

Procurement Digital Transformation with SAP Ariba

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WHAT IS ARIBA

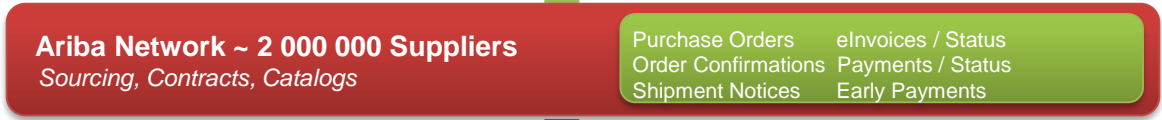
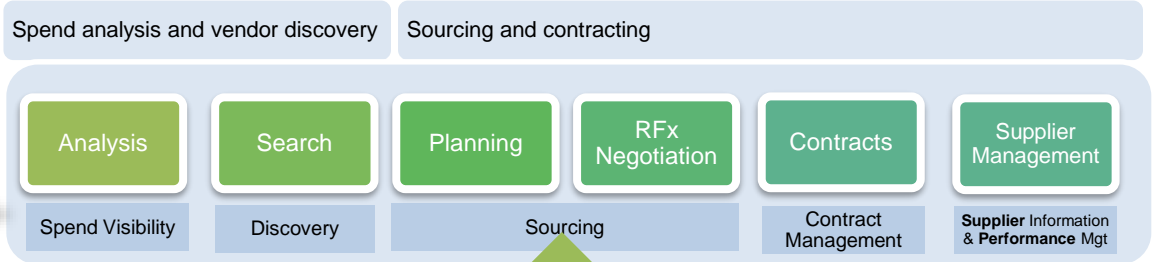
- **Ariba is a SAP company**, headquartered in Sunnyvale, California. It was founded as a niche **procurement solution provider** in 1996, and acquired by SAP in 2012.
- **SAP positions Ariba as its lead cloud-delivered solution for procurement and sourcing.** Ariba use Java EE-architected, and since 2013 suite version 13s is delivered exclusively as multitenant SaaS (cloud-based applications).
- **In addition to the strategic sourcing suite, Ariba offers procure-to-pay solutions and the largest supplier network (2 million suppliers)** with Ariba Network, that allows to discover, connect, and collaborate with a global network of customers, suppliers, banks, and other partners.



ARIBA Functional Solution MAP

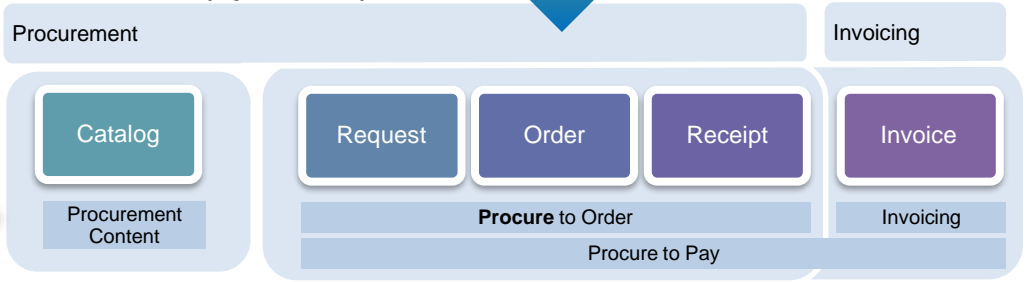
Ariba Upstream (Strategic)

Find and negotiate the best price



Ariba Downstream (Operational)

