

Turning cost
into value



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NextBuy
Bratislava 11.04.2019

WHO ARE WE?

Company information

NextBuy is an IT company dedicated to procurement solutions. What is unique at NextBuy is our broad procurement expertise and knowledge combined with IT capabilities – thanks to which we are able to address very sophisticated needs of procurement professionals on the market.

Next buy is developing best in class solutions for procurement processes.

OUR OFFICES



Kielce (PL)

IT development office



Warszawa (PL)

Commercial office

1 WE KNOW PROCUREMENT

NextBuy was created by procurement consultants with more than 15 years of procurement experience. OptiBuy is a leading procurement consultancy in PL

2 WE KNOW E- PROCUREMENT SYSTEMS

We are implementing IT solutions since 2005.

We are very much aware of its pros and cons.

3 WE MADE **NEXTBUY**

We have an unique know-how and knowledge of IT market.

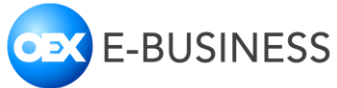
We are developing our own system since 2013, which is implemented and in use by many companies in PL and EU.

NEXTBUY FOOTPRINT

SELECTED CLIENTS - NEXTBUY



Addiko Bank



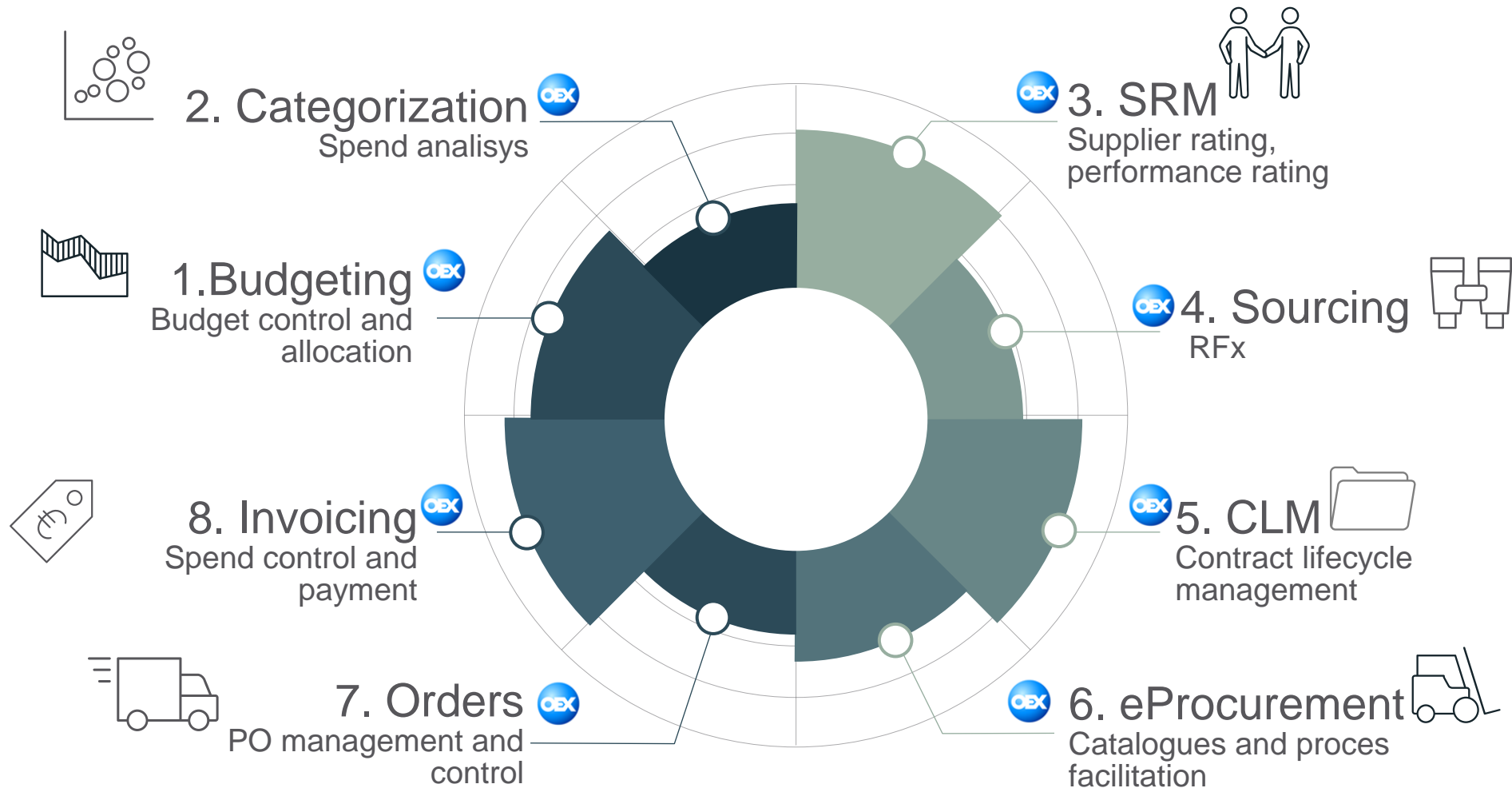
Amica



AXA POLSKA



Procurement process – what we digitalize?



- ✓ templates
- ✓ supplier list
- ✓ data base
- ✓ facilitation
- ✓ visibility
- ✓ UX

- ✓ customization
- ✓ standards

Six main modules of procurement platforms.

