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## Highlights

### *Impact*

- When a Fortune 50 company found out that one of their key service providers was under fire for using questionable accounting practices, the company used IBM Emptoris Services Procurement to quickly identify their current and future projects associated with this firm and diverted them to alternative service providers, avoiding significant financial, operational and reputational risk.
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# IBM Emptoris Services Procurement

*Effectively manage services procurement to accelerate profitable growth*

Enterprises are increasingly relying on outsourced services and labor in order to focus on their core competencies, access external expertise, manage changes in work volumes and lower operational costs. However, with these trends come new management challenges.

Most companies have many different buying centers contracting for these services. The decentralized nature of their practices can drive up costs and dilute control, causing inefficiencies and creating risk and compliance issues.

The complex nature of outsourced services has long made it difficult for organizations to bring these services under greater control and management. However, as companies have realized greater efficiencies and savings in their procurement of goods, services have naturally emerged as a prime target for achieving similar efficiencies and savings, particularly through the application of technology solutions.

Improved management of services procurement presents opportunities, not only to save significant amounts of money, but also to provide visibility into and control over operations – and to protect against the risk of non-compliance with policies and regulations.

## **IBM® Emptoris® Services Procurement: A tried and tested solution in some of the world's most demanding environments**

IBM Emptoris Services Procurement has a tried and tested track record of success in helping global organizations facilitate improved procurement and management of third party labor and services, including contingent labor, time and materials, and statement of work (SOW) projects.

For over a decade, IBM Emptoris Services Procurement has been the powerful enterprise-level platform driving some of the most involved and sophisticated services procurement programs for leading Global 2000 companies, with deployments in over 40 countries around the world. IBM Emptoris Services Procurement has delivered significant cost savings to companies, as well as assisted them in strategically managing their staffing requirements to help them gain competitive advantage and reduce their exposure to risk.



IBM's established services procurement practice helps jumpstart services procurement discipline by providing insight into the organization's services spend. The practice can help implement global process models by introducing integrated policies, standards, templates, metrics and analytics. IBM's experienced team of services procurement professionals helps build the optimal strategy to support business case analysis, enable category-specific best practices and rapidly achieve real benefits. IBM's enhanced methodology and toolsets can help implement the solution for go-live in months.

### Key benefits

IBM Emptoris Services Procurement allows organizations to:

- **Realize substantial savings:** IBM's customers realize substantial savings by improving visibility and automating procurement across services and labor categories. Customers experience savings both in the first phase of the transformation, with additional sustained annual savings as their services procurement program matures.
- **Enforce compliance and mitigate risk:** IBM Emptoris Services Procurement helps automate compliance enforcement for international, federal, state and local regulations and tax policies, as well as corporate policies. The solution provides the legal and financial controls companies need as they increasingly rely on global services and outsourced labor. IBM Emptoris Services Procurement helps enable organizations to limit the risks of non-compliance, such as fines, litigation or damage to brand reputation.
- **Gain insight into global workforce management:** IBM Emptoris Services Procurement provides visibility and oversight of a company's global demand for services, equipping the organization with the intelligence to manage variable labor costs and leverage specialized supplier skill-sets.

### IBM Emptoris Services Procurement

IBM Emptoris Services Procurement is a leading purpose-built software solution for buying and managing services and temporary labor. Its advanced functionality provides broad coverage and management of services procurement processes, supporting both discrete, on-going service procurement as well as contingent staff, time-, deliverable-, and units- and materials-based services engagements. An integral component of the IBM Emptoris suite, Emptoris Services Procurement automates and reports on the intricacies surrounding services rates/pricing, complex contract structures, processes, controls and compliance.

