BHP

How Can the Right Software Accelerate Value and Act as a Lever for Procurement Transformation?

Optimizing a procurement spend of more than A$20 billion per year across 10,000 suppliers

A world-leading resources company with operations from Australia to the Americas, BHP saw an opportunity to reap greater value from its procurement processes. Procurement was decentralized and distanced from the leadership core, with limited global coordination, standardization, and purchasing leverage. BHP wanted to create a foundation for functional excellence that would not only reduce costs but also enable procurement to connect to organizational strategy to help BHP “live its purpose.” Achieving this would require the right technology integrated intelligently across the enterprise.
Transforming the Global Procurement Function with SAP® Ariba® Solutions

Before: Opportunities
- Centralize the procurement function across operations from Australia to the Americas for enhanced coordination, standardization, and purchasing power
- Reduce procurement costs and increase the use of automation across the function
- Help procurement contribute to organizational strategy rather than simply transacting on BHP’s behalf

Why SAP
- SAP® Ariba® solutions for intelligent spend management that allows procurement to become a strategic partner in achieving resilience and agility
- Ariba Network to help control spending, find new sources of savings, and build a healthy, ethical supply chain
- SAP Fieldglass® solutions for integrated contractor management to help manage compliance and risk

After: Value-Driven Results
- A transformed, centralized, and efficient procurement organization with higher savings
- Greater automation of channels across guided buying, material and service design, and spend control
- Increased spend visibility with improved analytics and performance management, including through machine learning
- A zero-based design concept that enables BHP to rightsize work for risk and value across the source-to-contract cycle and better connect the supply chain with maintenance processes
- A better customer experience and culture of partnership with vendors, communities, and stakeholders
- A stronger foundation for BHP’s social value, sustainability, and innovation agenda

"Operational resilience must meet strong stakeholder and community engagement in an effective supply chain."
Sundeep Singh, Group Procurement Officer, BHP

100% Of spend across capital and operational portfolios – from a paper clip to a multibillion-dollar investment – centralized
Better Vendor experience with an improved Web site and speedy onboarding
Helping Procurement Take a Leadership Role with SAP® Ariba® Solutions

When global resources company BHP set out to centralize procurement across its enterprise, this sparked a transformation that would free the function to connect with BHP’s strategy and become a value-adding partner.

Key to this transformation are a range of SAP® solutions, including Ariba® Network, guided buying capability, and the SAP Ariba Sourcing, SAP Ariba Catalog, SAP Ariba Contract Invoicing, and SAP Ariba Supply Chain Collaboration for Buyers solutions. Used together, these solutions have enhanced visibility, reduced costs, and facilitated a culture of partnership and an enhanced collaboration agenda with the outside world. What’s more, they have freed BHP’s procurement team to drive social value, sustainability, and innovation across the organization.

Underpinning this best-in-class system, BHP uses the SAP Analytics Cloud solution to uncover deep insights and make confident, data-driven decisions. And SAP Cloud Platform helps it stay agile and flexible, connecting processes across the organization and beyond.

“A strong, connected procurement organization not only enables best-in-class cost outcomes – but also connects the function to corporate strategy for even greater value.”

Sundeep Singh, Group Procurement Officer, BHP

A$500 million
Spent on local buy programs in Australia to support smaller local vendors

25%
Automated procure-to-pay processes using bots, set to increase to 75%
BHP implemented the following solutions to transform its procurement processes and help the function become a strategic partner in the business:

- SAP® Ariba® Sourcing
- SAP Ariba Catalog
- SAP Ariba Contract Invoicing
- SAP Ariba Supply Chain Collaboration for Buyers
- Guided buying capability
- Ariba Network
- SAP Cloud Platform
- SAP Analytics Cloud