The Evolving Technology Landscape and How to Evaluate What Is Next for Your Organization

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What will sourcing look like in the future?
How will we leverage AI?
What are the skills needed to be successful in the future?
Where does your procurement organization fit on the maturity model for efficiency and effectiveness?
OUR INNOVATION BELIEFS

- Every user loves a self-explaining application
- A seamless digital experience supports the user’s workflow
- Richness of features must be complemented by ease of use
- The B2C application market is more UX advanced
- Public cloud offers higher innovation speed

INNOVATION AT THE HEART OF OUR PRODUCT VISION

- To become a digital-only S2P provider
- To be the best integrable application platform in our market
- To become the best usable product in our market
- To offer the fastest ramp-up time for standard business processes in our market
- To build a product that is fun to use
What will sourcing look like in the future?
PROCUREMENT HAS TO EVOLVE...

DIGITALIZATION — COMPETITION

GLOBALIZATION — REGULATION
...WHILE ANSWERING HIGH BUSINESS CHALLENGES

How to ensure that expected savings are delivered?

Does Purchasing have the best visibility on all the spendings?

How to ensure regulatory/policy compliance?

How to better collaborate with suppliers and reduce supply costs?
Procurement’s "Value" has different meaning to different Shareholders

Finance
- Savings
- Policy
- Compliance

IT
- Integration
- Scalability
- Customization

Procurement
- Savings
- Seat at the table
- Meets customer needs

- Speed
- Ease of use
- Meets customer needs
How has procurement evolved

What is the focus of procurement organizations

How can we do that?

- Remove S2P operational roadblocks
- Enable Effective Category Management
- Facilitate supplier innovation to impact customer experience
- Facilitate customer market intelligence to advise stakeholders
What initiatives should your Procurement organization directly involved in?

- Improving customer experience
- Achieve rising customer demands
- Achieve savings
- Reduce costs
- Continue to innovate
- Work with operations to simplify
- Grow gap between competitors
- Ensure regulation compliance
- Use analytics to make big data into smart data

ALL of THEM
Let’s Talk SOURCING

CURRENT STATE

• Focus on efficiency & effectiveness
• With limited or no technology in place, comes limited automation
• Procurement doesn’t receive a Seat at the table
• Unable to attract top talent to Procurement

FUTURE

• Adding additional value with the use of future technology (AI, Machine Learning, Predictive)
• Automating the mundane
• Drive Procurement to be a Decision Maker
• All Business Decisions will be made by advanced analytics, collectively, by all departments
How will we leverage AI?
DEFINITION

“A device that guides part of a machine, or guides motion or action”  

“Machine Learning is a current application of AI based around the idea that we should really just be able to give machines access to data and let them learn for themselves”  

AI

RPA’s

BOTS

Guided Buying

Machine Learning

Deep Learning

Cognitive Learning

Predictive Procurement
Why do we need to be investing in AI now?

- There is too much data for procurement teams to be analyzing on their own, efficiently
- Consider all the streams
- Establish new priorities for your procurement organization, KPIs to measure, and focus on the customer
- Prepare for advancements in AI and technology, implement flexible, intelligent software
- Be at the forefront of change
  - Find projects where you can test advancements
- Speak with suppliers about innovations they have achieved and are investing in
- Fully automate S2P for “guided sourcing and procurement” without sourcing engagement
Where is AI Going?

<table>
<thead>
<tr>
<th>Features</th>
<th>How</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Visual and voice</td>
<td>• Al is designed to help people do more, not less</td>
</tr>
<tr>
<td>• Search</td>
<td>• Help us buy smarter by advising us based on collective intelligence</td>
</tr>
<tr>
<td>• Ordering</td>
<td>• Automate the mundane so your procurement teams can become more strategic</td>
</tr>
<tr>
<td>• Bot development over</td>
<td>• Will have human elements</td>
</tr>
<tr>
<td>mobile app development</td>
<td></td>
</tr>
<tr>
<td>• Machine Learning</td>
<td></td>
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<tr>
<td>• Predictive Analytics</td>
<td></td>
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<tr>
<td>• Transparency</td>
<td></td>
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<tr>
<td>• Integration</td>
<td></td>
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<tr>
<td>• Collaboration</td>
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Minority Report Effect
Advancements in Mobile

Your main supplier information at a glance directly on your mobile device!

