

PPM4SRM

Process Performance Manager for SAP SRM

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“You wondered if real cloud expertise for procurement existed?”

Strategic advantage from Purchase to Pay monitoring, just a matter of knowing where to look.

Don't you just hate lacking transparency?

Business cases in purchase to pay (P2P) are always a difficult discussion topic because the reality, very often, does not come close to delivering on the promise. Also SAP SRM, one of the globally leading P2P tools, has fallen prey to this reality on many occasions. When you start checking the details on example implementations, the cause is often the same: lack of actual knowledge on culture, lack of understanding behavior and lack of best practice processes guide your implementation team into the wrong direction and starts the 'distance to business case'. Blindness in day-to-day management of the implemented situation adds to the gap and eventually tips the case over.

Lack of transparency. Making too many decisions in a P2P lifecycle without proper knowledge. Process management according to lean asks for knowledgeable decisions, just having a lot of experience is not enough.

It's no longer business as usual

The rationale for and approach to operations processing software is changing. Within procurement domains, digital

leaders stand up to recognize that their position as “business value adding” service department can best be played by leveraging the tools they have. They do not per se want to achieve the business case on P2P alone, but P2P becomes an embedded part of the greater procurement business case: strategy, long term value add by procurement.

But how to actually leverage the tools you have after implementing them?

Aiming for strategic advantage asks for vision, and asking for vision screams for more visibility. More and more procurement leaders understand the fact that data in processes is stored for a reason, and that mining that data is key to a prosperous future. Mining that data at various levels gives insights that were previously left to gut-feel.

- Visibility on managerial level: is the process supporting our strategy?
- Visibility on tactical level: where is process waste and how can we optimize?
- Visibility on operational level: how can I optimize my working day?

Strategic challenges for procurement

When we focus on procurement lifecycle models, many of the procurement organizations have to admit to getting ‘stuck in the middle’. Displayed model (see figure 1) roughly recognizes two major states of procurement, being:

1. Forcing added value inside-out (phases 1 - 3)
2. Focused on channeling added value outside-in (phases 4 - 6)

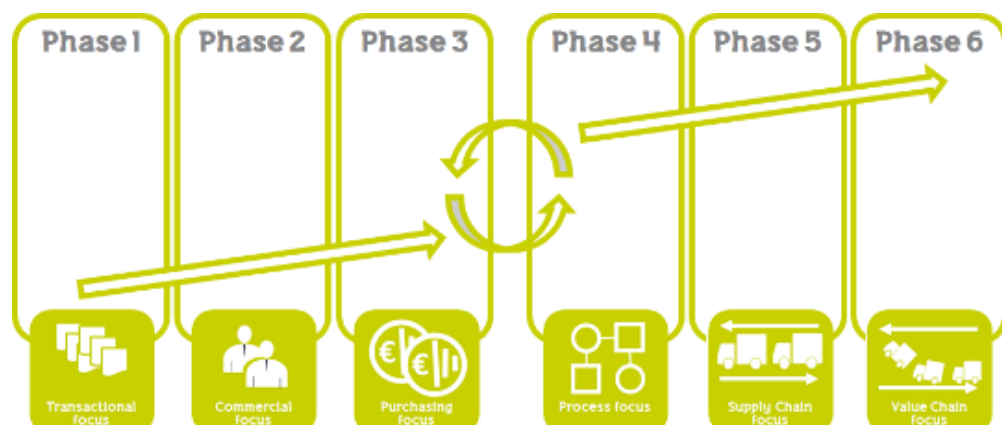


Figure 1 – The procurement maturity phases according to Eindhoven University

The model actually holds a thick bar between the phases 1 through 3 and the block of phases 4 through 6. This bar visually displays the difficulty of transforming your company from one major state to the next. Any CPO that would like to move along the levels of maturity and that wants to elevate its departments performance into a more business supporting service, needs to start managing three components in Purchase to Pay more rigorously than before.

- Are P2P processes and systems by design actually serving our clients?
- Are P2P processes and systems performing as designed?
- Are P2P processes and systems agile enough to expand our added value?

