

WEBINAR

Is Your Organization Ready?

Preparing for P2P Digital Transformation

Presenters



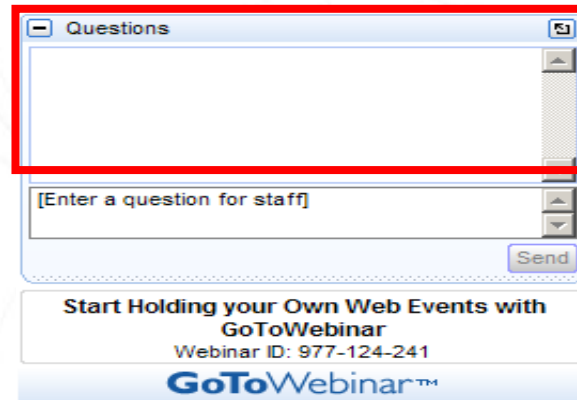
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Questions

- Send me your question early
- Use this opportunity to get the answers/info you seek
- The sooner you send me the question, the more likely it will be asked
- Remember to stay on for Q&A in the last 10 minutes of the session



Questions

[Enter a question for staff]

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The screenshot displays the sharespace website interface. At the top, the sharespace logo is on the left, and navigation links for subjectspace, summitspace, strategyspace, supplierspace, socialspace, and jobspace are on the right. Below this is a dark navigation bar with categories: My Interests, All, News, Blog, Articles, Webinars, Presentations, Reports, Interviews, and Templates. A search bar is present with a search icon and a 'Search for subjects' placeholder. To the right of the search bar are buttons for 'Preferences', 'Filters', and 'Reset filters'. The main content area is divided into sections: 'New to subjectspace' featuring a 'Blog' article titled 'Applying AI and Machine Learning to Benchmarking' (dated 26-Sep-2017) and two 'News' articles: 'IBM Names CloudTrade as e-Invoicing Business Partner' and 'World Vision Opens Regional SSC in Accra...'. Below this is 'Editor's Picks' with a 'Report' titled 'The Duty to Report' (dated 12-Sep-2017) and an 'Article' titled '10 Cracking Bits of' (dated 19-Sep-2017). The 'Selected for you' section features a 'Webinar' titled 'Digital Transformation through e-Invoicing at Infineon' (dated 26-Sep-2017) with a description: 'When the power of digital transformation spreads to invoice processing, businesses can move from managing transactions to improving business performance...'. The background of the website has a light blue geometric pattern.

The slides will be available
after the webinar at
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Agenda

- Context
- Poll questions
- How to prepare for P2P digital transformation
- 12 Keys to success
- About SAP Ariba
- Questions

Context

Many companies are now realizing that Digital Transformation is no longer an option, but an inevitability. But it's not something that will happen overnight.

It is a marathon, not a sprint - and marathons require preparation.

Today we will look at

- How to prepare your P2P organization for digital transformation.
- Who should be driving digital transformation?
- The goals for the key stakeholders in AP, Procurement, IT
- What are some of the quick wins in automating and transforming P2P?
- Tips for getting your organization ready for digital transformation

