



Digital Procurement

Capabilities of the future
Embracing Digital Transformation

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Beyond Source-to-pay

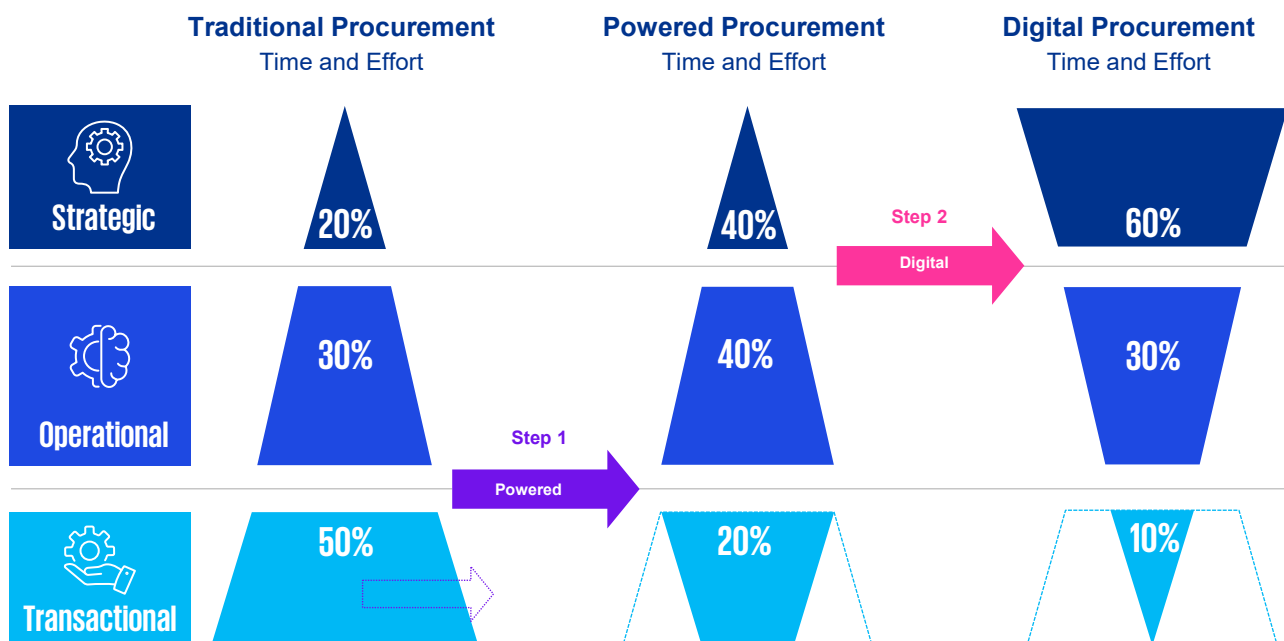
When it comes to best-of-breed vs source-to-pay (S2P), KPMG believes that S2P platforms should be complemented by best-of-breed solutions that are aligned with business priorities.

In this new era of emerging procurement technologies, leading procurement functions are looking beyond traditional S2P platforms.

We believe there should be an S2P platform that is enhanced by best-of-breed solutions and implemented in a transformational way that includes the people and process elements of the overall operating model.

Adopting best-of-breed solutions moves the dial from a transaction-based model to one that frees up time for value-adding procurement activities. S2P automates manual processes, freeing up time, resources and adding value,

but additional technologies are needed to enhance the strategic value delivered by procurement. Leading procurement teams are early adopters of these technologies and are reaping the benefits for competitive advantage.



Step 1: The processes

Implementing an S2P platform through Powered Procurement automates transactional activities and reduces the time and effort required at this level.



Step 2: The system

Following an S2P platform implementation, more time and effort can be focused on value creation and strategic priorities. However, augmenting this with best-of-breed solutions can further automate the activity and provide the same output with less time and effort.

