



# Digitalising a collaborative supply chain ecosystem

How to respond swiftly to changes in supply and demand by digitalising direct spend management, leveraging SAP Ariba Cloud

# 01

## Managing supply chains in a dynamic environment and the role of digitalisation

The demand for product quality, personalisation and transparency of the supply chain is increasing heavily.

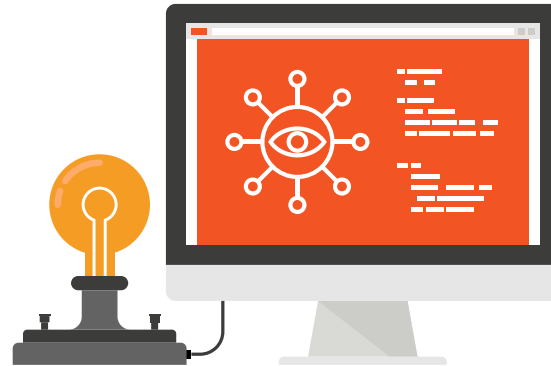
According to a PwC research study<sup>1</sup>, “customers behaviours and expectations are changing dramatically, challenging the established supply chain and operations setups of leading industrial companies”.

Supply chains are also facing major disruption factors such as changing and extreme weather conditions, global health crises and supply shortages. And it's crucial that the response to these factors are similarly extreme.

On the other hand, digital technologies have a huge impact on every aspect of how companies run their businesses and represent a tremendous opportunity to facilitate integrated

processes with partners, improve visibility of the sourcing process and leverage big data to predict and simulate business scenarios – all with clear benefit for gross margins.

The value of linking direct spend sourcing with design, manufacturing, and planning processes to build an intelligent digital supply chain focusing on greater collaboration with trading partners has never been more important.



<sup>1</sup> PwC: Connected and autonomous supply chain ecosystems 2025





## 02

### **What are the supply chain challenges for leading companies?**

Typical supply chain challenges for leading companies are not only linked to the specific function but have a big impact across all the organisation departments, especially when it comes to direct spend management. Supply Chain and the related IT systems are the most affected areas; however, overall company revenue growth as well as risk management also need to be considered.



# 03

## Source-to-Pay excellence as a key driver in transforming the business

To succeed in a quickly evolving and highly demanding marketplace, Source-to-Pay leaders need to transform their supply chains. For some companies, this is imperative.

Today's Source-to-Pay leaders across Finance, Procurement, Operations and IT have to drive their teams towards delivering on a wider and rapidly changing set of stakeholder expectations while achieving sustainable process efficiencies and cost savings.

Rapidly evolving S2P technologies are helping to deliver on these new expectations, with advances in technology widely seen as the global trend most likely to transform their businesses, including a strong need for adaptive and resilient workforces and a greater collaboration with trading partners.

