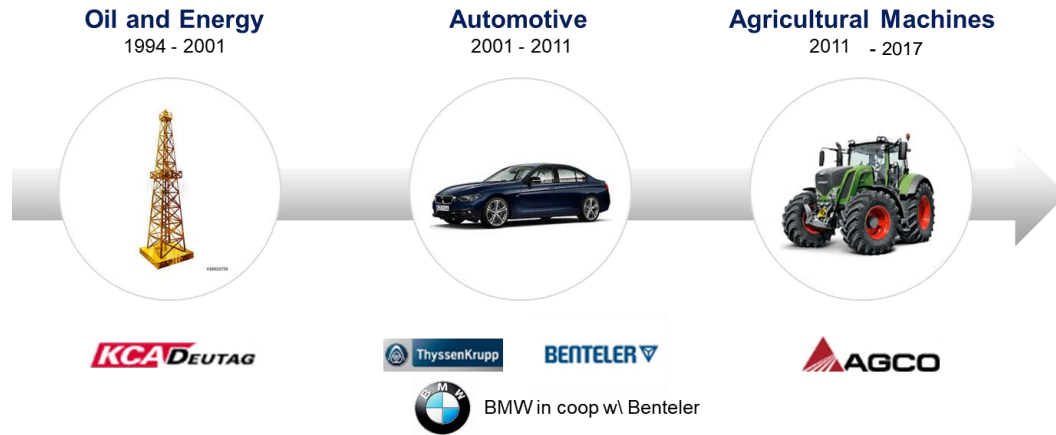




Digitalization in Procurement

How digital solutions like eSourcing will enable your organization to be agile while driving value

Professional Career



2017 - targetP! – Erfolg für Einkauf & Supply Chain, Berlin
Founder

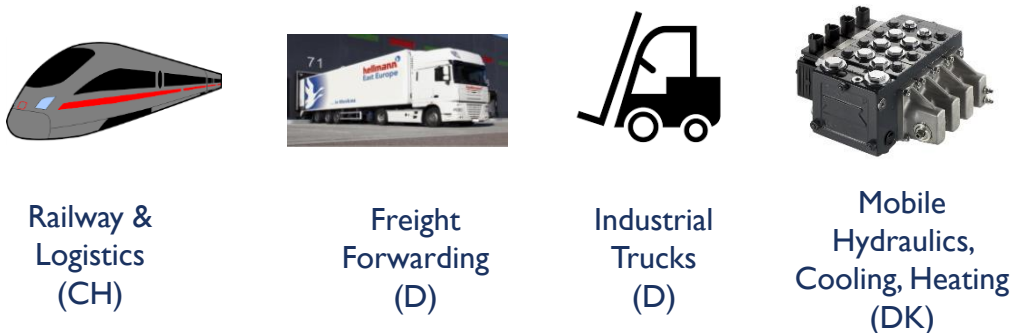
2017 – 2011 AGCO Corporation, Duluth, Georgia
Global Director Strategy & Methods, Cost Analytics, Supplier Mgmt / Development
Global Purchasing & Materials Management

2011 – 2004 Benteler Automobiltechik, Paderborn
Global Director Strategy , Methods, Supplier Cost Analysis, Paderborn
Sr. Manager Strategy & Planning North America Purchasing , Auburn Hills, Michigan
Purchasing Manager Project BMW E70 (X5), Duncan, South Carolina
Purchasing Manager Project BMW E70 (X5), Paderborn & Munich BMW FIZ

2004 – 2001 ThyssenKrupp, Bielefeld /Bochum
Strategic Purchasing Automotive Chassis & Structural Components & Systems

2001 – 1996 DEUTAG & BENTEC Drilling, Buyer Oilfield Materials

Recent Projects (selected)



BME Excellence in eSolutions 2015



BVL Logistikpreis 2016



AGENDA

1

Procurement has evolved – Technologies too!

