



Company

Sitel Operating Corporation

Headquarters

Nashville, Tennessee

Industry

Professional services

Products and Services

Telemarketing, outsourcing

Employees

75,300

Revenue

>US\$1.4 billion annually

Web Site

www.sitel.com

Executive overview

BUSINESS TRANSFORMATION

Objectives

- Gain a unified, global overview of all procurement activities
- Centralize, consolidate, and standardize procurement processes and workflows
- Drive the best value from vendors

Resolution

- Implemented the SAP® Ariba® Sourcing, SAP Ariba Contracts, Ariba Supplier Information Management,* and Ariba Supplier Performance Management* solutions
- Standardized procurement processes across the company using SAP Ariba solutions
- Provided the global procurement team with comprehensive control over sourcing, contracts, supplier management, and spend

Benefits

- Gained new insight into sourcing and spend activity across the company
- Improved decision making and negotiated leverage with easy access to accurate, in-depth information
- Realized significant cost savings through a more strategic approach to procurement

Read more ►

\$20 million

Improved bottom line by driving value using SAP Ariba solutions

Full

ROI with the very first RFP

50%

Faster approval cycles for new contracts

“SAP Ariba solutions have totally transformed procurement processes at Sitel. We are now able to manage contracts and suppliers to a degree that simply was not possible before.”

Ellen Gossett, Head of Global Procurement, Sitel Operating Corporation

*No longer available as an individual product, but some features and capabilities may have been rolled into other SAP Ariba offerings.

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Struggling to keep track

Telecommunications outsourcing company Sitel Operating Corporation provides Fortune 500 and Fortune 1000 businesses in 22 countries with telephone call center services. Headquartered in Nashville, Tennessee, the company operates as a subsidiary of Acticall Group – based in Paris.

In the past, different teams across Sitel all had their own way of procuring goods and services, as Ellen Gossett, head of global procurement at Sitel Operating Corporation, explains: “There was a do-it-yourself approach to procurement in place, with staff taking responsibility for ordering goods themselves. We had no way of knowing exactly who was ordering what from whom, and at what cost. Staff would simply pick up the phone, call a local supplier, and sign off on bad deals. Employees would track spend in their own spreadsheets and store paper contracts and documents in filing

cabinets. There were no standard workflows in place – different teams around the world did their own thing, making it almost impossible for us to understand the true size and scope of procurement activity across the company.”

“We had neither the structure nor the tools in place to keep track of global procurement, meaning that we were missing out on opportunities to optimize sourcing and spending. We were not taking advantage of our size to negotiate the best deals and terms with vendors.”

To manage procurement more consistently and effectively, Sitel knew that it needed to take control. To do so, the company decided to centralize all procurement activity and introduce enterprise-standard processes.



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Choosing the right partner

After evaluating solutions from a range of vendors, Sitel selected SAP® Ariba® solutions as the foundation for its centralized procurement platform. The company worked closely with the SAP Ariba solution team to customize the SAP Ariba Sourcing, SAP Ariba Contracts, Ariba Supplier Information Management*, and Ariba Supplier Performance Management* solutions to meet Sitel's unique requirements.

Gossett recalls: "When we discovered SAP Ariba solutions, we knew that it was the right fit for us. To meet savings targets, we had to get the solutions up and running fast. With support from the team, we were able to implement the solution and consolidate all procurement operations onto the platform quickly and easily. What's more, the SAP Ariba team then helped us to build our complex, 10-step contract-approval

process into the tool. Their expertise and willingness to help were key deciding factors – we didn't just want a great product, we wanted a great partner.

"In the past, teams would often lose track of contracts, many of which had auto-renew clauses. We didn't know how much we owed to which vendors – or even whether they were approved suppliers or not."

After evaluating vendor lists, Sitel put together a list of approved suppliers and built a catalog within SAP Ariba solutions. Gossett comments, "We removed over 22,000 suppliers and now manage 13,000 suppliers centrally, enabling us to take a more strategic approach to spending. Having fewer suppliers – and therefore fewer invoices – to manage streamlines the entire procurement process."



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Putting power in the hands of procurement

SAP Ariba solutions provide the newly formed global procurement team at Sitel with a unified overview of procurement activity across the company.

Ellen Gossett remarks, "At first, we met some resistance to the idea of centralized procurement. Now I get phone calls and e-mails from staff saying how much simpler their jobs are thanks to SAP Ariba solutions. Executives who have to approve new contracts, for example, can now do so on their smartphone or tablet with the mobile apps for SAP Ariba solutions with just a couple of clicks. This has helped to halve approval cycle times.

"Gone are the days of individual teams managing their own procurement. We now have complete control over sourcing, suppliers, contracts, and spend. All procurement activity goes through SAP Ariba

solutions, giving us a single picture of purchasing and helping us better understand spend. This level of insight and authority enables us to take a more strategic approach to spending.

"Previously, suppliers held all the cards – they knew which products we had bought and which regions they were bought in. Our fragmented procurement processes meant that we had no way of knowing this ourselves. Today, when we go into negotiations with suppliers, we have all the facts at our fingertips through SAP Ariba solutions. We know where we stand, and we can lead the negotiations. Since implementing the solution, we have been able to drive much greater value out of suppliers, adding almost US\$20 million to the bottom line."

23%

Savings at the first sourcing event using SAP Ariba solutions

22,000

Fewer suppliers with a consolidated vendor pool

147

Sourcing events completed in the first year



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