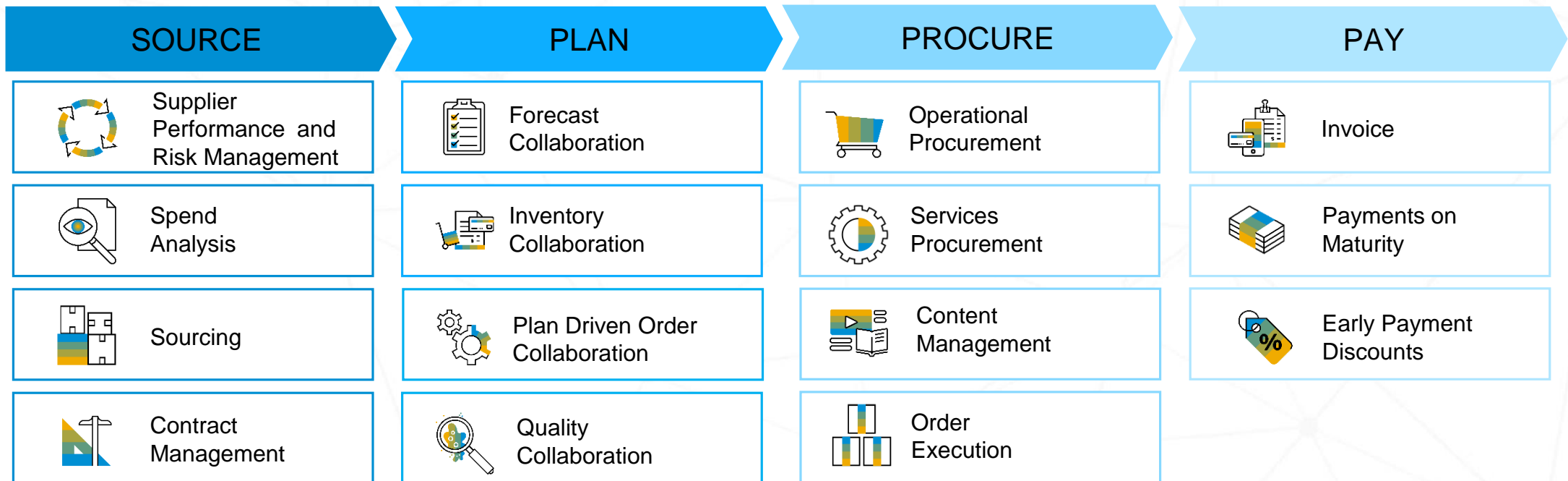
Poll Question

Where are you on your digital transformation journey?

- We have a plan and have been making changes
- We have a strategy in place, not yet executed
- There is talk at the board level, don't know it applies to me
- We haven't considered digital transformation

Source to Settle

BUYERS — SOURCE TO SETTLE



What are you trying to transform?

Are you looking at individual departments or the P2P process?

Common pitfalls

- Siloed initiatives
- Duplicate efforts to solve common business problems
- Separate RFPs



Digital Transformation: Stakeholders and Goals

C-Suite	Finance (AP / Treasury)	Procurement	IT
<ul style="list-style-type: none">• Real Time Dashboards• Better P&L	<ul style="list-style-type: none">• Touchless invoice processing• Eliminate inefficient work cycles• Improved accuracy• Manage Cash & Working Capital	<ul style="list-style-type: none">• Consumer like buying experience• Spend analytics and category management• Supplier onboarding, risk & diversity management	<ul style="list-style-type: none">• Platforms, not point solutions• Minimize new integrations

Don't make your digital transformation strategy separate from your business strategy. Understand their goals and make sure your automation efforts aim to solve business problems.

POLL QUESTION

How aligned would you say Procurement and AP at your company?

- Very aligned, share same organization, KPIs, leadership
- Aligned, share most goals and KPIs
- Somewhat aligned, collaborate on projects
- Rarely aligned, work separately, collaborate when needed
- Not at all aligned, very siloed

Where are the biggest benefits?

1. Competitive sourcing
2. Purchase Order Compliance
3. Having invoices arrive electronically
4. Giving suppliers visibility of invoice status
5. Improving working capital

What do you need to get right before you automate?

