, and incentivizing employees to make compliant purchases.

Tip:

Use automated risk alerts and mitigation processes that tap into comprehensive data sources.

Optimize purchase transactions to increase savings and strengthen control

Catalogs can help you manage spend.

Top-quartile organizations make it simpler for their buyers to find and order items.

- ✓ pre-approved products
- ✓ pre-negotiated prices
- ✓ standard shipping terms

86%

of transactions at top companies are created from contracts and catalogs.

Best practices include searchable catalogs, guided buying, and avoidance of maverick purchases.

0.9 day

cycle times are achieved by top performers.

Tactics include activating more supplier catalogs, streamlining approval processes, and enabling self-service requisitioning.

Reduce costs through automated processes

US$1 million in savings Imagine if you could save more than $1 million for every $1 billion of spend under management. Top-quartile organizations achieve this using early payment discounts.

Transition to a fully digital procurement system

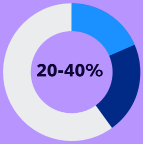
Experience a world of near-touchless PO and invoice processing.

- **Top-quartile organizations process 100% of POs electronically**. Practices include determining optimal buy and pay channels, using SAP Business Network, and securing quick wins by transacting first with onboarded suppliers.
- **They receive nearly all their invoices through SAP Business Network.** Strategies include prioritizing digital invoicing, simplifying supplier onboarding, creating secure portals, and mandating electronic connectivity.
- **Machine learning and robotic process automation enhance workflows and discrepancy management.** Leading companies achieve up to **81%** shorter invoice approval cycles. Practices include automated routing, streamlining approval workflows, and using built-in reporting tools.
- ✓ **The outcome?** Top organizations **pay almost 4X** less to process POs and invoices.

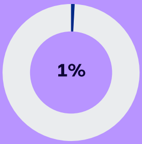
Unlock the power of procurement

Making the case for change

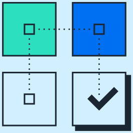
Decades of underfunding have left organizations scrambling for talent and tools. Businesses typically spend an average of **20-40%** of annual revenue on suppliers and service providers, yet procurement typically receives less than **1%** of the total budget allocation.



Businesses



Procurement



Now's the time for procurement and finance decision-makers to move the needle, and benchmark data can help you do it.

The experiences of top-quartile organizations prove there's a way to stay competitive and deliver continuous improvement in a volatile economy.

Get the insights to supercharge your success

Download your copy of our benchmark report and see the full impact of SAP Ariba solutions for transforming procurement through digitalization. Learn key metrics and capitalize on best practices to improve your source-to-pay performance.

Procurement Benchmark Survey Insights

Key metrics and best practices to improve source-to-pay performance

SAP Ariba

Download the report

1., 2. "Procurement Benchmark Survey Insights," Benchmark data is obtained on a rolling basis through surveys available in the SAP Ariba Benchmark Program. Quartiles are grouped as follows: Top 25% of participants, average 50% of participants, and bottom 25% of participants.

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