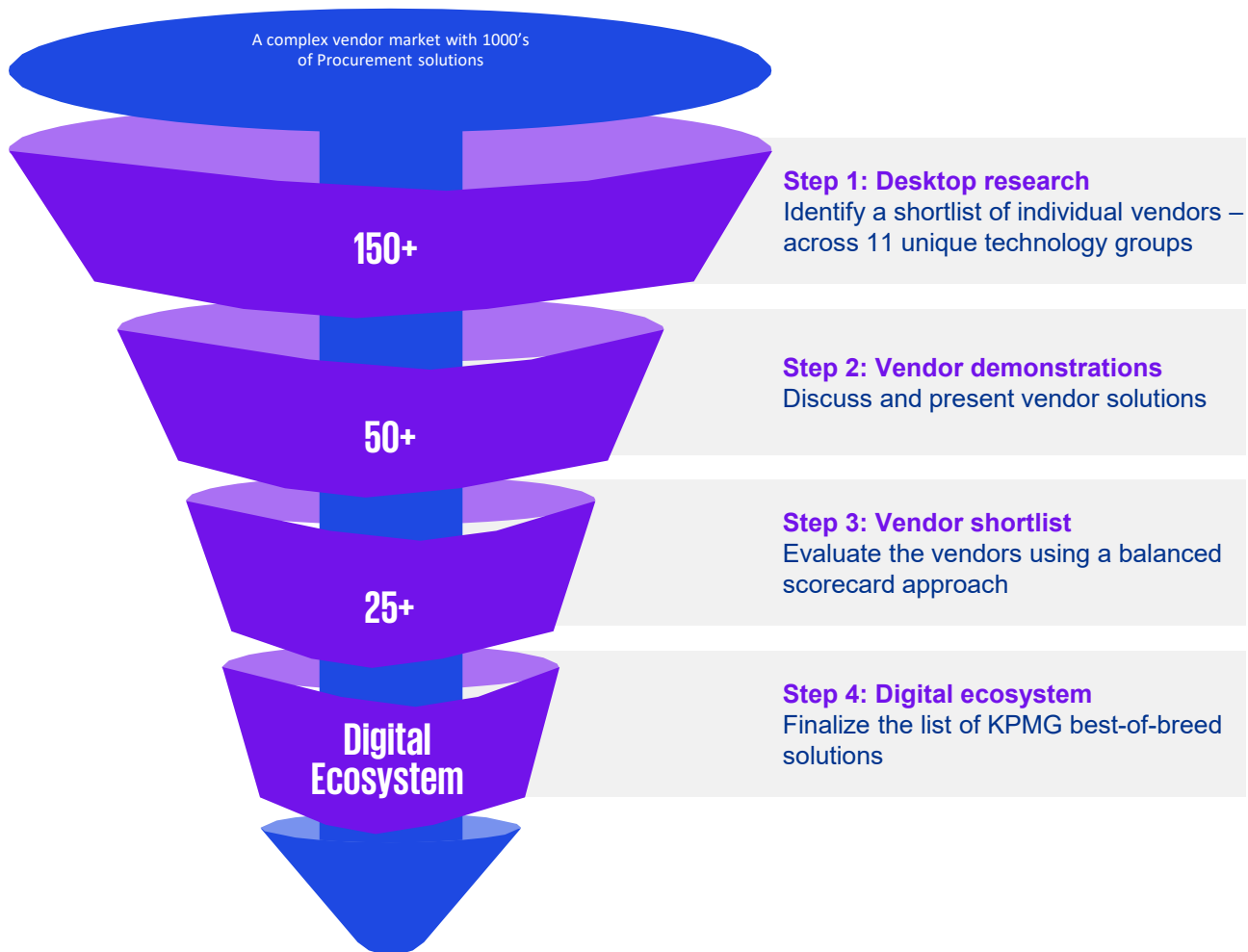
Best-of-breed solutions

KPMG conducted a market scan to identify the leading best-of-breed solutions.

By augmenting the S2P platform with best-of-breed solutions, Chief Procurement Officers (CPOs) and their teams can proactively unlock value to improve business outcomes one step at a time.