### Benefits from improving Source-to-Pay processes<sup>2</sup>



**25%**

Improve working capital by 10-25%



**50%**

Standardise processes and reduce cycle times by 10-50%



**5%**

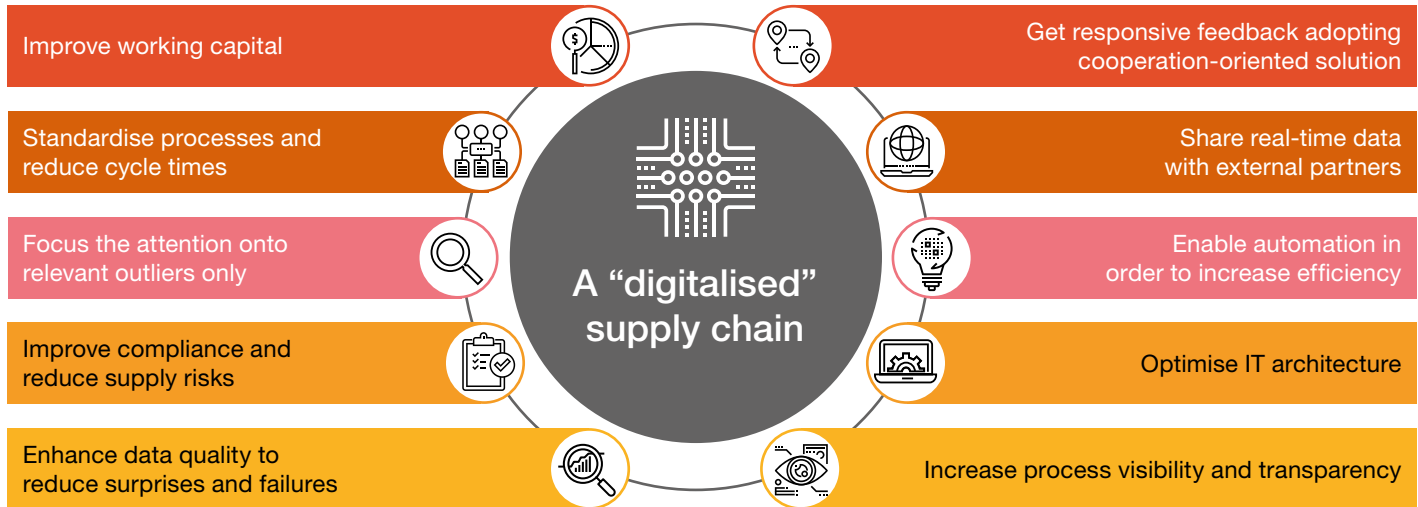
Reduce costs by 3-5%

# 04

## How will digitalisation help to transform direct spend management?

Digital technologies are vital to making this supply chain transformation possible. Next-level supply chain ecosystems require the adoption of technologies that focus on connecting

the supply chain with other functions across the enterprise, as well as establishing a two-way, near-real-time connectivity across the entire supply chain with trading partners.





# 05

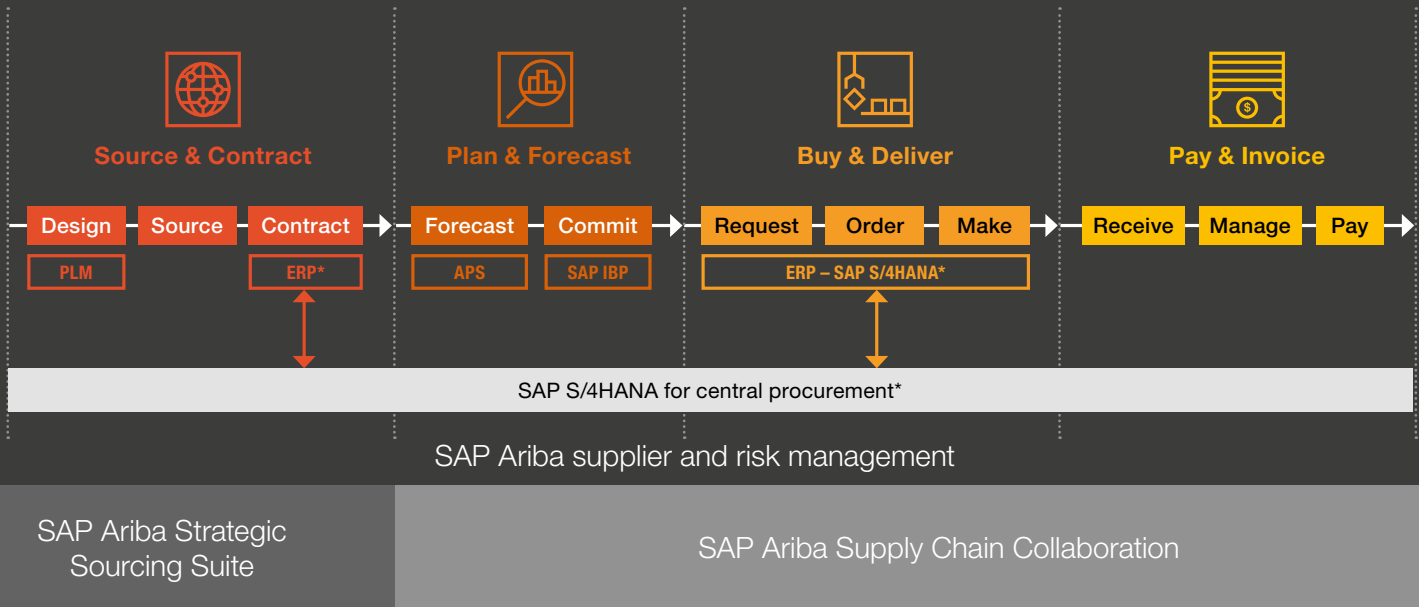
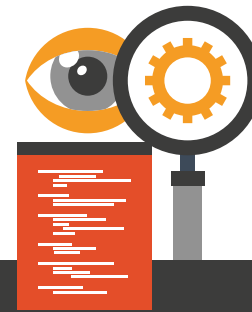
## How does SAP Ariba address the business challenges surrounding direct spend management?

