

the
Journey
to World Class
starts here



World Class Defined and Enabled

World-class AP/AR operations for 2020 and beyond

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Agenda

- Introducing The Hackett Group
- Exploring the modern trend beyond efficiency towards value generation
- Describing a three stage roadmap to transform operations for value

‘The Hackett Group is the world’s leading IP led consulting firm, working with business leaders across the globe to address key business issues & challenges across the SG&A organisation, from strategy to execution’

Fast
Accurate
Unbiased and
Actionable



Skilled consultants powered by IP



End-to-end transformation support



Data & insights from the world’s best performers



Digital tools, insights & capabilities

Team objectives have changed over the last years, more recently taking on a more value orientated and strategic focus

1. Standardise **buy-pay channels**
2. Best use of **Shared Services/GBS**
3. Enterprise **standardisation** of processes

2012

2014

1. **Aligning end-to-end** process strategy, metrics, and improvement activities
2. Ensuring internal policy **compliance**
3. Standardising **buy-pay channels**

1. Increase **internal stakeholder satisfaction**
2. Obtain **more value** from the process
3. Support sourcing **savings**

2016

1. Increase **internal stakeholder satisfaction**
2. **Digital transformation** of the process
3. Obtain **more value** from the process

2018

Exploring the modern concept of value beyond cost efficiency: three E's of digital value



Efficiency With Speed

Minimisation of cost

by optimising resource productivity, eliminating waste, and accelerating cycle times



Effectiveness

Maximisation of business value

by aligning services to enable defined business needs
e.g. working capital, risk, quality, compliance, growth, innovation

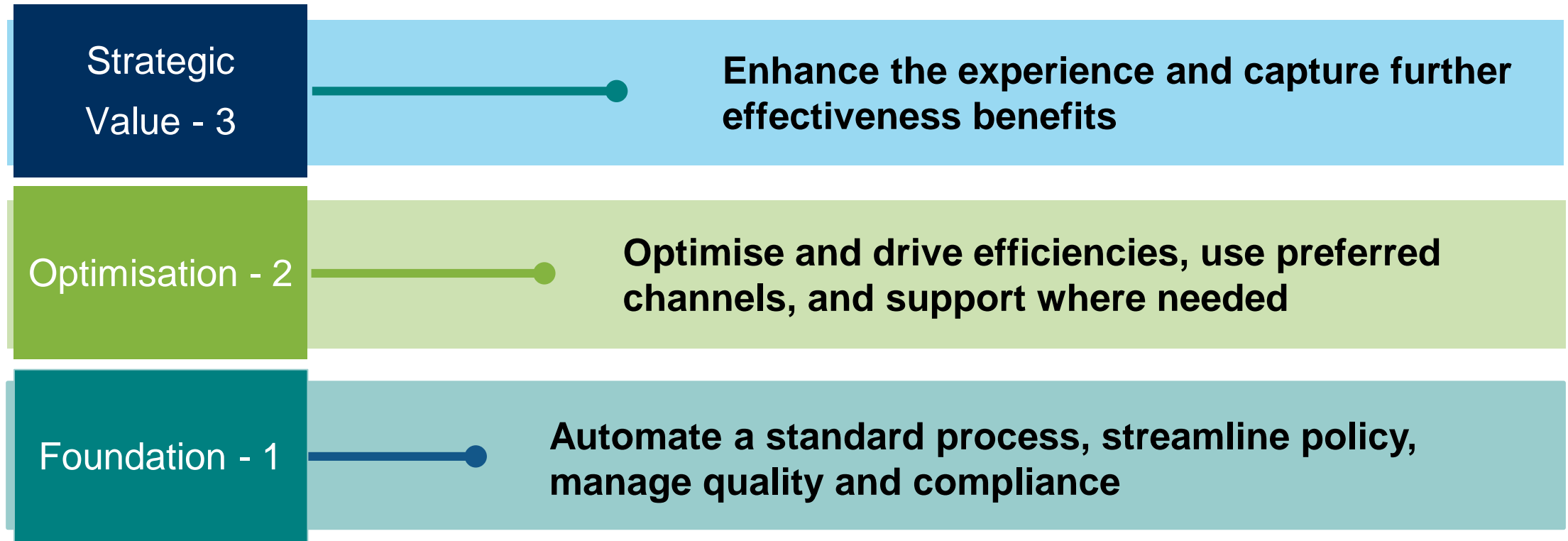


Experience

Optimisation of relationship value

for employees, customers and suppliers e.g. satisfaction, ease of use, training, customer of choice