Modules for templates



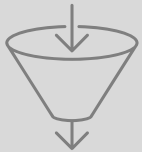
Spend
Analysis



Contract
Management



Supplier
Management



Sourcing



eProcurement



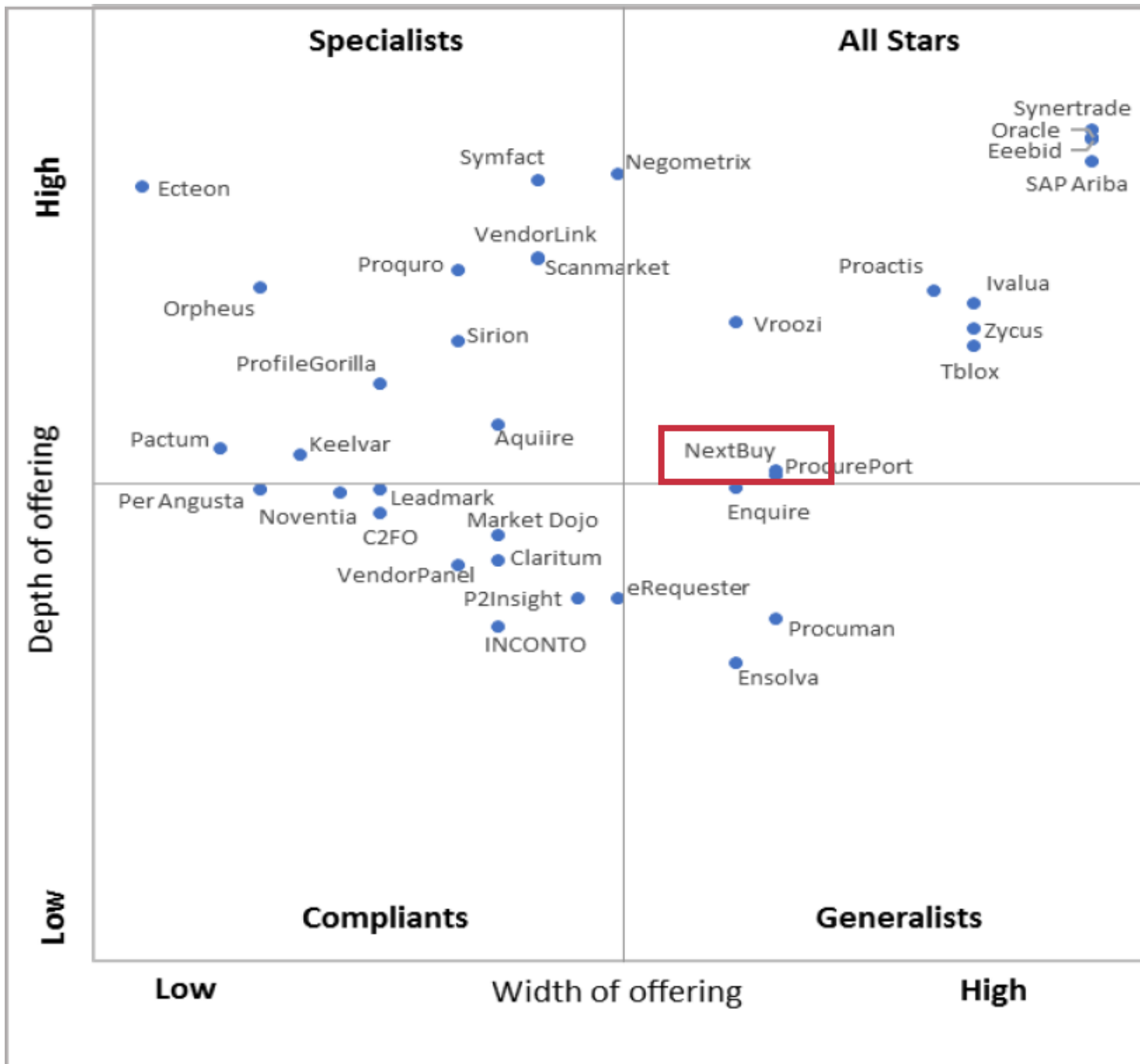
Invoice to Pay

SAP Ariba 

 **NEXTBUY**
ePROCUREMENT

ivalua 

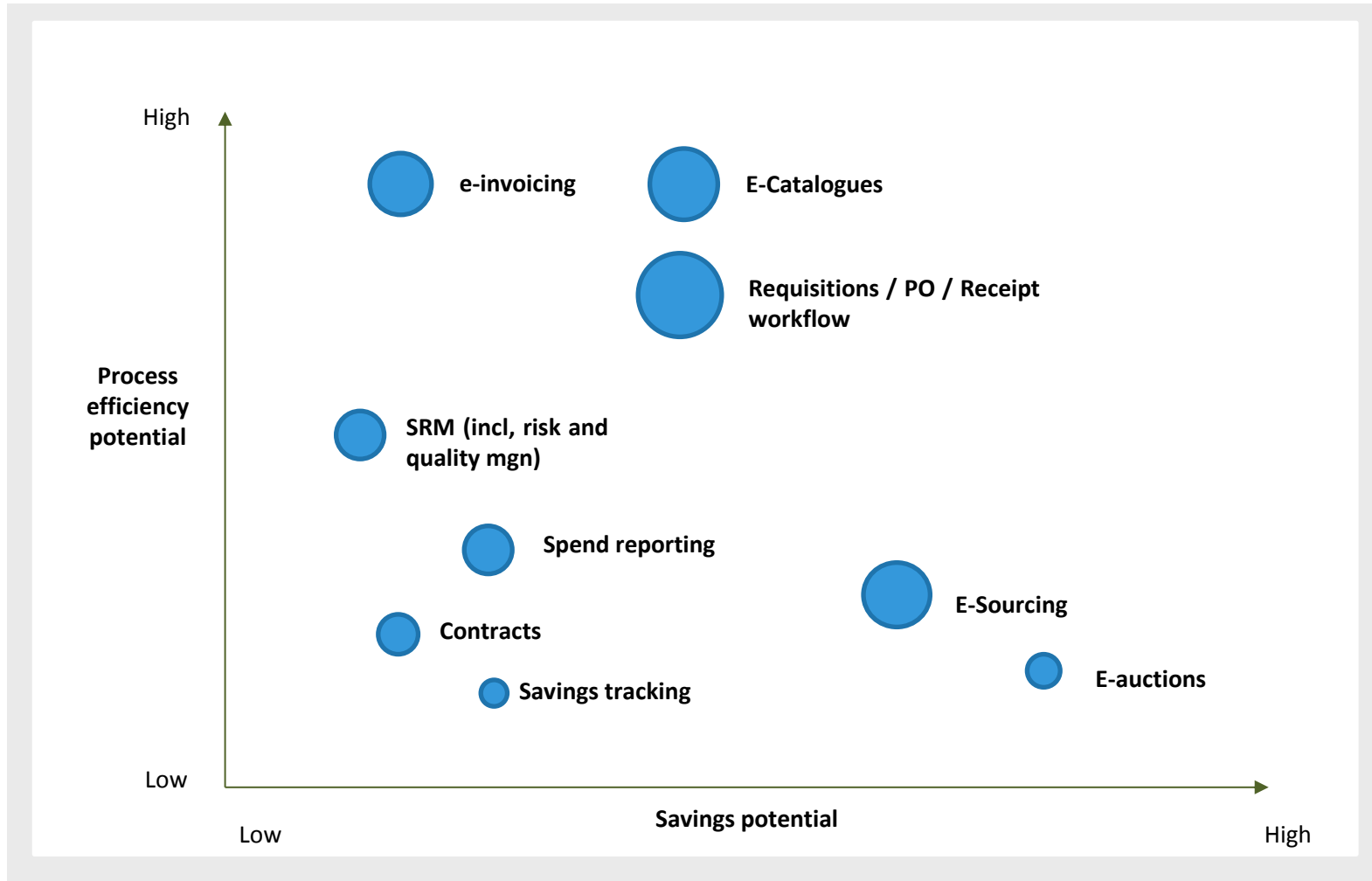
 **coupa**




Magic Quadrant Procurement platforms.

source: Capgemini

Savings generation – where to start?



 The larger the bubble the higher the implementation cost

source: OptiBuy

Procurement process – what we digitalize?

NextBuy is a complete software to facilitate and manage Procurement processes in your company.

SUPPLIER DATA BASE



- ✓ Supplier data base
- ✓ Cooperation history