Through automation and greater alignment with trading partners, SAP Ariba Cloud solutions support a more efficient and effective approach to direct spend management covering all the processes from Source & Contract to Pay & Invoice.



## SAP Ariba solutions for direct spend

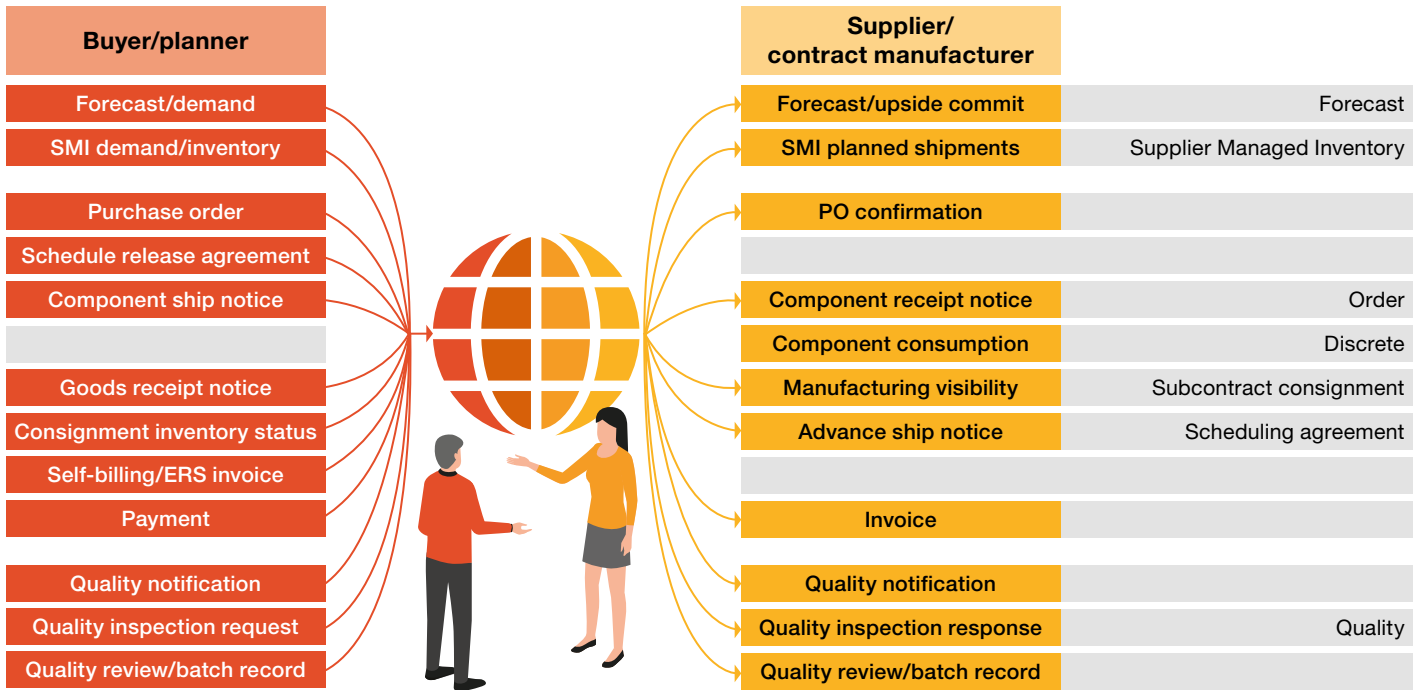
Speed up time to market, reduce cost of goods sold, avoid supply chain disruptions.