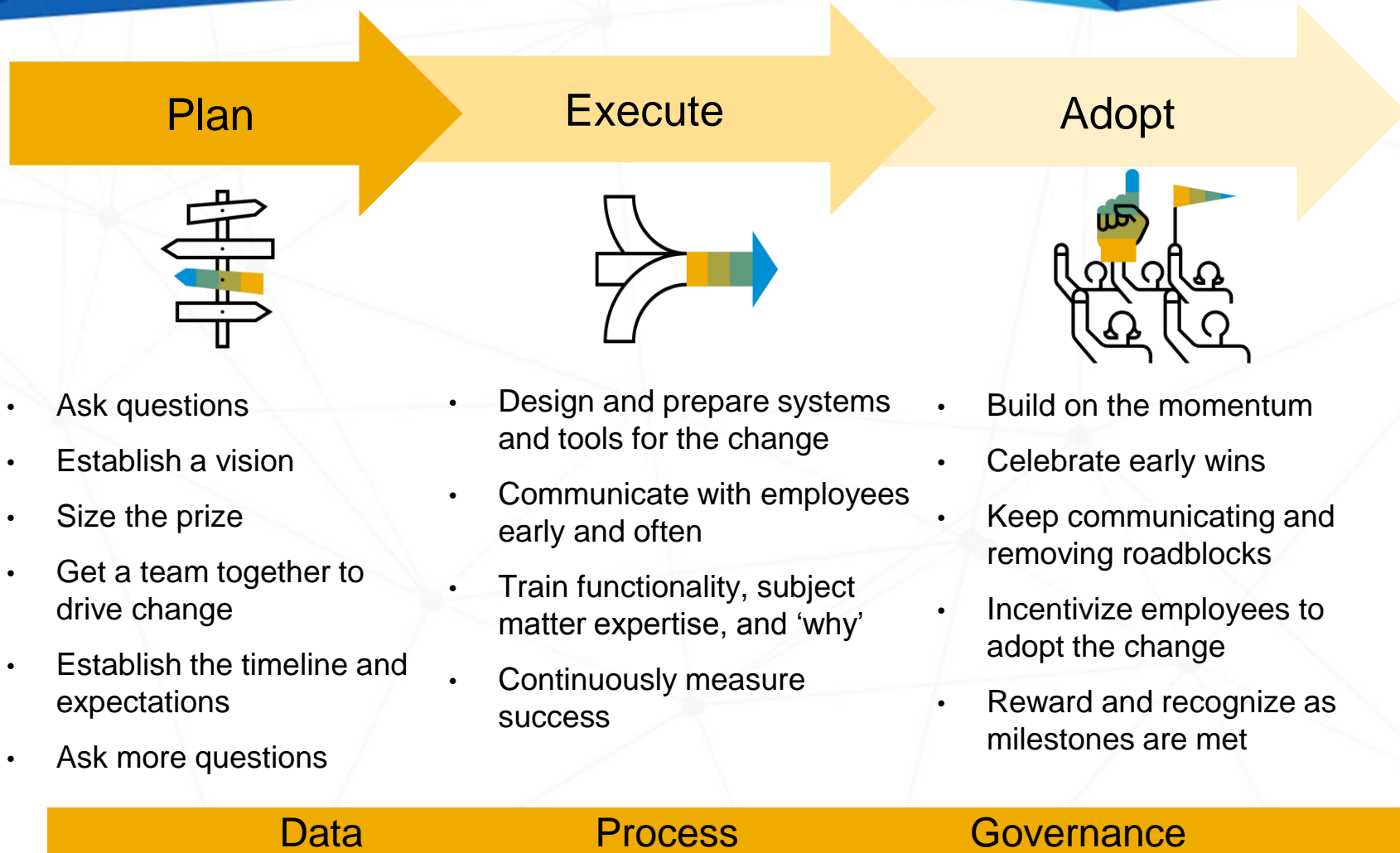


- **Data.** If your master data isn't in good shape, your automation efforts won't hit their potential.
- **Processes** – don't want to automate bad processes. Once processes are fixed through training or establishing a process, it's the right time to automate.



- **Governance** – who will be accountable for the technology and transformation adoption? Consider a governance council for large scale projects

Stages of Success



“The central issue is never strategy, structure, culture, or systems. The core of the matter is **always about changing the behavior of people.**”

--Dr. John P. Kotter

12 Keys to Success

Program Vision & Business Case



- Key stakeholders have education, awareness, and buy-in
- Business case, business outcomes, benefits investment, and change

Executive Sponsorship



- Executive advocate & champion of the program
- Evangelize importance

Governance



- Cadence for monitoring progress, resolving issues, celebrating wins
- Driving accountability

Success Measurement



- KPIs & performance monitoring
- Baseline vs. target
- Benchmarking
- Define what success looks like, measure regularly to manage goals

Process Refinement



- Update business processes to drive optimization and consistency
- Leverage best practices

