

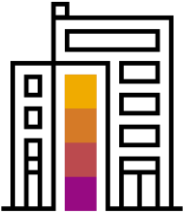


SAP® Innovation Awards 2020 Entry Pitch Deck

Digitizing and Transforming Indirect Procurement Processes
Leveraging The Power of SAP Ariba (Project **easyShop**)

SULZER AG

THE BEST RUN 



Company Information

Headquarters	Winterthur, Switzerland
Industry	Manufacturing, Pump solutions, flows and applicators
Web site	https://www.sulzer.com

Sulzer is a global leader in fluid engineering. Its core strengths are flow control and applicators, specializing in pumping solutions, services for rotating equipment, and separation, mixing, and application technology. Sulzer's customers benefit from a network of over 180 production and service sites in about 50 countries around the world. Sulzer customers benefit from our commitment to innovation, performance and quality and from its responsive network of 50 world-class manufacturing facilities and 100 service centers across the globe.

Innovation and research and development play a pivotal role in the sustained success of Sulzer that is evident in the 180 years of innovation in fluid engineering. The company is constantly investing in state-of-the-art machine tools, packaging, and test facilities.

Sulzer is constantly leveraging the latest digital technologies such as IoT and cloud solutions in its journey towards becoming an intelligent enterprise. Some of the important innovations Sulzer has achieved in the journey are the BLUE BOX™, DOC BOX™, control and monitoring software solutions, to name a few.

Project **easyShop** - Digital transformation of Indirect spend



SULZER AG



Usability and simplicity are key when it comes to managing our complex business and System landscape.

easyShop (SAP Ariba solutions) allow us to keep our procurement simple and standardized. It enabled our staff to complete tasks more faster and better”

Suki Becker, Head Indirect Procurement, Sulzer AG

Challenge

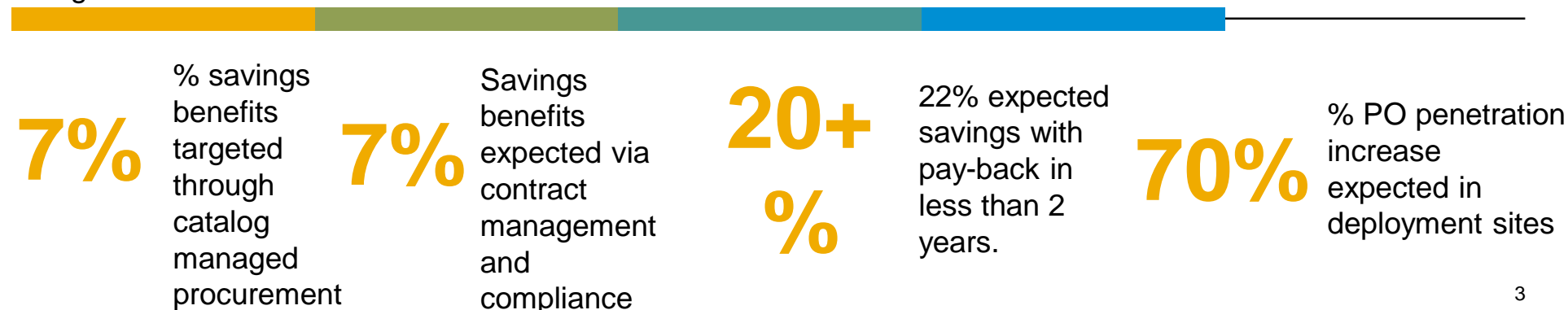
The challenge faced by Sulzer’s indirect procurement function was multi-dimensional. While the company operates in a complex business and systems landscape, it lacked standardized indirect procurement processes and policies across geographies, business divisions and systems. The resulting challenge was a culmination of the business needs for visibility, standardized processes, compliance, and contracted cost benefits.

Solution

The solution approach aimed at and achieved transformation and standardization of the end to end indirect procurement processes leveraging industry best practices and implementation of an indirect procurement and contract management platform leveraging state of the art cloud solution from SAP Ariba

Outcome

This outcome is a digital, efficient, standardized, scalable and a common indirect procurement platform for the whole organisation and its diverse businesses and systems. Over CHF 325 mio indirect spend will be managed through this platform bringing in benefits in cost savings, increase in productivity and enhanced spend visibility and governance