\* Optional opportunity – SAP S/4HANA for Central Procurement offers centralised procurement processes integrated with multiple ERP back-end systems

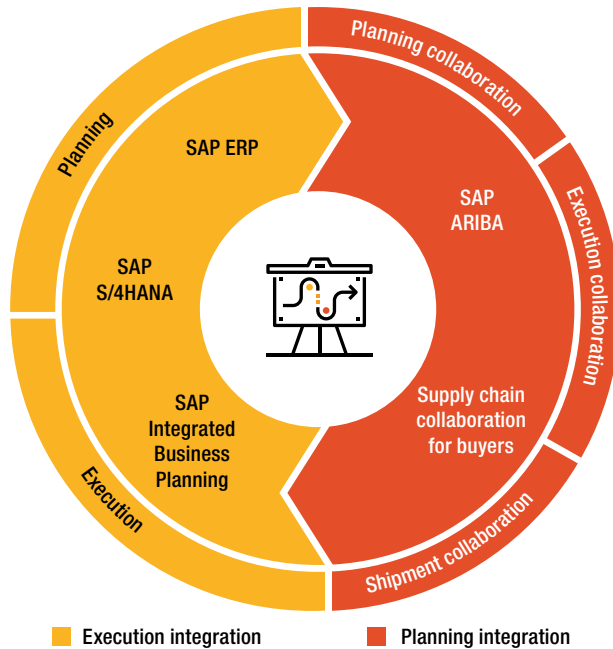
# 06

## How does SAP Ariba Supply Chain Collaboration increase process visibility?



SAP Ariba Supply Chain Collaboration is a collaborative and integrated platform focusing on the key processes in supply chain planning and execution, which allows full visibility across all the steps.

Buyer and Supplier work in the same digital environment with clear benefits in terms of supply chain transparency and responsiveness, from forecast and demand definition to materials supply and quality management.



Integration and collaboration with trading partners are key features of SAP Ariba Supply Chain collaboration.

Planning and execution of direct materials are supported by real-time visibility, automated controls and validation, which help to optimise supply chain processes, mitigate disruptions and reduce supply and IT costs.

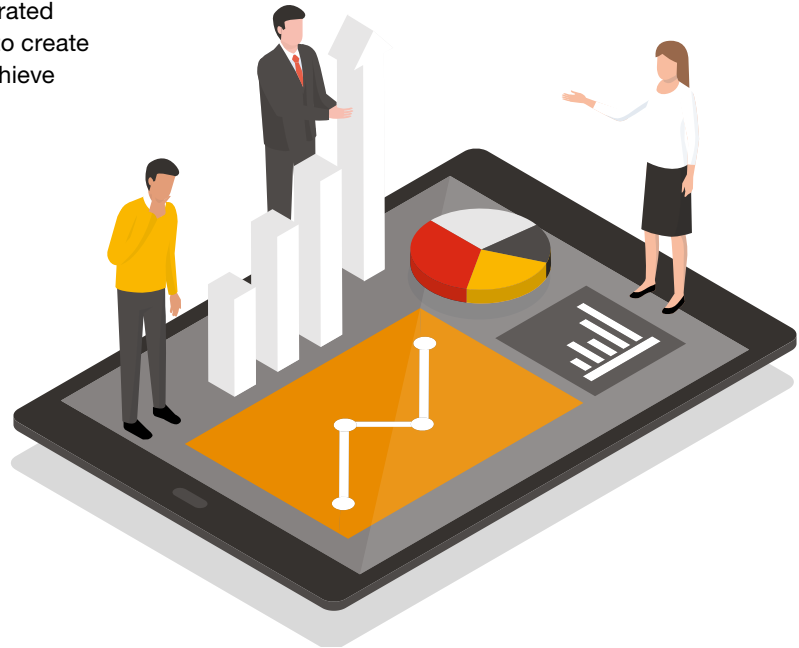
-  Single solution for efficient collaboration
-  Real-time visibility into metrics with continuous benchmarking
-  Easy management of all collaborative direct order processes
-  Built-in corporate policies
-  Low IT costs across thousands of suppliers
-  Configurable business rules with automated validation and reconciliation