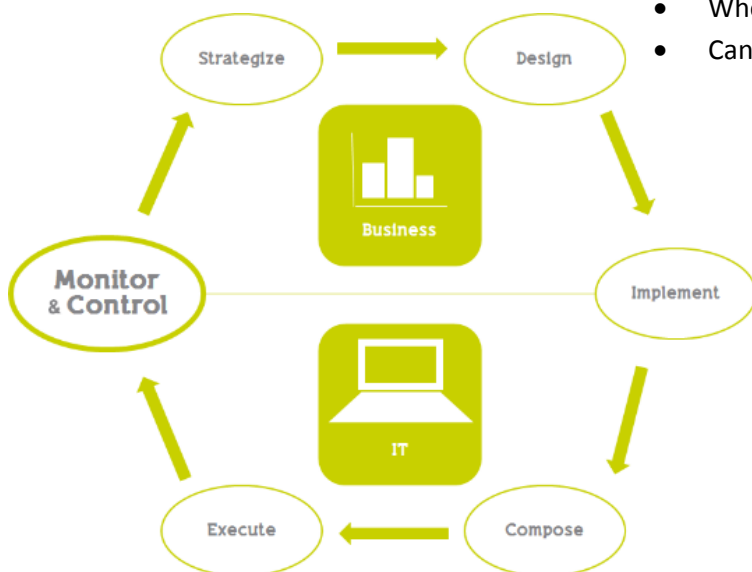
The road ahead for any tactical manager or engineer in P2P

Processes can run efficiently, effectively or at low-cost, only when they tick all these characteristics simultaneously they run excellent. Only excellent processes and software can be leveraged to support the procurement strategy of 'growing business impact'.

Any manager or engineer (SAP, LEAN or otherwise) that is involved in maintaining and optimizing the procurement solution(s) should feel the basic objective to reach for excellence. But where experience and training used to be enough to get you accepted as a specialist, nowadays the 'digitization of business' added data-savviness to that list. Being able to extract and interpret operations data and to draw conclusions and buildup improvement advice from them.

In any Purchase to Pay environment, managers and engineers should be able to answer questions like:

- Where can waste be identified in P2P by design?
- Where can waste be identified in P2P execution?
- Can cause(s) for waste in P2P be pinpointed?



The path to travel for any operations agent in P2P

Business gets faster: returns on investment get shortened and product lifecycles are getting smaller and smaller. Operations processing in Purchase to Pay, whether it is purchasing or invoice management tasks, get subjected to smaller teams and higher workloads while the customer experience still needs to be impeccable. First time right processing and smart workload balancing is the key to excellent operations. But how can any agent differentiate the fast from the slow procedures, the easy ones from the time consuming and the necessary ones from the can-waits? Data analytics in processes can help these individuals to make their operational choices, to optimize and harmonize their working day and to enhance any step in the customer journey. Answers to the following example questions should be understood and accessible in their work within the Purchase to Pay cycle:

- Waiting, upcoming and executed workload
- Impact from poorly managed source processes
- Contacts and stakeholders
- Root causes behind lacking Supplier SLA levels
- Impact on supplier performance

How to get from Business Intelligence to Purchasing Intelligence?

Traditionally, many firms are already focusing for some years now on business intelligence in tactical and operational procurement processes. But business intelligence and process intelligence are actually different forms of data intelligence.

Any operational process can be viewed via the division “inputs”, “throughputs” and “outputs”. Business intelligence tooling usually focusses on the monitoring of performance (KPI’s) in “outputs”. Off course, seeing the outputs being out of the ordinary is an indicator of potential process mal-performance, but it is only a trigger for analysis, no analysis by itself. Process intelligence goes one step further than business intelligence by automatically linking KPI’s to business objects, and business objects to process instances. Eventually the actual flows are visualized: the “throughputs” get opened up.

