



Digital procurement

KPMG UK

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Beyond source-to-pay

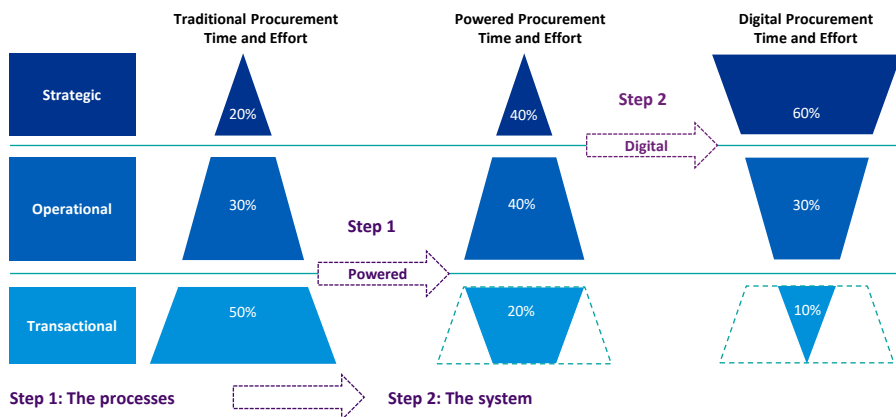
In the argument of best-of-breed vs source-to-pay (S2P), it's KPMG's view that S2P platforms should be augmented by best-of-breed solutions that align to the priorities of the business.

In this new era where emerging procurement technologies are now plentiful, leading procurement functions are looking beyond traditional S2P platforms.

Our point of view, is that there should be an S2P platform which is enhanced by best-of-breed solutions, and implemented in a transformational way that includes the people and process elements of the overall operating model.

Adoption of best-of-breed solutions moves the dial from a transaction-based model to one in which more time is available for value-adding procurement activities. S2P automates manual processes, freeing up time, resource and adding value,

but additional technologies are needed to enhance the strategic value delivered by procurement. Leading procurement teams are early adopters of these technologies and are reaping the benefits for competitive advantage.



Implementing an S2P platform through [Powered Procurement](#) automates transactional activity and reduces the time and effort needed at this layer.

Following an S2P platform implementation, more time and effort can be focused on value creation and strategic priorities. However, augmenting this with best-of-breed solutions can automate the activity further and provide the same output with reduced time and effort.

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Best-of-breed solutions

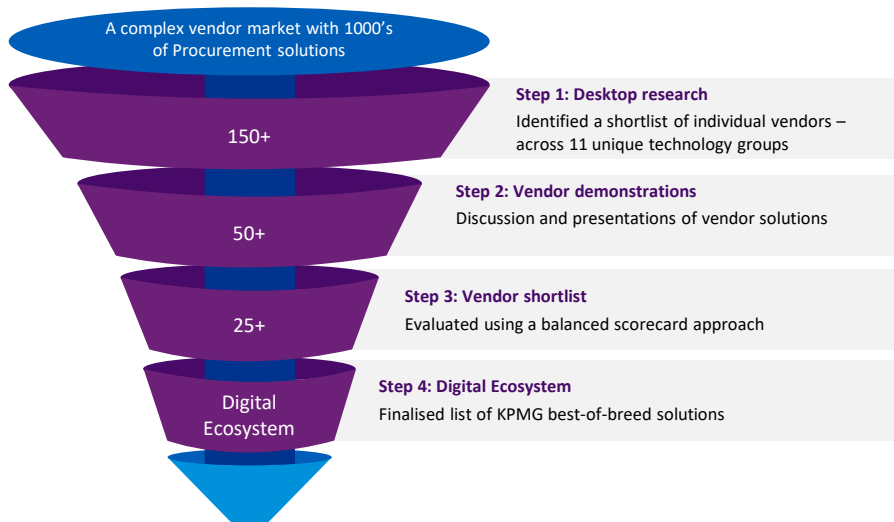
KPMG has undertaken a market scan to identify what the market leading best-of-breed solutions are.

By augmenting the S2P platform with best-of-breed solutions, Chief Procurement Officers (CPOs) and their teams can proactively unlock the incremental value to deliver business outcomes.

Leading Procurement functions that have implemented digital procurement sit higher on the maturity curve. Contract compliance is strengthened, better purchasing insights can be delivered and overall, Procurement has become a true commercial business partner.

At KPMG we have undertaken an extensive due diligence programme to identify who the best-of-breed solutions in the marketplace are.

We have shortlisted a number of vendors across the key priority areas of business value: cost management, sustainability, supply chain risk and supplier innovation.