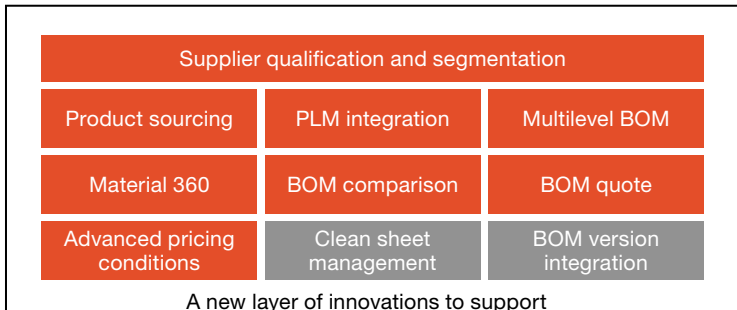


# 07

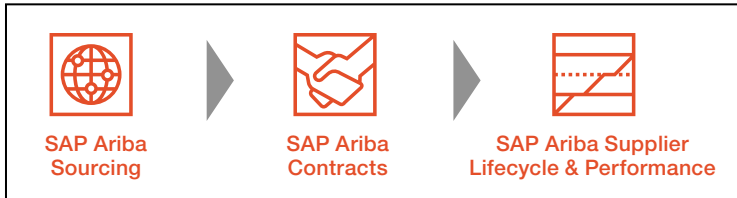
## How does SAP Ariba Strategic Sourcing Suite help to increase efficiency and compliance?

SAP Ariba Strategic Sourcing Suite is a single, closed-loop solution for managing source-to-contract processes and the more advanced requirements of direct materials sourcing, taking into account the industry features. Fully integrated with ERP and PLM solutions, the digital suite helps to create process efficiencies across all spend categories, achieve compliance and minimise the supply risks.

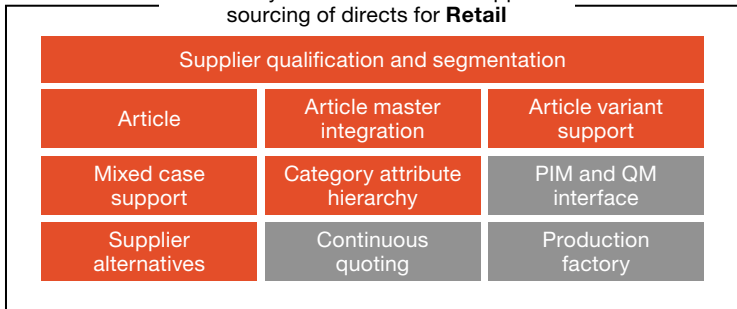




A new layer of innovations to support sourcing of directs for **Manufacturing**

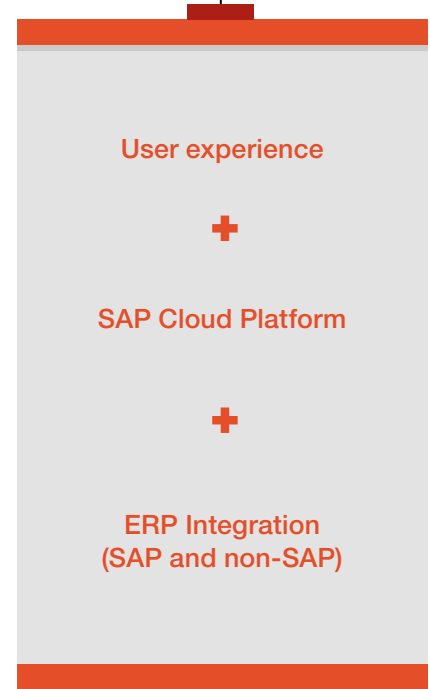


A new layer of innovations to support sourcing of directs for **Retail**



■ Available innovation\*

\* Possible future developments are subject to amendment and may be changed by SAP



## How do leading companies achieve digital excellence in supply chain?

The benefits that Digital Champions gain from a digitalised supply chain are transparency, real-time data sharing, extended collaboration, immediate responsiveness and flexibility, and connectivity. And this is not just a business or technical advantage. It is the ability to excel at managing and integrating four critical ecosystems: Customer Solutions, Operations, Technology, People — each of which represents an array of partners, suppliers, products and services, employees, third-party advisors, factories, outsourcing arrangements, technology and customers.<sup>3</sup>



