



Source-to-pay: Delivering value beyond savings

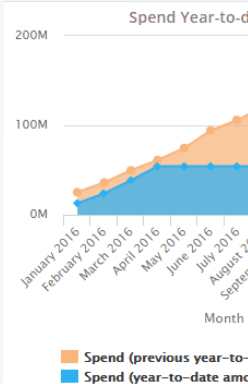
December 2016

kpmg.com

CLARITY
TURBO

Suppliers Sourcing Con

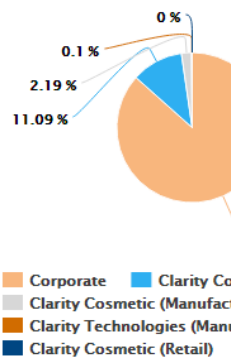
☆ Buying Portal



[Supplier evaluation]



Spend by organization
Spend amount







Transforming the source-to-pay process

Because the source-to-pay (S2P) process crosses three organizations—procurement, finance, and IT—an outdated and manual process creates challenges for multiple executives. Chief procurement officers confront inconsistent procurement procedures, an inconsistent and inefficient view of organizational spend processes, and lack of compliance with procurement policies and procedures. CFOs and controllers are pressured to reduce costs in procurement and accounts payable organizations, streamline audit reviews, and provide accurate and timely reporting to support financial planning and analysis. On the technology side, CIOs cope with a jumble of best-of-breed systems and aging ERP-based procurement solutions that are expensive to maintain, have low user adoption rates, and fail to provide clear data for a “single source of truth.”

The decision to transform the S2P process requires collaboration across departments and a willingness to address each disparate challenge. Fortunately, KPMG and Ivalua can help with a cloud-based S2P solution that improves, standardizes, and automates procurement processes while providing a single source of procurement analytics and reports to deliver value to your bottom line.

About KPMG

KPMG International and its network of member firms (collectively KPMG) are a global network of professional firms providing audit, tax, and advisory services operating in 155 countries and employing more than 174,000 people. Our U.S. member firm, known as KPMG LLP, traces its origins all the way back to 1897 and became a limited liability partnership in 1994. As a leading professional services firm, KPMG LLP has more than 30,000 partners and professionals providing services throughout all 50 states. With 90 offices, we are a significant presence in your current markets and in those locations where you may want to expand.

U.S. procurement and operations professionals



KPMG operates in 155 countries, with 700+ offices worldwide



410



KPMG member firms provide professional services to 410 of the Global FORTUNE 500 companies.



1,100+

global procurement and operations professionals



200+

professionals working on innovative technology solutions for clients in our leading Ignition Centers

Global operations Center of Excellence

A hub of knowledge, thought leadership, and insights for our consultants and our clients around the world



KPMG Global services

is an offshore global delivery arm that supports KPMG member firms with a range of services and scalable solutions to deliver value for our clients in a cost-efficient manner.

Accolades:

Spend Matters
Top 50 Providers to Know for 2016, 2015, and 2014








ALM Intelligence
A Vanguard Leader in Sourcing and Procurement Consulting for 2015



About Ivalua

Located in the heart of the Silicon Valley, Ivalua is a leading provider of spend management cloud solutions and is recognized for market leadership in strategic sourcing suites and as a visionary for procure-to-pay suites. Ivalua customers realize noteworthy and accelerated savings by improving spend visibility, streamlining procurement processes, and increasing procurement organization productivity, but the overall value from Ivalua goes far beyond immediate savings: The platform enables procurement teams to actively contribute to accelerate innovation, enable company growth, mitigate risks, and increase compliance. Ivalua's natively integrated S2P suite is built on a single code base, single database and is ultraconfigurable.