- ✓ Supplier rating system

STRATEGIC



- ✓ eSourcing and RFx
- ✓ eAuctions
- ✓ Contract Database

OPERATIONAL



- ✓ eCatalogues
- ✓ Requirements flow
- ✓ PO management

What your CEO wants you to know – ROA.



What your CEO wants you to know – ROA.

$$ROA = M \times V$$

ROA – Return on Assets

V – Velocity

M - Margin

Resources efficiency – **advantages.**

ROA



$$\text{ROA} = 10\% \times \frac{600}{300} = 20\%$$

Resources efficiency – **advantages.**

ROA



$$\text{ROA} = 5\% \times \frac{600}{100} = 30\%$$

Resources efficiency – **advantages.**

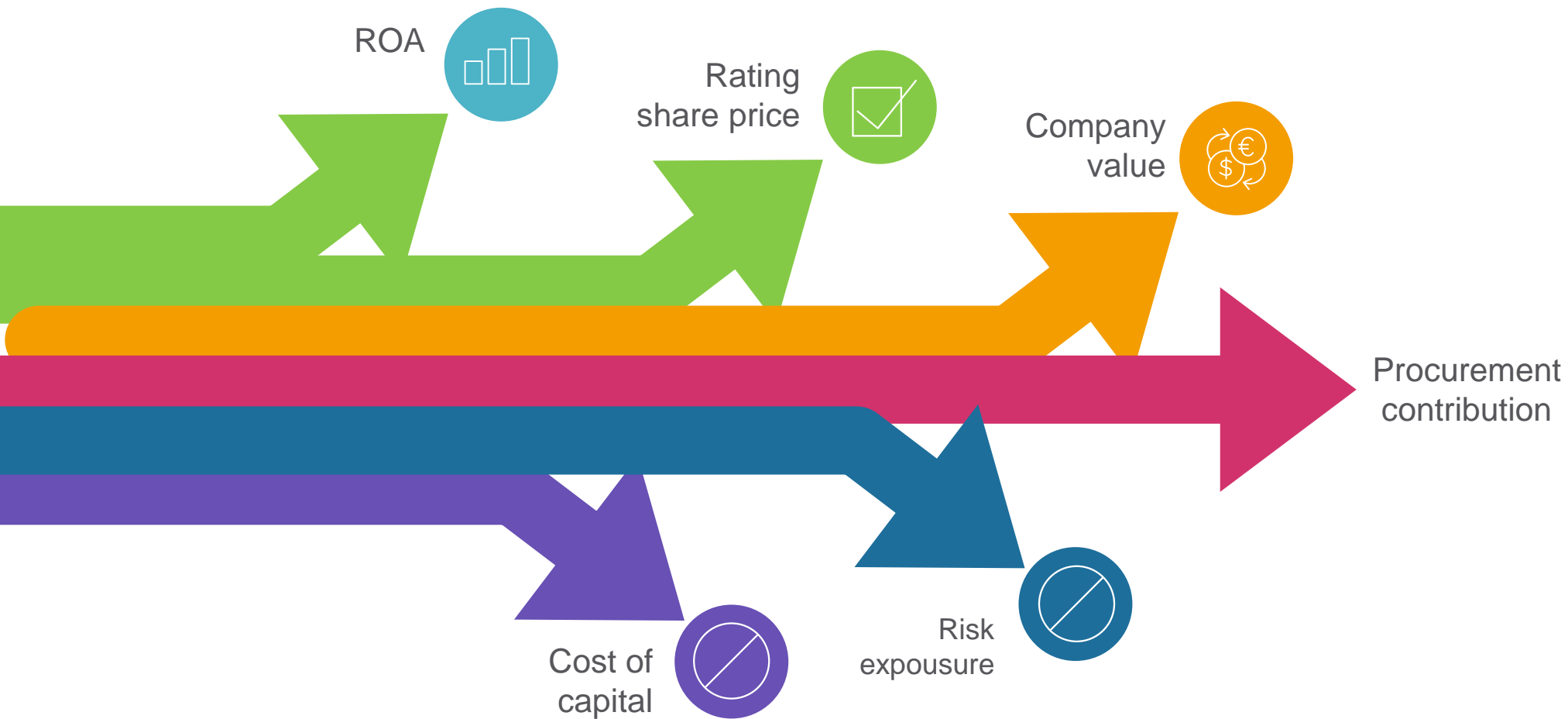
ROA



$$\text{ROA} = 3\% \times \frac{600}{20} = 90\%$$

Resources efficiency – advantages.