Leading procurement functions that have embraced digital procurement are higher on the maturity curve. Contract compliance is strengthened, purchasing insights are improved and overall, procurement has become a true commercial business partner.

At KPMG we have undertaken an extensive due diligence program to identify who the best-of-breed solutions in the marketplace are. We have shortlisted a number of vendors across the key priority areas of business value: cost management, sustainability, supply chain risk and supplier innovation.



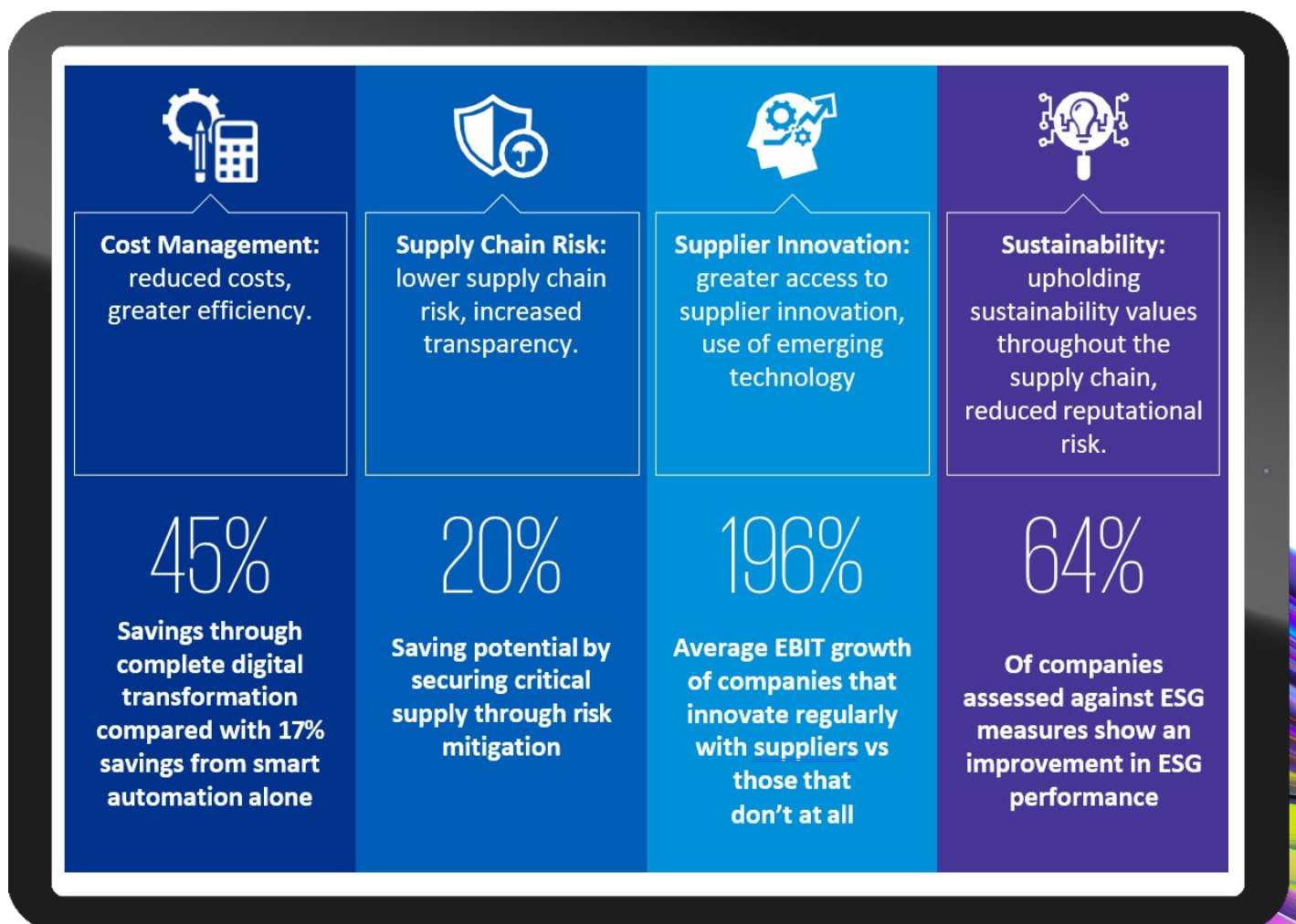
Emerging procurement priorities

C-suites are now looking to CPOs to drive initiatives in specific priority areas, and we have identified which best-of-breed procurement solutions can deliver these.