Ivalua key differentiators

 Value beyond savings		 Out-of-the-box deep functionality
<ul style="list-style-type: none"> — Maximize value across multiple levers, from cost savings to lowered risk and increased agility — Single, integrated application for broadest impact, from supplier information to spend analytics — Comprehensive organizational spend coverage, including direct spend, project spend, assets, and more 		<ul style="list-style-type: none"> — Standard solution preconfigured for use S2P — Unique industry functionality for financial services, retail, public sector, manufacturing, and telecommunications — Choose from popular packages or assemble a custom solution.
 High adoption	 Tested	 Agile and configurable cloud
<ul style="list-style-type: none"> — Intuitive interface for all users and suppliers, zero training, and self-service-enabled — Access relational S2P data with a single click — Multiple-supplier connectivity with zero supplier registration fee 	<ul style="list-style-type: none"> — Deployed to manage more than \$500 billion in annual spend — Supporting 35 'FORTUNE 500' clients — Consistent profitability and growth since 2000 — First client is still referenceable 	<ul style="list-style-type: none"> — Business analysts use design mode without any coding — "Nothing-is-impossible" workflow — Upward compatibility gives users full control over update timing.

Power of our partnership

KPMG and Ivalua have developed a relationship to provide clients leading services associated with the process design and implementation of a cloud-based S2P application.

KPMG

- Cross-industry procurement experience
- Deep procurement transformation capabilities
- Experienced resources and project execution capabilities
- Track record of implementation success



Ivalua

- Feature-rich S2P complete suite, connectors, and add-ons—proven in large-scale, complex, and global deployments
- Out-of-the-box solution and end-user-empowered configuration agility
- Functional and technical expertise
- Pool of experienced resources

KPMG and Ivalua joint value propositions

Simplicity for everyone

Convenient and familiar interface enables all users to quickly adopt the S2P system and start getting value.

Compliance

Increase compliance with policies and purchasing from negotiated contracts. Reduce supplier and audit risk.

Process improvement

Streamline and transform sourcing, contracting, supplier management, and procure-to-pay processes, reducing cycle times and dramatically increasing realized saving.

Bottom-line impactful spend reduction

Combination of leading tools and services helps manage sourcing for 100 percent of your spend and deliver dramatic spend reductions.

Leading procurement process models

Thoroughly review current processes and offer leading practices to maintain integrity and efficiency of the procurement process.

Sustainable value

Accelerate innovation and growth and quickly accommodate evolving company- and industry-specific needs.

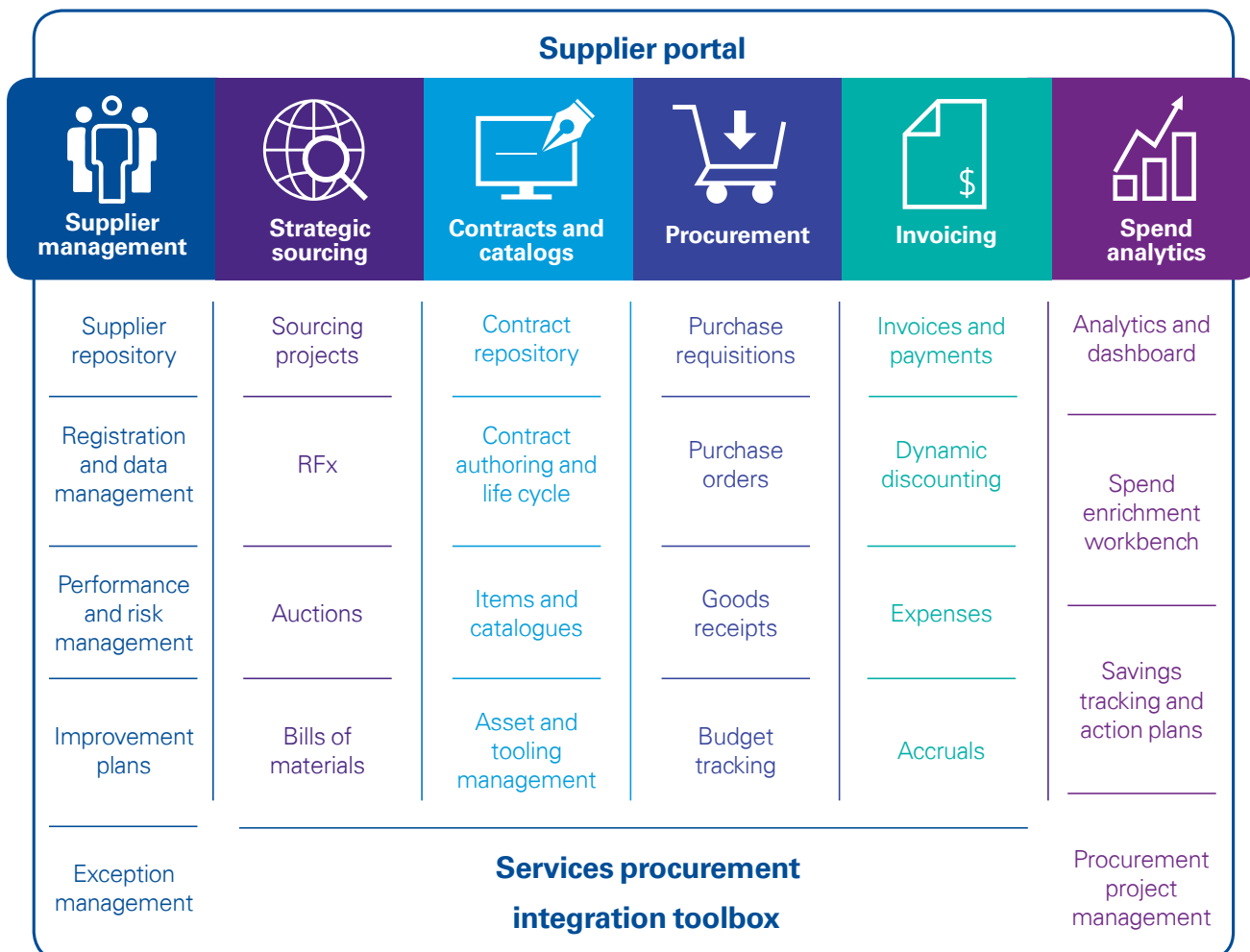
Is the KPMG and Ivalua Source-to-Pay offering right for your company?