A modern roadmap to transform operations for value beyond efficiency



Foundation - 1

Building a robust foundation of four essential capabilities

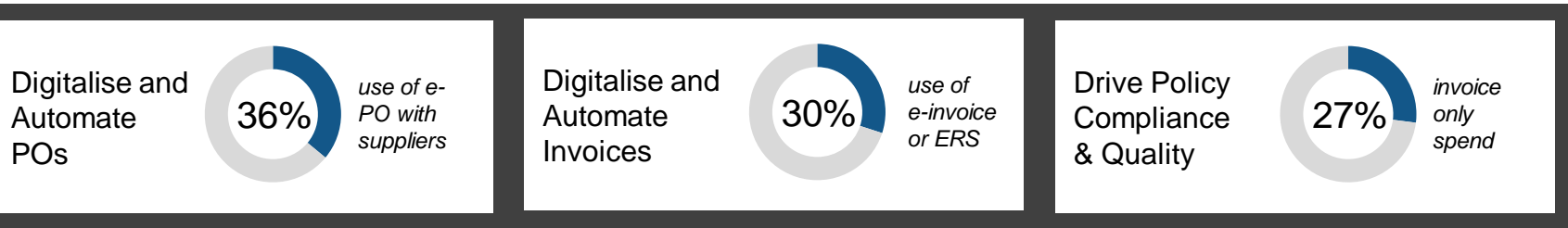


How are teams progressing to complete the foundation...

A ROADMAP FOR TRANSFORMING PURCHASE-TO-PAY

“Many teams still operate twin tracks of legacy and modern digital processes...”

Foundation - 1



Automate a standard process. Streamline policy, manage compliance and quality

**Metrics represent overall median or median of non top-performer unless otherwise stated

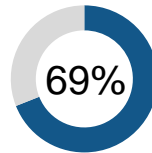
Optimisation - 2

The evolution to strategic value

A ROADMAP FOR TRANSFORMING PURCHASE-TO-PAY

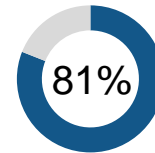
Optimisation - 2

Guide to Preferred Channel



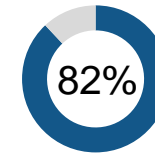
Effective or mostly effective requisition guidance

High Quality Transactions



First pass match rates for PO invoices

Enhance Supplier Relationships

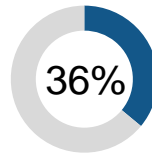


Pay on time to terms

Optimise and drive efficiencies, use preferred channels, and support where needed

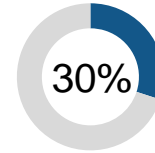
Stage 1 Foundation

Digitalise and Automate POs



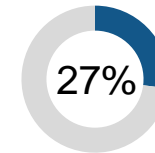
use of e-PO with suppliers

Digitalise and Automate Invoices



use of e-invoice or ERS

Drive Policy Compliance & Quality



invoice only spend

Automate a standard process. Streamline policy, manage compliance and quality

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Top performers have significantly less headcount, with execution workload reduced to refocus on discrepancy resolution, payments, and managing vendor accounts