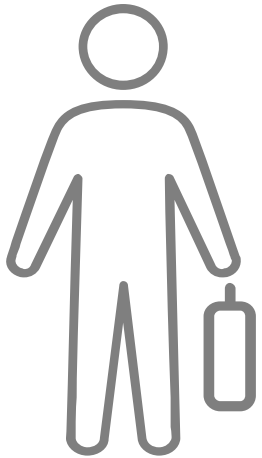
ROA



Tail Spend Management – how to?

HOW TO... add value?

How to build a Tail Spend Management?



- 1 Supply base categorization
- 2 Product categorization and baskets (ABC)
- 3 Build required services specification
- 4 Identify right partner (sourcing)
- 5 Create catalogues on the platform
- 6 Train employees and use eCatalogues
- 7 Implement reporting system

eCatalogues
+
TSM partner

when in doubt

**KEEP CALM
and FOLLOW
THE PROCESS**

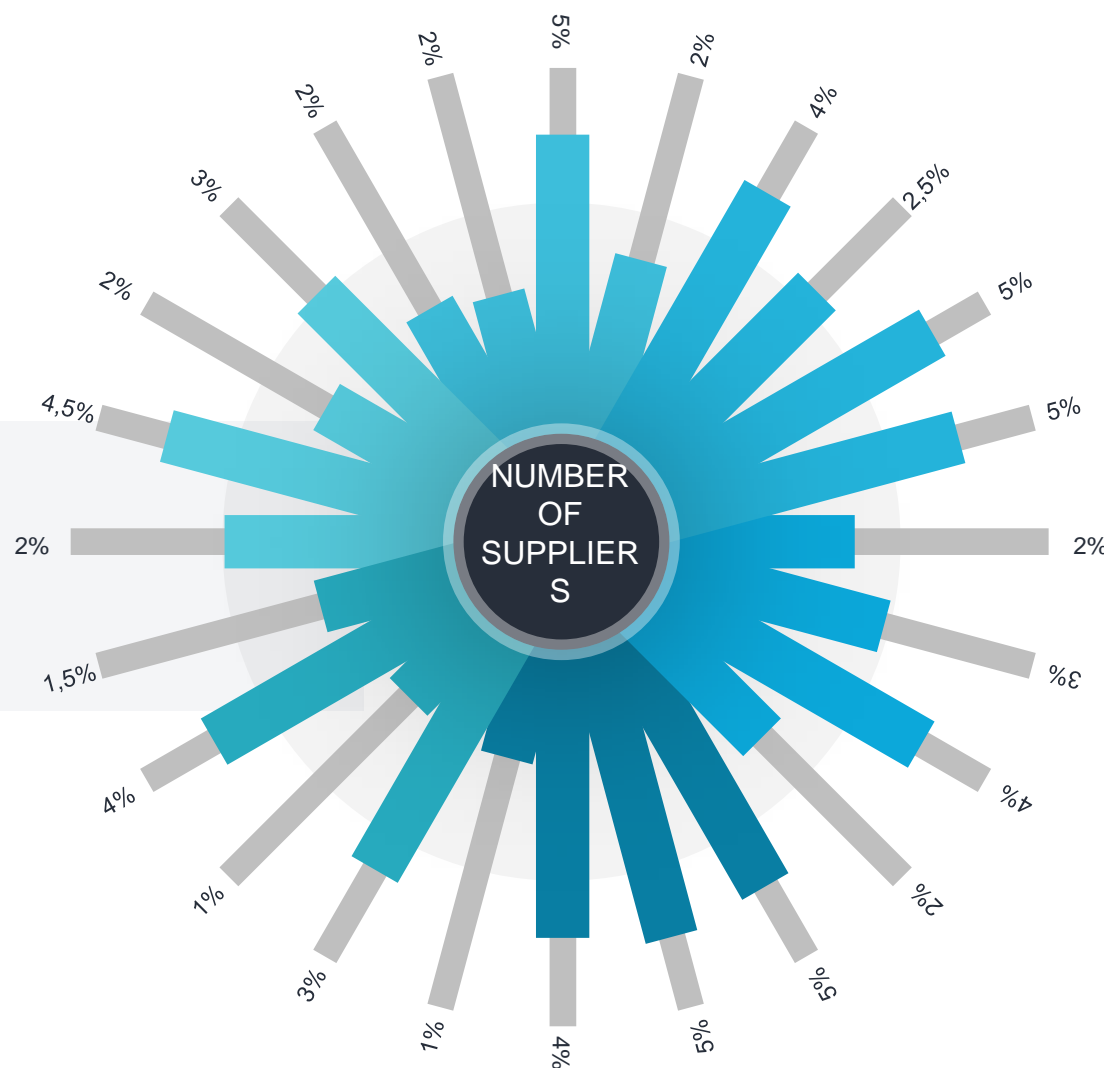
Supply base management – # of suppliers.

1 Supply base categorization

Suppliers categorization

Suppliers categorization based on their number

Each company has hundreds to thousands of suppliers. Each supplier generates workload.



Direct

Dostawcy produktów i/lub usług bezpośrednio związanych z naszymi wyrobami do klienta (np. surowce, komponenty, opakowania)

Indirect

Produkty i/lub usługi nie związane bezpośrednio z wyrobami dla klientów. Np. komputery firmowe, samochody, sprzęt biurowy, maszyny

Capex

Zakupy inwestycyjne (np. nowe linie produkcyjne, nowe budynki, systemy informatyczne)