Key questions to ask

- Is your organization embarking on a transformation that involves technology optimization?
- Are you benchmarking and improving current purchasing practices to gain further efficiency?
- Are you considering using a cloud-based solution to replace a legacy purchasing application?
- Is a merger or divestiture causing you to redesign your procurement practice and system?
- Do you need a technology tool to automate procurement functions such as spend analysis, sourcing, and procure to pay?
- Do your executives require you to provide granular and accurate data to measure performance?

Ivalua Source-to-Pay suite

Ivalua's full suite has grown organically, which enhances deployment speed, simplifies configuration, and increases reliability.



Potential benefits of Ivalua e-Procurement*



Reduce costs

800
million



25%
eAuction
savings



30%
cost reduction
by retiring
legacy systems



Global support models

66
entities



330
sites



Replaced 12 legacy systems with 1 platform across
330 sites and **34** countries at an
automotive engineering solutions provider



1 global S2P platform for **66** entities across
60 countries for a large global banking group

60
countries



15
languages



20,000 items per sourcing round
at a leading communications company



Improved supplier performance management



20,000
supplier audits a year

2,000
supplier evaluations
across 150 sites



Supplier
performance
tracking for **95%**
of in-scope suppliers at
a leading information
services provider

*Source: Data compiled by Ivalua based on implementations completed for 21 clients worldwide.

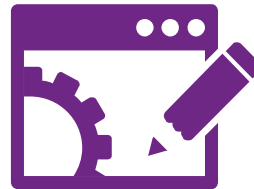


High adoption rates

95,000
suppliers enabled



95%
of suppliers
electronically
enabled



45,000
active users



Improved control

95%
spend under
management

9,000
online
contracts



100%
current accessible
spend data



Improved efficiency



12 million
invoices
processed
per year

95%

invoice matching accuracy
at a leading information services provider



1 million

catalog items managed



KPMG: A trusted global adviser implementing the value chain of the future

By leveraging industry-leading practices with an eye on appropriate controls, we can help you optimize efficiency and manage risk. For the S2P solution, KPMG's Procurement and Operations Advisory practice provides:

- Collaborative working style, from concept to realization, of your future-state vision
- Focus on total value delivered across the breath of operations
- Genuine functional insights harnessed from professional experiences and original research findings
- Sustainability of benefits through structural improvements and continuous knowledge transfer
- Global presence via a vast network of professionals in more than 150 countries
- Breadth of services across transformation, technology, tax, risk, and controls.