2

Your digital journey starts now – that's why

3

eProcurement – Digital – Digitalization – how to start

4

Technologies & Ways to implement

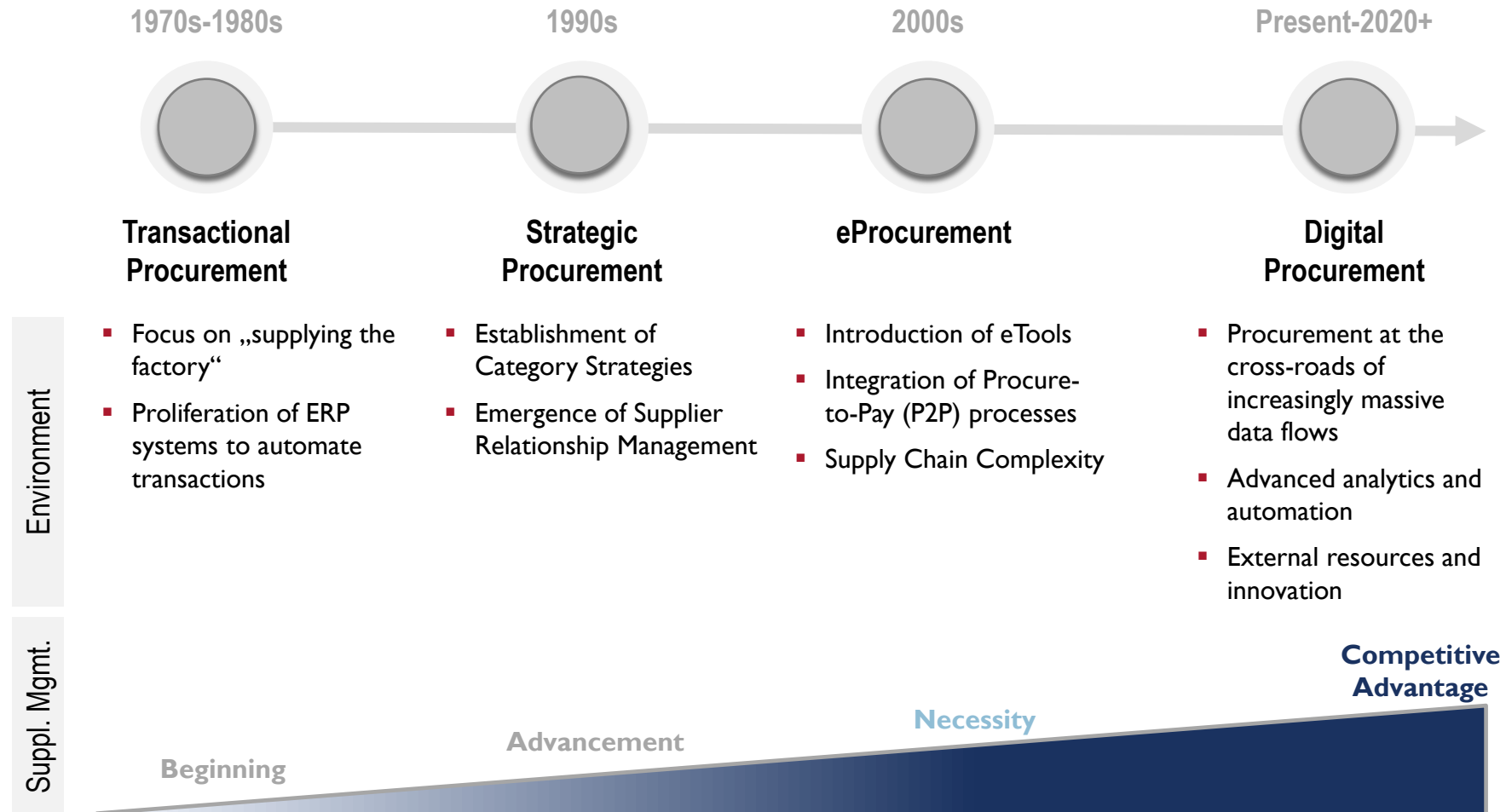
5

Digitalization & People – A powerful alliance

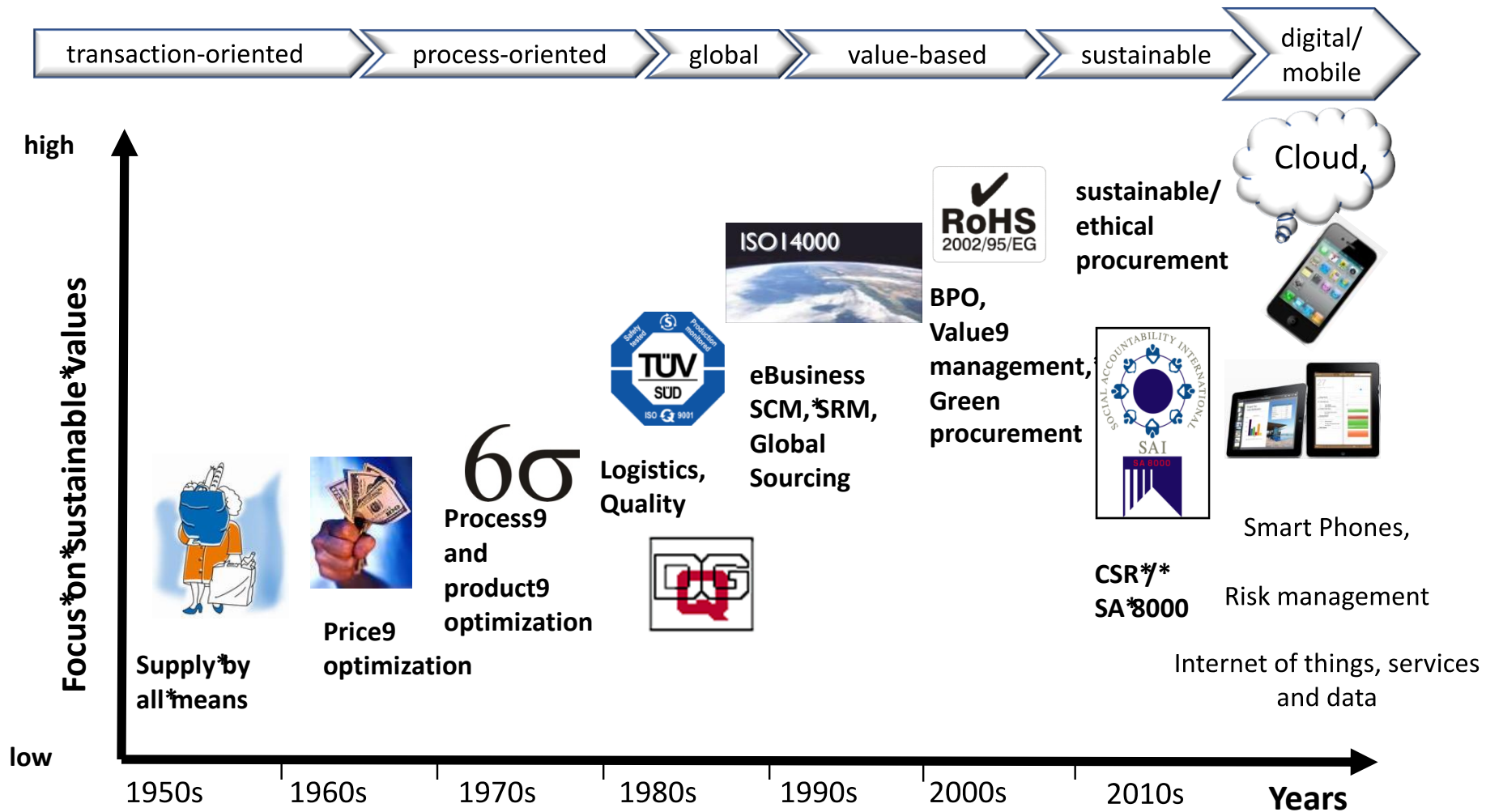
6

Leading Change & Lessons Learned

DIGITAL SUPPLY CHAINS WILL DRASTICALLY CHANGE OPERATION MODELS FOR PROCUREMENT & SUPPLIER NETWORKS



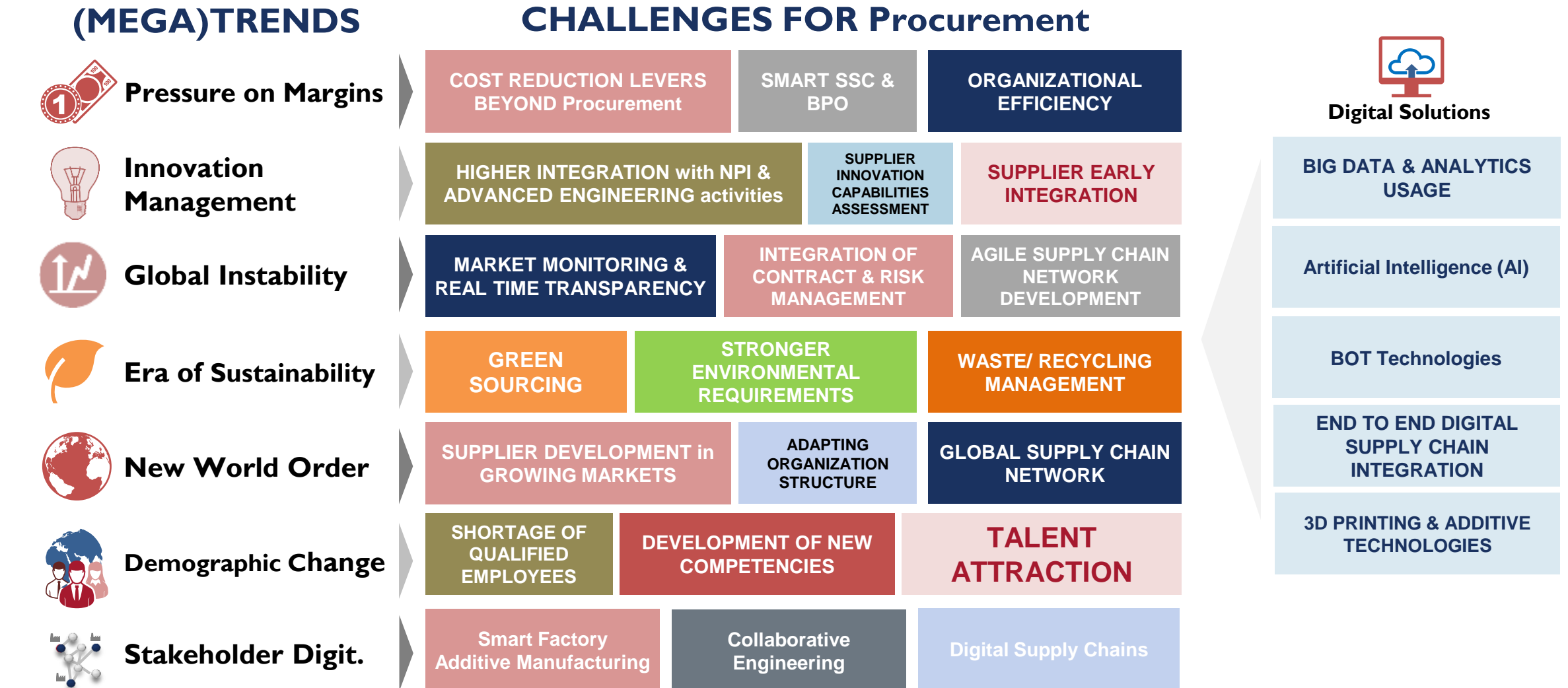
STAGES OF DEVELOPMENT OF PROCUREMENT



AGENDA

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- 5** Digitalization & People – A powerful alliance
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MEGATRENDS ARE CHALLENGING GLOBAL ORGANIZATIONS – HOW CAN “GO DIGITAL” HELP?

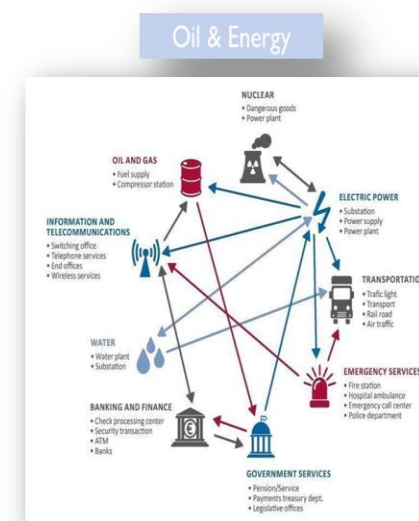
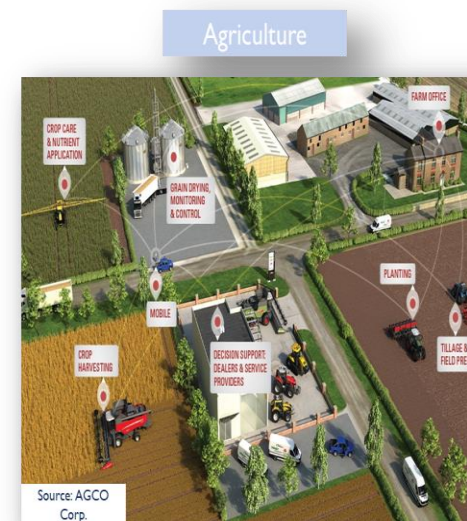
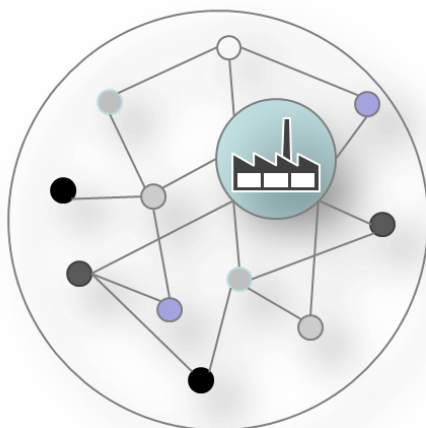
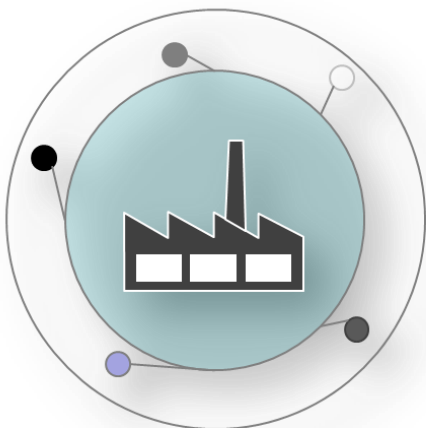