Access to the information of all your vendor contracts

Collaborate to important workflows

Answer to online questionnaires for assessing your suppliers’ performance

Keep contact with the procurement community like any social media platform
ACCELERATE: THE ERA OF PROCESS AUTOMATION

DEGREE OF AUTOMATION

- AUTOMATIC
- SEMI AUTOMATIC
- MANUAL

I/O SYSTEMS

- RAW DATA

SUPPORTIVE SYSTEMS

- CONTEXTUAL INFORMATION

CONTRIBUTING SYSTEMS

- INTERPRETATION & RECOMMENDATION

INTELLIGENT SYSTEMS

- PREPARATION & AUTOMATION

TIME

DEGREE OF AUTOMATION
Artificial Intelligence (AI) is the next revolution for your Procurement information system. Synertrade can help you change the game by integrating the latest AI technologies in its solutions.
What are the skills needed to be successful in the future?
“If we're always guided by other people's thoughts, what's the point in having our own?”

*Oscar Wilde*
“That’s the way we’ve always done it”

- Consider your REPORTING lines
- Procurement Digitization
- Visibility beyond Tier 1 Suppliers
- Shared OBJECTIVES
- Build a CAPABLE team
- Effective Operational S2P Model
- External Customer
“I feel like a Lobbyist”

- Bring in non-procurement talent
- Attract Millennials
- Make Procurement Awesome
- Get HR involved Early
Where does your procurement organization sit on the Cognitive Sourcing maturity model?
<table>
<thead>
<tr>
<th>Level 1: Ad Hoc</th>
<th>Sourcing Strategy</th>
<th>Organization</th>
<th>Sources of Insight</th>
<th>Systems</th>
<th>Supplier Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost Management</td>
<td>Decentralized / Siloed</td>
<td>Suppliers “Tribal Knowledge” ERP spend history</td>
<td>Excel</td>
<td>1-3 Sourcing Events Less than 50% spend/tail uncovered</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level 2: Reactive</th>
<th>Sourcing Strategy</th>
<th>Organization</th>
<th>Sources of Insight</th>
<th>Systems</th>
<th>Supplier Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost + Continuity of Supply</td>
<td>Departmental/ Plant/ Business Unit</td>
<td>Suppliers Limited Market Enterprise Spend</td>
<td>BI Tools / Data Warehouses + Excel</td>
<td>1-3 Sourcing Events 60% spend / partial tail coverage</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Level 3: Anticipating</th>
<th>Sourcing Strategy</th>
<th>Organization</th>
<th>Sources of Insight</th>
<th>Systems</th>
<th>Supplier Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sustainable Cost Management Risks &amp; Opportunities</td>
<td>Center-Led / Centralized</td>
<td>Suppliers Limited Market Enterprise Spend + Forecast</td>
<td>Sourcing Platform Spend Analysis + Predictive + RFQ</td>
<td>1-3 Sourcing Events 50-70% total Spend and Supply Base</td>
</tr>
</tbody>
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<thead>
<tr>
<th>Level 4: Learning &amp; Orchestrating</th>
<th>Sourcing Strategy</th>
<th>Organization</th>
<th>Sources of Insight</th>
<th>Systems</th>
<th>Supplier Engagement</th>
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<tbody>
<tr>
<td></td>
<td>Value Creation Product Lifecycle</td>
<td>Internal Cross Functional</td>
<td>Network Community Market Enterprise</td>
<td>Shared Platform Learning + Optimized Decisions</td>
<td>Quarterly / Weekly events 70% spend and supply base</td>
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<tr>
<th>Level 5: Continuous</th>
<th>Sourcing Strategy</th>
<th>Organization</th>
<th>Sources of Insight</th>
<th>Systems</th>
<th>Supplier Engagement</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Competitive Advantage</td>
<td>Embedded Cross Functional + Network</td>
<td>Comprehensive Dynamic New Insights</td>
<td>Shared Platform Partially Autonomous</td>
<td>Continuous Engagement 90%+ Spend</td>
</tr>
</tbody>
</table>
Develop your plan

- Assess your team capabilities
- Evaluate your current technology stack
- Review your S2P operational model
- Identify costs and ROI associated with changes
- Build a deployment roadmap
- Plan for change
- Continuously measure and report out results
Frenchie Green & Brenton Walton
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