UNIT4
In business for people

Best-of-Breed Procurement Technology

THE CPO PERSPECTIVE

Introduction

Once the decision has been made to select a Best-of-Breed approach, how do you drive user-adoption, deal with having to manage multiple suppliers and ensure that the tool meets your requirements?

Senior VP & **CPO Frank Mckay of Jabil**, and **VP of Procurement Clément Duquerroy of Accor** share their insights.

If you didn't get to watch our webinar The Case for Best-of-Breed Procurement Technology: The CPO Perspective with **Jabil**, **Accor** and **Procurement Leaders**, here is your chance to catch up on all the highlights.

You missed a great session in which Frank Mckay and

Clément Duquerroy provided great insights into topics such as vendor-supplier ecosystems, driving adoption, ROI and system integration.

We have compiled the key takeaways for you below.

> **You're buying a partnership and when you invest in the technology solution provider, it has to be a partnership, and you have to trust that partner.**

Can you give us a little insight to help us understand your vendor-supplier ecosystem when it comes to the technology systems that your function uses?

> **"At Jabil we're in more than 127 countries around or within more than 100 facilities, and we're very fortunate we made some early decisions about 20 years ago to partner on a global scale, to get us as close to being a single instance as we possibly can. We've invested in some tool sets that I would argue, are more the Best-of-Breed, than the One Stop Shop. And I think that argument, just becomes stronger for Best-of-Breed."**
>
> Frank Mckay

> **"At Accor we have over 16 technology software providers so it's kind of a rich ecosystem that we have for procurement. We have all kinds of applications really. We have All-in-One suite solutions and we have over 10 solutions that contribute to pick and select and mostly you know Best-of-Breed vendors."**
>
> Clément Duquerroy

What were some of the key elements in your vendor selection process?

Clément: "Before I started at Accor a decision had been made to go with a Full-Suite solution on Source-to-Contract, a decision mostly driven by the finance department. And when I joined Accor I got the request from our global CPO to really put more pressure on making sure that the buyers and procurement executives would be using the sourcing tool and I quickly discovered that none of the buyers were actually using it. There was a lot of distrust about the tool and it wasn't really meeting the team needs. So, I made the decision to build a commander team and to go to market and find a tool that we would be using at a global level."

Based on four main requirements: core sourcing and contract features, user friendliness, sufficient support for both buyers and suppliers and costs, Accor invited nine players consisting of both Best-of-Breed and Full-Suite providers, into a tender. At the end it came down to three shortlisted suppliers.

"What we did at some point, when we ended up with a shortlist of three players, Bravo Solutions, SAP Ariba and Scanmarket, we had a deep demo with them where we used real data, and we ended up calling the different hotlines or sales service supports and were very amazed by the great support from the Scanmarket team. But what really made the difference was how user friendly the tool was, and that was key to us. We really wanted the tool to be user friendly to someone who has never used a sourcing tool before, a newbie in digital, but at the same time, we wanted like more advanced users to have all the bells and whistles, everything they needed to manage, their sourcing events at the depth they wanted.

Lastly, when we looked at license costs, setup costs, and also consulting services that we know we may use down the line to get the tool to be fully used across the world, Scanmarket was really, clearly ahead of the other players."

How did you drive adoption and what do you see as the main blockers that make leadership and end users avoid using the system?

Clément: "There's so many blockers. I mean people just sometimes don't get along well with technology. You know, so if it looks really difficult to use, sometimes people won't even want to give it a try.

I think an important thing is to try to make it like close to people's business and close to the categories, the things that we do, like in real life. At Scanmarket they can provide us with category knowledge and help us, help our buyers, when we do the training and help them relate that with their actual day to day work. And I think that has a tremendous value so that then they give it a try. And, you know, usually, once they tried it they really like it."

Frank: "Change management. I honestly believe that's what it comes down to. Once the selection has been made for the solution. You know, it really is worthwhile spending, an appropriate amount of time to lay out your strategy for them. Over-communicate your plans, your strategy and the outcomes and I would also say, if you can, I would even try and tailor the message specific to the audience. Tailor your message, don't make it broad if you can avoid that. Be transparent around what you're trying to do. Be open, be honest, be realistic about the benefits and don't be afraid to point out that there may be some trade-offs. If you think you're over-communicating, communicate again and give users a feeling that at least they were involved to some level."

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Can you talk us through the ROI that you've seen and you know the benefits you've seen from the decisions you've made?

Frank: "We've been with Scanmarket for a number of years now and this is one of the single largest ROIs that Jabil has had for technology investments when I think of the financial outcomes. The intelligence service brought to you as the ease of use, the different strategies you can deploy, the educating your supply base and this is something that they should embrace and not shy away from and actively get in coalesce around that. And I look back at that investment, with a lot of content that we made the right decision. And as I said this is paying off in dividends."

Clément: "If we think about ROI of course it's savings, and we know that, when you follow the right steps for your sourcing project, you get savings, and the digital eSourcing tool is there to help you make sure that you follow those steps. On average we get 25% savings on first time events.

