



Transforming Procurement with AstraZeneca

With billions spent through Procurement each year, the pharmaceutical giant needed a trusted partner to transform its Procure-to-Pay process globally, delivering outstanding user experience, in-built controls and automation, and improved data to help aggregate scale of its indirect purchasing power.



Legacy system challenges

UK headquartered global pharmaceutical company AstraZeneca generates around \$40 billion in annual revenue and spends around \$14 billion annually through procurement, \$9 billion in the indirects good and services space. Despite this scale, the business was working with multiple instances of the same buying platform across its 11 key markets – UK, USA, Canada, France, Netherlands, Sweden, Spain, Germany, Japan, Mexico and Brazil.

AstraZeneca was sitting on legacy Procure-to-Pay (P2P) technology that was no longer fit for its rapid growth and the breadth of goods and suppliers that it needed to manage.

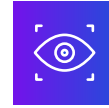
For example:

- **Procurement** was not getting the data it needed to build cost and value initiatives
- **Finance** had a fragmented view of invoices and payment status
- **IT** challenged with supporting different platform version across markets

The legacy set up was offering a poor user experience internally and externally. For example:

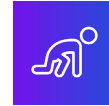
- **For staff** such as research scientists, it was difficult to quickly and easily find the goods and services they wanted to buy
- **For suppliers**, they lacked visibility of the status of their invoices

Instead, AstraZeneca needed a system that could be deployed more consistently across different markets, supported by leading practice and standardised procurement processes. Importantly, it also needed an optimal user experience for internal staff and suppliers.



The vision

With these challenges in mind, AstraZeneca's Chief Procurement Officer (CPO) had a vision to transform to streamlined processes, a more positive user experience, improved compliance, as well as to gain cost and value benefits along the way. The CPO consulted with KPMG to understand what the opportunities were for improvement in this space.



Getting ready

Transforming a procurement system across 11 countries, with 35,000 users and over 20,000 suppliers was a significant undertaking. Therefore, KPMG was initially asked to conduct a comprehensive assessment of how ready AstraZeneca was to embark on this change.

The readiness assessment helped the KPMG team to understand how AstraZeneca works day-to-day, the activities it needed to prioritise, the anticipated costs of the transformation, and potential return on investment. It also involved assessing if the business had the skills, resources, technology and governance in place to support such a large transformation.



**Transforming the way
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AstraZeneca had multi-functional and multi-geographical requirements which needed to align around a core global design and process. It also quickly became clear that delivering a step change in user experience was the key priority and the CPO selected Coupa as a leading Procure-to-Pay platform to help enable this transformation. Following this decision, KPMG developed a pilot Coupa environment tailored for AstraZeneca, which helped users across the business to get hands-on experience of what the new system and processes could look like.

Preparation is the key

After completing the readiness assessment, KPMG was engaged to help implement Coupa across 11 countries, leveraging its Powered Procurement approach. To start, our team got to work on a significant pre-mobilisation phase with the goal of de-risking the implementation plan from unexpected issues or delays. This phase included:

- A detailed programme plan, taking into account the impact and dependencies with interlinked programmes across AstraZeneca
- Data assessment and preparations for data cleansing
- Supplier and buying channel analysis across 20,000 suppliers
- Creation of cross-functional governance to drive decision making at pace.

Five design principles

A core goal of the transformation programme was to align ways of working across functions and geographies into a single standardised model. This meant that we needed agreed programme principles to serve as a 'north star' for decision making. To achieve this, we held our first virtual Ignition event, in which we convened over 200 key stakeholders from different functions and leadership roles across the 11 countries.

The five key design principles agreed on were:



User experience is paramount to the design



Supplier engagement and simplicity is a priority



Adopt not adapt- no customisation of best practice technology



A single standardised global core design



Enabling the value of world class procurement

Designing the new way of working

With preparation and principles in place, it was time to design and configure the processes into the Coupa system. Key to this step were our Powered Procurement tools, which provided a leading practice solution from the outset, including pre-defined processes, roles and controls built upon our experience and insights from over 170 Coupa implementations. Starting with a leading practice solution meant we focused more attention on the elements of the design that are truly unique to AstraZeneca and mattered most.

Across 40 design workshops, we ensured that every design decision was made by the relevant global stakeholders across the business and with the appropriate risk assessment. Users' pain points from the legacy system were considered throughout the design to maximise user adoption. When any tricky decision came up about a process step, we would return to the agreed design principles to help make the solution clear.

We collaborated closely with AstraZeneca's Procurement team to optimise the buying process, leveraging the buying channels available through Coupa and by significantly increasing the volume and quality of the content available for users to buy from.

[Find out more | KPMG Ignition](#)



This three-year programme demonstrated the value of bringing together the right technical solution, the right systems integrator and a client that had tested its own readiness for deployment of a new buying platform. KPMG, through its Powered Procurement approach, enabled a smooth transition to a Coupa solution that satisfies a more intuitive user experience whilst enabling enhanced data insights to support better commercial decision making.

John Dickson

Chief Procurement Officer
AstraZeneca



Throughout the Coupa deployment we have seen a significant positive shift in automation of our P2P transactions, underpinned by KPMG's Powered Procurement approach. Their critical contribution as systems integrator enabled us to be steadfast against any variations to the pre-agreed design principles of the programme. KPMG's support set us up well to engage in positive discussions with local markets to deploy as close to a global standard as possible.