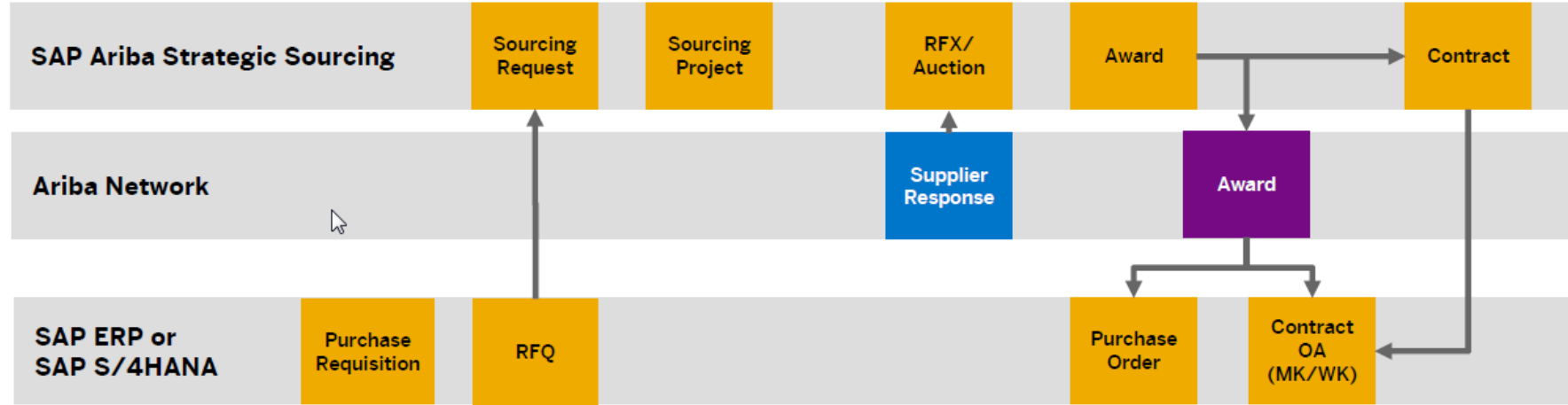
Control the purchasing process







Pay the right price at the right time

ARIBA INTEGRATION

SAP ARIBA STRATEGIC SOURCING



-  Buyer activity
-  Supplier activity
-  SAP Ariba activity (automated or manual)
-  Existing standard integration scenarios

General flow is left to right. Arrows illustrate the key integration touch points between solutions. Integration flows inside a solution are not considered. Vertical gray topics have integration to many areas; arrows are not shown for brevity.

ARIBA PROJECT APPROACH



Some factors to consider in an Ariba implementation:



- SAP Roadmap integration improvements to leverage standard Add-On and to avoid interface developing / mappings.



- Method adoption is key, **initial Ariba training overview is recommended before configuration workshops.**



- **Target operating model or conceptual design is needed before starting Ariba implementation** to be able to deploy quickly the solution. Delays in configuration workshops are more expensive than delays in target operating model phase.
- It is recommended **to start first with Ariba Upstream solution**, to reduce risk, understand better the product, and to achieve quick wins earlier.

ARIBA PROJECT APPROACH

Ariba Upstream stand alone implementation: Tasks and timelines.

Tasks	Month					
	M1	M2	M3	M4	M5	M6
Sourcing Solution						
1. Solution configuration design						
Configuration workshops						
Configuration design						
2. Solution configuration and testing						
Configuration						
Ariba configuration						
Ariba configuration adjustments						
Testing						
Testing scenarios preparation						
Testing scenarios execution						
Testing scenarios errors repair						
3. Training and communication						
Training material preparation and communication						
Users training						
4. Go live and support						
Go live						
Initial support						

ARIBA Project References

Ariba implementations in more than 60 customers, different sectors, and roll outs in 65 countries

- **Financial Services**

- **Bank of America** (Integrated to SAP and various Legacy Systems).
- **ABN-AMRO** (Integrated to SAP and various Legacy Systems).
- **Global Credit Card Provider** (Integrated to various Legacy Systems).
- **Discover Financial services** (Integrated to People-soft and various Legacy Systems).
- **SunTrust Bank** (OnDemand implementation integrated to Oracle Financials).

- **Consumer Products**

- **Unilever** (Integrated to SAP and various Legacy Systems).
- **Heinz** (Integrated to SAP and various Legacy Systems).
- **Lion Nathan** (Integrated to various Legacy Systems).

- **Industrial**

- **Caterpillar** (Integrated to SAP and various Legacy Systems).