Participating Partner Information

PricewaterhouseCoopers AG

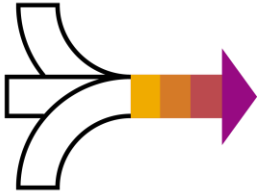
PwC was responsible as a business integrator to design and shape the global template of the business processes by leveraging PwC's procurement excellence framework. Furthermore, as a systems integrator, PwC implemented the solution with a pilot division and site and also will be deploying the template to other divisions and geographies in waves



PwC helped by adapting a Business Led, Technology Enabled approach – easyShop project was run as a fully integrated procurement Transformation and not a pure Tool implementation. We made “The Difference” with our BXT method i.e PwC's method for bringing together Business, eXperience, and technology in a way that drives innovation and meets business objectives

We leveraged the full power of collaborative design by integrating Sulzer team / stakeholders, Key end-users, and PwC. Together the Global design was completed as per plan with strong business leadership and engagement. The go-live was achieved in around 6months timeframe





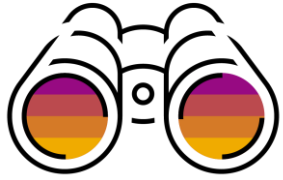
Business Challenges and Objectives

SULZER grew over acquisitions, the current system landscape is 55 known ERP instances within 21 unique ERP systems with SAP being a strategic ERP for the company. Currently all indirect purchases are completed locally in the various locations and ERP systems. There is no one global process governing these indirect purchases and are instead managed locally in a variety of ways. The request for this project is a culmination of the business needs for visibility, standardized processes, compliance, and contracted cost benefits.

The key objectives are to

- Reduce indirect procurement costs
- Control spend and bring transparency
- Increase efficiency
- Drive savings
- Resolve Pain Points





Project or Use Case Details

General Solution Objectives: The key objective of the project is to implement a successful Source to Pay (S2P) platform which includes:

- Standardized processes/SOPs on Purchase-to-Receipt processing and roles including clear roles and responsibilities (Phases/Tasks/Actors/Roles/Measures/DoA)
- Purchase channels defined in accordance with applicable spend/supplier categories driving spend optimization and avoidance of maverick buying
- State-of-art user interface allowing superior user experience for PO processing
- Highly automated transaction processing supporting compliance and enabling cost reduction
- Contract repository to support direct and indirect contract visibility
- Organizational change to support SULZER's new best practices
- The Source to Pay (S2P) platform will be implemented using SAP ARIBA.

Overall Scope of the Project:

- The scope is defined within two modules: "Contract Management" and "Procure-to-Pay".
- For the Contract Management module, the current phase is focusing on creating a central contract repository, allowing transparency and digital access as needed.
- For the Procure-to-Pay module, the project aims to improve and automate the end-to-end processing for indirect spend categories from requisition to invoice including 2/3-way matching.
- Furthermore, an out-of-the-box reporting capability is required to manage the new processes.



Benefits and Outcomes

Business or Social

- ❑ Savings and efficiency
 - Catalog based spend -**3% benefits estimated**
 - Prevention of contract leakage and maverick spend with contract management - **7% benefits estimated**
 - Advance planning and sourcing events for early opportunities to reduce demands - **7% benefits estimated**
 - Contracted and catalog spend and implementing a 'No PO, No Pay' Policy - **5% benefits estimated**
- ❑ Reduced turnaround times
- ❑ Improved compliance

