NEXT GENERATION PROCUREMENT –
THE INFOSYS WAY

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Navigate your next

Definite and urgent need for business agility and resilience

To say that the COVID-19 pandemic has disrupted the world across all spheres would be an understatement. Businesses world over were caught unawares as they had to contend with fewer employees and remote working. At the same time, the business had to continue as usual, and in fact, processes were expected to be more efficient. This pandemic has taught organizations to equip themselves for future disruptions by prioritizing business agility and resilience.

Consider the procurement process. Today's enterprises are not fully equipped to be responsive as they must grapple with a complex IT landscape comprising heterogeneous systems, multiple platforms, data inconsistencies, fragmented stacks, varied user experiences and integration challenges. Digitalization makes it possible for this important business function to become agile, while business process automation with a natively integrated ecosystem ensures better resilience.

SAP's approach to tackling these challenges

The SAP suite of products aims to overcome these challenges by getting all spend areas (indirect procurement, direct procurement, services procurement and travel and expenses) on a common platform by bringing together the digital core of SAP S/4HANA and Intelligent Spend Management (ISM) solutions (SAP Ariba, Fieldglass and Concur). With the integration of ISM solutions and SAP S/4HANA, SAP delivers a smooth end-to-end experience across data and processes, a unified view across systems and a seamless user experience. Other important features include -

- Employee self-service procurement with guided buying capability for SAP Ariba and SAP S/4HANA

- Automation of order to invoice with Ariba Network

- External workforce procurement via SAP Fieldglass solution and SAP S/4HANA

- Sourcing with SAP Ariba's solution and centralized sourcing capabilities within SAP S/4HANA for central procurement for multiple backends

- Contract Management with the SAP Ariba Contracts solutions and centralized contracts within SAP S/4HANA for central procurement for multiple backend systems

Infosys' expertise in SAP helps further

With its deep experience across various industries and technological platforms, Infosys has been actively advancing customers' digital transformation journey.

Backed by a strong team of trained and experienced consultants, we are helping them reimagine new business models which are more self-driven, intelligent and automated. Infosys is well-positioned to harness the power of SAP and other complementary non-SAP products and technologies to extract business value for customers and enable them to realize agile digitalized business processes.

Infosys' SAP practice stands out in many significant ways -

- A strong relationship with SAP and other business partners provides us with the latest date understanding of product roadmaps enabling us to recommend the right solutions

- A solid track record across business verticals laid the foundation for building robust industry reference models and transformation blueprints customized to a client context

- A rich repository of tools, digital platforms, accelerators, POCs, and demo solutions catalyzes and accelerates digital transformation with minimal disruption to existing business operations

- Expert talent pool across different products and digital technology platforms like cloud, IoT, RPA, blockchain, big data and AI/ML

In addition, significant value is added from Infosys' vision that led to-

- **Infosys Live Enterprise Suite** - a collection of platforms, services and a new digital operating model that helps accelerate the digital transformation journey of clients

- **Infosys Cobalt** - a set of services, solutions and platforms for enterprises to accelerate their cloud journey adds tremendous value. It offers 14,000 cloud assets and over 200 industry cloud solution blueprints

- **Applied AI** – an integrated offering for enterprises to scale and future-proof AI-powered transformation

Our capabilities in SAP and related areas give a tremendous boost to the value we can add to an enterprise's digitalization efforts.

Digitalizing the source-to-pay process, the Infosys way

Source-to-pay is a key business process impacting almost every business function. There is a direct correlation between the efficiency of the source-to-pay process and its bottom line, which indirectly determines business success.

Infosys' view is that over half the source-to-pay processes are eligible to be automated through a combination of SAP products and other complementary technologies. Automation delivers not only higher efficiencies but also ensures better compliance and control. We have partnered with many clients to make their source-to-pay processes more autonomous by adopting sophisticated digital solutions.
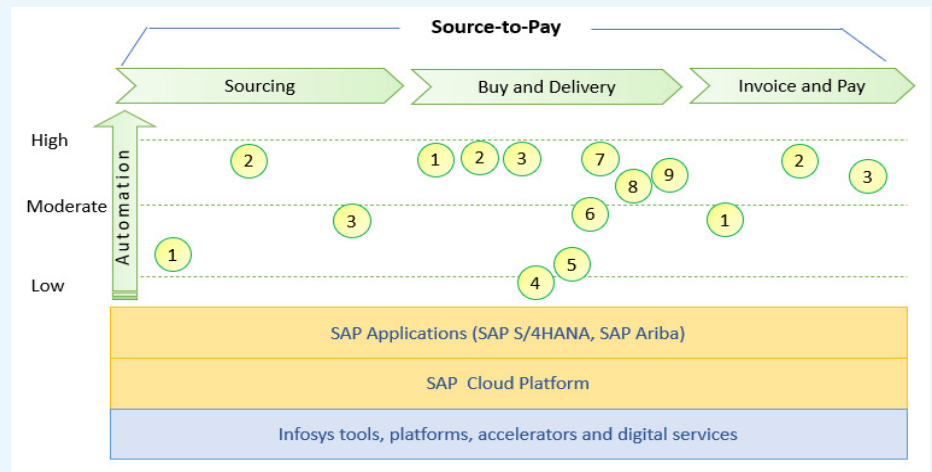
Breakdown of automation across the three blocks of the source-to-pay process