ARIBA Project References

Ariba implementations in more than 60 customers, different sectors, and roll outs in 65 countries

- **Retail**

- **Saks Incorporated** *(Integrated to various Legacy systems).*
- **CVS Pharmacy** *(Integrated to various Legacy systems).*

- **Utilities**

- **ConEdison** *(Integrated to various Legacy Systems).*
- **National Grid Transco** *(Integrated to various Legacy Systems).*

- **Telecom**

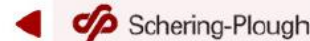
- **Verizon wireless** *(Integrated to Legacy systems).*
- **AT&T Canada** *(Integrated to Legacy systems).*
- **Avaya** *(Integrated to SAP and various Legacy Systems).*

- **Media & Entertainment**

- **Sony Pictures** *(Integrated to various Legacy systems).*

- **Life Sciences**

- **Schering-Plough** *(Integrated to various Legacy systems).*



GRUPO PESTANA ARIBA IMPLEMENTATION



Sourcing

Supplier On Boarding

Supplier Management



	Task Name	Duration	Start	Finish	Actual Finish	% Complete
✓	[-] Implementação ARIBA	71 days	Mon 19-09-16	Mon 26-12-16	Mon 26-12-16	100%
✓	[+] Preparação do Projeto	2 days	Mon 19-09-16	Tue 20-09-16	Tue 20-09-16	100%
✓	[-] Business Blueprint	15 days	Mon 26-09-16	Fri 14-10-16	Fri 14-10-16	100%
✓	[+] Enablement Workbook	15 days	Mon 26-09-16	Fri 14-10-16	Fri 14-10-16	100%
✓	[+] Sourcing Pro	15 days	Mon 26-09-16	Fri 14-10-16	Fri 14-10-16	100%
✓	[+] Supplier Information Management	15 days	Mon 26-09-16	Fri 14-10-16	Fri 14-10-16	100%
✓	[+] Supplier Performance Management	15 days	Mon 26-09-16	Fri 14-10-16	Fri 14-10-16	100%
✓	[-] Realização	40 days	Mon 17-10-16	Fri 09-12-16	Fri 09-12-16	100%
✓	Configuração	15 days	Mon 17-10-16	Fri 04-11-16	Fri 04-11-16	100%
✓	Testes Unitários de Modelos e Ajustes	10 days	Mon 24-10-16	Fri 04-11-16	Fri 04-11-16	100%
✓	[+] Testes de Aceitação	15 days	Mon 07-11-16	Fri 25-11-16	Fri 25-11-16	100%
✓	[+] Formação	10 days	Mon 28-11-16	Fri 09-12-16	Fri 09-12-16	100%
✓	[+] Preparação para Arranque	11 days	Mon 12-12-16	Mon 26-12-16	Mon 26-12-16	100%



Procurement Digital Transformation with SAP Ariba

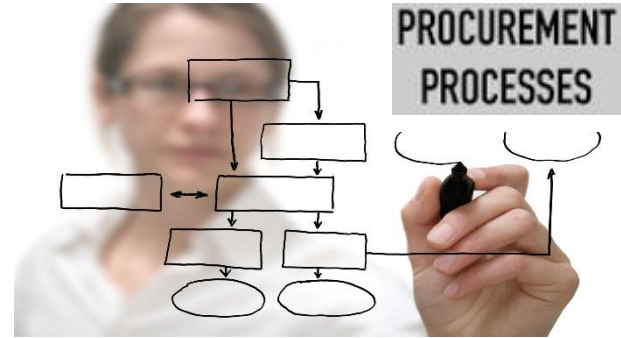
Luciano José
Director of Purchasing
Grupo Pestana



TRANSFORMATIONAL CHANGE OF THE PURCHASING FUNCTION

Luciano José | 10-05-2017

PROCUREMENT TRANSFORMATION



PROCUREMENT TRANSFORMATION | WHERE WE ARE?

