Objectives

Solution

Benefits

Quick Facts



Objectives Solution Benefits Quick Facts

## Work smarter and faster – and save more

As a procurement executive, you need to reduce costs, better manage contracts, and ensure quality while generating more savings from sourced goods and services. But what's the best way to meet these goals? In short, you need a way to empower your procurement professionals to work more effectively with suppliers and better manage sourcing projects.

Imagine enabling your team to find qualified suppliers quickly and continuously evaluate relationships so that the best rise to the top. What if your team could easily issue requests for proposal, run auctions, assess supplier responses, and quickly generate contracts with favorable terms – and then enforce compliance with those contracts across the organization?

The SAP® Sourcing application helps you do all this and more. The software supports the entire strategic source-to-contract process so you can maximize value from sourcing processes. You can:

- Model your company's sourcing methodology
- Leverage best practices for identifying, engaging, and negotiating with suppliers
- Track contracts and manage compliance
- Closely monitor that suppliers meet performance goals
- Access user-friendly dashboards and prepackaged, easily consumed reports
- Integrate with the SAP ERP and SAP Supplier Relationship Management (SAP SRM) applications to get more from existing IT investments



Work smarter and faster -

and save more

Objectives	Solution	Benefits	Quick Facts

## Organize and collaborate

## Organize and collaborate

Find and efficiently engage with the right suppliers

Strategically strengthen supplier relationships

Maximize the value of contracts

Report and analyze

SAP Sourcing provides powerful project management tools that help you drive more effective procurement processes across the enterprise. For example, you can bring internal stakeholders together using a shared, online project plan – complete with status reports and alerts that help you keep team members up-to-date. The solution also enables you to track and monitor savings within a project, which is key to proving the realized savings you achieve.

And by using preconfigured templates and centralized dashboards, you can centrally manage and track all sourcing activity, reduce cycle times, and operationalize best practices throughout your organization. The flexible software enables you to model your organization's best practices, whether they're a specific sourcing methodology, approved legal contract language, or an RFx template for requests for information, proposals, and quotations. By building your sourcing methodology into SAP Sourcing, your team can easily leverage standard best practices.



SAP Sourcing gives procurement professionals the tools needed to communicate and share information effectively across the extended enterprise.



Objectives Solution Benefits Quick Facts

# Find and efficiently engage with the right suppliers

Organize and collaborate

## Find and efficiently engage with the right suppliers

Strategically strengthen supplier relationships

Maximize the value of contracts

Report and analyze

The first step to successful sourcing is finding qualified, reliable suppliers. Thanks to a supplier self-registration process and supplier assessment functions within SAP Sourcing, your team can identify which suppliers best meet your needs and execute simple to complex sourcing activities for direct, indirect, and services categories.

The software automates RFx creation and distribution, as well as scoring using multilevel weighted scoring and preference settings. Stakeholders can also score supplier responses collaboratively. Multiround functionality carries forward data about suppliers into a request for proposal or auction. In addition,

you can flexibly manage the RFx process. For instance, you can allow suppliers to selectively decline to bid, manage changes after an RFx has been published, and model complex pricing and total cost of ownership using formulas.

The software also supports competitive bidding environments using reverse, forward, and Dutch auctions. Your team can interact with suppliers in real time using instant messaging, bidding consoles, and graphical representations of auction activities. They can also centrally manage bidding and disclosure rules (such as bid visibility), automatic extensions, weighted-bidding cost factors, staggered start and end times for items, and reserve prices.



Objectives

Solution

Benefits

**Quick Facts** 

# Strategically strengthen supplier relationships

Find and efficiently engage with the right suppliers

Organize and collaborate

Strategically strengthen supplier relationships

Maximize the value of contracts

Report and analyze

With SAP Sourcing, managing supplier information – and using it to deepen supplier relationships – has never been easier. With a central repository for your suppliers, you can quickly get a full view into all supplier information and activity. And because suppliers can self-register and maintain key information about their organizations as things change, you're always aware of their current capabilities. Suppliers can keep their insurance certifications and diversity status up-to-date, along with any other relevant information.

Armed with current, complete supplier data, your organization can proactively mitigate compliance risks and make supplier choices that support environmentally and socially responsible business practices. At the same time, your team can readily identify which supplier relationships must be strengthened to support business initiatives.