The typical CPO agenda now consists of four strategic pillars (in no particular order): Cost Management, Supply Chain Risk, Supplier Innovation and Sustainability.

While S2P platforms offer some advantages in these priority areas, there are gaps in what they can offer. This is where other best-of-breed solutions have an important part to play. Our shortlisted vendors can integrate seamlessly alongside the S2P platform to deliver improved business outcomes in the priority areas above.

Below are some examples of the benefits that can be achieved by augmenting the S2P platform with best-of-breed solutions.



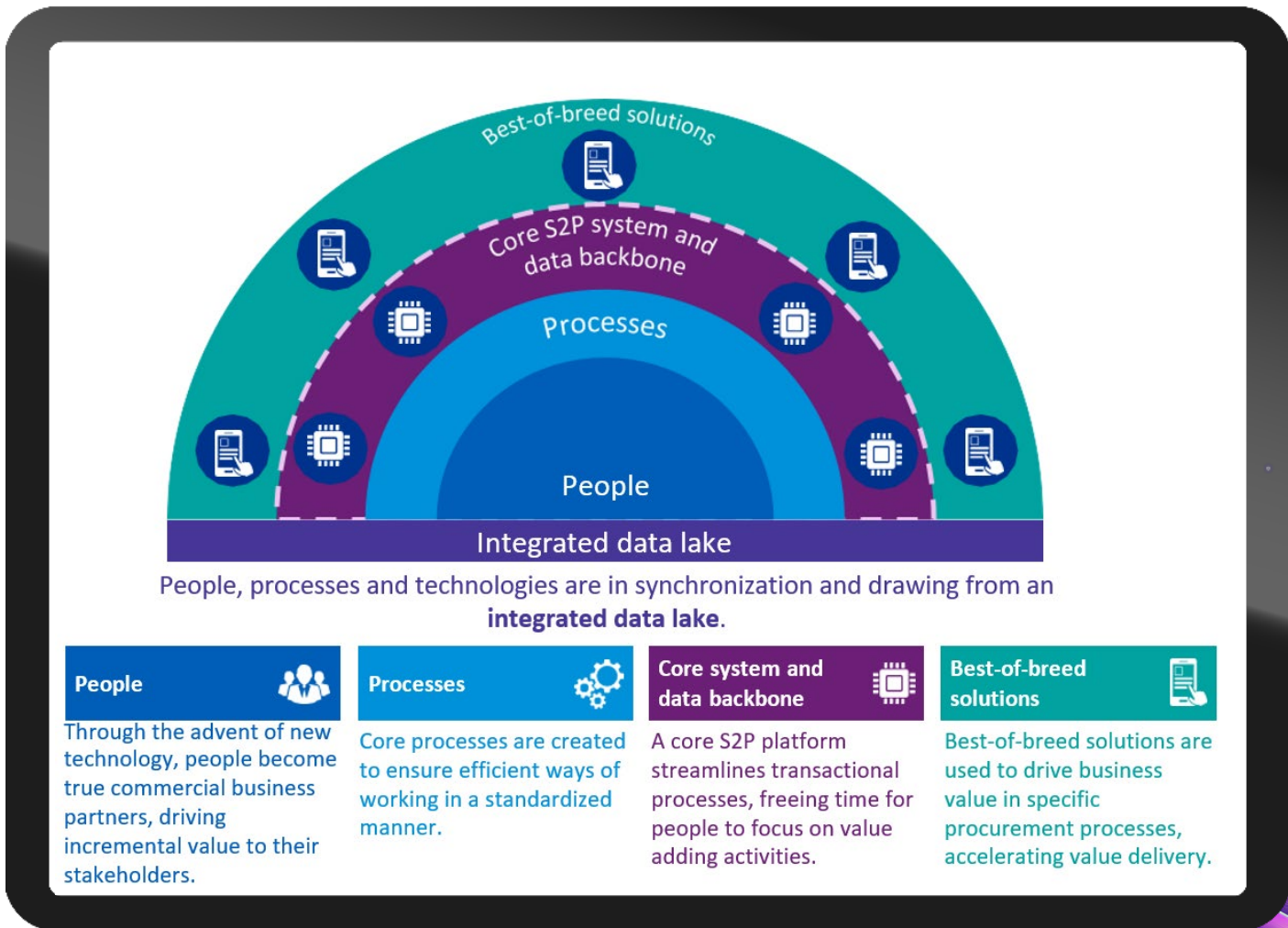
Full digital transformation

An S2P platform, enhanced by best-of-breed applications, should be implemented in a transformational approach that includes people and process.

A digital ecosystem made up of different solutions can be integrated alongside the S2P platform to create a seamless experience for procurement teams. Most importantly however, is that the underlying data should be “clean” and consistent across the ecosystem.

As mentioned earlier, leading procurement functions are augmenting their S2P platform with additional solutions that provide deeper insights and smarter capabilities. Equally, equipping the team to use the new solutions requires the right training and support to drive adoption.

Finally, clear processes enabled by technology need to be defined to drive the new ways of working. We have found that this alignment of people, process and technology, can significantly strengthen the value case and perception of procurement within the business.



People, processes and technologies are in synchronization and drawing from an integrated data lake.

People
Through the advent of new technology, people become true commercial business partners, driving incremental value to their stakeholders.

Processes
Core processes are created to ensure efficient ways of working in a standardized manner.

Core system and data backbone
A core S2P platform streamlines transactional processes, freeing time for people to focus on value adding activities.

Best-of-breed solutions
Best-of-breed solutions are used to drive business value in specific procurement processes, accelerating value delivery.