	DISCOVERY	REACTIVE	PROACTIVE	STRATEGIC VALUE - ADD
PEOPLE / ORGANIZATION	<ul style="list-style-type: none"> ▶ Decentralized organization ▶ Generalist skills ▶ Low category expertise 	<ul style="list-style-type: none"> ▶ Limited center-led procurement ▶ Limited category skills 	<ul style="list-style-type: none"> ▶ Broad category expertise ▶ Center-led purchasing organization ▶ Advanced procurement skills 	<ul style="list-style-type: none"> ▶ Best-in-Class category managers ▶ Expert procurement skills focused on TCO ▶ Strong support from business leaders
TECHNOLOGY	<ul style="list-style-type: none"> ▶ Spend (in) visibility < 25% ▶ No/Low tool usage ▶ Low automation 	<ul style="list-style-type: none"> ▶ Spend visibility improving (<40%) ▶ Limited e-procurement tool usage 	<ul style="list-style-type: none"> ▶ Enterprise level visibility > 60% ▶ Broad e-procurement tool usage 	<ul style="list-style-type: none"> ▶ Global spend visibility > 90% ▶ Full suite of integrated e-procurement tools in use
PROCUREMENT PROCESSES	<ul style="list-style-type: none"> ▶ Ad hoc processes ▶ Low spend levels under management ▶ Poor compliance 	<ul style="list-style-type: none"> ▶ Low hanging fruit sourced ▶ Largest categories actively managed ▶ Compliance improving 	<ul style="list-style-type: none"> ▶ Robust Req-to-Check processes ▶ Most categories actively managed ▶ Standardized contracts 	<ul style="list-style-type: none"> ▶ P2P Shared Services ▶ Automated workflows ▶ Systematic process ▶ Global LCC sourcing ▶ Excellent compliance
CHANGE MANAGEMENT	<ul style="list-style-type: none"> ▶ No/low training ▶ Ad hoc communication ▶ Leadership not engaged ▶ Low awareness/education 	<ul style="list-style-type: none"> ▶ Limited training ▶ Growing awareness and support ▶ Communications improving 	<ul style="list-style-type: none"> ▶ Strong support from some areas ▶ Full-scale training underway ▶ Active communication 	



PESTANA HOTEL GROUP CHALLENGE | FUTURE



“The best way to predict your FUTURE is to create it.”

