

IBM Procurement BPO: An agile and insights-driven approach to enterprise procurement and accounts payable

Work smarter with intelligent workflows for supplier and spend management



Procurement headaches will continue if outdated processes aren't modernized

Manual, time-consuming processes are a blocker to competitive advantage but even more importantly to the accuracy, productivity and efficiency gains finance and procurement organizations require for timely, successful outcomes. What's more, market disruptions are necessitating accelerated change to meet evolving and increasingly demanding supply chain and stakeholder needs— such as increased digitalization, reduced risk and ease-of-use.

Procurement and accounts payable processes are at the heart of every business—a crucial starting point for process transformation

Procurement and accounts payable departments have traditionally been a hub of paperwork, manual processes, siloed teams and often chaos. Infusing AI applications and automation into their processes enables better decision-making and provides leaders with a better understanding of spend, contract management and strategic sourcing.

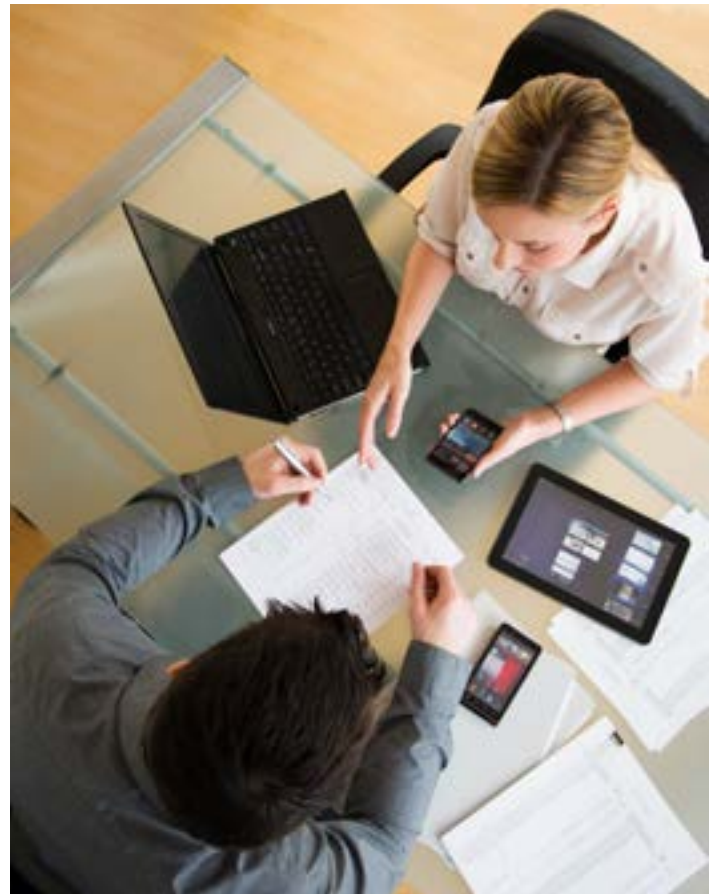
Chief procurement officers (CPOs) and chief financial officers (CFOs) are leading their AI charges to increase profitability, standardize processes, improve data quality and access, and improve the stakeholder experience. Their successes depend on preparing their organization, their processes and their data for AI by taking the necessary steps to help ensure efficient and effective Procurement BPO outcomes.

Preparation for AI-led transformation includes:

- Curating proprietary data for bias-free insights to increase supply chain flexibility and resilience
- Defining a core platform focus to create seamless, low-touch procurement and payment experiences
- Infusing agility across procurement to enhance performance by redesigning the function
- Re-engineering workflows by using exponential technologies to drive operational efficiencies

Our approach is a synergy of process-led services enabled by optimized platforms and smarter operations

Implementing an IBM® Procurement BPO cognitive solution helps enterprises transform their procurement and financial processes with the necessary insights and sourcing intelligence. Concurrently, the user experience is elevated. Digitized processes yield improved productivity, faster results, standardization and a platform for optimizing savings and growth—and keeping users happy.



IBM Procurement BPO Services deliver intelligent workflows that are automated, agile and transparent:

- **B2B commerce** is a seamless, low-touch procurement and payment experience that drives value from unmanaged spend.
- **Strategic payables** optimizes payables with extended payment terms of 120–365 days, financing and early payment for suppliers as a managed service.
- **Procurement service desk** is a single point of entry for intake and requests that provides seamless engagement for procurement and its stakeholders.
- **Procurement analytics** combines stakeholder data with IBM's cognitive expertise in the form of compelling analytics and actionable insights for both direct and indirect spend.

IBM Procurement BPO Services use an integrated, end-to-end approach

Implementing world-class automated procurement can significantly reduce your manual efforts. You'll also benefit from improved compliance and supplier utilization, as well as generate savings.



Source to contract is underpinned by analytics and powered by category expertise on a multicustomer platform for improved decision-making.

Benefits:

- Unprecedented visibility
- Enhanced selection
- Optimized contracting
- Buying power



Purchase to receive automates routing of all spend and buying channel interactions through a single user portal.