Buy Process Enablement



- A multi phase roadmap timeline
- Enablement plan (e.g. by stakeholder, category, business unit, geo)

Resource Planning



- Implementation
- Steady state operations

Supporting Policy



- Internal and external
- Provides specifics expectations for compliance

Cross Functional Collaboration



- Clearly aligned objectives
- Participation across departments

Incentives



- Ensure goals are perceived as important
- Inspire and rationalize the need to change

Training



- How the day to day job will be different but also the subject matter, value, and 'why'
- Not one size fits all but should be specific based on job function and role

Communication



- Develop a strategy for internal and external communication
- Strategic communications come from executive sponsors

Corporate change efforts fall short with only **12%** achieving or exceeding expectations¹

Automation vs Transformation

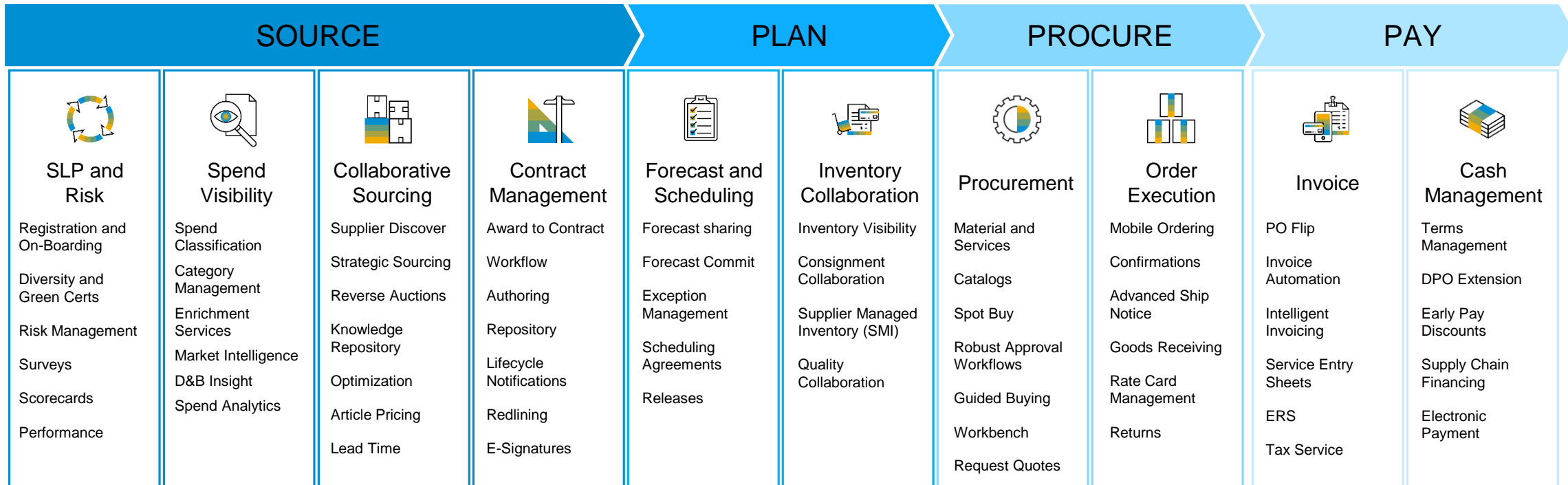


- Siloed vs integrated approach
- Preparing your workforce for the future
- Re-imagining your service

SAP ARIBA SOURCE-TO-SETTLE PORTFOLIO

BUYERS — SOURCE TO SETTLE

ARIBA NETWORK



SAP Ariba SOURCE-TO-SETTLE - VALUE OPPORTUNITY

BUYERS — SOURCE TO SETTLE

ARIBA NETWORK

SOURCE



4-15%
average Unit Price
Reduction

PLAN



4-12% lower days in
Inventory **5-15%**
Inventory
write-offs



13 - 36%
lower rev loss due
to stock-outs

PROCURE



\$20M
contract leakage
per \$1 billion of spend

PAY



\$1-2M
savings per
\$1 billion of target
spend



40-50%
operating cost reduction
(**Process Efficiency**)

Q&A



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