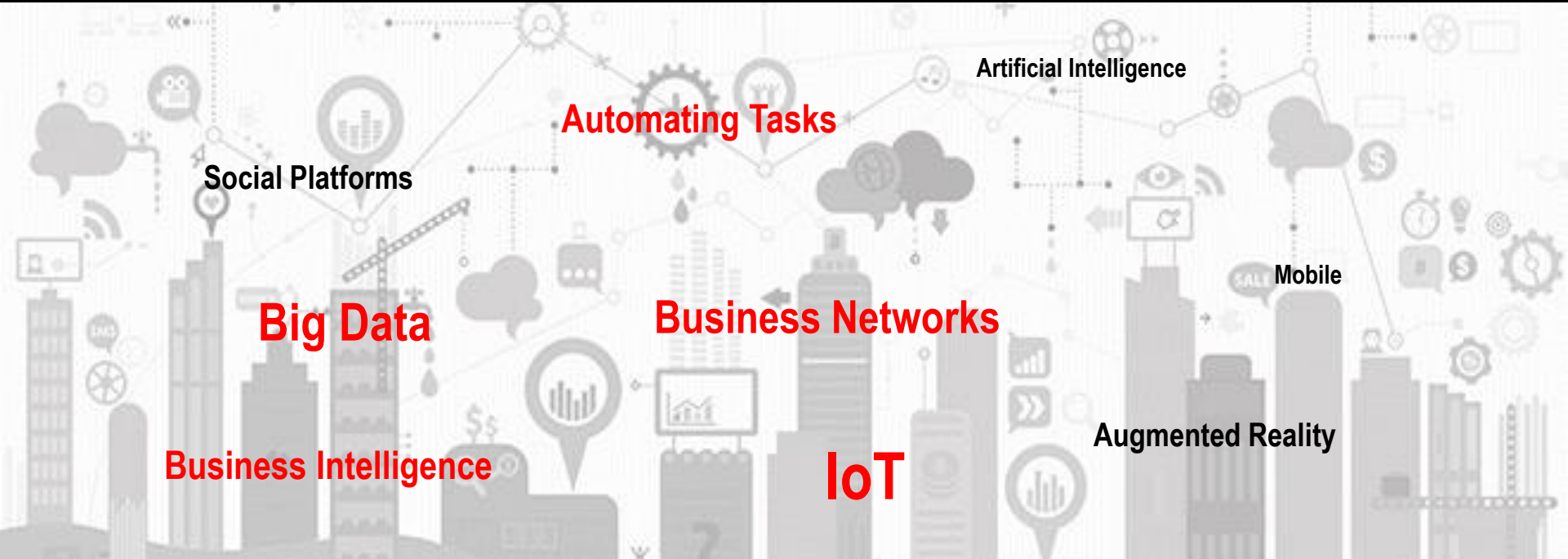
George Washington



PESTANA HOTEL GROUP CHALLENGE | ePROCUREMENT



The future goes through a **Revolution...**



The Revolution turns out to be **Digital**



PESTANA HOTEL GROUP CHALLENGE | ePROCUREMENT



Jun'16



MAKE PROCUREMENT AWESOME






PESTANA HOTEL GROUP CHALLENGE | eProcurement

PEOPLE / ORGANIZATION

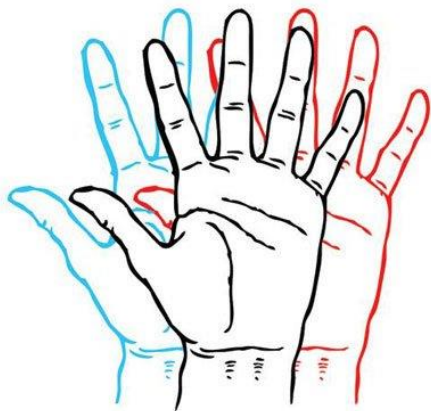
PROCUREMENT PROCESSES

TECHNOLOGY

	Sourcing	Supplier On Boarding	Supplier Management
	Catalogs	PR Purchase Requisition	
	Contract PO – Purchase Order	Supplier Creation	Invoice Payment



PESTANA HOTEL GROUP CHALLENGE | ePROCUREMENT



THREE HANDS

KEEP IT SIMPLE





THE JOURNEY HAS BEGUN





WHERE NOT TO GO





OBSTACLES TO AVOID



PROBLEMS TO DEAL





DISCOVERIES TO FIND



MONEY TO EARN



SERVICE TO PROVIDE

SAP Ariba 


PESTANA
HOTEL GROUP



@ TRANSFORMATION



ARIBA EXPERIENCE

Transparency

Savings

Organization

Innovation

Water Analysis

Complex

Service

50 – 75K | Year

Portugal

2 Months

Saving: 26%



ARIBA EXPERIENCE

Transparency

Saving (Time & Money)