Benefits:

- Greater business impact
- Process efficiency
- Contract compliance through end-to-end compliance and analytics
- Sourcing realization through catalogs and marketplaces
- Buying power



Invoice to pay reinvents the back office with transformed and automated processes for enabling technology and empowering talent.

Benefits:

- Lower OpEx
- Optimized working capital
- Prevention of spend leakage
- Improved vendor satisfaction
- Reduced effort for buyers in managing transactions
- End-to-end visibility



IBM Procurement BPO differentiators:

Cognitive technology, category management expertise, and multiclient agreements

Our global reach equates to the breadth and scale of serving our customers anywhere in the world. Procurement and accounts payable practitioners are transforming—with the ability to:

- Process and derive insights from downstream procure to pay data to feed category managers the right information to negotiate better sourcing deals.
- Simplify downstream management compliance with a real-time measure under management to identify and manage leakage.
- Digitize the end-to-end lifecycle for speed with data-driven processes for real-time, touchless transactions.

Intelligent workflows for procurement and accounts payable

Intelligent workflows are how work gets done. In the worlds of finance and procurement, intelligent workflows are transforming organizations to operate with cognitive results. We advise and manage end-to-end financial processes and provide IBM Procurement BPO services. With intelligent workflows, we can orchestrate exponential technologies like automation, blockchain and AI in the back, middle and front office, and curate data to reimagine procurement processes in your business. The IBM Enterprise Process Innovation Continuum (EPIC) framework transforms enterprise procurement and back-office operations.

Envision, design, co-create and scale intelligent workflows with IBM Garage methodology

We offer clients an approach to innovate at the speed of a startup and the scale of an enterprise. The IBM Garage™ methodology provides our clients a unique framework that helps them put innovation at the heart of their enterprises, driving meaningful, measurable transformation—fast. It brings together the right people, practices and technology into a single, user-centric, data-driven and outcomes-measured framework. We work closely with these companies to co-create—envision the opportunity and co-execute—iterate to achieve product and market fit and cooperate to transform their organizations and technologies.



IBM Garage delivers real value:

- 10X more innovation ideas generated
- 67% faster speed to value
- 102% average return on investment¹

Use cases

01

Streamline workload management

Problem: A large electronics distributor had multiple enterprise resource planning (ERP) software issues with manual and broken processes for non-electronic data interchange (EDI) suppliers: missing invoices, delayed processing and more than a 4-day turnaround time.

Solution: We implemented an intelligent workflows scalable platform with invoice-to-pay services, delivering a scalable platform for efficiency and effectiveness to the ERP process.

Business outcome: The company was able to automate receipt of paper and email invoices with the intelligent extraction modules to pull invoice data. Now it experiences touchless transaction processing for business rules and matching services with an interface to SAP for posting straight pass and exception invoices.

02

Transform user experience

Problem: A global footwear and apparel retailer needed a solution that would give them greater spend visibility with improved workflows and processes. The retailer experienced a low rate of procurement adoption, with a user base frustrated due to inconsistent and fragmented processes for sourcing engagement.

Solution: We designed and built a procurement service desk solution, powered by ServiceNow, featuring a single intake portal to capture data and provide analytics and visibility to user demand.

Business outcome: The simplified and automated procurement service intake, triage, routing and buying process with procurement service desk provided efficient workflow and end-to-end process transparency.

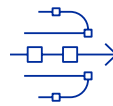
03

Future-proof business

Problem: An industrial products company needed to realize greater procurement value.

Solution: We implemented source to contract services to take advantage of market intelligence and data insights to guide effective negotiations for this company. Our use of an evolving sourcing process, including IBM marketplace and benchmarks, coupled with the IBM Watson Analytics® solution and hypercompetitive negotiations, drove significant procurement value.

Business outcome: The company realized significant savings per year over the last 8 years.



Supply chain innovators who apply exponential technologies, such as process automation and AI, report 34% more revenue growth and 326% more profitability than their peers.²

“IBM has a diverse industry experience, global reach, and strong subject matter expertise in a variety of categories. It is one of the few players with expertise in executing large-sized deals with an end-to-end Procurement BPO scope.”

— Everest Group

Why IBM?

We're proud to share our successes with you

IBM's own dedicated and steadfast efforts in procurement and accounts payable continue to be validated and highly recognized across the board.

- **IBM Global Procurement** has been chosen a top leader by the 2020 World Procurement Awards in two categories, Innovation and Transformation, in recognition of the procurement value we deliver through the application of AI and capabilities.
- **IBM's spend analytics** makes optimized sourcing decisions available to all procurement professionals essentially whenever and wherever they need insights.
- **The team created** a gold-standard service through an “accelerate” project, which has successfully aligned teams to stakeholders and increased agility by enabling employees to work more accurately and rapidly.

Learn more about how IBM Procurement BPO is driving enterprise change. Speak to an expert about how to initiate this procurement and accounts payable solution in your company.

[Begin your journey today →](#)

1. "The Total Economic Impact Of IBM Garage", a commissioned study conducted by Forrester Consulting, October 2020
2. CEO Study: Find your essential, IBV, 2021

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New Orchard Road
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Produced in the
United States of America
May 2023

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