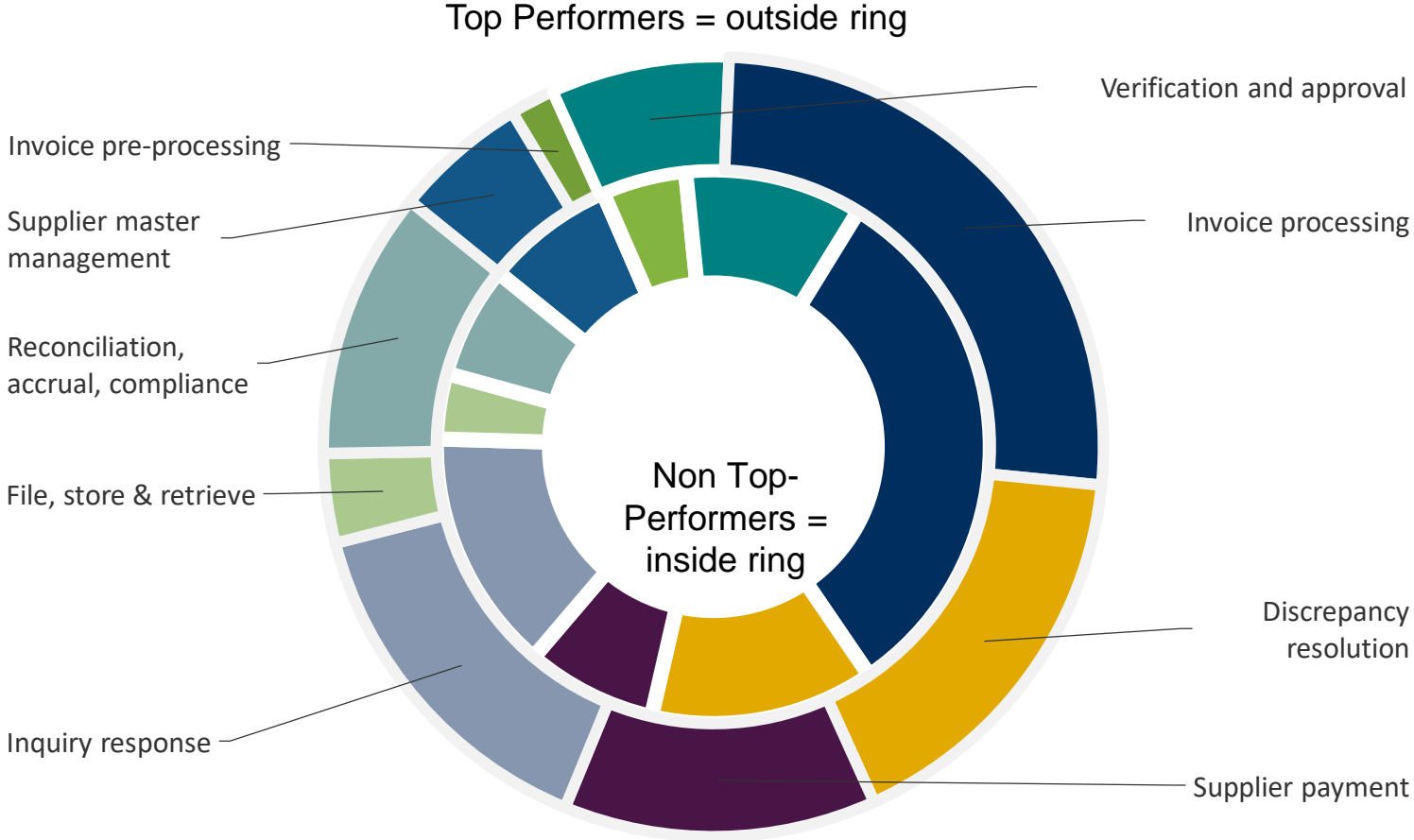
AP top performers have



3.4X

less headcount compared to other teams

% FTE DISTRIBUTION BY ACTIVITY



Two examples: enhancing productivity and providing control and compliance



Productivity

Outcomes

50-80% lower processing cost with more accuracy, compliance and speed

Multi-national Pharma

Automation and business engagement reduced cost to World Class levels



Adoption of Preferred Channels

Outcomes

1-3% savings of spend, improved buying experience

FTSE 250 Support Services

Rapid ramp-up of guided buying approach through innovative business engagement

Today teams face a number of challenges requiring fresh approaches

Achieve high levels of digital enablement in all markets

Visibility of information to address root causes and optimise the last 5-10%

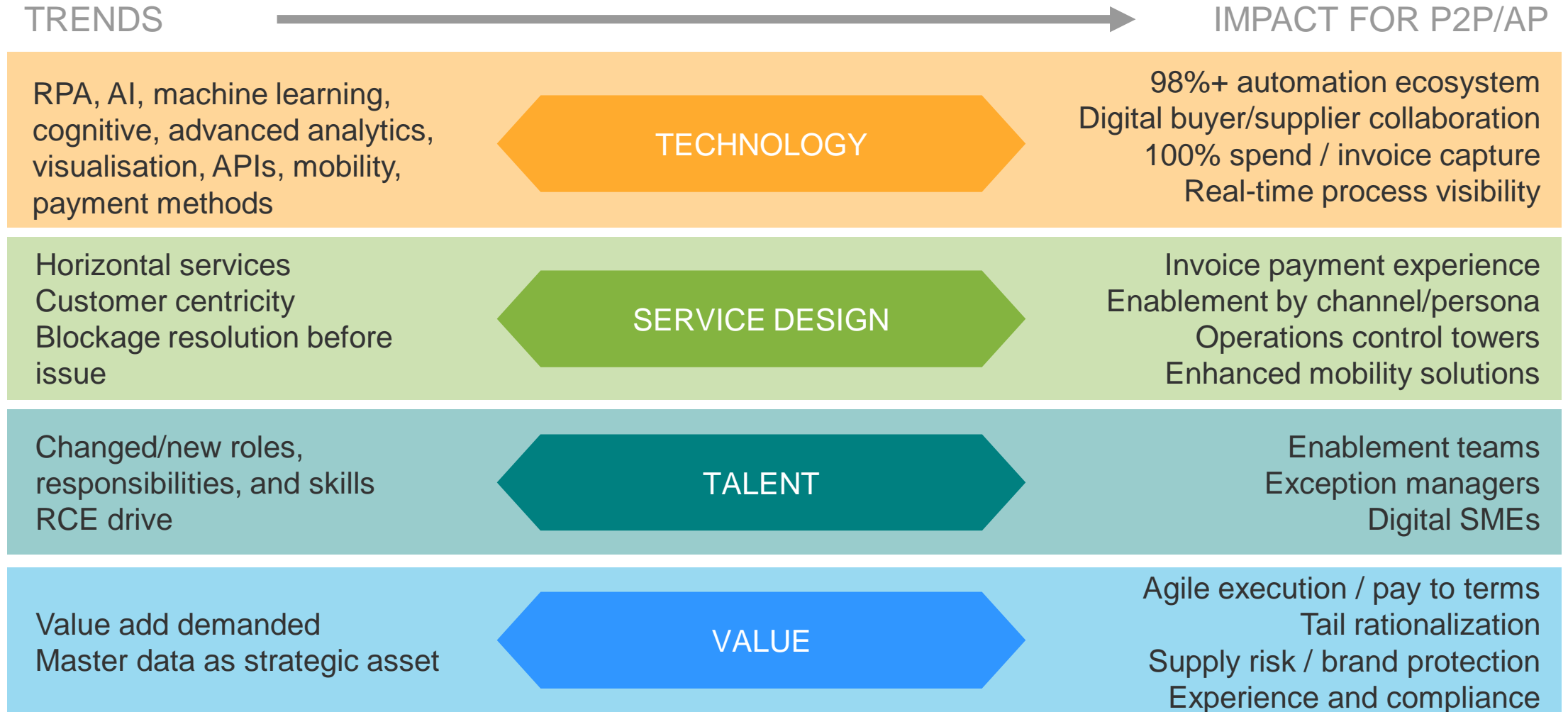
Heavy process to onboard suppliers and maintain quality master data e.g. bank verification