of suppliers

Duże, międzynarodowe organizacje, miewają kilkaset tysięcy dostawców

2

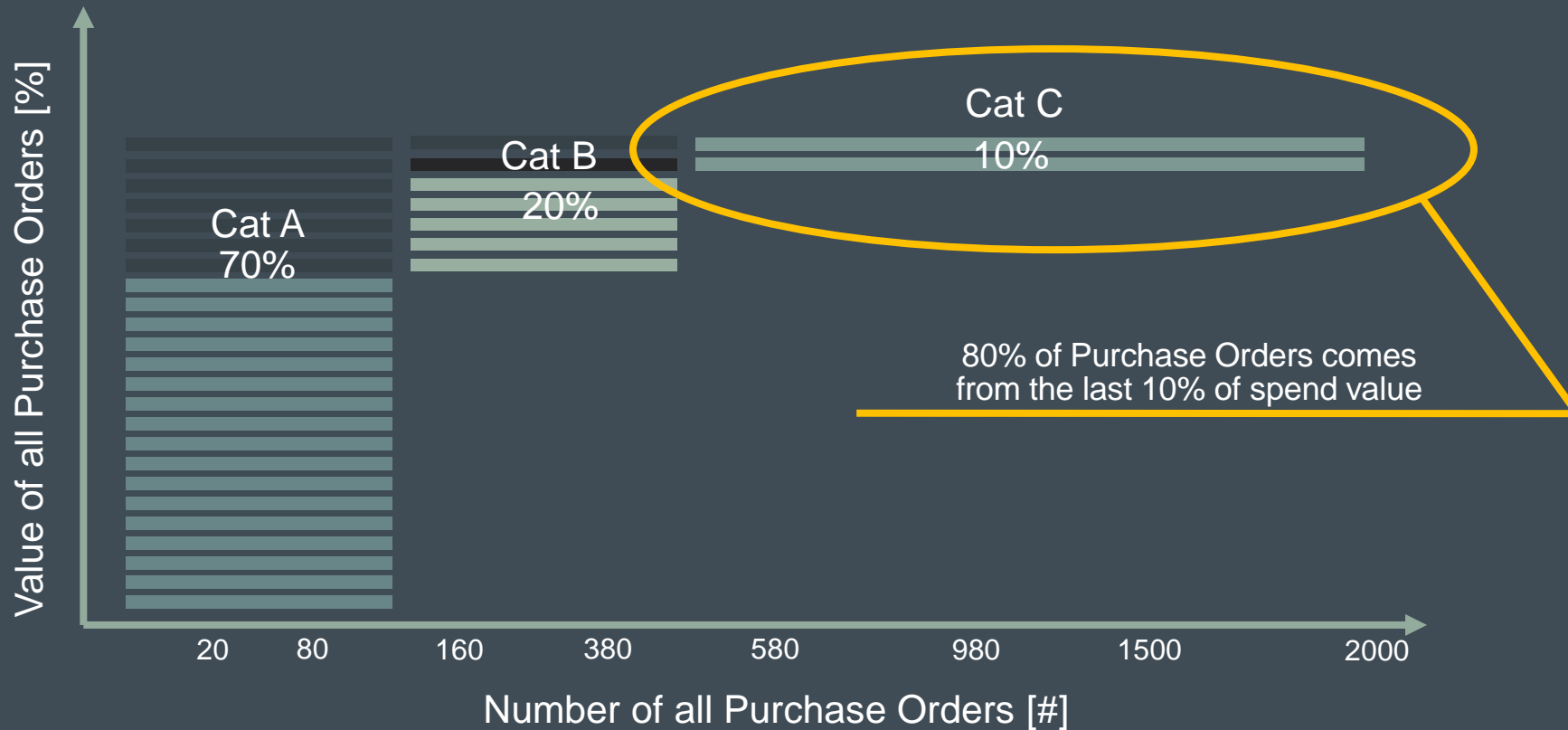
Product
categorization
(ABC)

More than 4,5
hrs every day,
buyer spends
on repeatable
activities.

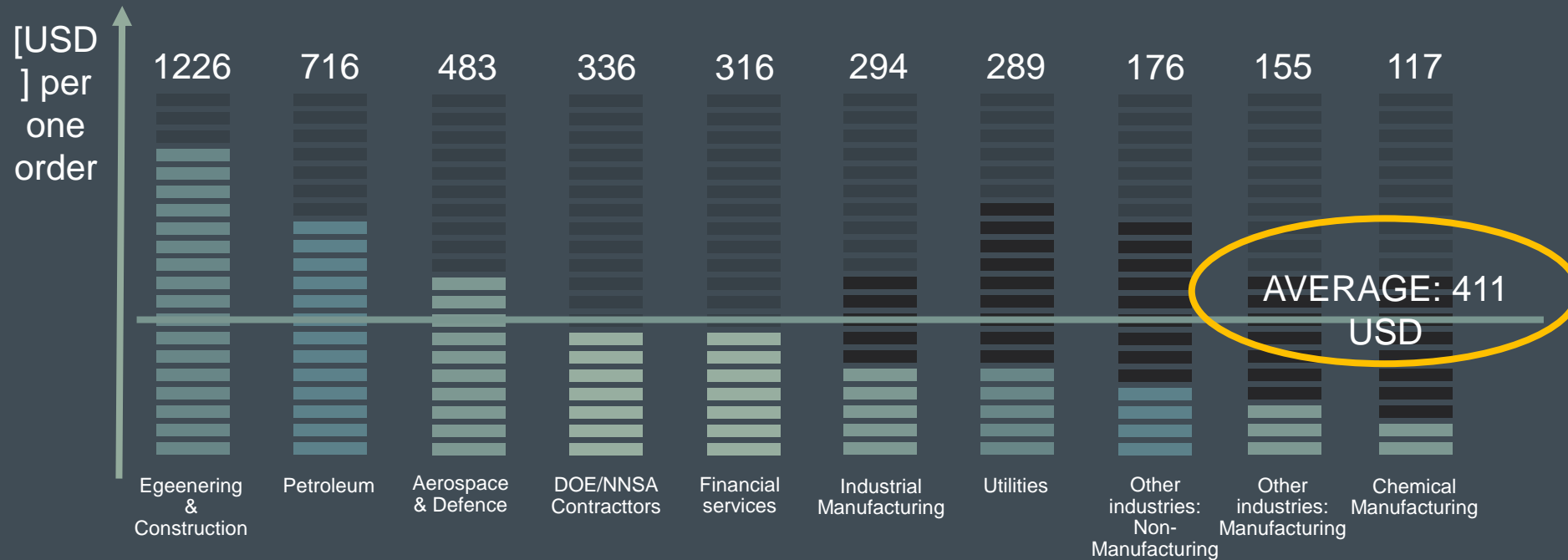


Tail spend management – advantages.

- Tail Spend – Category C items
- Complex P2P proces
- Low value tail spend purchase
- Manual order proces and supplier sourcing
- No commercial agreements with tail suppliers
- Manual and complex invoicing process



Tail spend management – advantages.