Organization

Innovation

Fleet: 5 Medium Cars

Simple

Renting

17,5 – 25K | Year

Portugal

1 Months

Saving: 21%



ARIBA EXPERIENCE

Swimming Pool
Outsourcing
Complex

Service

100 – 150K | Year

Algarve

1 Months

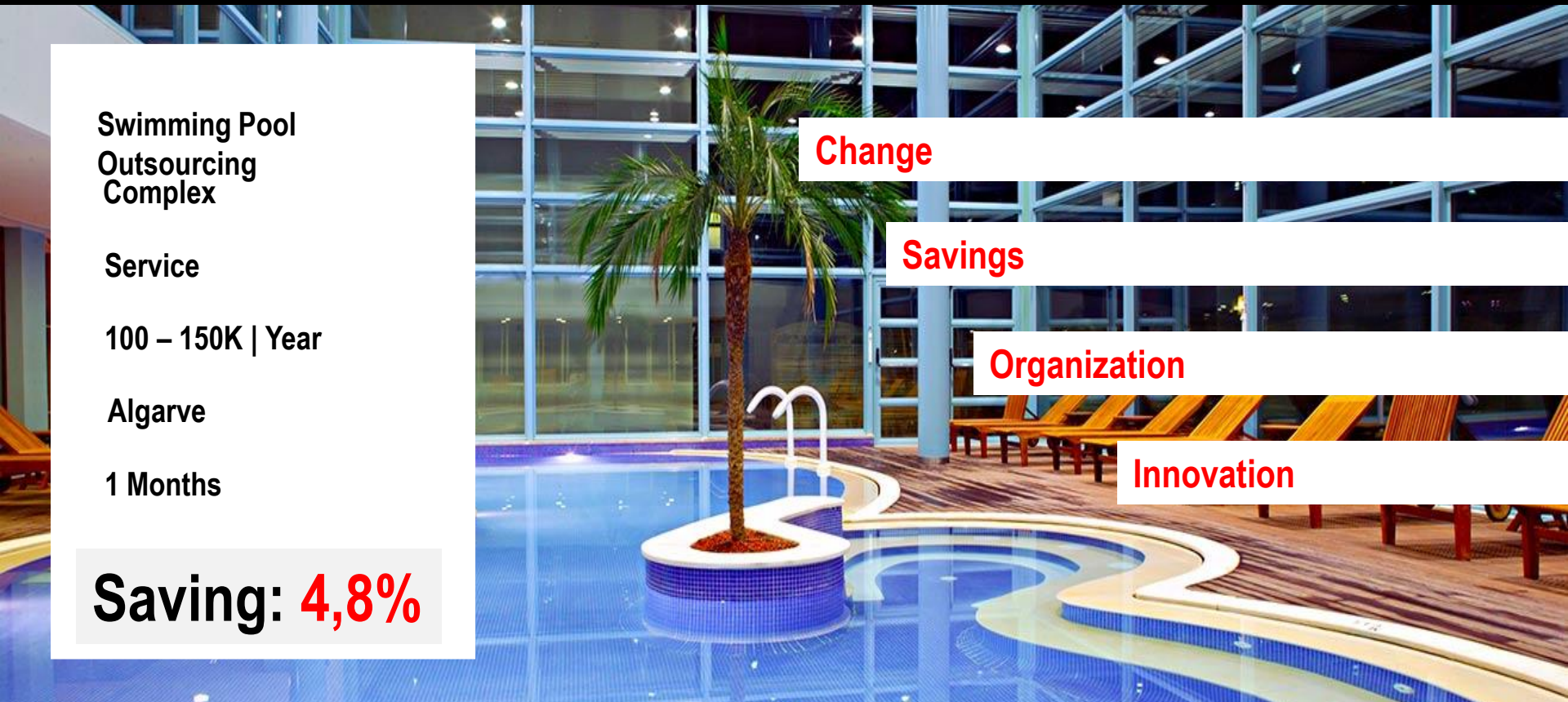
Saving: 4,8%

Change

Savings

Organization

Innovation



Fruits & Vegetables

Complex

Product

5 – 10K | April

2 Hotels - Exclusivity

1 Week | To continue

Saving: 3,5%

Vs Market 7,5%

Fruits & Vegetables

Complex

Product

15 – 20K | May

4 Hotels - Exclusivity

1 Week | To continue

Saving: 2,5%

Vs Market 9,5%

Change

Savings

Organization

Innovation



ARIBA EXPERIENCE

Transparency

Saving

Organization

Innovation

Polos

Simple

Product

5 – 10K | Year

Algarve

1 Week

Saving: 58%



ARIBA EXPERIENCE

Mattresses higienization

Simple

Service

50 – 60K | Year

Madeira

1 Week

Saving: 50%

Transparency

Savings

Organization

Innovation



ARIBA EXPERIENCE

New Suppliers

Savings

Organization

Innovation

All Inclusive
bracelets
Simple

Product

10 – 15K | Year

Portugal

1 Week

Saving: 36%



Equipment

Simple