IT

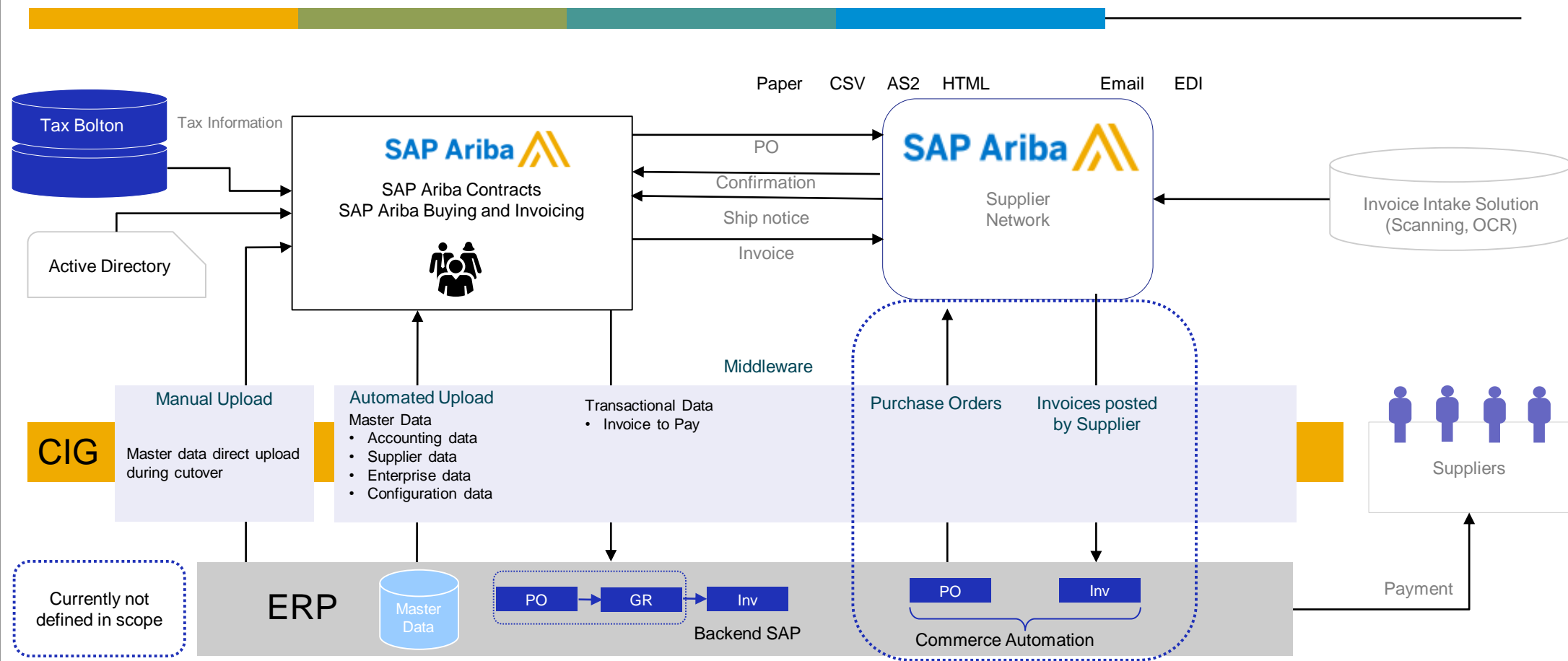
- ❑ Better scalability and maintainability via common global cloud based indirect procurement platform integrated to all backed ERP systems
- ❑ Economies of scale via leveraging Ariba network for integrating with suppliers instead of individual point to point connections

Human Empowerment

- ❑ Improved user satisfaction through intuitive user interface of the platform
- ❑ Improved efficiency automation and system guidance
- ❑ Automation of large volume repetitive functions – allowing procurement personnel to focus on more strategic functions
- ❑ Self-service



Architecture



Single child architecture – Single Ariba child realm connected to three backed SAP systems via SAP Ariba Cloud Integration Gateway and SAP Cloud Platform Connectivity



Deployment



Deployment status Live

Date 04 November 2019

Number of users 400

SAP technologies used:

	SAP product	Deployment status (live or proof of concept [POC])	Contribution to project
1	SAP Ariba Contracts	Live	Contracts management and contract compliance
2	SAP Ariba Buying and Invoicing	Live	Supports procure to pay business processes
3	SAP Ariba Cloud Integration Gateway	Live	Integration of purchase orders, goods receipts, invoices and remittances between Ariba and SAP
4	SAP Cloud Platform Integration Suite	Live	Integration of purchase orders, goods receipts, invoices and remittances between Ariba and SAP
5	SAP Enterprise Central Component	Live	Final system of record of P2P transactions and accounting

If you have used one of the services or support offerings from SAP Digital Business Services during the implementation or deployment phase, please select with ☒ one or more of the following offerings:

☐ SAP MaxAttention™

☐ SAP ActiveAttention™

☐ SAP Advanced Deployment

☐ SAP Value Assurance

☐ SAP Model Company

☐ Others:

☐ SAP Innovation Services

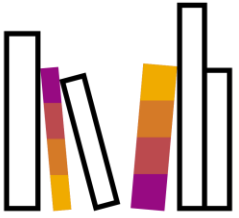
☐ SAP Innovative Business Solutions



Advanced Technologies

The following **advanced technologies** were part of the project.

	Technology or use case	Yes or No	Contribution to project
1	3D printing	No	
2	Blockchain	No	
3	Internet of Things (IoT)	No	
4	Machine learning or AI	No	
5	Conversational AI	No	
6	Robotic process automation	Yes	
7	Data anonymization	Yes	
8	Augmented analytics	No	



Additional Information



Video available and will be provided on request