VUCA=Volatility, Uncertainty, Complexity, Ambiguity

SSC=Shared Service Center, BPO=Business Process Outsourcing

12.04.2019

THINK NETWORK BUT ALSO OUTSIDE THE BOX TO GENERATE VALUE



Value

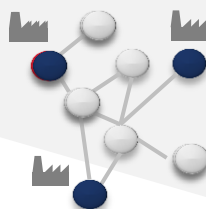
PROFIT



QUALITY



SUPPLY



TIME TO MARKET



RISK



INNOVATION

AGENDA

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DO THE BASICS

A DIGITAL STRATEGY REQUIRES YOU TO UNDERSTAND THE WAY YOU WANT TO DELIVER VALUE IN ORDER TO DECIDE ON THE REQUIRED SOLUTIONS



Strategy & Value Development



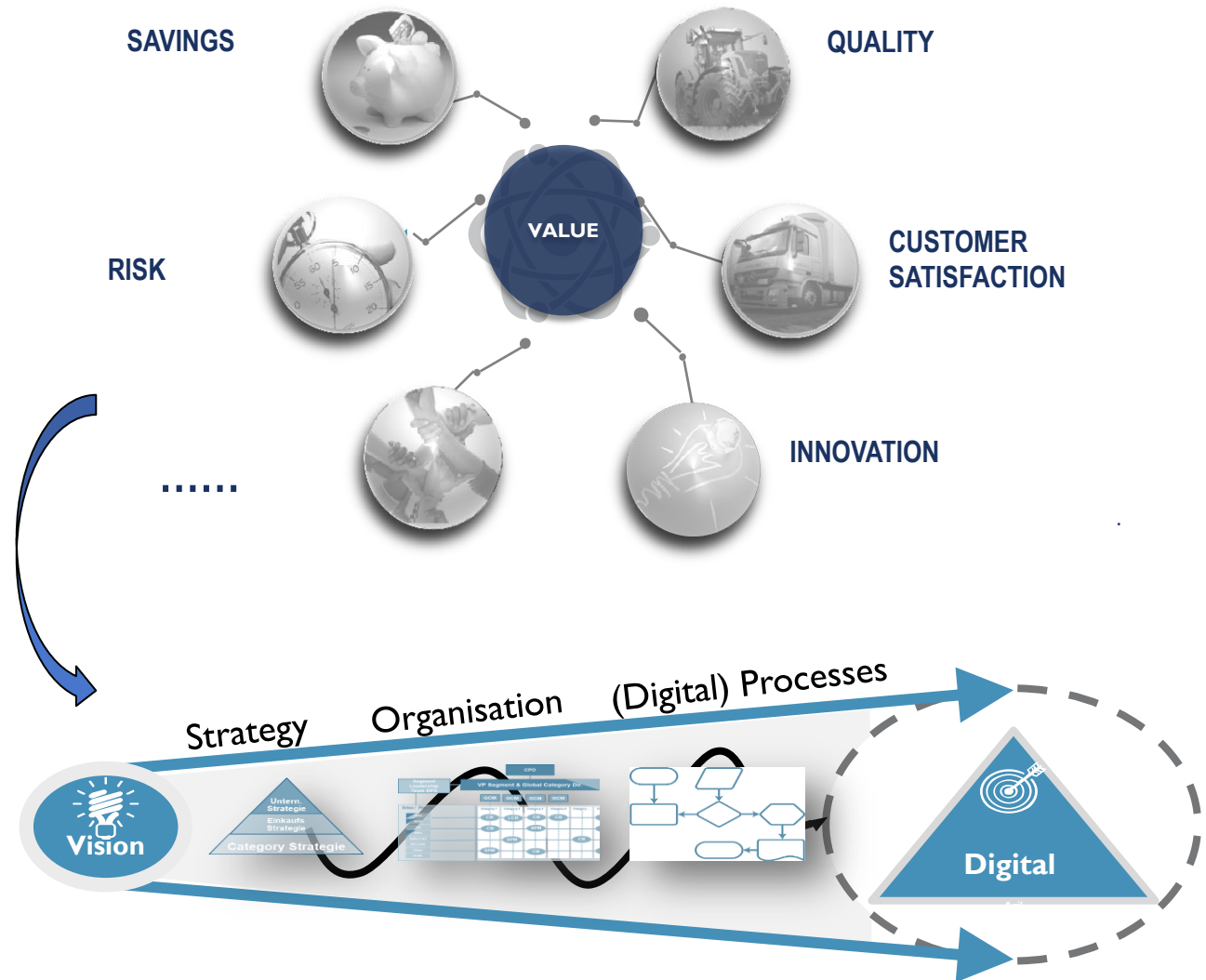
Agile operating model aligned across organizations



Digital, empowered & entrepreneurial talent



High-quality (master) data



DIGITAL TRANSFORMATION IN PROCUREMENT IS A TRANSFORMATIONAL PROJECT AND REQUIRES ADJUSTMENTS TO THE OPERATING MODEL, ROLES & RESPONSIBILITIES – DIGITAL & ORGANIZATION MUST GO HAND IN HAND

ORGANIZATION

Organizational Model

- Lean & agile
- Scalable
- Integrative
- Central / Decentral

Culture

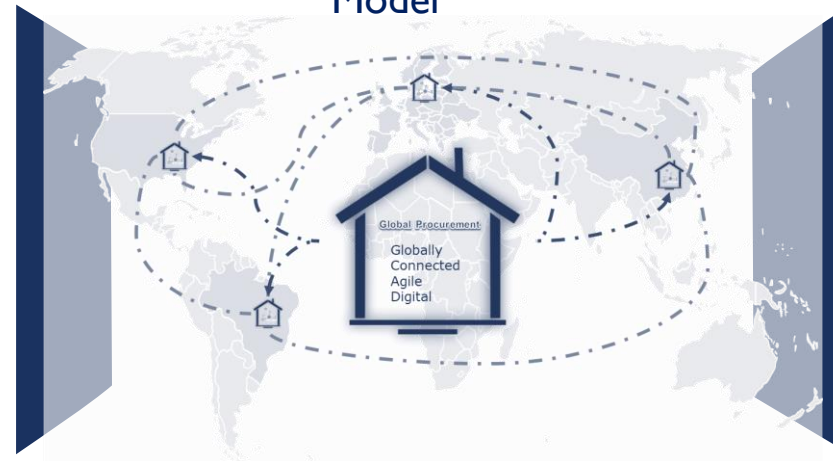
- Entrepreneurial
- Self-starter
- Talent & Skill Mgmt.