According to CAPS Research based on the research held in 2014, the average cost of order processing accross industries is 411 USD

Source: CAPS
Research, 2014

Supply base management – # of suppliers.



TSM

added
value

scope of
services

Advantages of implementing TSM – Tail Spend Management

01	02	03	04
commercial	transactional	outsourcing	savings
<ul style="list-style-type: none"> - Payment terms - Cashflow improvement - Inventory level (VMI + CS) - Retro bonus - TCO target 	<ul style="list-style-type: none"> - # of PO - # of invoices - # of goods received - # incoming goods inspection - # regeneration, quality claims etc 	<ul style="list-style-type: none"> - VMI - availability - Claims handling - Supplier relationship management 	<ul style="list-style-type: none"> - Workload reduction - Process Lifetime improvement - TCO savings commitment
+ Wymierne \$\$\$	+ Czas pracy	+ Czas pracy	+ Wymierne \$\$\$

Tail spend management – advantages.

4 Build required services specification – value for money



added
value

scope of
services

Tail spend management – tools example.

added
value

scope of
services

	Service name	Client share in workload	TSM (supplier) share in workload
Transactional services	# of purchase orders (annual)	0	80 000
	# of goods received (annual)	0	80 000
	# of Invoices (annual)	96	10 000
	# of regrinds (annual)	0	10 000
	# of quality claims (annual)	0	100
Logistics services	Regrinding management	0	4 FTEs
	Warehousing - handling of goods	0	Vending Machines + 4 FTEs
	Tools Availability	none (75% is an industry standard)	99,90%
	Delivery lead time planning	none	managed
	Safety stock management	none	managed
	Demand planning flexibility	none	possibilities to put pressure on suppliers or change schedules
	Data control	available as SaaS from TSM	spend and specs overview from integrated system (SaaS)
Commercial services	Cost of capital	0	7 800 000 EUR currently on stock
	TCO savings execution and administration	Client as a support	TSM provider as a driver and executioner
	TCO savings	5%	5%
	Purchase volume consolidation	none	combined purchasing power with other clients
	# of suppliers consolidated	1	160
	# of suppliers contract	1	160
	Commercial annual spend bonuses	consolidated to 1	fragmented to 160

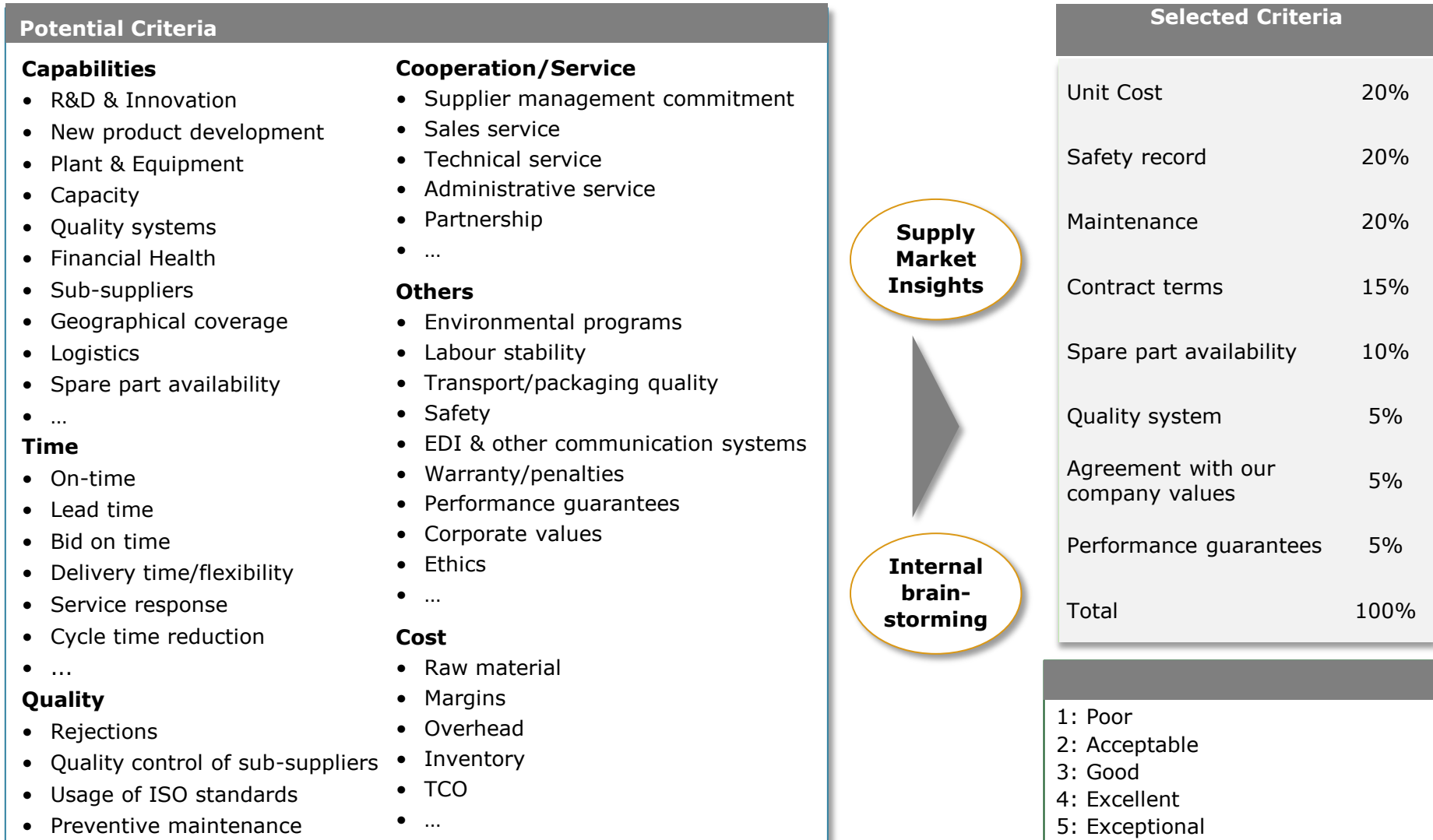
Define supplier selection criteria?