Timely execution of approvals, receipting, inquiries

Minimise the impact of invoice errors, duplicates, and fraud

Improve overall stakeholder satisfaction

The impact of trends on the future of P2P/AP



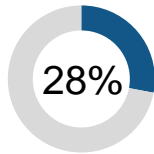
Strategic value - 3

The evolution to strategic value

A ROADMAP FOR TRANSFORMING PURCHASE-TO-PAY

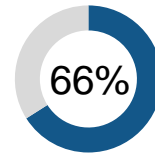
Strategic Value - 3

Enhance Stakeholder Experience



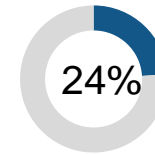
Stakeholders satisfied or very satisfied

Benefit from Financial Supply Chain



have discount strategy

Explore Emerging Technologies

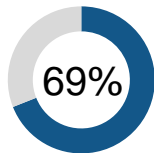


Piloting or using RPA in finance

Enhance the experience and capture further effectiveness benefits

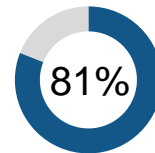
Stage 2 Optimisation

Guide to Preferred Channel



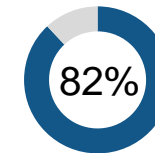
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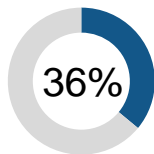