Sourcing

1. Blockchain-verified RFQ processing uses blockchain technology to guarantee the confidentiality and authenticity of documents exchanged

2. Supplier quote automation with SAP Ariba Commerce Automation - automatically send RFQs to suppliers on Ariba Discovery; on the submission deadline date, automatically receive supplier quotes in SAP S/4HANA, award supplier quotes, create purchase orders and update purchase records

3. Sourcing with SAP Ariba Sourcing - integration of SAP S/4HANA to Ariba Network and Ariba Sourcing automatically triggers sourcing requests in Ariba sourcing and creates purchase orders or contracts in SAP S/4HANA once bids are awarded in Ariba Sourcing

Buying and Delivery

1. Intelligent Approval Workflow analyzes the approval pattern history for purchase requisitions based on factors such as price, source of supply, material group, approvers, attachments, and provides recommendations for a mass automated approval

2. IoT enabled intelligent purchase requisition process for self-managed raw material and consumable inventories

3. Self-triggered maintenance service request for remote equipment based on predictive analytics of vital parameters measured by field sensors using IoT technologies

4. Image-based buying for MRO materials to order and procure an item based on an image, expedites search in catalogs and facilitates intuitive procurement

5. Predictive Analytics for Contract Consumption enables buyers to predict full consumption of a contract based on factors such as historical data and other available influencing parameters; further, it initiates follow-on actions for contract renewal

6. SAP Ariba Commerce Automation integration to seamlessly connect suppliers and automatically receive purchase orders, receive order confirmations, receive advance shipment note to create inbound delivery, receive invoices from suppliers electronically and share invoice processing status

7. Utilize Robotic Process Automation (RPA) capabilities to automatically update purchase order confirmations in SAP S/4HANA, reading both structured and unstructured data from email attachments received from the supplier

8. Automatically create purchase requisitions, source lists and purchase information records with inputs from MS Excel spreadsheets.

9. Capitalize the SAP situation handling functionality to recognize business situations by evaluating conditions (rules) on business facts and generate alerts for required actions.

Invoice and Pay

1. SAP Ariba Commerce Automation integration seamlessly connects suppliers to automatically receive invoices from suppliers electronically and share invoice processing status

2. Utilize RPA capabilities to automatically upload supplier invoices in SAP S/4HANA, reading both structured and unstructured data from email attachments

3. RPA enabled automated supplier invoice status check process with inputs from MS Excel spreadsheets.

An ever-changing business environment will be the new normal. In such a situation, the digitalization of business processes offers the best chance for enterprises to adapt to the challenging environment. With SAP products at the core, various automation solutions can be implemented to suit the needs of the enterprise. Specifically, in the source-to-pay process, a greater level of automation helps optimize spend management and achieves better compliance and control. Infosys' experience with clients and delivered business value testify to the power of digitalization.

Demonstrating Infosys' prowess

Standardizing and simplifying the IT landscape for a renewable energy leader

The company was grappling with a complex and diverse set of business processes and IT landscapes following a merger. They partnered with Infosys to standardize their processes, reduce complexity and cost of operations. The Infosys team decided to use SAP S/4HANA as the product platform to standardize and harmonize procurement processes with integration to Ariba solutions for indirect purchases.

Infosys achieved rollouts in 13 countries with zero technical downtime by capitalizing on Infosys Cobalt. The pilot rollouts indicated a marked improvement in operational KPIs, including efficiency, compliance and transparency.

KPI Type	KPI	Definition	Results Achieved
Improve Compliance	Lower Maverick Spend	Purchases made outside of agreed contracts	40% lower maverick spend
	PO line items originating from catalog	Number of items ordered from catalog	90% of total items are catalog items
Digitize Process & Improve Efficiency	Lower purchase order error rate	Erroneous purchase orders of the total purchase orders	75% less erroneous POs
	Higher purchase order per FTE	Total number of POs processed per FTE	2.3 times more POs per FTE
	Faster requisition to order cycle time	Amount of time from requisition creation to dissemination of PO to supplier	85% faster PO cycle time
Improve Efficiency	Reduction in BPO costs	Cost to process transactions manually	30% reduction in BPO cost
	Savings per 100 K invoices processed	Savings from electronics invoices over manual processing of 100K invoices	$150K savings for 100K invoices
Improve Transparency	Reduction in supplier payment enquiries	Reduction in queries after electronic invoice implementation	70% reduction in queries

Streamlining the payment process for a global agribusiness company

The Organization was challenged by a non-standardized payment process that led to delays. Infosys partnered with the company and utilized its Infosys Nia platform to resolve issues with payment processing.

The key results achieved were a standardized payment process, timely payments to suppliers, enhanced compliance and productivity of the IT team.

Standardizing the spend function for a global technology and multi-industrial leader

Lack of uniformity across rates, contracts, terms and part numbers led to an inefficient payment process in the company. Infosys stepped in with its Nia platform to develop self-evolving procurement spend standardization capabilities.

The chief benefits delivered included standardized payment terms, normalizing part numbers and significant savings on procurement spend.

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For more information, contact askus@infosys.com