5

Identify right partner (sourcing) – step 1 supplier criteria

added
value

Identify
TSM
partner



eSourcing – it is all about the process.

5 Identify right partner (sourcing) – step 2 RFP



Key tasks	End products
<ul style="list-style-type: none">• Compile RFQ document	<p>RFQ document:</p> <ul style="list-style-type: none">• Instructions• Contract terms (draft)• Service Level Agreement (draft)• Questionnaire/survey• Bid terms• Bid sheet
<ul style="list-style-type: none">• Set-up an analysis model to evaluate the bids	

eAuction
scheme

when in doubt

KEEP CALM
and FOLLOW
THE PROCESS

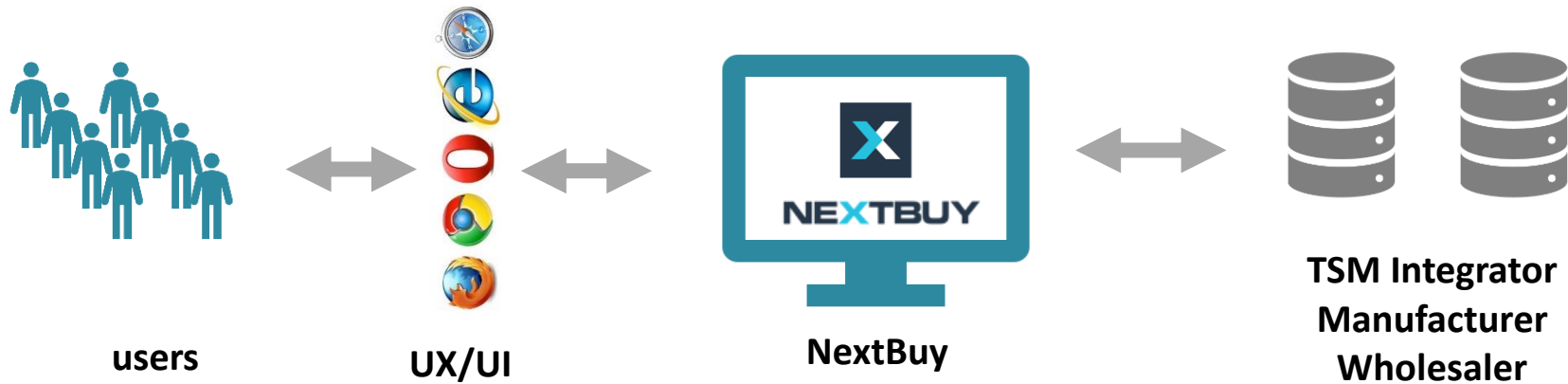
eSourcing – managing sourcing event.

5 Identify right partner (sourcing) – step 3 manage RFP process

(2147) Dostawa artykułów biurowych Dostawcy										
Wiadomość do zaznaczonych 1 Wców										
Upublicznij przetarg										
Zapisz										
Wyślij zaproszenie										
Dodaj 2										
Dodaj z bazy										
Dodaj z bazy dostawców										
Dodaj dostawców zewnętrznych 3										
Dostawca	Data wysłania ostatniego zaproszenia	Otworzył link	Wysłał ofertę	Uzupełnione	Był kontakt	Zainteresowany	Powód braku zainteresowania	Oferta przyjęta	Zablokuj dostawcę	Komentarz
<input type="checkbox"/> EXPRESS OFFICE SP Z O O	03.07.17 08:54	<input type="checkbox"/> Nie			<input type="checkbox"/>	<input type="checkbox"/>	Nie otrzymaliśmy nigdy odpowiedzi na wcześniejsze oferty	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> DAKS SP Z O O	03.07.17 08:54	<input checked="" type="checkbox"/> Tak	<input checked="" type="checkbox"/> Tak	<input checked="" type="checkbox"/> 100%	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Abis	03.07.17 08:54	<input type="checkbox"/> Nie			<input type="checkbox"/>	<input type="checkbox"/>	Brak wolnych mocy		<input type="checkbox"/>	
<input type="checkbox"/> SOLUTION4OFFICE SP Z O O	03.07.17 08:54	<input type="checkbox"/> Nie			<input type="checkbox"/>	<input type="checkbox"/>	Nie jestem zainteresowany udziałem w tym postępowaniu		<input type="checkbox"/>	
<input type="checkbox"/> WEKTOR ARTYKUŁY BIUROWE SP Z O O	03.07.17 08:54	<input type="checkbox"/> Nie			<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	Nie złożyła oferty
<input type="checkbox"/> OFFICE PLUS WARSZAWA SP Z O O	03.07.17 08:54	<input type="checkbox"/> Nie			<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	Brak możliwości dodzwonienia
<input type="checkbox"/> BIURO PLUS S A	03.07.17 08:54	<input type="checkbox"/> Nie			<input type="checkbox"/>	<input type="checkbox"/>	Zbyt duża liczba otwartych zapytań w tym momencie		<input type="checkbox"/>	
<input type="checkbox"/> Lyreco Polska S.A	03.07.17 08:54	<input checked="" type="checkbox"/> Tak	<input checked="" type="checkbox"/> Tak	<input checked="" type="checkbox"/> 100%	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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Add value to the process – **flow map.**

5 Identify right partner (sourcing) – both TSM and SoftWare



Users challenges

- ✓ Approvals needed
- ✓ Budget limitation
- ✓ No time for C pats purchases

Proces and reporting value

- ✓ Cost centers allocation
- ✓ Approval flow
- ✓ Form templates depends on BU, Division, department...
- ✓ Stakeholder communication
- ✓ PO received confirmation by supplier
- ✓ Reminders to supplier
- ✓ Cost center PO allocation per line item
- ✓ Supplier rating system
- ✓ Invoicesregistration
- ✓ Spend analisys and reporting (per cost centres, departments, categories, suppliers...
- ✓ Maverick spend reduction