Helen MacPhee

SVP Finance
AstraZeneca

Future proofing for real-time reporting

With ever-changing legislation and digitalisation of tax globally, AstraZeneca needed a future proofed and tax efficient end-to-end Procure-to-Pay process. The calculation and reporting of indirect taxes (sales and use taxes, GST, VAT) is integral to the requisition, purchase order and invoice entry processes, which meant there were many critical touchpoints. KPMG's tax experts developed an effective framework for calculating taxes correctly by improving master data granularity, automating processes and tax decisions, optimising system integrations and Coupa configurations.

[Learn more](#) | KPMG Tax

A smooth go-live

After the design, build and test phases, it was time to move from the legacy system to Coupa and the new ways of working. At this stage, KPMG's change management and IT experts worked closely with their AstraZeneca counterparts to ensure there was a seamless transition into business-as-usual.

A key factor at this stage was change management for staff and suppliers. Everyone needed the right skills and knowledge to pick up the system and use it. We defined the different user segments, both internal and external to the business, and built learning pathways for each group. We helped to create:

- Instructional videos on how to use Coupa
- Online training webinars and learning quizzes
- Drop-in support sessions and refresher training for after go-live
- Supplier websites for self-help

Collaborating through lockdowns

A large portion of this programme of work occurred amid strict COVID-19 lockdowns in the UK. This meant that things we would normally do in person, such as the Ignition workshop, were all done online and remotely. The positive news was KPMG's Powered Procurement tools and methodologies make online collaboration simple. We sent pre-read information, including videos showing the relevant system demonstrations, to all decision makers well in advance of the design workshops, which meant that they were ready to make effective decisions when we gathered online. Our Powered approach was also a great help in making sure that the processes were understood and deployed consistently across the 11 markets.

Outcomes

We divided the global roll out of AstraZeneca's new buying programme into four phases, implementing the changes to a few countries at a time before starting on the next. This approach meant AstraZeneca started to realise benefits quickly after the completion of the first phase. With the transformation and Coupa deployment now complete in all 11 markets, AstraZeneca has the latest in P2P technology and standardised processes built in across its global network. This is supported by centralised governance of the system to coordinate all upgrade requests, decisions and implementation from one place. Most importantly, AstraZeneca now offers an easy-to-use buying experience for internal users and suppliers.

Further benefits include:

For end users

- The buying experience is enhanced through a 'consumerised' user interface on desktop and the mobile app, meaning colleagues can easily find what they need from AstraZeneca's preferred suppliers.

For Procurement

- Significant cost savings have been unlocked by increasing the proportion of spend actively managed by procurement.
- Over 98% of spend managed compliantly via Coupa buying channels (compared to 50% in the previous system)
- Better able to partner with suppliers and have visibility of data to use for negotiations, cost reduction and reducing value leakage.

For IT

- IT now has 1 standardised platform to manage (compared to 8 instances of the previous P2P system), with limited customisation or integrations, and a reduced risk profile.

For Suppliers

- It is now much easier to submit invoices, track their progress, and raise queries from one place.

For Finance

- 85% of Procure-to-Pay transactions are now fully digital compared to 47.5% in the previous system.
- The requisition to purchase order cycle time has reduced from 3 days to 1.5 days on average.
- The invoice approval cycle time has reduced from 16 days to 4.5 days on average.
- A streamlined supplier payment management process with automation and built-in controls.
- Enhanced accuracy and automation of indirect tax processes, reducing manual compliance costs and freeing up Group Tax to focus on value-add activities and business partnering.



KPMG have been vital in ensuring that tax compliance and risk is considered appropriately in our Coupa implementation. This has led to a significantly improved compliance environment for indirect taxes, using KPMG's innovative and proportionate solution.

Mark Skeldon

**Global Indirect Taxes Director
AstraZeneca**



Knowledge transfer key

Our goal from day one of the transformation was to ensure that AstraZeneca would quickly become self-sufficient with the new system and processes, meaning they could manage the system and upgrades without the need for third parties. We planned for seamless knowledge transfer, aligning KPMG experts with AstraZeneca counterparts so that knowledge was shared on a regular basis, with formal checkpoints and training sessions.



Looking ahead

With AstraZeneca’s key markets now running smoothly with Powered Procurement leading practice processes on the Coupa P2P system, the benefits are growing. AstraZeneca now has the right system and procurement processes to continue its rapid growth and innovation for the future, allowing it to focus on the science and delivering life changing medicines to patients.



KPMG Client Voice Feedback

It was clear from day one, during the readiness assessment, which itself was a key enabler for setting us up for success, that KPMG brought us their best people who had clearly been on this journey many times before. They quickly understood our culture and delivered a seamless experience for our users.

There has been an overarching sense across all the phases that we are all in it together. Collectively we’ve been in a good shape all the way along.

Thank you for a job well done, on time and to budget - exactly what we expected!



AstraZeneca and KPMG have delivered a world-class implementation of Coupa, that has met the business objectives and success metrics defined from the outset of the programme. They have set the bar high for delivering exceptional quality supplier and content enablement, which is some of the best we’ve ever seen. The team’s success was recognised at Coupa Inspire, where AstraZeneca received the Spendsetter Award for Business Spend Management (BSM) Transformation.

Harold Cuppidge
Customer Value Director
Coupa

Procure to Pay



Contact us



Mani Sihra
Director
KPMG in the UK
T: +44 (0)7823 445520
E: mani.sihra@kpmg.co.uk



Paul Desrosiers
Partner
KPMG in the UK
T: +44 (0)7798 617840
E: paul.desrosiers@KPMG.co.uk



Eniko Fulop
Partner
KPMG in the UK
T: +44 (0)7827 305618
E: eniko.fulop@KPMG.co.uk

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