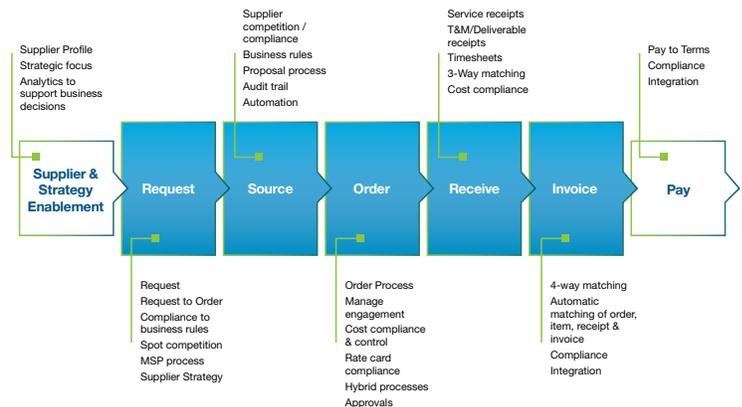


Figure 1: The IBM Emptoris Services Procurement process

Module	Capabilities	Benefits
<b>Lifecycle management: procurement-to-invoice payment workflow</b>	<ul style="list-style-type: none"> <li>Enhanced automation of the process from master agreements, requests, and purchase orders through invoicing</li> <li>Customizable workflows by service category, business unit and location</li> <li>Support processes for virtually all service categories</li> <li>Flexible service types and category support</li> <li>Configurable application</li> </ul>	<ul style="list-style-type: none"> <li>Limit the total cost of ownership by using one solution to manage virtually all services categories</li> <li>Control service delivery through each step of the process</li> <li>Gain significantly enhanced transparency and granularity</li> <li>Allow process flexibility where needed</li> </ul>
<b>Advanced decision support</b>	<ul style="list-style-type: none"> <li>Industry-leading business intelligence tool for ad hoc and customized reports</li> <li>Robust library of sophisticated standard reports</li> <li>Multi-dimensional reporting parameters including consolidated spend profiles by location, category, supplier, etc.</li> <li>Real-time enterprise-wide reporting and trend analysis</li> <li>Sourcing rules configuration support</li> </ul>	<ul style="list-style-type: none"> <li>Manage variable labor costs and leverage suppliers' specialized skills</li> <li>Identify areas for supplier consolidation, candidates for rate negotiations and categories in need of process improvement</li> <li>Reduce your exposure to supplier risks and improve the performance of your services procurement program</li> </ul>
<b>Cost containment</b>	<ul style="list-style-type: none"> <li>Automation/flexible configuration of controls and approvals based on category, location, internal organization structure and custom-defined business rules</li> <li>Preferred supplier selection enforcement</li> <li>Receipt / timesheet confirmation prior to invoicing</li> <li>Budget enforcement at order- and line-level with four-way match of order-item-receipt-invoice</li> <li>Audit trail of virtually all actions, discussions and changes</li> <li>Candidate management on multiple orders</li> <li>Enhanced data management capabilities to self-administer mass data imports and exports</li> </ul>	<ul style="list-style-type: none"> <li>Realize savings through adherence to business rules and negotiated contracts</li> <li>Reduce maverick spend and enforce negotiated contract rates to prevent overpayments</li> <li>Capture volume discounts, early payment rebates and enforce payment limits</li> <li>Manage demand for labor more effectively with real-time visibility into committed spend and resource pools, resulting in effective global workforce management</li> <li>Reduce maintenance costs and TCO</li> </ul>
<b>Contract and engagement management</b>	<ul style="list-style-type: none"> <li>Support multiple rates and fee structures: time and expenses, milestones, units and materials, service level agreements, and custom contract terms</li> <li>Support multiple types of payment terms: blanket orders, scheduled or recurring payments, interim discount terms, not-to-exceed, split-line orders, bulk/hybrid orders</li> </ul>	<ul style="list-style-type: none"> <li>Use one product to automate order workflow for services and contingent labor</li> <li>Rapidly achieve substantial ROI through real-time and granular business intelligence</li> </ul>
<b>Compliance management and risk mitigation</b>	<ul style="list-style-type: none"> <li>Flexible configuration and automation of controls for operational, safety and human resource laws and policies</li> <li>Enhanced Flexible Rate Card capabilities: <ul style="list-style-type: none"> <li>Flexible billing templates provide significantly enhanced flexibility in defining complex rate structures for contingent staff</li> <li>Enhanced timesheet rules engine helps enable compliance with time capture requirements and matching to billing templates</li> <li>Master Agreement enhancements enable achievement of savings through enforcement of agreed rates, markups and discounts</li> </ul> </li> <li>Impact intelligence capabilities allow quick viewing and assessment of the impact of singular or multiple changes to master agreements or billing templates on existing orders. They provide the ability to decline or apply appropriate mass changes in a few simple steps, such as propagating a new set of rates throughout a program</li> </ul>	<ul style="list-style-type: none"> <li>Reduce risks of non-compliance, such as fines, penalties, litigation or damage to corporate brand</li> <li>Demonstrate adherence to financial regulations and internal company policies</li> <li>Keep unqualified suppliers and employees outside of the enterprise</li> <li>Leverage Flexible Rate Card capabilities to: <ul style="list-style-type: none"> <li>Comply with regional/national regulatory and corporate requirements around Contingent Staff (CS) rate structures</li> <li>Capture complex spend scenarios to achieve greater visibility and savings</li> </ul> </li> <li>Impact intelligence capabilities help support compliance with rates, as well as improving user productivity by reducing the amount of effort required to propagate mass changes within the solution and enhancing data accuracy by capturing all potential impacts</li> </ul>
<b>Global support</b>	<ul style="list-style-type: none"> <li>Multi-geography support: localized interface, multiple currencies, country and location-specific laws, processes and languages</li> <li>Integration with existing business systems including Enterprise Resource Planning (ERP), tax systems, financial approval automation, invoicing and payment systems</li> <li>High scalability: manages billions in annual spend, hundreds of thousands of invoices and orders, and thousands of users</li> </ul>	<ul style="list-style-type: none"> <li>Manage global services procurement programs using one solution</li> <li>Customize to fit with the distinct geographical needs around localization and local language support for multi-national organizations</li> </ul>
<b>Mobile web application</b>	<ul style="list-style-type: none"> <li>Access key solution capabilities on iPhone, Android and Blackberry devices: generate/manage contingent staff requests, process work orders, timesheets, invoices, expenses, receipts, and other key documents on the fly</li> <li>Other capabilities include approvals, candidate selection and interview set-up, purchase order management, and out-of-office capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate business – Expedite hiring and payment processes by working “on-the-go”</li> <li>Procure and manage services by transacting virtually anytime, anywhere on most major mobile device platforms – significantly improve turnaround time performance for time-sensitive procurement cycles</li> </ul>



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