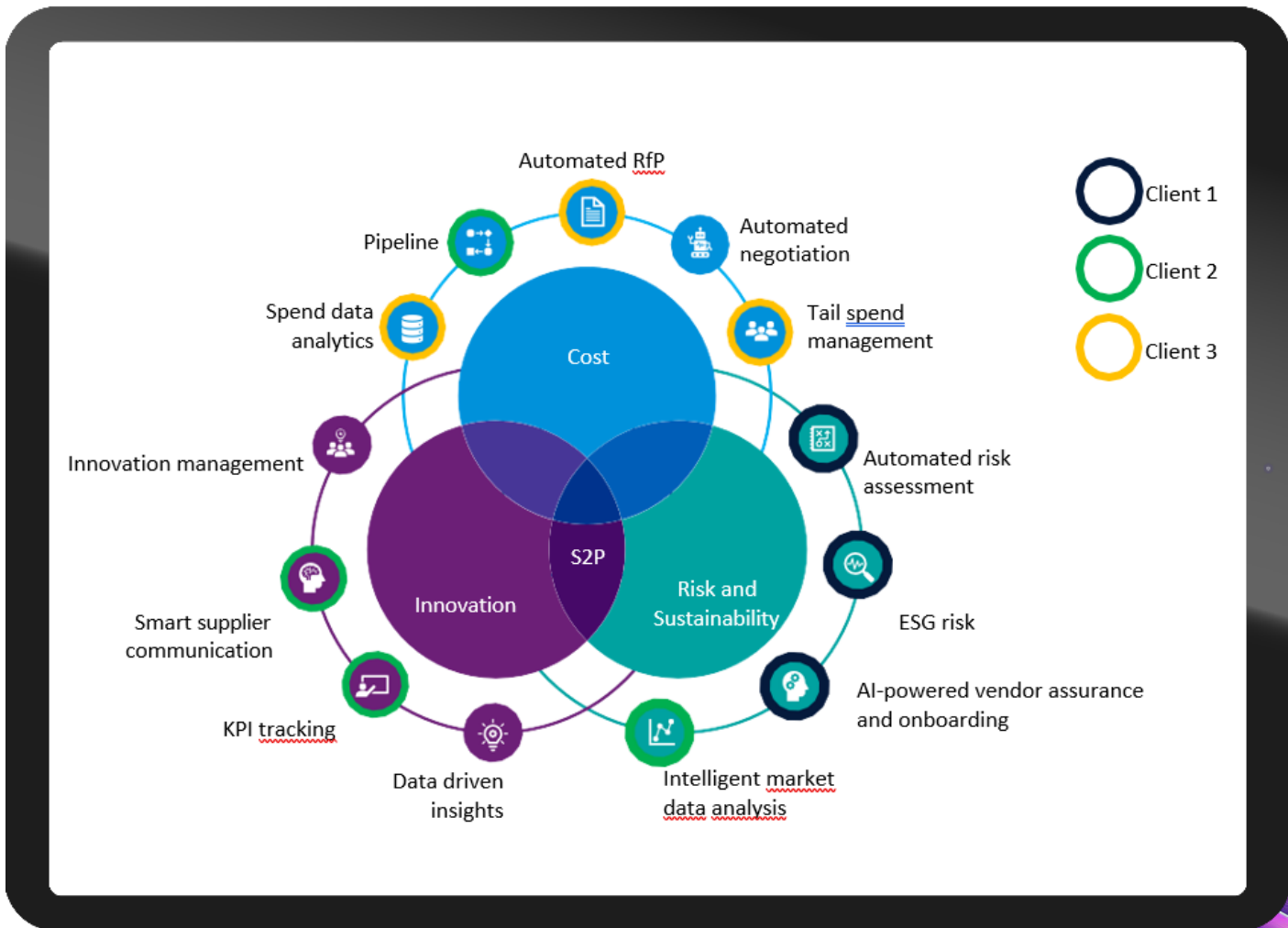
Where to go from here?

S2P platforms should be at the heart of a digital ecosystem, and the choice of best-of-breed solution should depend on your situation.

We have shared our view that S2P platforms should be augmented by best-of-breed platforms and we have highlighted some of our chosen partners in the best-of-breed market. We believe that KPMG is uniquely positioned to help you identify your priorities and begin your transformation.

Not every vendor we have chosen to partner with will suit every organization, so you should go through a rigorous process to determine your requirements. This process will be determined in part by the emphasis your organization places on the priorities we have outlined in the previous pages. However, this is a broad guide and within each priority area there are unique technologies.

Other factors that will influence your decision include: what S2P system you currently have in place, the maturity of your procurement organization in terms of skills and processes and the level of technology readiness and current adoption in your organization. KPMG can help you navigate this complex decision-making process to determine the right technology ecosystem.



How KPMG can help

We believe Digital Procurement is the next chapter in the evolution of how procurement adds value to the business.

In recent years, procurement functions have implemented S2P platforms as part of broader transformations. The market has changed and with the emergence of new best-of-breed solutions, now is the time to continue this transformation to ensure we continue to deliver business results.

We are extremely proud of Digital Procurement and this is what sets us apart in the market:



We have scanned the market, so we know which vendors provide market-leading solutions, accelerating your selection process;



In addition, our deep insights fast-track your tech & select process, accelerating the development of your business case and transformation;



We have in-depth insights into every vendor in our technology ecosystem which means we can help you identify which technologies meet your requirements;



Our approach is truly transformational and not just about implementing technology that supports higher levels of adoption in the new ways of working;