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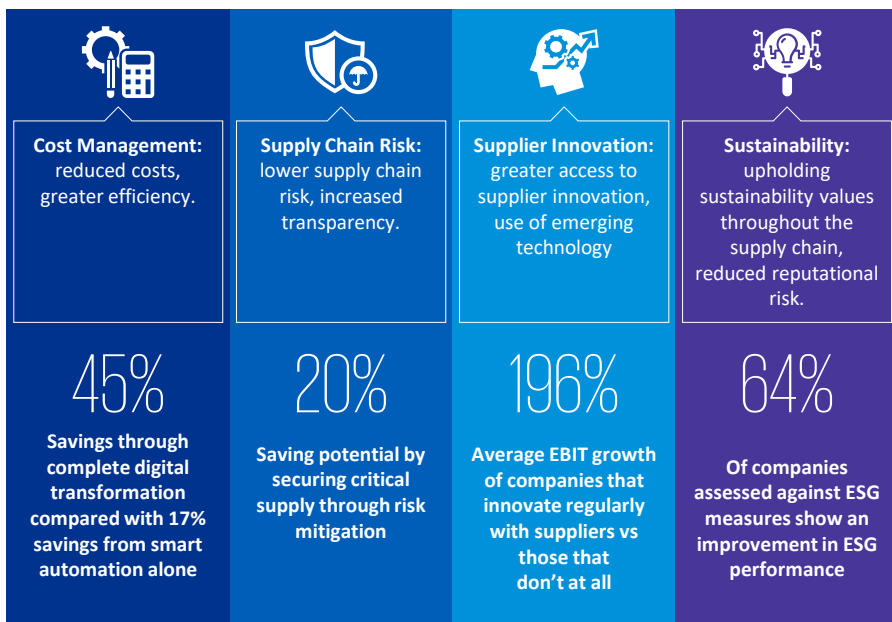
Emerging procurement priorities

C-suites are now looking to CPOs to drive initiatives in specific priority areas and we have identified which best-of-breed procurement solutions can deliver them.

The typical CPO agenda now consists of four strategic pillars (in no particular order): Cost Management, Supply Chain Risk, Supplier Innovation and Sustainability.

While S2P platforms provide some gains in these priority areas, there are gaps in what they can offer. This is where other best-of-breed solutions have an important part to play. Our shortlisted vendors can integrate seamlessly alongside the S2P platform to bring enhanced business outcomes in the above priority areas.

Below are some example benefits that can be driven by augmenting the S2P platform through the introduction of best-of-breed solutions.



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Full digital transformation

A S2P platform, enhanced by best-of-breed applications, implemented in a transformational approach including people and process.

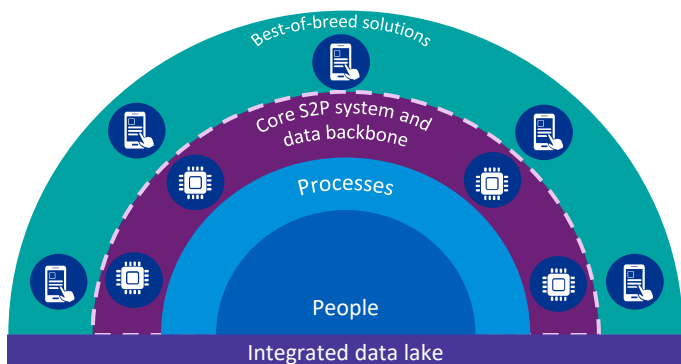
A digital ecosystem made up of different solutions can be integrated alongside the S2P platform to create a seamless experience for procurement teams. Most importantly however, is that the underlying data should be “clean” and consistent throughout the ecosystem.

As stated earlier, leading procurement functions augment their S2P platform with additional solutions that provide deeper insight and smarter capabilities.

Equally, the right training and support must be provided to the team so that they are equipped to use the new solutions which drives adoption.

Finally clear processes that are enabled by technology need to be defined to drive the new ways of working.

We have found this alignment across people, process and technology, can significantly strengthen the value case and perception of Procurement within the business.



People, processes and technologies are in synchronisation and drawing from an integrated data lake.

People

Through the advent of new technology, people become true commercial business partners, driving incremental value to their stakeholders.

Processes

Core processes are created to ensure efficient ways of working in a standardized manner.

Core system and data backbone

A core S2P platform streamlines transactional processes, freeing time for people to focus on value adding activities.

Best-of-breed solutions

Best-of-breed solutions are used to drive business value in specific procurement processes, accelerating value delivery.