Assess your suppliers on a periodic basis – quickly and efficiently – to mitigate business risk and comply with environmental sustainability initiatives.



Objectives	Solution	Benefits	Quick Facts

### Organize and collaborate

Find and efficiently engage with the right suppliers

Strategically strengthen supplier relationships

#### Maximize the value of contracts

Report and analyze

### Maximize the value of contracts

Using the contract management features of SAP Sourcing, you can generate, negotiate, and manage contracts using a single, searchable repository. The repository includes a library of standard contract clauses and contract document templates that help enforce your organization's legal standards and compliance with regulations such as the Sarbanes-Oxley Act in the United States. Thanks to a configurable workflow-approval process that routes final documents for electronic signatures, you can ensure that the right people sign off on contracts. To prevent unauthorized modifications of contracts, a unique bar code can be added to each page of a contract; this prevents people from illegally changing contract terms after you agree they are finalized.

Standard integration to SAP SRM and SAP ERP applications supports purchasing against negotiated contracts. For example, your team can:

- Transform negotiated savings into realized savings by transferring legal contracts to SAP SRM to create a goods and services catalog and a central contract for distribution to all back-end enterprise resource planning systems
- Compare contracts with supplier invoices to ensure that suppliers are adhering to negotiated contract terms
- Synchronize line-item information between SAP Sourcing and SAP SRM



Objectives	Solution	Benefits	Quick Facts

## Report and analyze

Organize and collaborate

Find and efficiently engage

with the right suppliers

Strategically strengthen supplier relationships

Maximize the value of contracts

Report and analyze

SAP Sourcing helps you choose the best suppliers by providing predefined reports that help you compare supplier responses side by side, view details on pricing and potential savings by supplier, and more. These reports also help you ensure that the right suppliers are invited to participate in sourcing events, as well as monitor your staff workload and compliance with legal and corporate diversity requirements.

The software also provides dynamic, user-friendly dashboards for monitoring the current status of all sourcing activities such as RFx and auctions, reviewing purchaser activity, tracking sourcing efficiency, and evaluating supplier performance and contract details. As a result, the information you need is always at your fingertips.



Predefined reports and dynamic dashboards place key supplier information and insights within easy reach.



Objectives	Solution	Benefits	Quick Facts

#### Undisputed ROI, quick payback

## Undisputed ROI, quick payback

With low investment requirements, powerful functionality, and ease of use, SAP Sourcing enables you to generate substantial savings for your organization. The automated sourcing activities supported by SAP Sourcing help everyone on your team make better decisions that optimize the overall value contribution from suppliers. You can source from qualified suppliers that deliver the best value to your enterprise, evaluate and compare supplier bids on factors that are most important to your organization, and negotiate win-win contracts.

Equally important, you can transform negotiated savings into realized savings through integration with SAP ERP and SAP SRM. You'll not only contribute more to the bottom line, but you'll also build stronger supplier relationships that are critical to business success.



Work smarter, source better, and save more with SAP Sourcing.





Objectives Solution Benefits Quick Facts

#### Summary

The SAP® Sourcing application is a complete solution that helps you strategically and efficiently manage sourcing negotiations, contracts, and suppliers – and maximize savings that go straight to the bottom line. It provides built-in support for your company's best practices, integration into back-end systems, and real-time visibility into the source-to-contract process across the enterprise so you can proactively manage every aspect of this process.

### **Objectives**

- · Realize identified savings
- Collaborate with key stakeholders and business partners
- Standardize repeatable processes
- Improve controls over contract management
- Leverage process and data integration to enable compliance

#### Solution

- Project management functionality and collaborative workspaces
- Supplier management tools to maximize supplier value
- Multiround sourcing via requests for information, proposals, and quotations
- Support for reverse and forward auctions
- Contract management functionality to support authoring, visibility, and compliance
- Flexibility to support best practices and services to speed adoption

#### **Benefits**

- · Better sourcing
- Improved knowledge sharing and collaboration
- Stronger supplier relationships
- · Greater savings from supplier agreements
- Rapid ROI

#### Learn more

To find out more, call your SAP representative today or visit us online at <a href="https://www.sap.com/sourcing.">www.sap.com/sourcing.</a>