<sup>3</sup> PwC: Connected and autonomous supply chain ecosystems 2025



>80%

of Digital Champions describe their supply chain focus as external integration or even end-to-end orchestration

Supply chain maturity levels



Functional silos not connected, with adoption of isolated digital solutions and applications

Digital Novice



Standardised supply chain with vertical integration between functions

Digital Followers



Strategic partner collaboration throughout the global supply chain

Digital Innovators



Collaborative supply chain ecosystem enabled by digital solutions

Digital Champion

Transitional stages

Mature stages

~7%

supply chain cost savings of Digital Champions last year (2019)

~55%

of Digital Champions consider supply chain transparency as a top priority

# 09

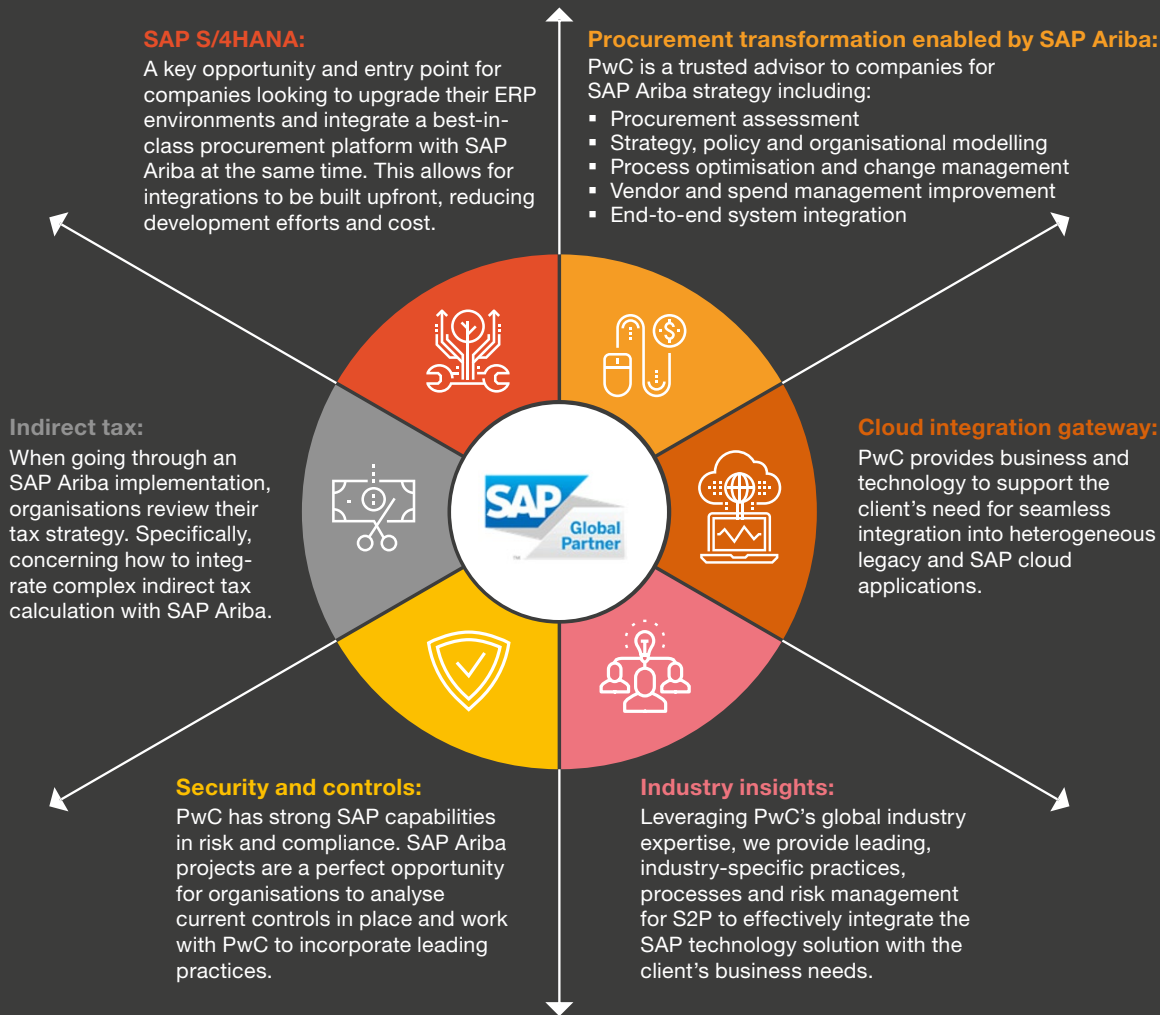
## PwC brings a holistic approach to the implementation of SAP Ariba's source-to-pay solutions