Product

35 – 45K

Amsterdam | Holland

1 Month

Saving: 16%

New Markets

New Suppliers

Savings

Innovation

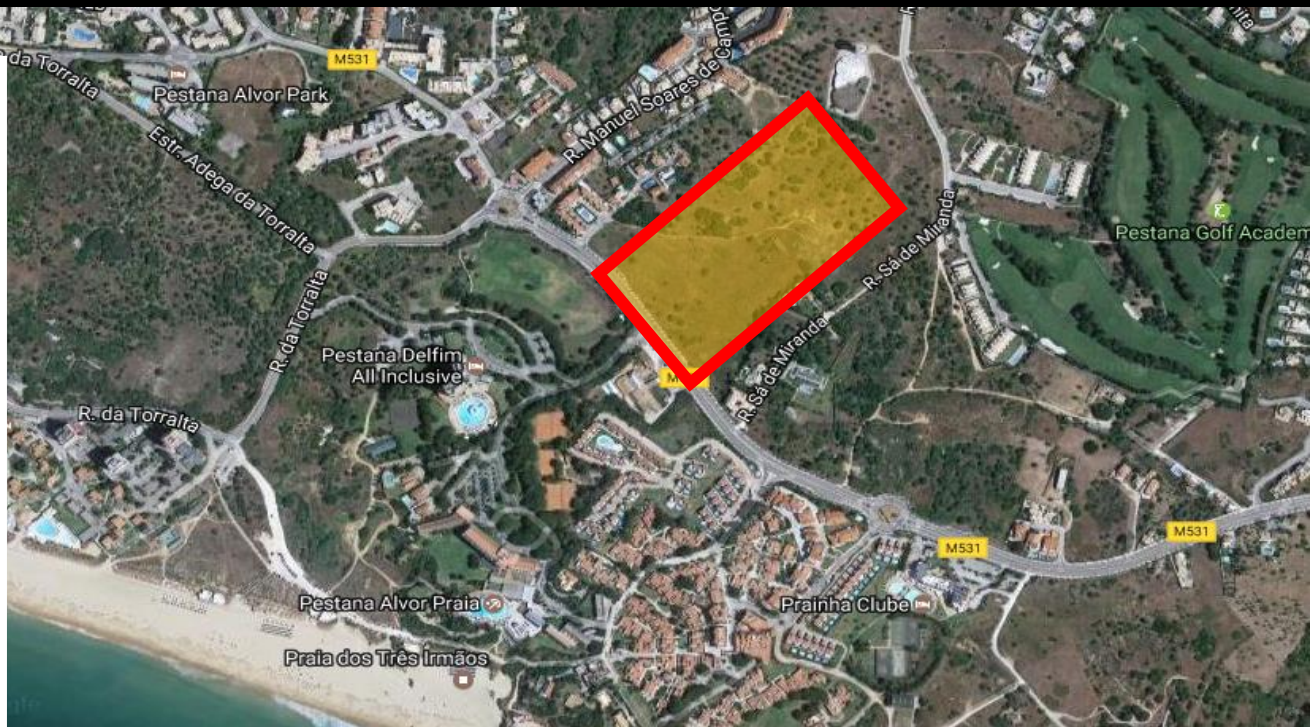


ARIBA EXPERIENCE

Hotel Construction

**Equipment
Complex
20 Millions
Algarve
1 Year**

Saving: ???



Ready to embrace this Challenge

Suppliers feedback?



This is not a PROBLEM!

Suppliers On Boarding



<http://pestana.supplier-eu.ariba.com>



ARIBA EXPERIENCE

Other Departments

Other Product & Services

Other Locations

eAuctions

Supply Evaluation

**Suppliers
Interaction**

And much more to explore & connect



ARIBA EXPERIENCE

With the first tender, we perpetually recovered **45% of the annual fees!**

If we add the ARIBA Savings, the **next 2 years fees are PAID!**

How much worth **TRANSPARENCY ?**

How much worth **CHANGE PARADIGM ?**

CONCLUSION | WHAT YOU NEED?

The main ability to embark and embrace the digital transformation journey for **organizations and individuals** is agility



AGILITY - The ability to

anticipate,

respond,

evolve,

thrive,

optimize

and **capitalize**

in a digitalized world

Q&A

Obrigado