

Capgemini 



COGNITIVE PROCUREMENT SERVICES

DRIVING BUSINESS VALUE IN
THE FRICTIONLESS ENTERPRISE



Procurement is evolving from support function to growth enabler

In a volatile ever-changing business environment, procurement is becoming the organizations' frontline. The environment in which procurement leaders are operating has become more complex and challenging, at a time when organizations are looking to drive more value from the procurement. These challenges include:

- **Global uncertainty** – 61% of CPOs have found that risks increased over the last 12 months¹
- **Technology complexity** – only 30% of CPOs are satisfied with their new technology experimentations¹
- **Solution provider diversity** – over 700 new procurement start-ups worldwide since 2001³
- **Talent scarcity** – only 46% of CPOs believe their teams' skills and capabilities are sufficient, resulting in a hiring challenge¹

The role of procurement in organizations is evolving from support function to growth enabler and revenue generator. However, many are still operating either first or second generation procurement operations, making the journey to a Frictionless Enterprise even more daunting.

Source:
 1 Deloitte, Global Chief Procurement Officer Survey, 2019
 2 University of Mannheim CPO Survey, 2019
 3 Oliver Wyman "Start-ups in procurement", December 2017

Redefine procurement as a growth enabler that drives business value

Capgemini's **Cognitive Procurement Services** helps your organization design, implement, and operate a digitally enabled operating model that capitalizes on your technology investment to drive business value.

Our solution enables your individual buyers to control spend and drive value, while reducing your procurement and category management operating costs through a sustainable and frictionless operating model that manages the total cost of ownership of your demand and supplier pricing.

It also helps you adopt the right strategies to achieve the optimal balance between your spend, efficiency, and working capital savings to deliver business outcomes that include:

- **Enhanced compliance and risk mitigation** – over 90% spend compliance in your procurement policy and increased supply chain and risk visibility
- **Increased productivity** – up to 50% increase in your productivity and 70% operational cost savings
- **Enhanced transparency and insights** – 26% identified supplier consolidation savings and 30% reduction in process exceptions through process mining
- **Increased speed to value** – up to 80% reduction in sourcing and procurement cycle time and over 15% savings in tactical and spot buy.



Traditional procurement as we see today will not survive. You have to make up your mind and see whether you want to become a business insight and foresight deliverer to your company, or whether you want to stay in the traditional camp."

Detlef Schultz
 Chairman of the Board of Directors,
 Vodafone Procurement Company

Whether you are at the beginning of your procurement transformation journey or simply lacking the resources or capabilities to continue to evolve, our solution leverages the latest innovations in platforms, guided buying, and design thinking to drive:

- **An exceptional user experience** – intuitive, easy-to-use, technology-enabled channels and analytics that predict and anticipate the needs of your business
- **Effective, sustainable, and frictionless procurement** – servicing the needs of your business to ensure the highest quality of goods and services requested

- **Embedded controls and compliance** – through catalogues, automated mobile approvals, user education, contract compliance, and risk management.

Our solution takes an end-to-end approach to transforming and implementing your procurement operations, while also taking into consideration the environment and digital landscape in which your business operates. This helps you implement – what we call – the Frictionless Enterprise.

The Frictionless Enterprise

The Frictionless Enterprise seamlessly connects processes and people, intelligently, as and when needed. It dynamically adapts to your organization's circumstances to address each and every point of friction in your business operations.

At Capgemini, we have applied the Frictionless Enterprise to enhance cohesion across our entire suite of products and services. This

enables us to respond rapidly to your changing requirements and deliver your specific business outcomes in a value-focused way.

We implement ways to detect, prevent, and overcome frictions – leveraging our latest thinking, organizational design, and intelligent solutions to achieve our goal of effortless operations.



The five pillars of frictionless, cognitive procurement

There are five key elements that make up a world-class procurement function:

- **Proactive demand management** – ensure the needs of your business are met – which means the right thing, at the right price, at the right quality, and at the right time, according to the agreed priorities and strategy of the business
- **Intelligent sourcing and contracting** – secure the maximum possible value at the right level of risk across category management, strategic, tactical, spot-buy sourcing activities, and contracting
- **Collaborative supplier management** – establish the right relationships with your suppliers, including supplier performance and compliance assessment, supplier enablement and support, contract management, quality management, supplier innovation, and accounts payable
- **Integrated risk management** – minimize risk in-line with the requirements of your business through environmental, social and governance (ESG) assessments
- **Actionable insight** – support the continued development of your procurement function at an operational, tactical, and strategic level through delivering data from the four areas above, and external inputs, that drive actionable insight.