Roles & Responsibilities

Structures & Processes

Tools & Systems

Organizational Improvement Transformation „Operational Model“

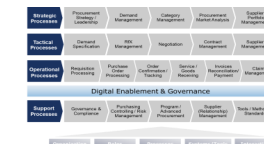


DIGITAL

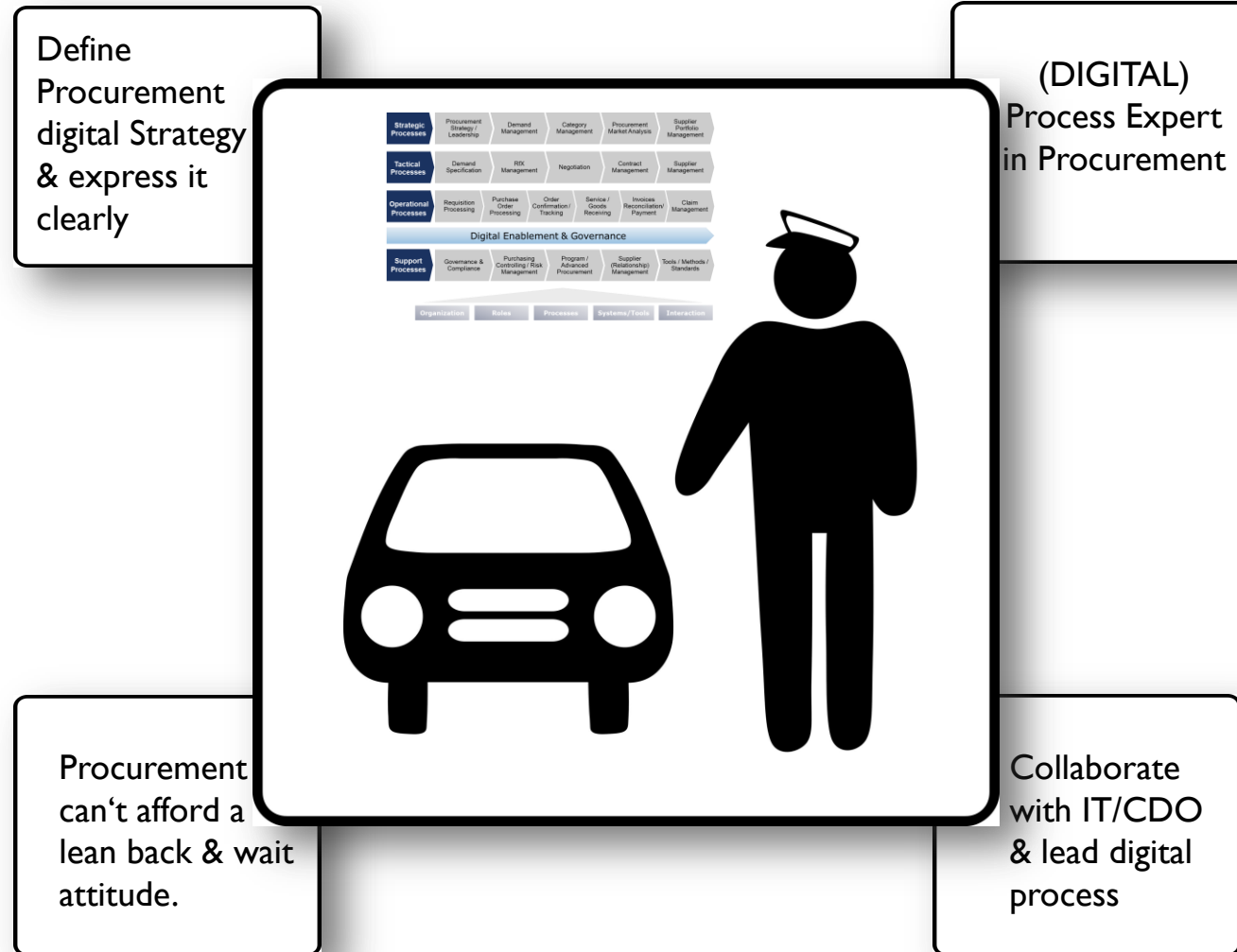


Going Digital is one enabler to help the Organization to

1. function (e.g. Global Category Teams)
2. To be effective & efficient



LEAD PROCUREMENT DIGITALIZATION PROCUREMENT HAS TO BE IN THE DRIVERS SEAT & THE ARCHITECT OF ITS DIGITAL LANDSCAPE

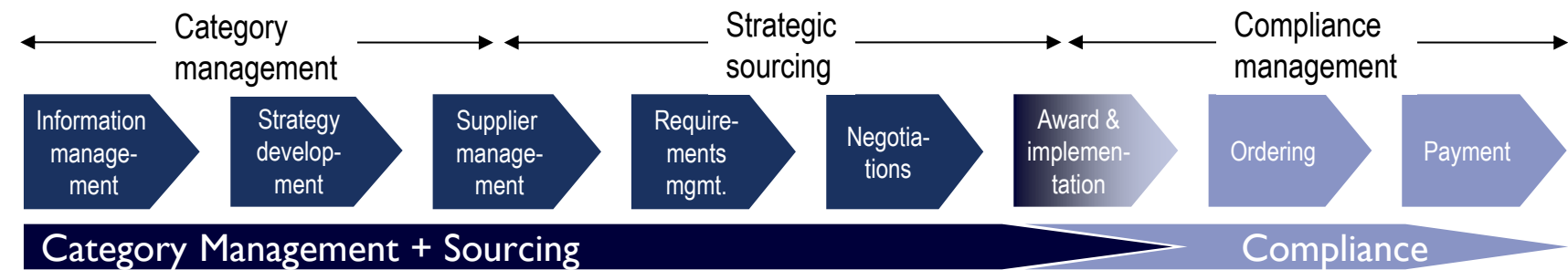


There is a need for a Procurement CDO to strengthen & enable its digital competencies

AGENDA

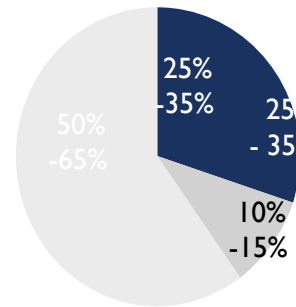
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PROCUREMENT DIGITALIZATION
THE BIGGEST LEVERS ARE LOCATED AT THE BEGINNING OF THE PROCESS.

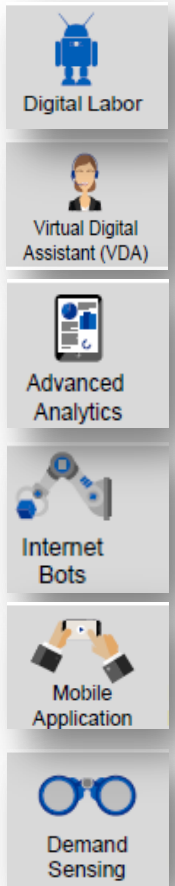
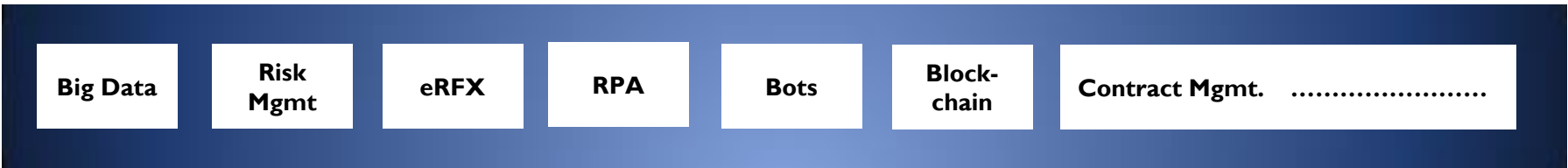


General Process

- Availability/usage of information
- Category expertise
- Industry and supply base knowledge
- Total cost of ownership approach
- Effective usage of technology
- Process best practices
- Structured (online) negotiations
- Global reach
- Requirements calibration/stand.



- Order/contract compliance
- Availability of information
- Process definition and implementation
- Efficient processes
- Effective usage of technology



THE MARKET FOR PROCUREMENT SOLUTIONS OFFERS VARIOUS PLAYERS. NEW IDEAS & PROVIDERS RISE UP WHILE AT THE SAME TIME MARKET CONSOLIDATION IS CONTINUING

mysupply
Mit uns schaffen Sie Wettbewerb

ivalua

ZYCUS

coupa

synertrade | econocom

@mercateo

Procurify

JAGGAER

DETERMINE
Empowering Decisions

basware

Simplify Operations, Spend Smarter.

SAP Ariba

SUPPLYON

NEWTRON

allocation

GEP
Insight Drives Innovation

TRADESHIFT

CONNEXUS

procurement

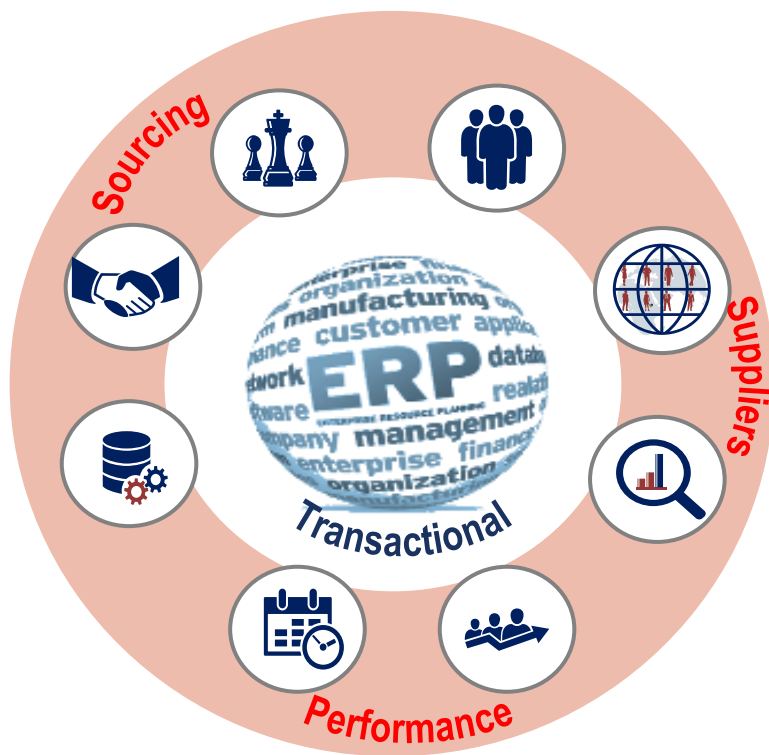
DIGITALIZATION DRASTICALLY INCREASES OUR OPTIONS TO ESTABLISH OUR PROCUREMENT IT-ECOSYSTEM WITH INNOVATIVE CLOUD & WEB-BASED SOLUTIONS TO CHERRY PICK BEST-OF-BREED TOOLS

