

# Power Your Procurement Evolution to Reduce Costs and Increase Efficiency



The Best-Run Businesses Run SAP®

**Generate value by making  
procurement a strategic focus**

# Generate value by making procurement a strategic focus

Pressured to reduce supply costs while maintaining high-quality output, companies are seeking greater efficiencies and savings from their procurement operations. The SAP® Supplier Relationship Management (SAP SRM) application helps organizations like yours manage costs and [drive efficiency and savings](#).

To generate value, forward-looking organizations are strengthening supplier relationships and making procurement a more strategic focus in the organization. High-performing organizations employ spend analysis tools, sourcing process automation, and standardized procurement operations. They also implement a centralized model that incorporates leverage into negotiations and makes handling supplier relationships more efficient. As an SAP Business Suite application, SAP

SRM is an integrated solution for automating material and services procurement processes and extending the value delivered by the suite. SAP SRM enables an efficient procurement organization with a flexible and intuitive user interface, user roles, and business rules automation. Future functionality releases are delivered in easy-to-consume enhancement and support packages that greatly reduce the total cost of ownership (TCO) for adopting new product innovations.



# Improve procurement processes, adaptability, and visibility

## Improve procurement processes, adaptability, and visibility

Strengthen operational procurement to deliver value

Centralize sourcing and contracts

Speed up operational reporting

Let your workforce go mobile with a new, unified user experience

Use rapid-deployment solutions for faster time to value

Your organization can become a high-performing business with SAP SRM, the procurement application based on global best practices. SAP SRM supports operational procurement including catalog management, centralized sourcing, and contract management, as well as operational reporting. With SAP SRM, users throughout your enterprise have a role-based, customizable interface that improves cross-enterprise visibility, facilitates procurement activities, and reduces costly training. The new user interface for self-service

procurement gives requisitioners the comfortable experience of a consumer online shopping tool, so little or no training is required. Simpler requisitioning processes lead to higher user adoption, increasing the efficiency and effectiveness of indirect material procurement. SAP SRM also provides a single, consolidated view of the procure-to-pay process including purchasing documents from the SAP ERP application, which can be shown as a single display in a personalized dashboard.



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Using SAP SRM, your sourcing and procurement organization can increase its contribution to the value chain. SAP SRM helps centralize strategy and purchasing-policy decision making so you can understand and control spend across the enterprise for self-service, plan-driven, and services procurement.

**Self-service procurement:** SAP offers a new user interface for self-service procurement that lets casual users create shopping carts (purchase requests) from catalogs with little or no training. This nonmodifying add-on to SAP SRM 7.0 can be quickly implemented to greatly improve usability and adoption.

Consumer-like catalog-based requisitioning lets users purchase goods and services for indirect categories such as maintenance, office supplies, and IT goods. SAP SRM supports automated policy and contract compliance through catalog-driven pricing, contract logic, and the approval workflow for shopping carts, including mobile support. It also supports “green purchasing” by letting users select sustainable goods from catalogs.

Catalog-based requisitioning helps avoid maverick buying and enforces compliance for contracted and preferred goods and services. SAP SRM lets you effectively manage catalog data and also supports complex hierarchies. A powerful search engine helps users easily find goods and services across thousands of items from multiple sources.

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Objectives

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**Solution**

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**Plan-driven procurement:** SAP SRM can source external demands from planning, project, and plant maintenance systems. Planners can purchase direct materials and goods for maintenance, repair, and operations with the correct local pricing and terms. SAP SRM also enables direct material-related spot bids and supplier selection using a sourcing cockpit that gives purchasers the tools and information they need for optimal source determination.

**Services procurement:** Managing spend for large, complex services categories such as maintenance and construction presents special challenges. SAP SRM helps you manage resources and monitor costs for

time- and deliverable-based service categories throughout the requisition, sourcing, contracting, ordering, confirmation, and invoicing processes. By tracking sourcing, contract management, and services fulfillment, the application lets you improve services procurement, which accounts for up to 80% of spend in most organizations, and capture significant cost savings. SAP SRM helps improve supplier collaboration and compliance in service purchasing with hierarchies that define the requirements or phases for service delivery. Companies can also reduce offline processes with trackable electronic supplier collaboration, bidding and approval for supplier bids, service delivery confirmation, and invoicing.



# Centralize sourcing and contracts

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SAP SRM helps you reduce costs and cycle times and improve the transparency of the operational sourcing process (“3 bids and a buy”). It lets you gain visibility into the demand for goods and services from multiple back-end systems. Purchasers can use the sourcing cockpit, a centralized workbench for operational sourcing activity, to aggregate spend, consolidate orders, and initiate competitive request-for-quote bids and auctions with multiple suppliers to drive savings. You can compare and award bids electronically to make sourcing faster and more efficient, so you can identify and realize significant cost savings.



The sourcing cockpit gives purchasing agents a central workbench for operational activity, increasing efficiency and savings.