Commercial value

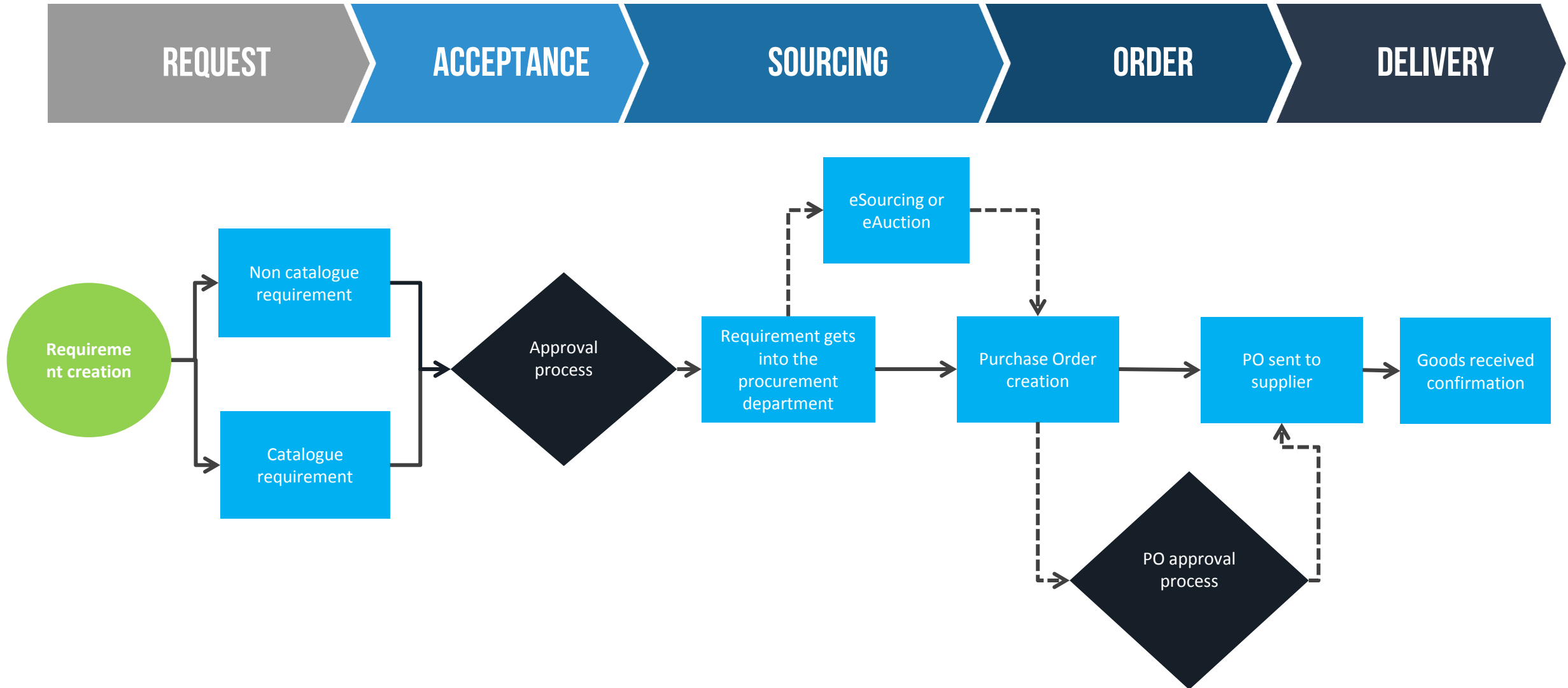
- ✓ Volume consolidation
- ✓ BI expertise
- ✓ Specialization and proces improvements
- ✓ Best practice sharing x-clients
- ✓ Purchasing power towards supply market
- ✓ Wide range of services
- ✓ Quality agreements
- ✓ Deliverables and KPIs
- ✓ Stock management (VMI)
- ✓ CS reduction, high turnover ratio

**added
value**

**Identify
TSM
partner**

Procurement process – **flow map.**

6 Create catalogues on the platform – step 1 map approval flow process



Products catalogue – creating purchase order.

6 Create catalogues on the platform – step 2 create catalogues with prices

ZAKUPY

KATALOGI PRODUKTÓW

ANALIZY

Katalog produktów

Szukana fraza

Dostawca

Jednostki miar

Kategorie zakupowe

Pronto Pasta Extra Protection Do Paneli 75 0ml 012531

Ludwik płyn do mycia naczyń balsam aloe owy 500 g 012532

Ludwik koncentrat płyn do mycia naczyń cytryna 500 g 012533

Clin płyn do mycia szyb cytrynowy rozpylac z 500 ml 012534

Sansed płyn do WC Kamień i Rdza Leśny 500ml 012536

Ludwik mleczko czyszczące morskie 300 g 012537

Mola papier toaletowy Familijny żółty 8 szt. 012538

FREGA FREJOWSKI GARBOL SPÓŁKA J AWNA

11.90
cena netto PLN

1

szt.

FREGA FREJOWSKI GARBOL SPÓŁKA J AWNA

8.70
cena netto PLN

1

szt.

FREGA FREJOWSKI GARBOL SPÓŁKA J AWNA

7.90
cena netto PLN

1

szt.

FREGA FREJOWSKI GARBOL SPÓŁKA J AWNA

8.30
cena netto PLN

1

szt.

FREGA FREJOWSKI GARBOL SPÓŁKA J AWNA

12.30
cena netto PLN

1

szt.

FREGA FREJOWSKI GARBOL SPÓŁKA J AWNA

13.60
cena netto PLN

1

szt.

FREGA FREJOWSKI GARBOL SPÓŁKA J AWNA

13.80
cena netto PLN

1

szt.

1

1 / 1 (7)

Ludwik koncentrat pł...
Cena jedn.: 7.9 PLN

Clin płyn do mycia s...
Cena jedn.: 8.3 PLN

Sansed płyn do WC ...
Cena jedn.: 12.3 PLN

Ludwik płyn do myci...
Cena jedn.: 8.7 PLN

Wartość netto: 37,20 PLN
Wartość brutto: 45,76 PLN

Zobacz koszyk (4 artykuły)

Kod kreskowy 5000204604450
SKU (TYP) 113604
Podmiot odpowiedzialny SC JOHNSON

- 1 Products catalogue. Visibility of all accesable items with details (name, picture, description, price etc.)
- 2 Add item to the basket, select quantities
- 3 Send for approval or create PO



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