ERP Only



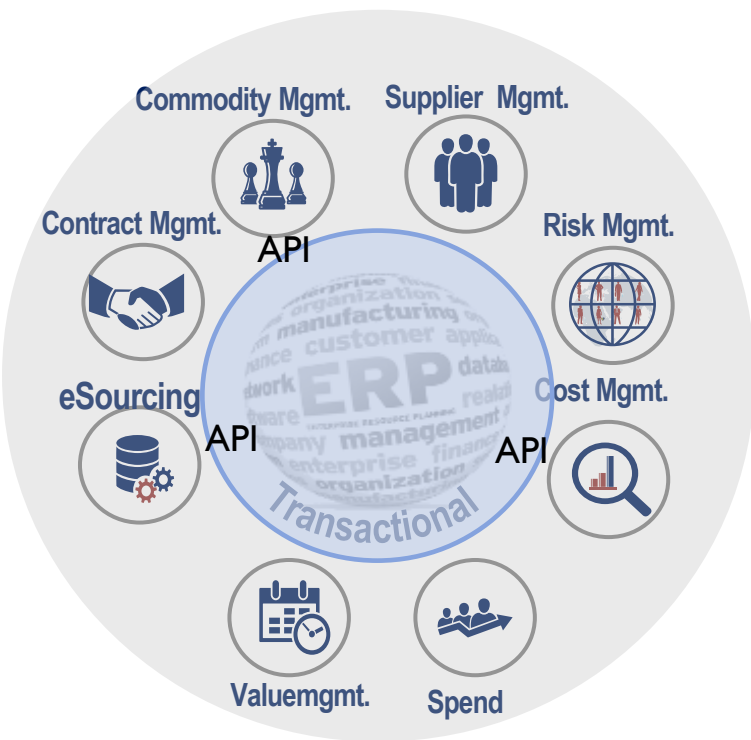
Static

ERP & Procurement Suite



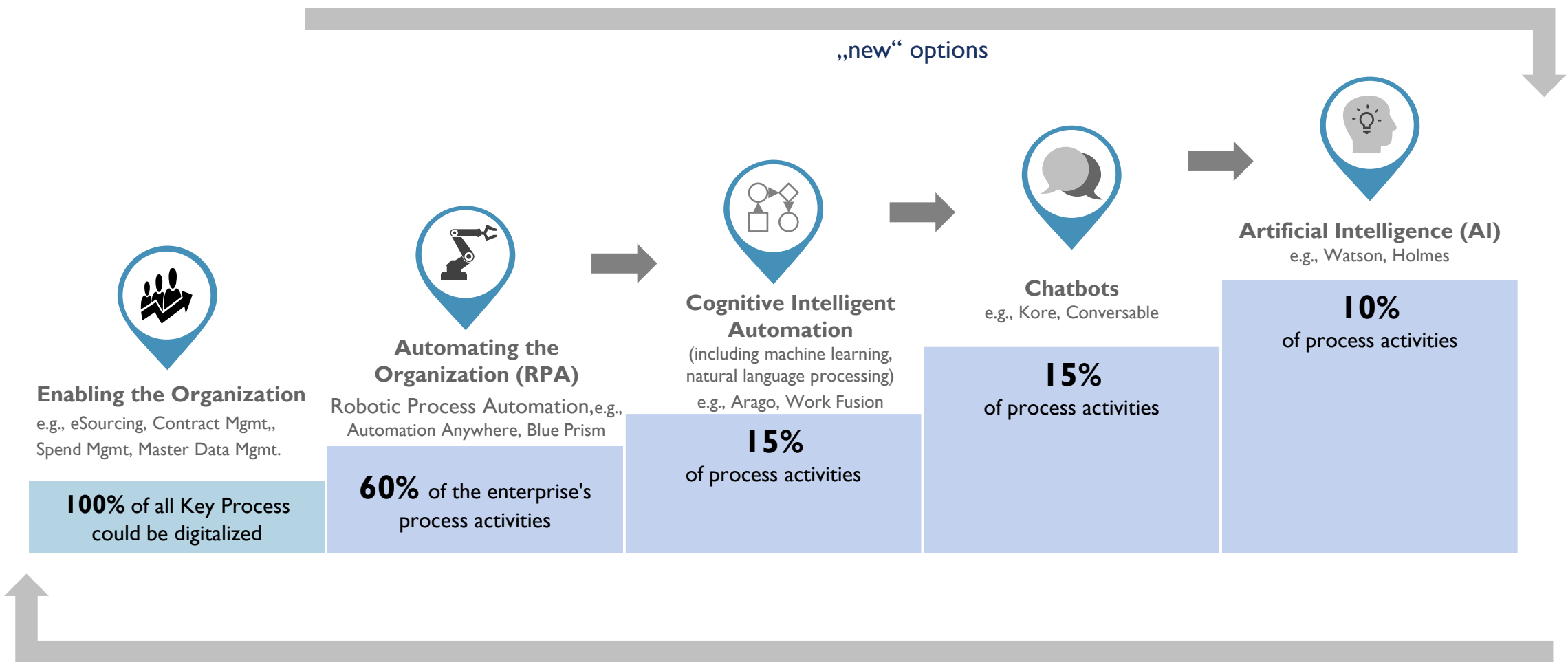
Dynamic

ERP & Best-of-Breed



Agile

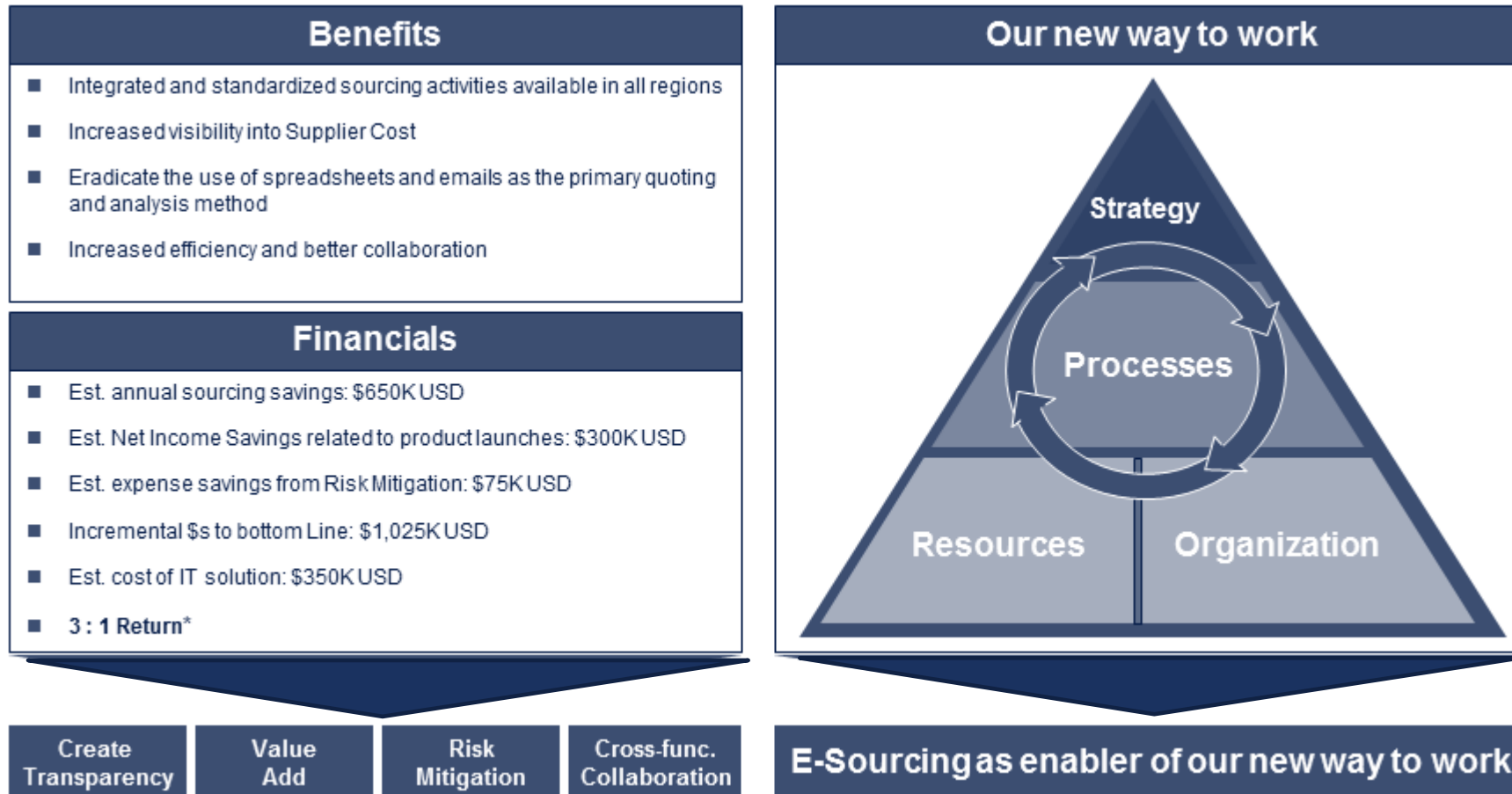
PROCUREMENT EVOLVED FROM A SUPPORTING FUNCTION TO A DRIVER OF INNOVATION





AGILE IMPLEMENTATION OF A EPROCUREMENT SUITE

HOLISTICALLY ENABLE THE ORGANIZATION ABOVE AND BEYOND PROCESSES ONLY



*Figures provided by DirectWorks and based on AberdeenGroup, AT Kearney and Gartner research on e-Sourcing solutions.