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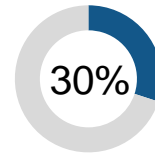
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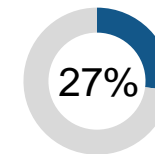
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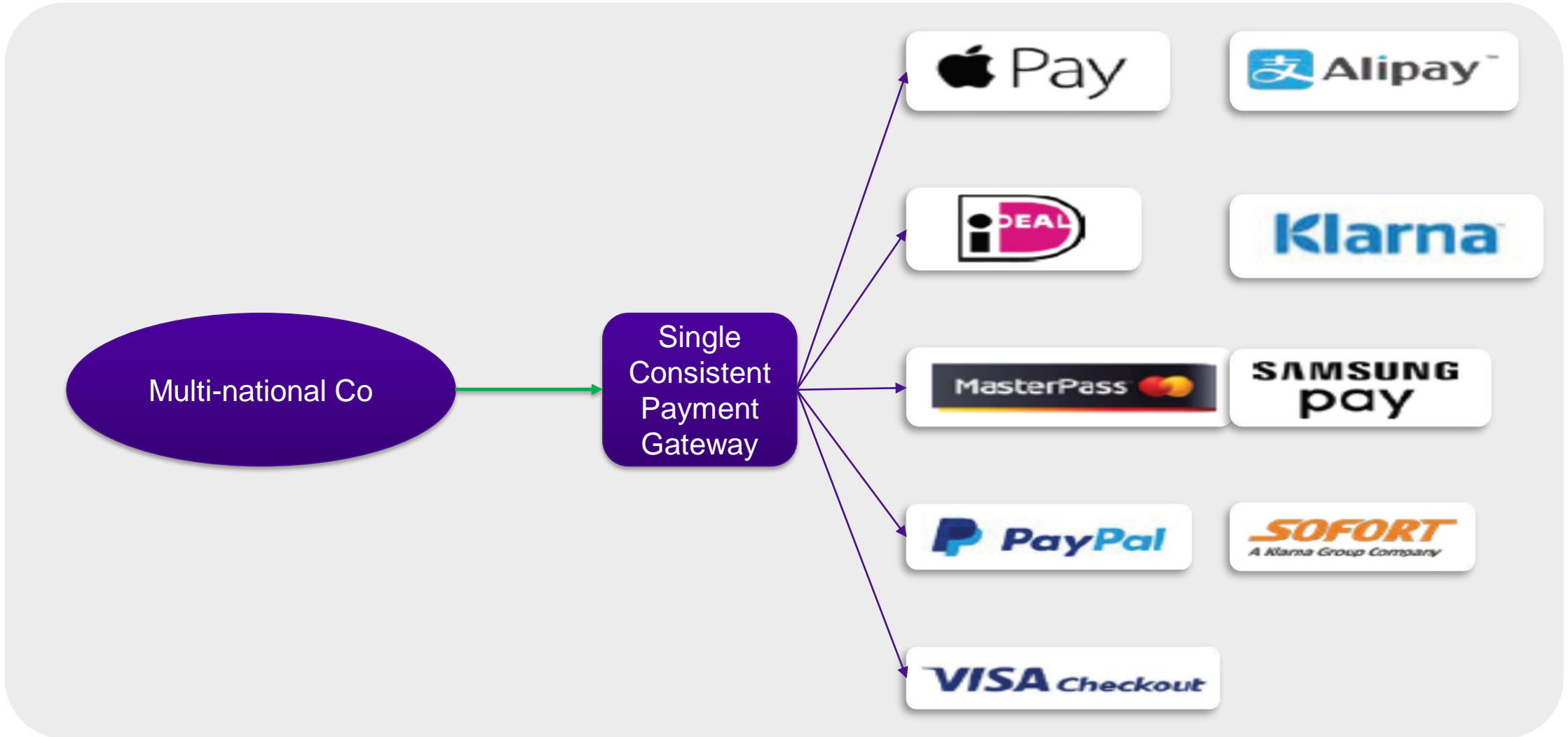