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Because SAP SRM enables access to all contracts in a secure, centralized repository, your procurement organization can monitor, identify, and reduce maverick buying. The application helps ensure you drive spending with preferred suppliers and leverage your global buying power by using centralized contracts. When integrated with SAP ERP, SAP SRM can serve as a centralized repository for all operational procurement contracts. With this repository, procurement can use contracts as a “source of supply” across SAP SRM

and one or more integrated back-end systems, track contract usage, and drive compliance to negotiated terms, realizing savings. SAP SRM assesses requirements and identifies the optimal contract to fill a specified need, taking into consideration such factors as price, delivery time, and location. It can also account for different types of discounts, such as value discounts, quantity-based stepladder discounts, group discounts, or rebates based on aggregated released values.



Cut maverick buying and get the best price with SAP SRM.



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# Speed up operational reporting

SAP SRM provides you with visibility into sourcing and procurement transactions with prepackaged reports and queries. Use these reports to monitor purchasing activities, measure contract compliance, and gain insights into organization-wide spending and sourcing needs. You can easily capture, consolidate, and present procurement data from across the enterprise. Embedded analytics focuses reporting on the relevant process or documents, allowing people in specific roles to draw insight from the targeted data.

With SAP SRM powered by SAP HANA®, you can take advantage of lightning-fast in-memory processing of large documents and huge volumes of business data. Documents containing thousands of items with multiple location-specific pricing conditions can be processed quickly. Similarly, within personal work lists purchasers can query thousands of documents across multiple systems and access data instantly.



Using SAP SRM powered by SAP HANA can give your procurement organization powerful processing capabilities in a flash.



# Let your workforce go mobile with a new, unified user experience

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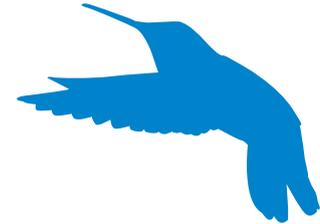
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You can increase efficiency by unifying and simplifying the user interface in SAP SRM so that purchasers, other employees, and managers who are involved in source-to-pay processes can use the application on the device of their choice – any place, any time. This is possible with the new, simplified, state-of-the-art SAP Fiori® user experience that is identical across devices. When your employees are engaged in procurement activities such as approvals and shopping cart processing, they will benefit from the same user experience, no matter if they are in the office using their desktop computer or on the road using a mobile device. The launchpad for SAP Fiori offers a central and highly configurable entry point for transactional and analytical applications as well as powerful search capabilities across multiple devices and platforms.



SAP Fiori delivers a completely new user experience that is highly responsive, personalized, and simple to help your users achieve more.



# Use rapid-deployment solutions for faster time to value

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Rapid-deployment solutions for SAP SRM accelerate, simplify, and optimize your self-service procurement, sourcing, and contract management processes. This revolutionary approach offers a ready-to-consume combination of SAP software, predefined services, and preconfigured content and enablement support to allow an easy, quick, and affordable implementation while reducing risk and effort.

Rapid-deployment solutions deliver capabilities tailored to meet your immediate business

needs. The solutions for procurement support different procure-to-pay and source-to-pay processes such as self-service procurement with online catalogs, operational sourcing functionality, and the integration of strategic and operational contracts within the customer's system landscape. All rapid-deployment solutions integrate with your SAP ERP back end to help assure complete process coverage. And you get fast time to value because your organization can be up and running on the solutions within a few weeks – so benefits accrue right from the start.



Rapid-deployment solutions for SAP SRM deliver an accelerated, predictable, transparent implementation so you can achieve benefits faster.



# Get sustainable results to outperform the competition

## Get sustainable results to outperform the competition

By automating processes with SAP SRM, you can lower costs and speed up cycle times. Strengthen supplier relationships by facilitating electronic transactions and enabling collaboration. Gain the ability to act strategically with better visibility into data across purchasing organizations, suppliers, and the procure-to-pay cycle. Reduce your TCO by unifying systems and data sources with a flexible platform integrated with SAP Business Suite software. SAP SRM enables procurement excellence, increases profitability, and helps transform sourcing and procurement practices – all of which translates into a measurable return on investment.



Achieve excellence in procurement with SAP SRM.





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**Summary**

The SAP® Supplier Relationship Management application supports procure-to-pay best practices that reduce procurement costs by enabling supplier communications, streamlining operations, and improving cost management. Rapid-deployment solutions let you achieve benefits faster with less effort and risk.

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**Objectives**

- Generate sustainable savings by streamlining procure-to-pay processes
- Eliminate risk of procurement noncompliance with more-effective contract compliance and governance
- Achieve greater visibility into supplier relationships and performance
- Standardize and centralize procurement processes
- Increase adoption of procurement best practices by all users

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**Solution**

- Standardized self-service, plan-driven, and services procurement
- Consumer-like user interfaces and mobile apps
- Spend visibility across the enterprise
- Tactical sourcing with bidding and auction tools
- Centralized contract management
- Access to catalog content

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**Benefits**

- Reduce process costs and accelerate cycle times
- Eliminate need for training and increase adoption
- Act strategically with greater data visibility
- Deepen and enrich supplier relationships and collaboration
- Achieve greater compliance
- Reduce total cost of ownership by unifying systems and data sources

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**Learn more**

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