BEST PRACTISE: HOW TO IMPLEMENT AN ESOURCING SOLUTION WITH AN AGILE MINDSET

Goal: Identify, evaluate and implement an eSourcing solution that would automate the Rfx process, provide visibility into Supplier's total cost and improve supplier management

April

Project scope, Project team and "Statement of work (SOW)" definition

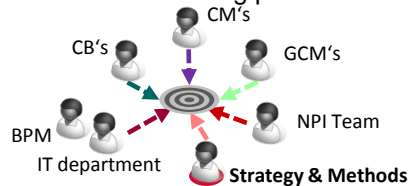
- Solution-Provider pre-selection (SaaS)

May/June

- **Demo 1:** 24 colleagues participated the 1st demo session
- Number of eSourcing providers: 5

September/October

- **In-depth demo:** 19 colleagues participated the in-depth demo session
- Number of eSourcing providers: 3



December/January

- eSourcing evaluation form was composed by 13 questions out of which...

- 10 were clustered in three segments, **Adoption to Work, Ease of Use and User Interface**
- 2 were for Participant Feedback
- 1 eSourcing solution overall rating



provider was not directed by IT or a central function. It was selected by a global buyer team, due to

**Ease-of-use
Interface
Functionalities**

February to May

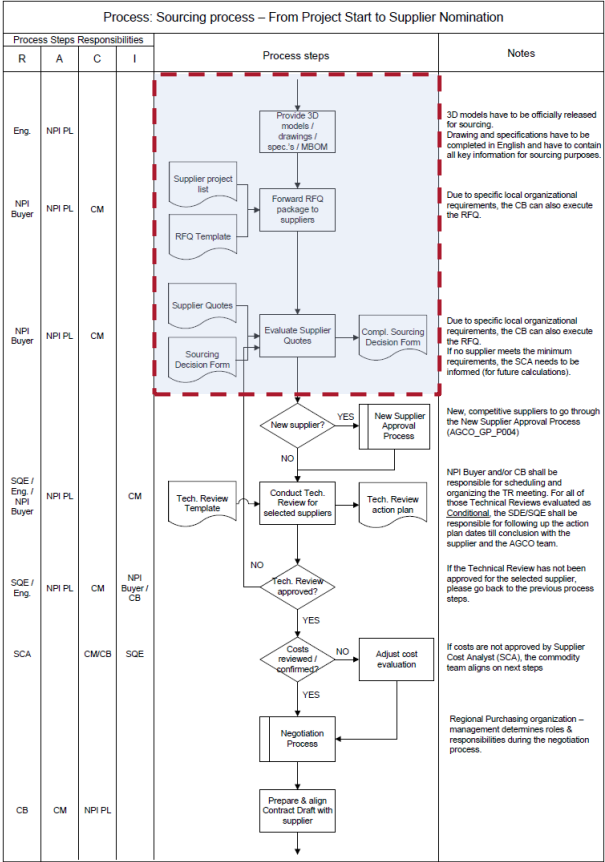
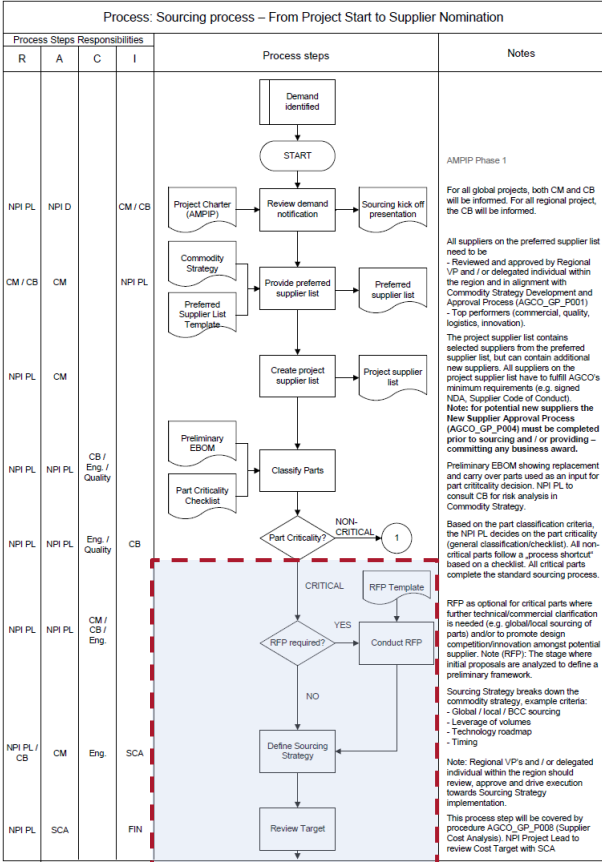
- Platform setup

May till August

- Global roll-out within facilities:
 - Joint training
 - 1 Day-On-Site trainings
- **Go-Live** in all facilities
 - → Support from global **leadership team** and **CPO!**
- Send out supplier letter to all suppliers and request participation :



BUT BE CLEAR ABOUT THE PROCESSES YOU WANT TO MAKE DIGITAL!
A SHITTY MANUAL PROCESS BECOMES A SHITTY DIGITAL PROCESS IF YOU DO NOT INVEST TIME AND BRAIN UPFRONT

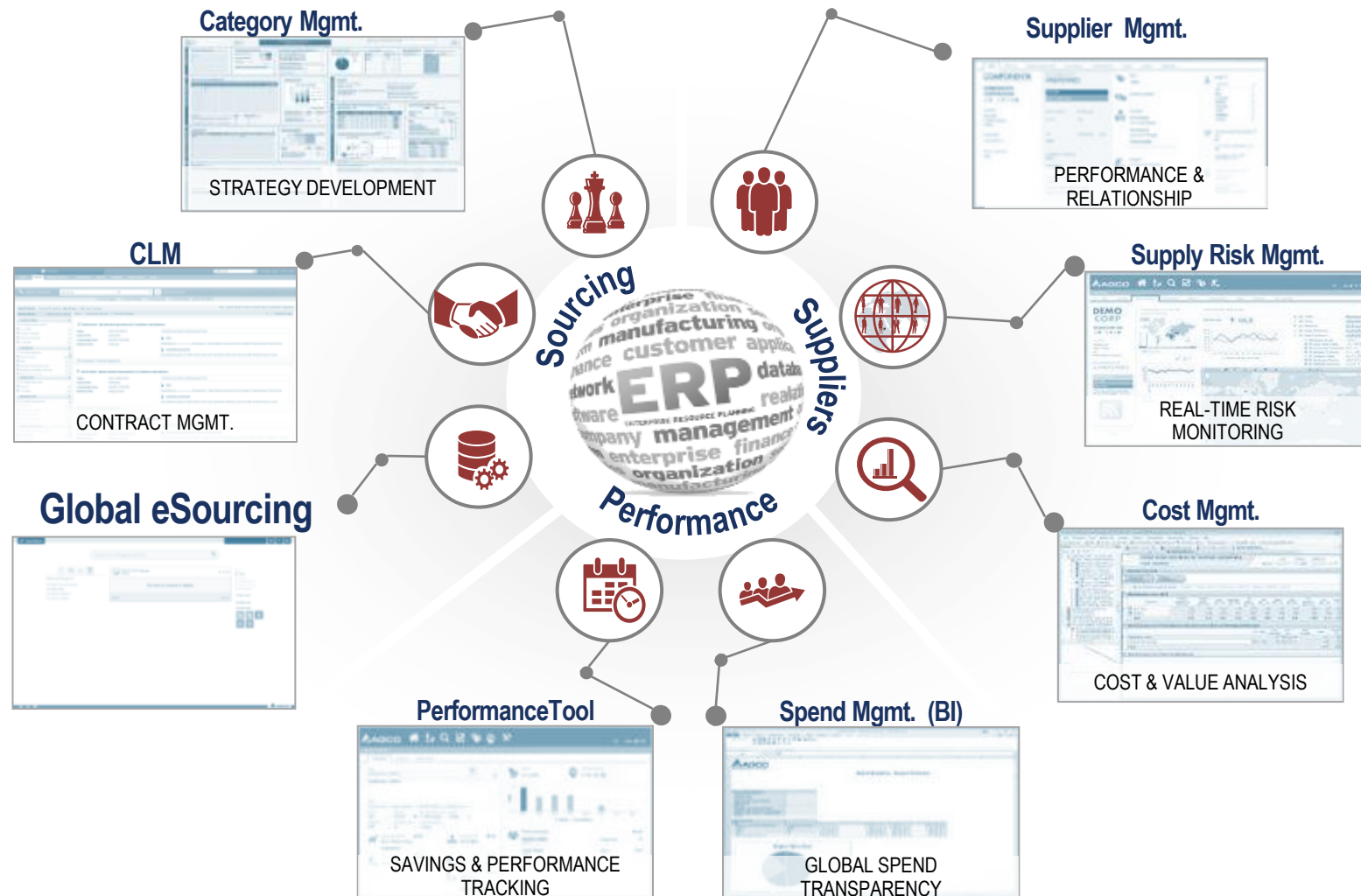


Three different standard templates will support our purchasing organization in this part of the global sourcing process.