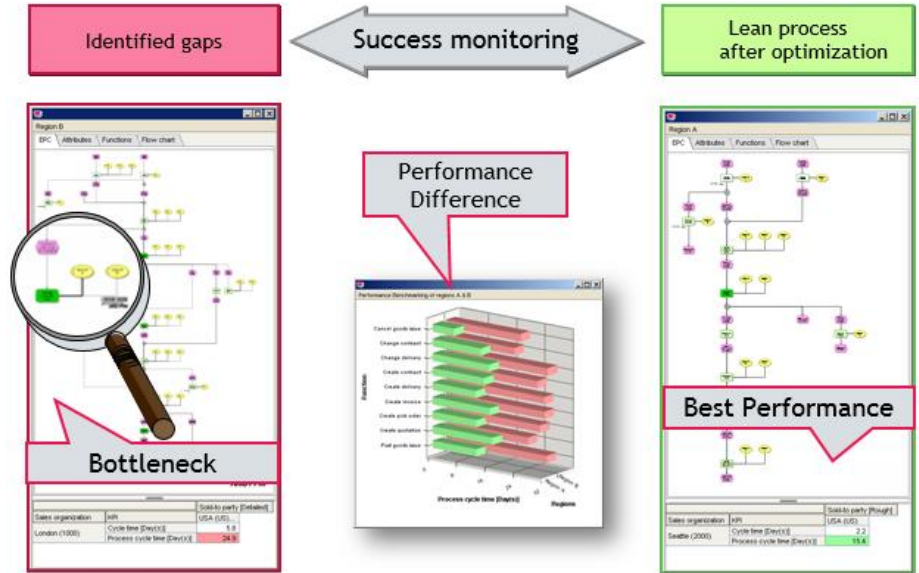
Solution

Simplifying Purchasing and Strategizing its contents, two of the most important drivers within the LAKRAN Business Group and therefore the most important frame for software solutions from AGAIN by LAKRAN. Process Performance Management for SAP SRM, or PPM4SRM in short, offers those objectives by simplifying knowledge to enhance execution and by visualizing the effects of P2P on the Procurement Strategy.

A standardized SAP connector recognizes the SAP SRM data structure and grabs all data to the PPM system where it is cracked and presented into actual process-instances, showing real-life execution variants, stakeholder connections, excesses, feedback loops, possible bottlenecks, runtimes and delays. Analyze your procurement process by creating cross sections and find solutions to improve it.

Benefit

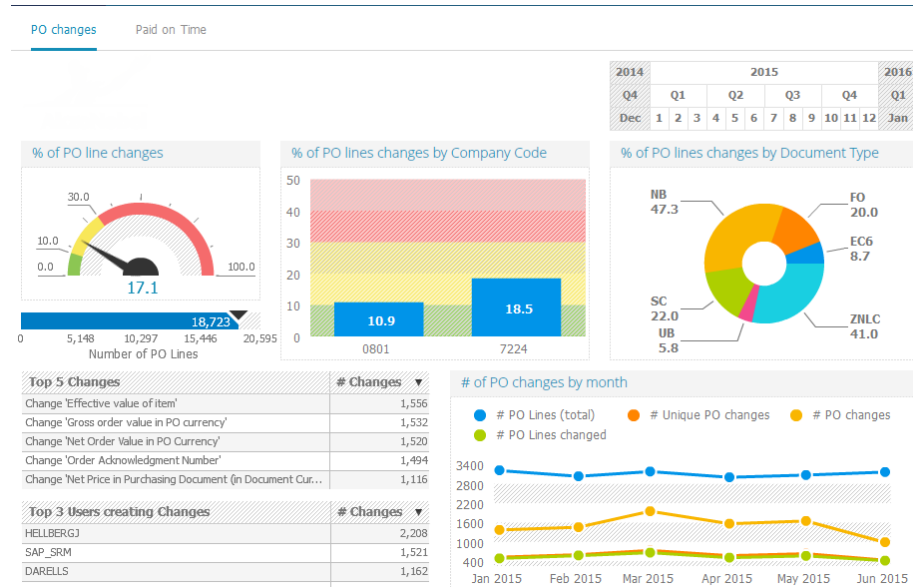
- ✓ Compliance check if we work like we should (as-is documented)
- ✓ Benchmark in/external process performance
- ✓ Automated bottleneck analysis



Configurable and interactive dashboarding in the cloud helps to analyze the data into value added information on pc or tablet.

Benefit

- ✓ Online progress status available
- ✓ MashUp based on several Sources
- ✓ Dashboard on iPad makes business people more involved
- ✓ Better PM decision making



Help your central procurement organization into the new digitized business world by leveraging information on P2P. Help your category teams, managers, engineers and operations staff into enhancing their customer journey by process intelligence.

Company info - LAKRAN Procurement professionals

LAKRAN is built up around a group of highly motivated, hugely enthusiastic procurement experts. They all have different experiences, but one thing forms the common ground: resolving all sorts of issues in the world of procurement operations, and then usually the most difficult problems in execution and management, within the chain of events from requirement to paid invoice. Technology, transformation, transition, design and management: our curiosity made that we are experienced, our research forced the real understanding. Now the only thing left is delivering solutions to your organization. Don't hesitate to reach out to us at <http://www.lakran.com/>



PROCUREMENT PROFESSIONALS