PwC's strategy-through-execution approach incorporates elements of strategy, industry, process, tax, and IT knowledge and can help organisations to identify and influence the high-impact levers of change within their source-to-pay function.

Our approach goes beyond technical implementation. As a Business Integrator, PwC works with clients to drive high levels of business engagement and makes sure the program is business led, benefits and transformation focused.





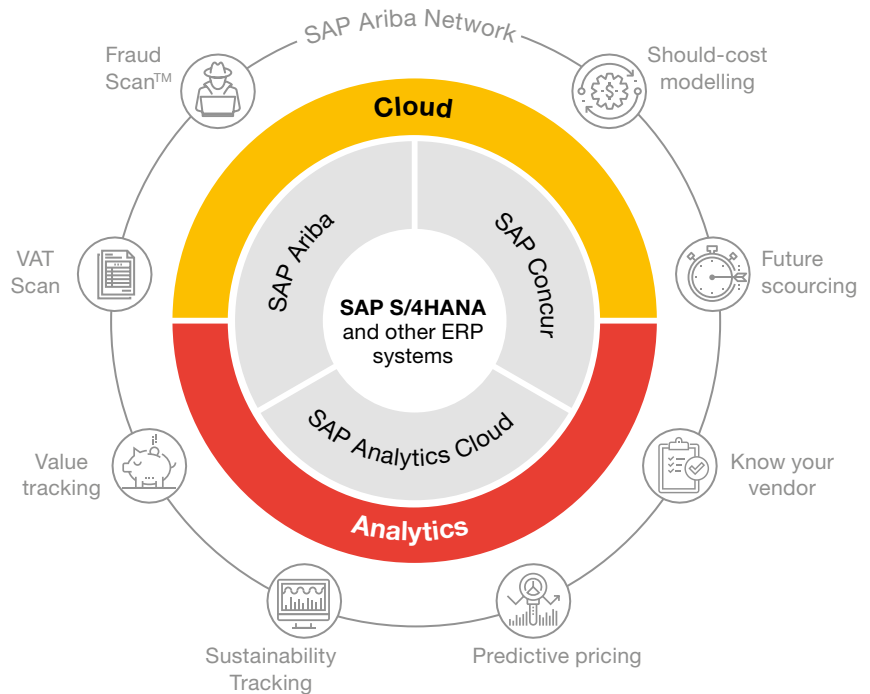


## Fully integrated with the PwC framework for Digital Procurement Integrated Solution (DPIS)

The Digital Procurement Integrated Solution (DPIS) is a framework based on four key solution dimensions: Applications, D2P-Solutions, Enabling Technologies and Business Solutions.

Full 'end-to-end' industry solutions are at the core of the DPIS solution landscape.

These are complemented by PwC's proprietary business value-oriented applications such as predictive pricing, sustainability tracker and should-cost modelling, to name a few. These are developed using advanced enabling technologies including Artificial Intelligence and Machine Learning.



## Enabling technologies

- Robotics
- Virtual reality
- Artificial Intelligence
- Blockchain
- Internet of Things
- 3D Print
- Augmented reality
- Drones



## Business solutions

- Procurement maturity assessment
- Procurement diagnostics
- Smart cost and profit management
- Procurement target operating model
- Working capital optimisation
- Tax-optimised procurement
- Shared service center

## Key contacts

Please contact us for advice on shaping up any opportunities in the field of procurement transformation and digitalisation.



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