PROVIDER EVALUTION: INVOLVE USERS AND STAKEHOLDERS, FOCUS ON USABILITY AND USER EXPERIENCE TO EASE IMPLEMENTATION & CHANGE (VALUE FOR MONEY IS NOT ABOUT FUNCTIONALITIES ONLY)

	e-RFx (RFI / RFP / RFQ)	Template Creation & Editor	CBD / TCO Model / Project Mgmt	Integrated 2D Viewer (.pdf, .jpeg, .gif, .png)	Integrated 3D Viewer & pdf files Editor	Integrated Collaboration Interface (buyer – engineering – quality & supplier)	Quote Comp. & What If analysis engine	Multi Language e-sourcing Platform	Hotline Support	Contract Mgmt	Central Quote Repository & Import – Export Functions	Systems Integration (ERP & other native systems)
Provider 1								English German French Spanish Portuguese Italian Dutch Mandarin Japanese + Others	German English French			
Provider 2								English German French Spanish Portuguese Italian Dutch Mandarin Japanese + Others	English Spanish			
Provider 3								English German French Spanish Portuguese Italian Dutch Mandarin Japanese + Others	German English			

BEST PRACTISE: CREATE YOUR AGILE CLOUD & WEB-BASED DIGITAL ECOSYSTEM

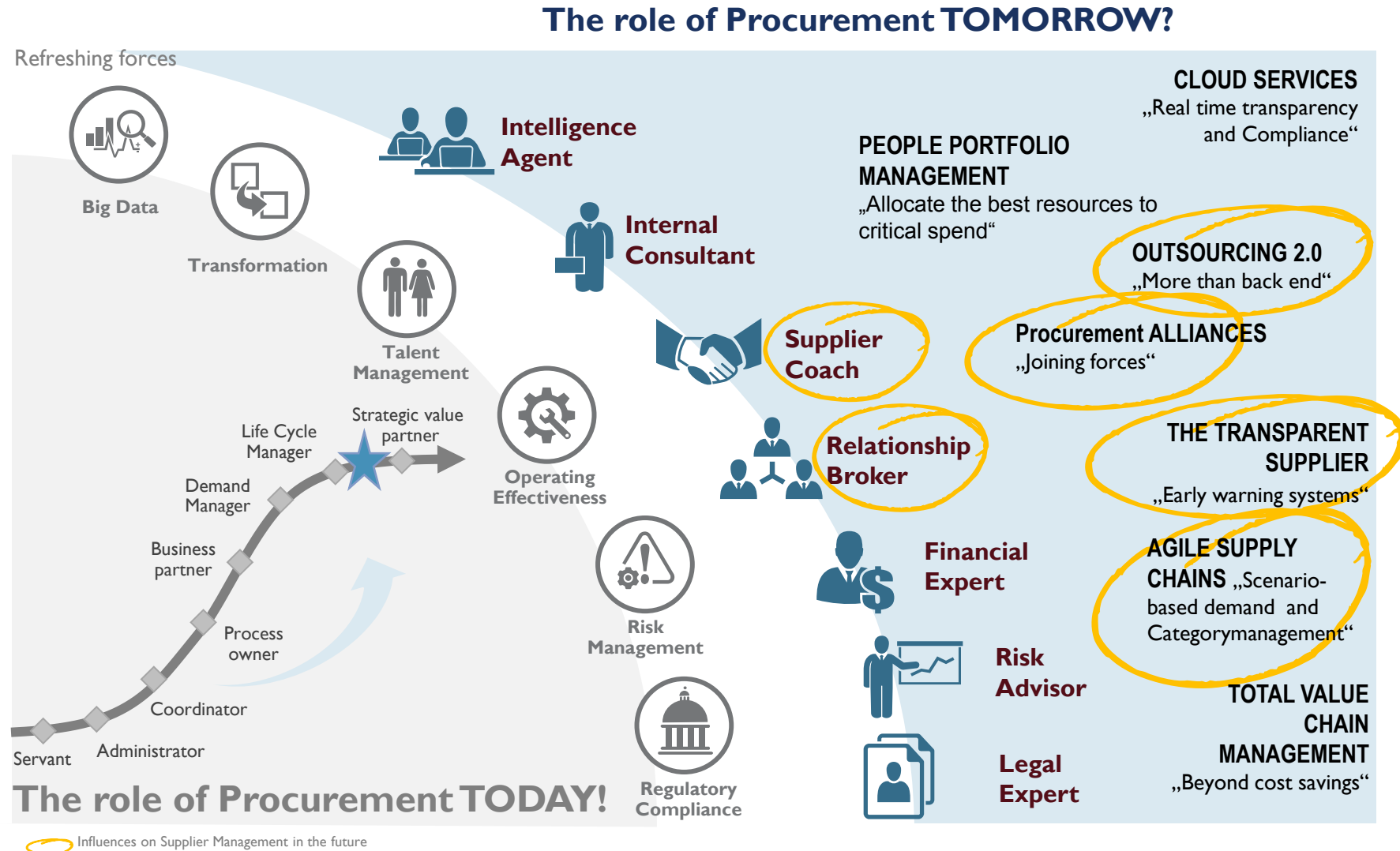


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PEOPLE

HOW A PROCUREMENT & SUPPLIER MANAGEMENT OF TOMORROW IS GOING TO LOOK LIKE?

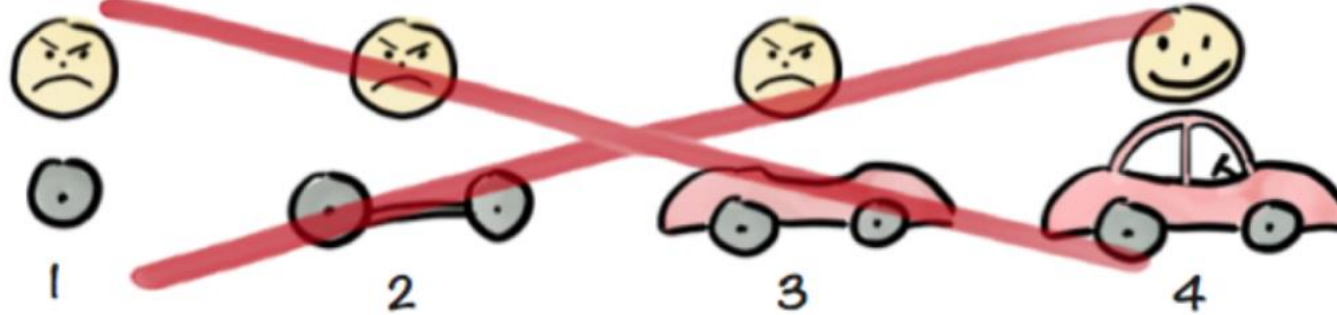


AGENDA

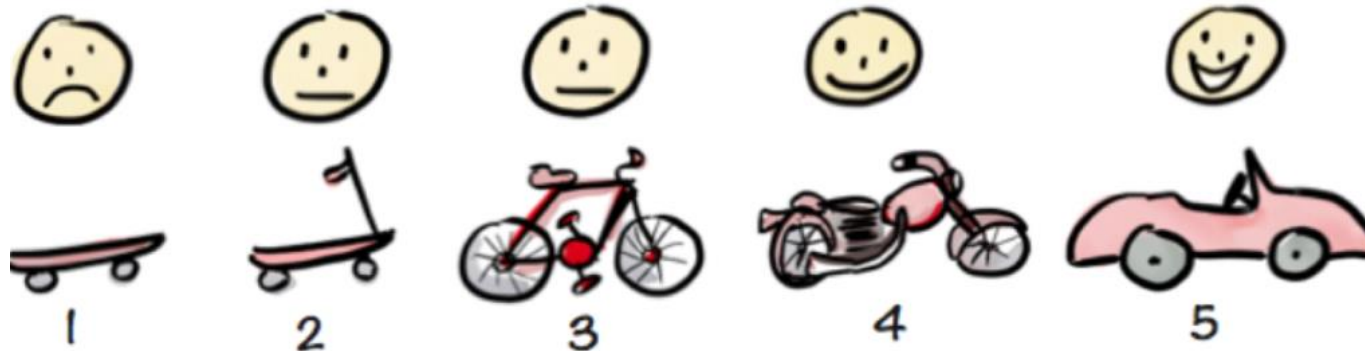
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BE AGILE & DON'T BE GERMAN: DO WE ALWAYS HAVE TO PLAN FOR THE 120% SOLUTION? DOES THE 80% SOLUTION NOT ALREADY DELIVER A 100% IMPROVEMENT TO THE CURRENT STATUS QUO? **EXPERIMENT & BE AGILE**

Not like this....



Like this!