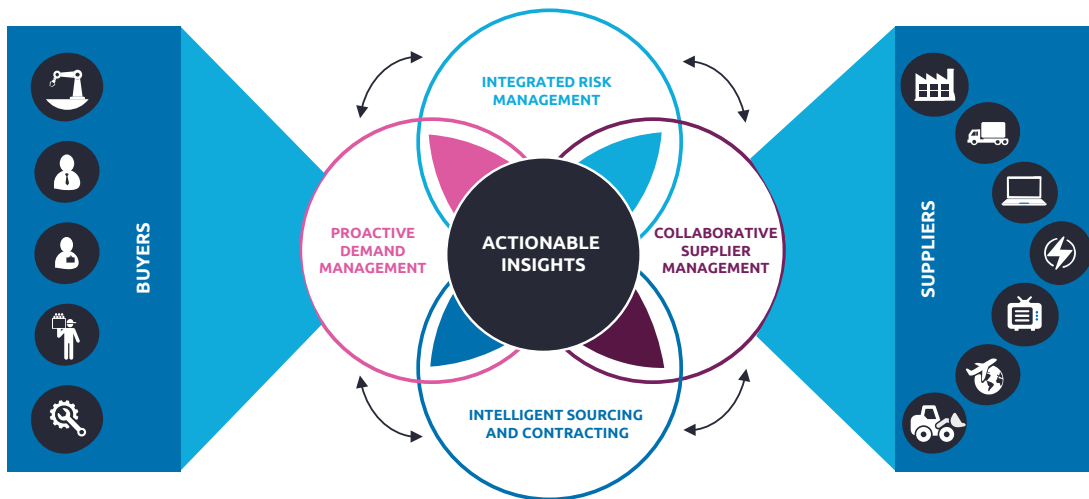
Orchestrating these five pillars with a [frictionless target operating model](#), including processes, technology and delivery model, delivers true value to your organization.

Transform your procurement function to evolve towards the Frictionless Enterprise

There are eight key indicators that determine whether your procurement function can fully support a Frictionless Enterprise:

- A user-friendly, AI-driven experience for sourcing that aligns your buyers and suppliers to reduce cycle times
- External data sources that leverage AI to drive enhanced insights and data intelligence
- An Intelligent Supplier Risk Management (economic, social, governance) function that addresses your supply base
- Integrated, AI-based contract lifecycle management and compliance tools that
- Embedded service management tools to continually monitor your process compliance
- Electronically-enabled suppliers via direct connection or third-party networks
- Predictive analytics to identify actionable risks and insights, and dynamically support future planning
- An extension of your procurement function that drive value across the entire enterprise.

THE FIVE PILLARS OF COGNITIVE PROCUREMENT



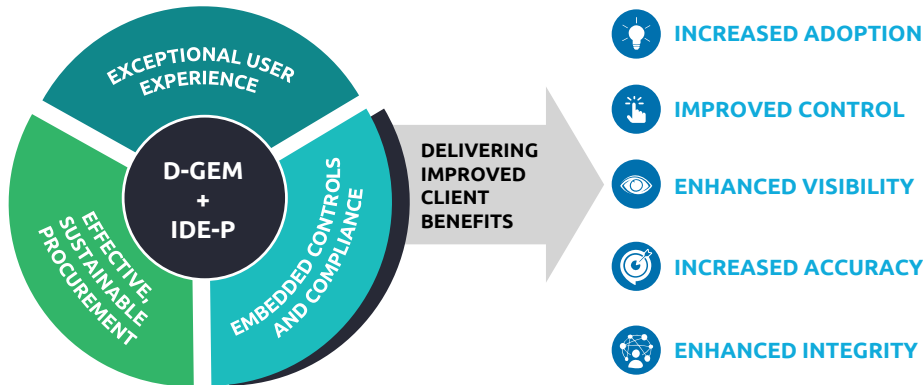
Realign your target operating model to deliver the Frictionless Enterprise

Capgemini's renowned [Digital Global Enterprise Model \(D-GEM\)](#) platform, incorporating our Intelligent Digital Ecosystem for Procurement (IDE-P) framework, provides the blueprint for a cognitive procurement operating model to support your procurement strategy, and drives compliance and control across your procurement function.

D-GEM encompasses the tools and techniques for reshaping and streamlining your business processes to deliver increased efficiency, faster time to market, and an enhanced, customer-first, user experience. In turn this enables your organization to transition to the [Frictionless Enterprise](#), and drives a range of frictionless outcomes, including enhanced efficiency, customer satisfaction, and value.

In short, D-GEM provides a complete blueprint, guiding the right digital operating model for your organization and accelerating the transition to frictionless, future-proof processes in a systematic and structured way. This enables you to remain competitive in a rapidly changing, digital business context.

D-GEM AND IDE-P DRIVES ENHANCED BUSINESS OUTCOMES



Why Capgemini?

With over 20 years of sourcing and procurement experience from hundreds of implementations and operations, our 1,000 procurement specialists can transform your entire source-to-pay (S2P) process end-to-end, delivering deep transformation, frictionless operations, together with insight and analytics 24/7/365 in 38 languages.

Our long history and strong reputation for transformation and delivery of S2P services has made a significant and positive impact on the bottom line and profitability of many of our clients. Put into practice, the expertise and experience we bring to procurement operations has delivered a range of tangible business benefits for our clients:

For an international financial services company:

- Over 90% PO compliance
- Increase in no-touch POs to 80%.

For a European energy sector company:

- 25% increase in productivity over two years
- 9% savings in tail-spend management.

For a global food company:

- 8% increase in on-time supplier payment
- Increase in touchless POs from 21% to 80% in three years.

For a large North American utility organization:

- 80% touchless invoicing with e-Invoicing
- Operational savings of over 50%.

Drive efficiency, innovation, and transparency through leverage a set of proven procurement transformation toolkits:

- Insights 360 procurement analytics
- Rapid procurement assessment
- Digital transformation
- Framework (IDE-P)
- Buying channel framework
- Process mining
- Applied innovation exchange framework
- Scaled agile framework

To learn more about how our **Cognitive Procurement Services** can transform your organization to drive effective, sustainable, and frictionless procurement, contact: businessservices.global@capgemini.com


About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 325,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fuelled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2021 global revenues of €18 billion.

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