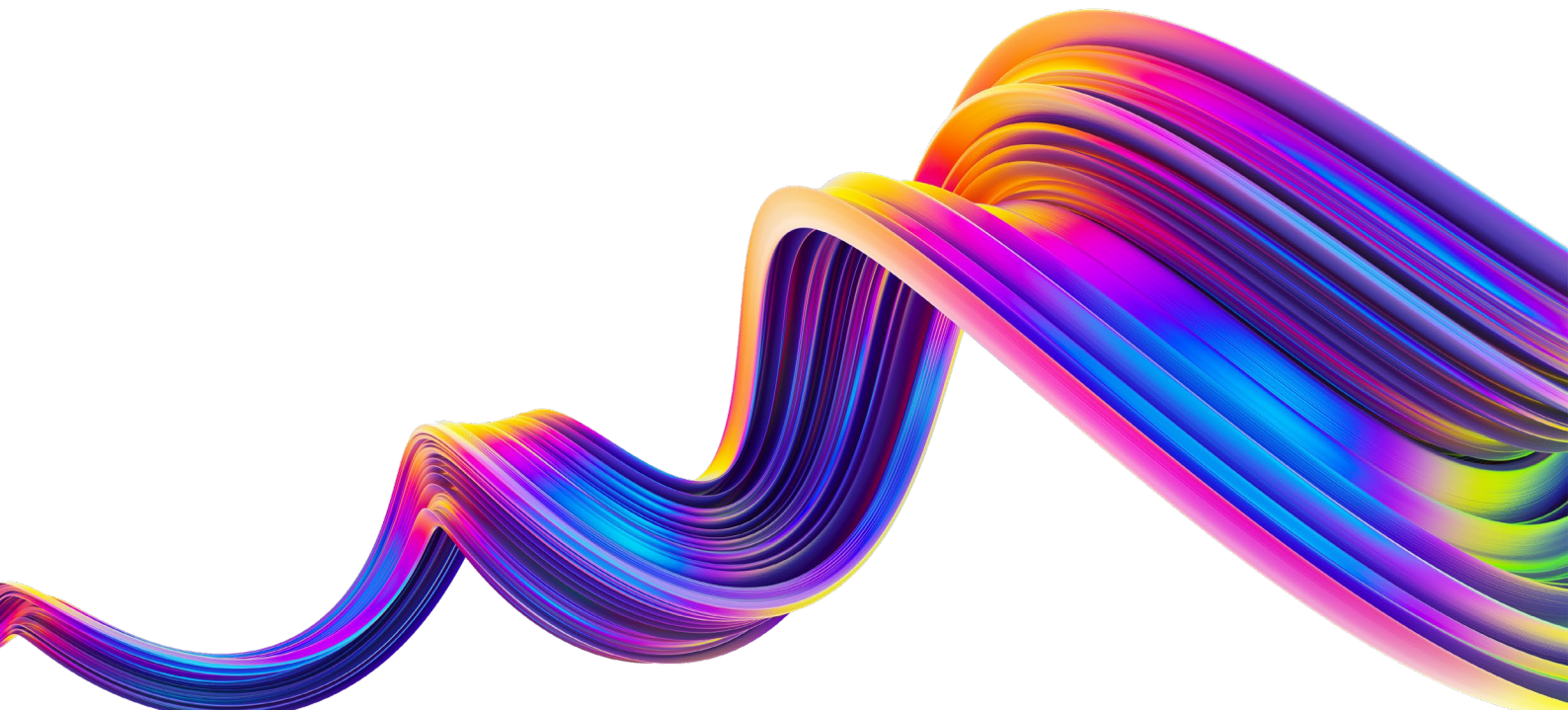


We are experts in integration, data strategy and operating model design, which means you get access to a true transformation partner.

Questions to consider

We believe Digital Procurement is the next chapter in the evolution of how procurement adds value to the business.

- 01 How mature is your current digital procurement ecosystem?
- 02 Is your procurement organization looking to invest in procurement technology?
- 03 Do your technologies support the needs and priorities of the business?
- 04 Are you aware of the best-of-breed solutions available?
- 05 How do best-of-breed solutions complement your existing technology landscape?
- 06 Are you struggling to drive adoption of new digital procurement solutions?
- 07 How do you plan to integrate and orchestrate digital procurement solutions into a seamless ecosystem?
- 08 Have you addressed all people and process considerations before implementation?





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