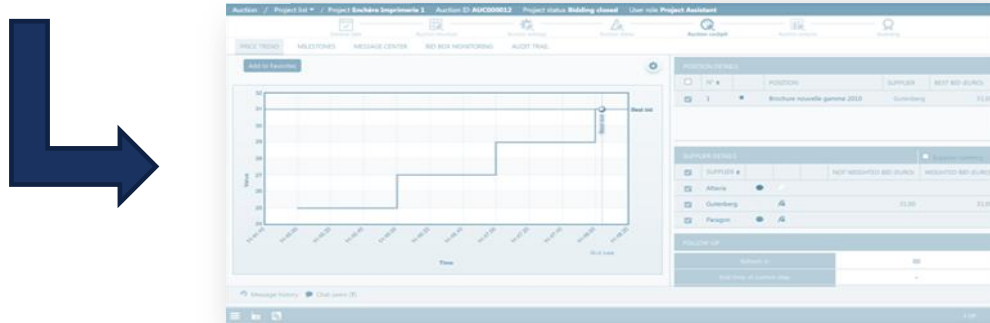
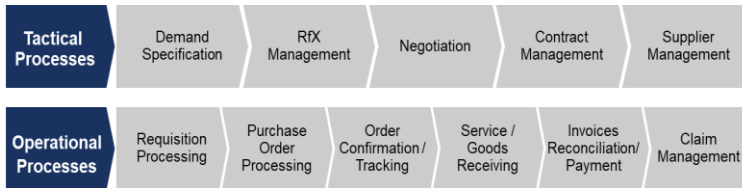


Procurement Digitalization

LEADING & MANAGING CHANGE

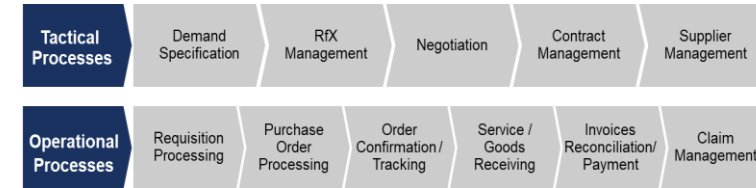
NOWADAYS PROCUREMENT DIGITALIZATION IS DIFFERENT “ELECTRIFICATION” YESTERDAY – EVEN MORE CHANGE

BACK THEN (late 1990 to 201x) . DIGITIZATION



- Well-known processes were simply transferred into a digital ecosystem -> driving effectivity
- Still somewhat easy to understand, to follow and to execute (visible user interfaces)
- Procurement was able to solely manage initiatives

NOW & FUTURE: DIGITALIZATION



Blockchain / Algorithm / Big Data / AI / RPA..

- We have to deal with technologies that have a significantly different level of complexity
- For most individuals difficult to understand & digest (technology works in the background)
- Seen as „black box“ and potential job killer
- Does Procurement have the capabilities to drive?

THANK YOU!



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THANK YOU !



TARGETP! – ERFOLG FÜR EINKAUF & SUPPLY CHAIN

JAN-HENNER THEISSEN

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Website



Linkedin



Xing

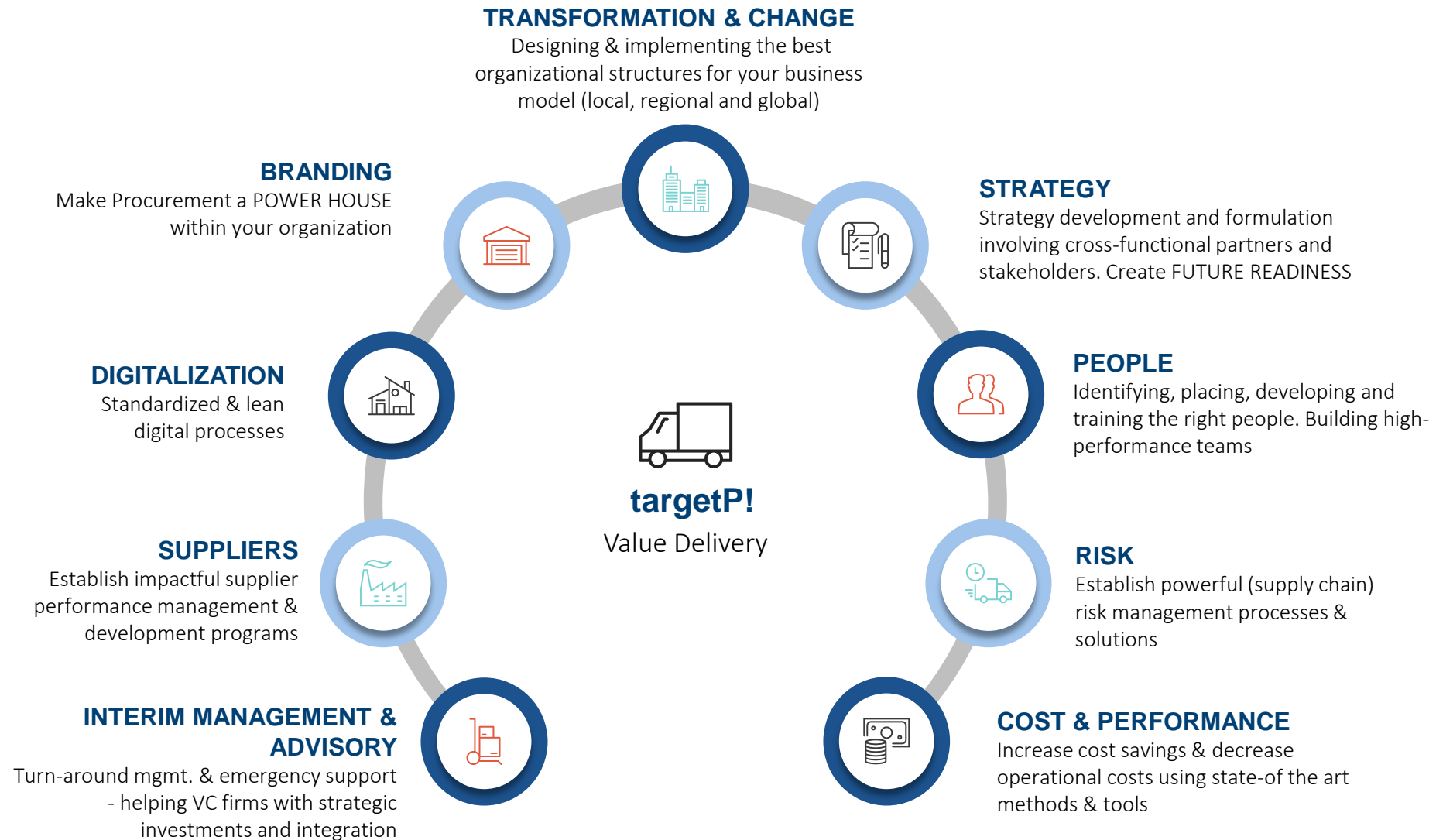


TARGETP! – ERFOLG FÜR EINKAUF & SUPPLY CHAIN PORTFOLIO – EXPERIENCE DRIVES SUCCESS



TARGETP! – ERFOLG FÜR EINKAUF & SUPPLY CHAIN

MY WAY TO INCREASE YOUR VALUE DELIVERY



TARGETP! – ERFOLG IN EINKAUF & SUPPLY CHAIN

PROCESS & BUSINESS DIGITALIZATION EXPERTISE



Functional IT Strategy Development
Developed & executed 2 functional IT Strategies for Global Supply Chain Organizations (€ 5.0+ bn. spend)

Digital Supply Chain Risk Mgmt
Implemented holistic SCRM strategy incl. tech solutions using AI, webcrawling & cloud infrastructure; recognized subject matter expert and speaker in EU & US

Digitalization Strategy
Developed & implemented digitalization plan for a large equipment manufacturer; recognized subject matter expert and speaker in EU & US

SAP EBP SRM
Managed & supported various EBP/SRM implementations, migrations globally in particular EU, China and US

Supplier Management
Implementation of a digital supplier collaboration infrastructure (cloud- and web-based) incl. Supply Chain Monitoring functions

eSourcing
Implemented 3 eSourcing platforms for 3 large multi-national cooperations (concept, evaluation, implementation, further developm.)



AGCO is able to monitor the entire process from risk analysis to risk evaluation. This enables Purchasing teams to make transparent & quick decisions based on total cost of ownership and on anticipated or potential risks, and to identify and evaluate risks.



The concept drives digitalization of AGCO's inbound supply chain to improve the transport network design & optimization as well as freight cost invoicing. The so-called AGCO 'Smart Logistics' initiative is said to have achieved cost reductions of more than 25% across the inbound supply chain and a 10% increase in on-time delivery performance.

BME Excellence in eSolutions 2015

BVL Logistikpreis 2016

BME Excellence in eSolutions 2015



The German Association for Materials, Purchasing and Logistics (BME) awarded AGCO for the successful implementation of an innovative global purchasing transformation project to significantly and sustainably support AGCO's growth and profitability. A major part is the inclusion of risk management in AGCO's purchasing strategy. AGCO is now able to monitor the entire process from risk analysis to risk evaluation. This enables Purchasing teams to make transparent & quick decisions based on total cost of ownership and on anticipated or potential risks, and to identify and evaluate risks.

BVL Logistikpreis 2016



German Award for Supply Chain Management 2016 for the innovative initiative "AGCO Smart Logistics". For this concept drives digitalization of AGCO's inbound supply chain to improve the transport network design & optimization as well as freight cost invoicing. The so-called AGCO 'Smart Logistics' initiative is said to have achieved cost reductions of more than 25% across the inbound supply chain and a 10% increase in on-time delivery performance.