But it is also about automation of your core sourcing processes. I could not get two buyers to do any sourcing events with Coupa, but in a bit more than a year, 16 months actually, we got to train 120 users across 17 locations, and that generated more than 700 sourcing events, done in the tool so we went from zero to 700 in a year."

How do you deal with the fact that you have to manage multiple suppliers, instead of having one overall provider, and the lack of integration between the different systems?

Clément: "I do think that, you know, it's kind of a marketing thing that big, All-in-One suite solutions have put together to say, you manage this one supplier one provider, and you see every module, everything's going to integrate and everything would be perfect. I tried it, I've been there, and that is not what I experienced. Some All-in-One suite solutions have modules that don't speak to others."

Frank: "As long as the solution that you're providing is user-friendly, that the users can understand the full suite of benefits and more so the trade offs, as long as you have articulated that, I don't think that folks care too much about jumping in and out of a couple different systems, As long as when they're in that system it is an enriched experience, and they see the benefit and it helps them. Also, you're buying a partnership and when you invest in the technology solution provider, it has to be a partnership, and you have to trust that partner as well. So make sure you do your homework. Make sure you end up with the right partner, and make sure you can continue to trust them because that's a it comes down to."

Clement: "I also think that if you get to business organizations today, we get a lot of complexity. The best solution would be to have one single solution platform provider that would solve all of your issues and that would make everyone like it and use it. But I think it's a dream. I think it is trying to put a simple answer to a complex problem.

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So, sometimes we just need to kind of freely manage complexity. And we need to really think about what we need. How we need it. What we want to achieve and then choose the best software provider that can do that.

And then you think about how you can integrate those different solutions the truth is, there are very simple ways today to deal with that. To be honest, it's easier than it looks. So tackle this complexity and, make the selection based on your needs and not based on the marketing that some try to sell to you".

Thank you! You can **watch the full webinar here**.

Scanmarket is a source-to-contract software provider that develops advanced functionalities in an effortless design. Originating from the needs of the end user, Scanmarket's S2C solution is attuned to meet the needs of the procurement professional. We take ownership of customer success with experts at your fingertips to drive user adoption. Digitalize your upstream procurement functions with technology that is built to be used.
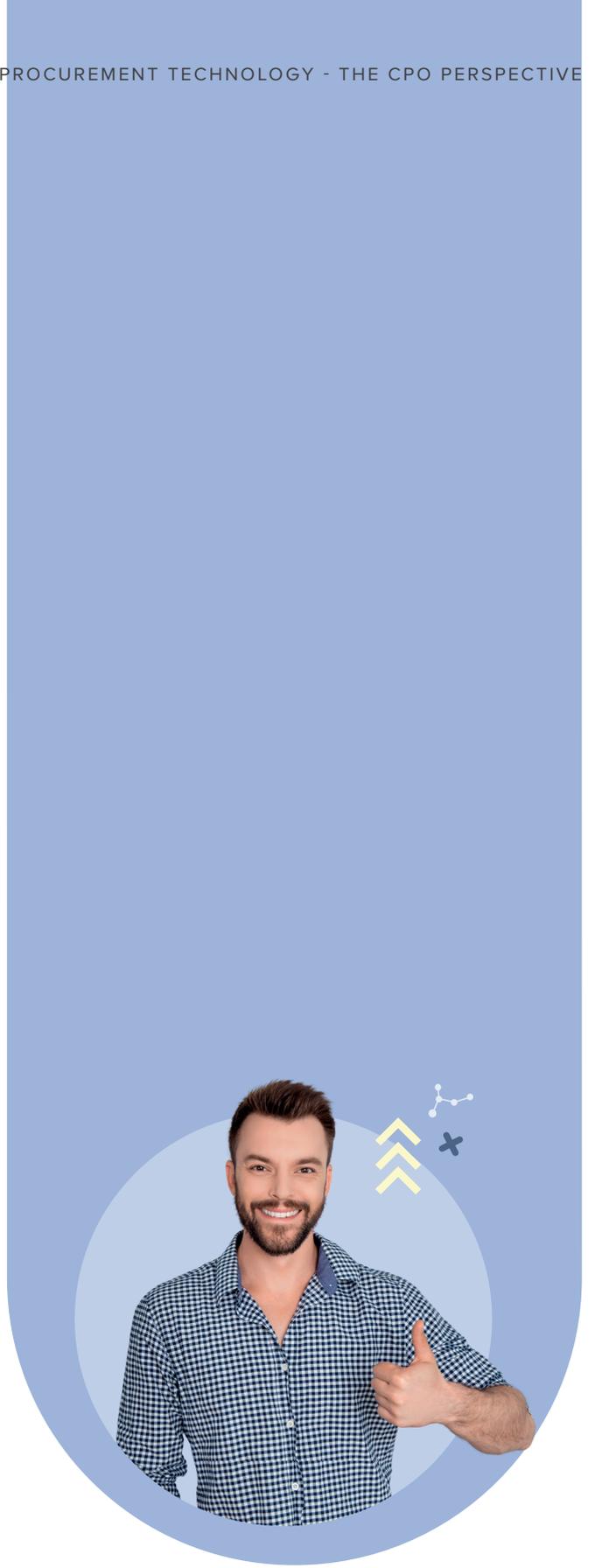
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