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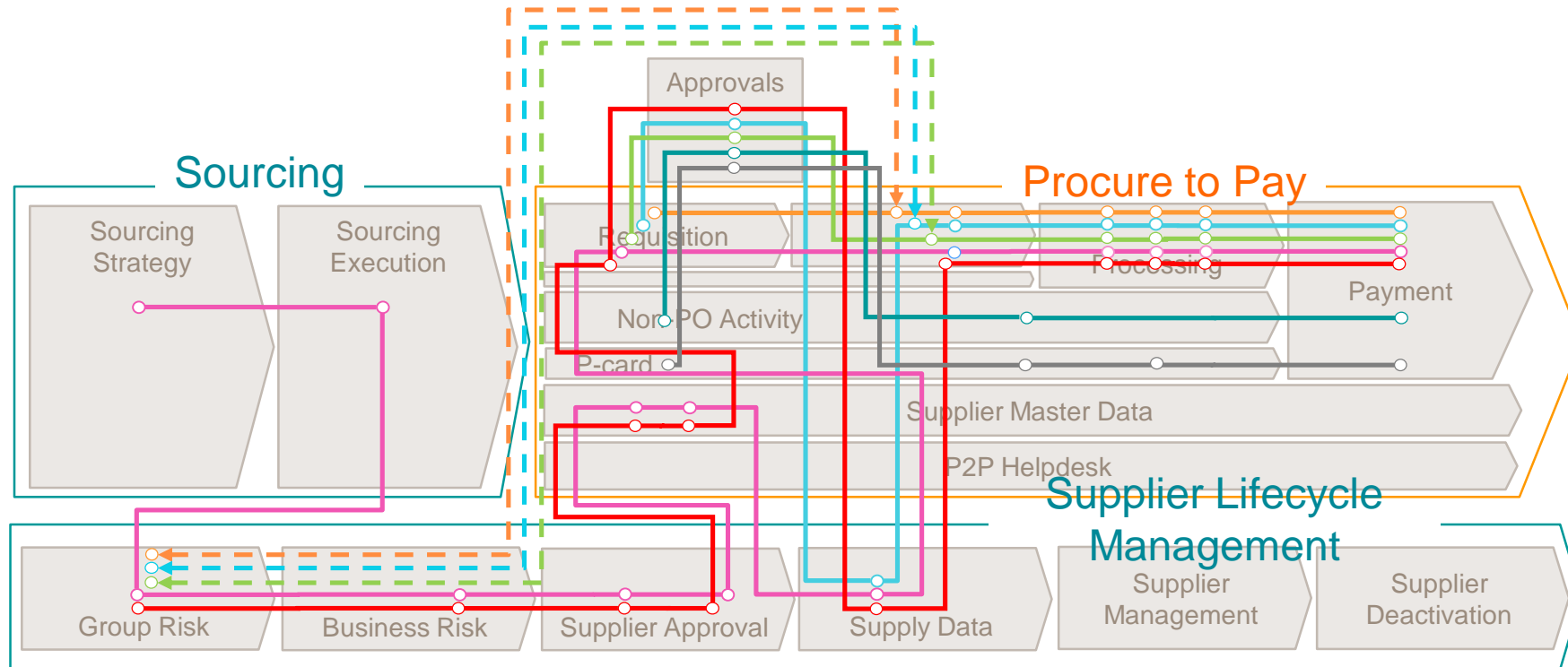
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Offering customer centric solutions to change the global customer payment experience



EXAMPLE

Exploring stakeholder experience with the happy and unhappy journey



- 1. Catalogue, Contract or Preferred Supplier
- 2. Non-Preferred Supplier – Low value
- 3. Non-Preferred Supplier – High value
- 4. New supplier and purchase from Preferred Supplier
- 5. New supplier and purchase from non-Preferred Supplier – Low value
- 6. Apply for and use P-Card
- 7. Request and use non-PO payment (One Time Vendor, Manual, Urgent)

EXAMPLE

Two further examples: to accelerate decision making, and optimise cash



Accelerate Decision Making

Outcomes

New insights, enhanced visibility, confidence, level of detail to optimise the last 5-10%

Multi-national telecom

Operations control tower, advanced analytics: process mining, prediction, visualisation and compliance alerts



Optimise Financial Supply Chain

Outcomes

Collaborative buyer-supplier risk mitigation and cash management

Multi-national conglomerate

\$150million cash saving by shifting suppliers to most common payment term

**Thank you for
listening.....**



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