

Comprehensive Approach Yields £80M in Savings

Challenges	Solutions	Results
<ul style="list-style-type: none"> • 10 percent operating margin goal • Phased cost reduction of £650M, then £450M, then £300M • £4B annual spending (350,000 orders/500,000 invoices) 	<ul style="list-style-type: none"> • Deployed Ariba sourcing technology to close the loop from sourcing to procurement • Deployed Ariba contract management technology to link negotiated agreements with purchases • Deployed Ariba procurement technology to automate purchasing of £1B indirect spend 	<ul style="list-style-type: none"> • Savings of more than £80M <ul style="list-style-type: none"> • Average annual savings per procurement MPE of £380,000 • 80 percent of purchases processed electronically <ul style="list-style-type: none"> • 4X increase in order capacity • Transaction costs reduced by 40 percent • Employee productivity improved by 48 percent • Reduction in suppliers from 14,000 to 2,000 • Reduction in inventory by over £200M

Company
British Airways

Profile
Europe's largest airline

Ariba Commerce Cloud Features
Ariba sourcing solutions,
Ariba contract management solutions
Ariba procurement solutions

“Working with Ariba has been instrumental in helping us realise our cost saving objectives, and demonstrating the critical role procurement can play when industry revenues are down. Moving forward, we plan to expand our use of Ariba Spend Management to ensure the whole company benefits from the new procurement process.” Silla Maizey, Procurement Director, British Airways

