Digital Procurement Research 2018 Executive summary

Uncovering the solutions that bring you forward

Executive summary

Capgemini's Digital Procurement Research 2018 functions as a starting point for procurement departments that are looking to transform from being merely a cost-saving department to being at the value-adding core of the organization. The traditional siloed approach to procurement results in a slow and inefficient process with many manual interventions, low spend visibility, maverick buying, and a scattered IT landscape. Attempts to overcome these siloes have often resulted in inefficiencies in other departments. Therefore, it is essential to adopt an end-to-end and integrated approach, considering all Sourcing, Purchasing and Accounts Payable activities as part of procurement, with a common approach to Master Data Management. The overarching Procurement Strategy and Target Operating Model must provide guidance and perspective to the procurement activities.

An organization's digital procurement transformation is often triggered by the decision to implement new or enhanced tools and systems that support procurement. To simplify the selection process, Capgemini researched the procurement solution market. A total of 234 vendors offering any type of Source-to-Pay solution were invited to participate in the extensive study. Thirty-six vendors from 15 countries completed the study and were scored based on their answers. This research resulted in the Digital Procurement Matrix, on which the 36 vendors are plotted depending on the range of Source-to-Pay elements they cover (width) and the level of detail in those elements (depth). This matrix categorizes the solution providers into four groups:

- Compliants: solutions with a limited width and depth (28% of the participants)
- Specialists: solutions with a limited width, but extensive depth (33% of the participants)
- Generalists: solutions with an extensive width, but limited depth (8% of the participants)
- All Stars: solutions with extensive width and depth (31% of the participants)

Whereas All Star solutions sound the most attractive, they are not always the best fit for an organization. Not every organization needs the most extensive functionality. Thus, rather than opting for these solutions by default, it is important to first determine the requirements of your organization.

The Source-to-Pay process is usually divided into Source-to-Contract (Sourcing, Contracting and Supplier Management) and Purchase-to-Pay (Purchasing and Accounts Payable). All 36 solutions offer Source-to-Contract elements to some extent. However, only 7 of these solutions cover the entire range of Source-to-Contract functionality, with varying depth. Purchase-to-Pay

is to some extent, offered by 22 solutions. Seven of these offer all of the Purchase-to-Pay functionalities.

In addition to Source-to-Pay, procurement departments should look after Master Data Management. Many organizations neglect the importance of master data and fail to create a tight and well-managed governance structure around it. Fifty-three percent of the solution providers in this research indicate that they offer some form of master data management functionality.

Reporting and Analytics functionality helps procurement departments to process, structure and interpret data. Almost all providers offer Reporting & Analytics functionality to some extent.

Implementation of the new solution should be regarded as a transformation project rather than an IT implementation project. Often, processes need to be redefined, roles within the organization change, and policies may need to be set up to govern new functionalities within the solution. Most solution providers acknowledge that their core business is the procurement software and therefore allow or actively work together with 3rd parties during implementation.

To conclude, determining the best solution for your organization is not a simple exercise. This research shows that there are many solution providers, offering a wide range of functionality within procurement. The procurement market is continuously evolving and IT landscapes are changing. Procurement departments should seize the current opportunities to transform into a value-adding part of the organization. Capgemini's Digital Procurement Research will be the perfect starting point for your procurement transformation.
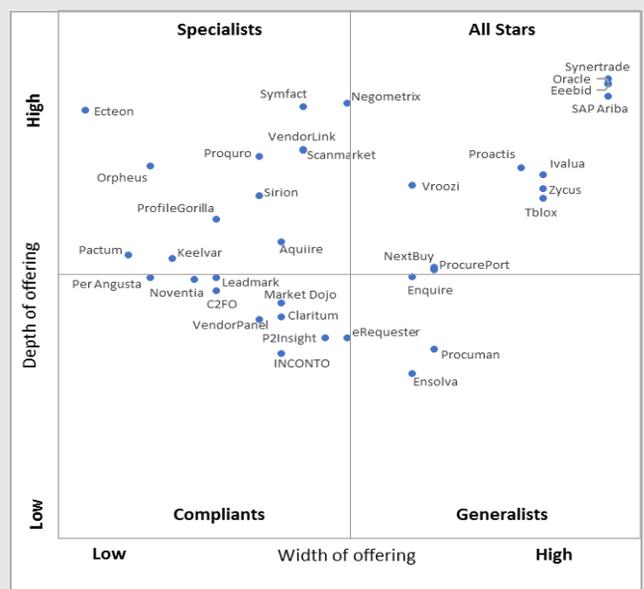
Capgemini Digital Procurement Matrix 2018

Solution provider summary

This section provides a summary of the solution provider. At the bottom of the page there is an overview with the general company details and a summary of the research results. We provide the following information:

- The industries served by the solution provider (see table right for explanation of the icons).
- The position in the DPR 2018 Matrix, based on the depth and width of the offering.
- A graph providing the overview of the solution's results in each of the categories defined in the research, relative to the maximum score for that category.

The solution has been scored on the following topics:
- Supplier management
- Sourcing
- Contracting
- Purchasing
- Accounts payable
- Reporting and analytics
- Master data management

Icons	Sectors
🚗	Automotive
🛒	Consumer Products
🚚	Distribution and Logistics
💰	Finance
⚙	Manufacturing
⚕	Pharma and Life Sciences
🏛	Public
🏪	Retail
✈	Travel

Solution provider overview

Solution Name	Procuman
Company Name	Procuman Software
Founded	2016
Headquarter	Luxembourg, Luxembourg
# Employees	0-100
# Customers	1-25

PROCUMAN

Industries served

🚗 🛒 🚚 💰 ⚙ ⚕ 🏛 🏪 ✈

■ Headquarter ■ Sales offices

Capgemini Digital Procurement Research

Matrix:
- Specialists (High, Low width)
- All Stars (High depth, High width)
- Compliants (Low depth, Low width)
- Generalists (Low depth, High width)

Axes: Depth of offering (Low–High), Width of offering (Low–High)

Generalist

Radar chart categories:
- Supplier management
- Sourcing
- Contracting
- Purchasing
- Accounts Payable
- Reporting and analytics
- Master data management
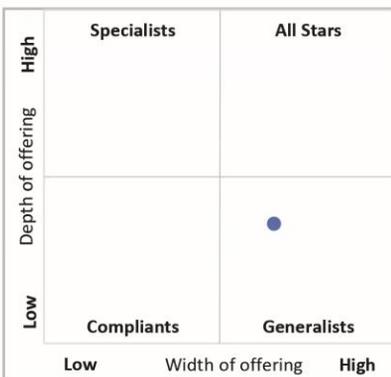
About Capgemini

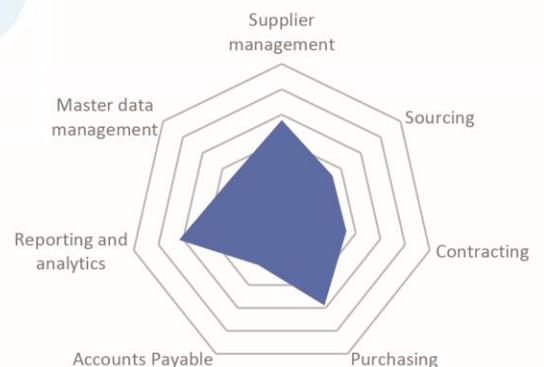A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of 200,000 team members in over 40 countries. The Group reported 2017 global revenues of EUR 12.8 billion.

Learn more about us at

www.capgemini.com

People matter, results count.