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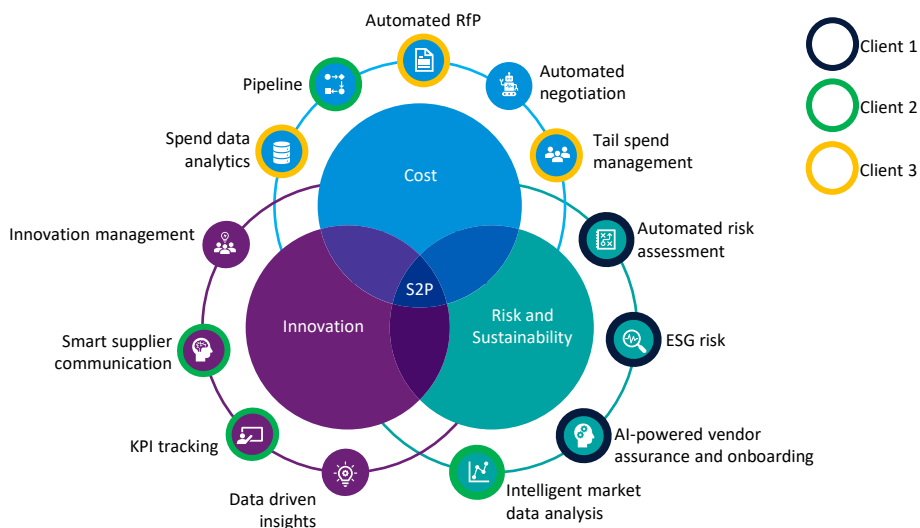
Where to go from here?

S2P platforms should be central to a digital ecosystem, and the choice of best-of-breed solution should depend on your situation.

We have shared our point of view that S2P platforms should be augmented by best-of-breed platforms and we have indicated some of our chosen partners in the best-of-breed market. We believe KPMG is uniquely positioned to help you determine your priorities and begin your transformation.

Not every vendor we have chosen to partner with will suit each organisation so you should go through a rigorous process to determine requirements. This process will be determined in part by the emphasis your organisation places on the priorities we have outlined in the previous pages. However this is a broad guide and within each priority areas there are unique technologies.

Further factors that will influence your decision include: what S2P system you currently have in place, the maturity of your procurement organisation in skills and processes and the level of technology readiness and current adoption in your organisation. KPMG can help you navigate this complex decision making process to determine the correct technology ecosystem.



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How KPMG can help

We believe Digital Procurement is the next chapter in the evolution of how procurement adds value to the business.

In recent years, Procurement functions implemented S2P platforms as part of broader transformations. The marketplace has changed and with the emergence of new best-of-breed solutions, now is the time to continue this transformation to ensure we continue to deliver business outcomes.

We are extremely proud of Digital Procurement and this is what sets us apart in the market:

- We have scanned the market so we know which vendors provide market leading solutions, accelerating your selection process;
- Furthermore, our deep insights fast-track your tech & select process, accelerating the development of your business case and transformation;
- We have deep insights for each vendor in our technology ecosystem which means we can help you identify which technologies meet your requirements;
- Our approach is truly transformational and not just about implementing technology, which will support higher levels of adoption in the new ways of working;
- We are experts in; Integration, Data Strategy and Operating Model Design which means you get access to a true transformation partner;

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Questions to consider

- What is the maturity of your current digital procurement ecosystem?
- Is your procurement organisation looking to invest in procurement technology?
- Are your technologies supporting the needs and priorities of the business?
- Are you aware of the best-of-breed solutions that are available?
- How do best-of-breed solutions complement your existing technology landscape?
- Are you struggling to drive adoption of new digital procurement solutions?
- How do you plan to integrate digital procurement solutions into a seamless ecosystem?
- Have you considered all People and Process considerations prior to the implementation?

Contacts



Jon Hughes
Director
Procurement Advisory

T: +44 (0)7990 658203
E: jon.hughes@kpmg.co.uk



Mani Sihra
Director
Procurement Advisory

T: +44 (0)7823 445520
E: mani.sihra@kpmg.co.uk



Matt Rose
Managing Director
Procurement Advisory

T: +44 (0)7733 312292
E: matt.rose@kpmg.co.uk



Imran Khan
Senior Manager
Procurement Advisory

T: +44 (0)7788 568905
E: imran.khan@kpmg.co.uk



David McGonigle
Director
Procurement Advisory

T: +44 (0)7880 102464
E: david.mcgonigle@kpmg.co.uk



Melissa Hall
Director
Procurement Advisory

T: +44 (0)7827 991166
E: melissa.hall@kpmg.co.uk

kpmg.com/uk



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