KPMG's delivery approach


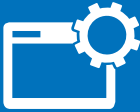

KPMG has strong partnerships with providers, including the Ivalua alliance. Together, we developed a joint approach to help minimize multiple project interfaces with the client and help ensure the mobilization and coordination of top resources from all parties.

Proposed roles and responsibilities		
Client	KPMG	Ivalua
<ul style="list-style-type: none"> — Resource allocation and issue escalation — Business process inputs and decisions — Testing participation and support — Training participation — Ongoing support 	<ul style="list-style-type: none"> — Project management and planning — Supply enablement and integration — Requirements* gathering and documentation — Supplier enablement — Business process co-design — Training — System configuration oversight and support — Change management communications — Integration build and testing — Go-live support 	<ul style="list-style-type: none"> — Business process co-design — Go-Live support — System configuration and construction — Product support and issue escalation — Integration design, construct and testing — Ongoing customer care
* Requirements include functional, technical and integration requirements		

Additionally, we have amassed a great deal of knowledge and experience and understand the critical success factors to a successful implementation. KPMG and Ivalua will work with you to help:

- Secure visible executive sponsorship for S2P
- Design buying channels based on the nature of spend categories
- Focus on changing behaviors and user adoption of the new S2P processes and tools
- Actively engage and enable key suppliers in the S2P transformation initiative
- Test and tweak S2P design through a limited pilot before a full-scale deployment
- Treat master data as a corporate asset and invest in data cleansing and classification.

KPMG e-Procurement experience*

 Recognized procurement knowledge	 Effective methodologies	 Accelerated time to value
KPMG advises clients on areas ranging from Source-to-Pay optimization, master data enhancement, and governance to implementation of e-Procurement technologies.	KPMG has developed a robust delivery methodology and working approach coordinating with various procurement technology providers. Our focus is on process optimization and reengineering by leveraging leading practices.	We provide access to key accelerators that enable better project planning, business requirements gathering and documentation, key stakeholder buy-in and communication, and mitigation of overall implementation risks.

Five years of success stories

200+ S2P technology assessments and implementations completed

150+ e-Procurement implementations completed

32+ countries with successful e-Procurement deployments completed

We have delivered multiple successful procurement transformation programs and implemented various procurement systems to help enable our clients' business processes. These include ERP systems as well as best-of-breed procurement tools, both on-premise and in the cloud. This breadth of experience gives our team a distinct perspective on how to drive the most value from your procurement technology investment.

Measurable client benefits	
75,000	Savings initiatives delivered
10,000	Training participant days for buyers and supply chain managers
>8,000	Projects successfully delivered
>450	International procurement and product category specialists
430	Billion U.S. dollars of procurement spend analyzed
300	Studies and professional articles
26	Billion U.S. dollars of savings generated
>10	Awards in recent years
<6	Months to return on investment

*Source: KPMG procurement practice client engagement credentials

KPMG and Ivalua alliance

KPMG and Ivalua together combine industry-leading S2P practices and technology, enabling your organization to realize value beyond savings. We do this by helping you:

- Increase policy compliance and reduce purchasing from negotiated contracts
- Reduce cycle times and increase savings by streamlining and transforming multiple processes
- Deliver dramatic spend reductions by applying leading sourcing practices across 100 percent of your spend
- Accelerate company evolution, innovation, and growth, and adaptation to industry-specific needs.

Contact us

For more information and to learn more about how we can help you with your procurement needs, please contact us.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates.



Dipan Karumsi
KPMG Procurement and Operations Advisory
U.S. Procurement Advisory Lead
T: 614-537-4575
E: dkarumsi@kpmg.com



Amol Joshi
Ivalua Sales and Business Development
Senior Vice President
T: 401-489-4455
E: ajo@ivalua.com



Jie Chen Zick
KPMG Procurement and Operations Advisory Director and KPMG Ivalua
U.S. Alliance Champion
T: 734-358-8992
E: jzick@kpmg.com



Saurabh Mehta
Ivalua Strategic Alliances Director
T: 917-520-8024
E: sme@ivalua.com



Charles V. Withrow
KPMG Alliances Executive Director
T: 408-367-7634
E: cwithrow@kpmg.com

kpmg.com/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2016 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in the U.S.A. The KPMG name and logo are registered trademarks or trademarks of KPMG International. NDPPS 592689