Spend Management Roadmap for a Rapidly Changing Environment
As the speed and complexity of change increase for businesses, managing spending becomes increasingly critical. Unpredictable market forces put a new strain on budgets, plans, and business models, while customers and employees continue to demand more from the organizations from which they buy and work. The business needs to be adaptable and resilient, while still delivering extraordinarily simple and engaging experiences and full transparency into the impact you and your suppliers are making on the world. And spending affects it all.

Intelligent Spend Management is a response to these increasing and complex demands. Intelligent Spend Management is not a single solution or set of products – it’s a strategy that shifts from traditional, disconnected ways of managing spending to an integrated and intelligent experience that works across channels, sources, and categories, and delivers a single unified view of it all. And SAP is uniquely positioned to help you to bring this strategy – and all its benefits – to your business.

**Here’s how it works.** It starts by shifting how we think about the categories, channels, and ways every employee and the overall business buy what’s needed to get the job done – from raw materials, to office products, to services. We need to create integrated and intelligent experiences that will encourage – instead of mandate – compliance. Because when it’s an easier, guided process for both procurement pros and everyday buyers, you’ll see more of your spending and increase control while keeping your business moving faster and faster.

**Benefits of Intelligent Spend Management**

- **Reach across categories** and channels to deliver best-in-class control.

- **Get more from your suppliers** by getting closer to your suppliers.

- **Quickly adapt to new data,** new technology, and new regulations.
Intelligent Spend Management

All of that insight is strengthened by creating intelligent, dynamic connections with suppliers around the world and up and down your supply chain. You can change how you share information and create the kind of transparency that will revolutionize how you work together – while protecting your brand, preventing supply chain disruptions, encouraging creativity and innovation, and strengthening your partnerships along the way.

Finally, it takes the right platform to make it all possible – ensuring you have the ability to capture and put all types of spending data to work, while consistently bringing intelligent technology to the entire process, integrating with your other systems, and adapting as global regulations and business requirements change.

Even more critical the inability to view spend holistically bears direct implications for the bottom line, with 50% of CFOs citing margin erosion due to inefficient decision-making.¹

In a recent global IDC survey of 800 executives, nearly 94% say there is value in an Intelligent Spend Management platform, and almost as many say they will invest in Intelligent Spend Management. About two-thirds of them have already started exploring solutions.

The traditional focus of spend — direct and indirect — comprises the first two categories of Intelligent Spend Management. **Direct spend** refers to purchases of goods and services that are directly incorporated into a product being manufactured. **Indirect spend** refers to the purchases of goods consumed to support the daily operations of the company.

In today’s marketplace, procurement leaders are being asked to move beyond simply replicating manual processes and toward transforming the entire supply chain. To achieve this, businesses need to leverage a global network that connects buyers with millions of suppliers and other business partners via a digital marketplace. Organizations can access, exchange and manage transactions with their compliance requirements built in — controlling costs, managing spend, and minimizing supply chain risk.

The third category is the **external workforce**, which ranges from independent contractors and temporary staff to services providers, such as agencies, consulting firms and facilities management companies. While the external workforce is changing the way that work gets done in organizations, companies often struggle to gain visibility and fail to adjust for the reality that procuring people-based services is different from buying materials.

The fourth major category within Intelligent Spend Management is business-related **travel and expense** — one of the largest expenditures for many organizations. In today’s global market, businesses must account for all the ways people travel and plan for myriad logistical contingencies. The space is fraught with nuance, from approved suppliers and consumer applications to currency fluctuations and how many days a foreigner can work in a new country before paying local income tax.
Spend management excellence requires more than just increasing compliance and reducing costs. We support our customers with innovative solutions that allow them broad transparency across spend categories.

Intelligent enterprises turn insight into action. As an Intelligent Enterprise, you can:

- **Gain total control of spending** by tackling the unique requirements of each category and process.
- **Uncover hidden spend** and manage each process from end-to-end with in-depth functionality.
- **Connect and collaborate** with business partners through unmatched supplier networks.
- **Address unique industry requirements** with a wide array of third-party app providers.
- **Deliver engaging employee experiences** to drive adoption, guide users to the right decisions and focus on top priorities.

This is evidence of a true network effect, connecting buyers and sellers to broadly enable all users to conduct commerce through more than 70 transaction collaborations, and enabling further value via an unmatched ecosystem of third-party solution providers.
SAP Ariba connects you to over 4.4 million suppliers in 190 countries to achieve your business goals. As the world’s largest business-to-business network, we integrate the end to end buying process across your organization.

“SAP Ariba helps us to achieve maximum savings through spend analysis. The spot buy function provides simplification and control in purchase of unsourced goods and services.”

— Shivshankar Hatwar, Assistant Manager Purchasing, Borosil Glass Works Ltd.

“Together, SAP Ariba and SAP Concur solutions provide superior management of all indirect spend and employee travel and expenses, helping us achieve better visibility into total company expenditures.”

— Michal Szlezak, Indirect Procurement Manager, Eastern European Region, Danfoss A/S.

Real customers. Real results.
SAP Ariba can help unlock value in every industry, including:

- Consumer Industries
- Discrete Industries
- Energy & Natural Resources
- Financial Services
- Public Services
- Services Industries
Today, there are only a handful of providers that support the source-to-pay (S2P) process end-to-end, and only SAP covers all major categories of spend.

**Intelligent Spend Management is achievable today.**

With best-in-class solutions for each category of vendor spend, SAP gives you the benefit of decades of experience, learning and innovation, and lets you connect to unmatched supplier networks and ecosystems of third-party solution providers.

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<tr>
<th>SPEND CATEGORY</th>
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<th>COMPETITOR ONE</th>
<th>COMPETITOR TWO</th>
<th>COMPETITOR THREE</th>
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<td>S2P for Indirect Goods (Unplanned; Maint., Repair, Operations)</td>
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<td>S2P for Direct Material (Design, Forecast, Plan, Inventory)</td>
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<td>S2P for External Workforce (SOW, Contingent, Services)</td>
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<td>S2P for Travel and Expense</td>
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<td>Business Network</td>
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<td>Global Capability (Localization and Support)</td>
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<td>Ecosystem Strength (Buy Sell Customers, Partners)</td>
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<td>Comprehensive Policy &amp; Supplier Management</td>
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<td>Unified Spend Visibility</td>
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*Speak to a sales representative to learn more about how SAP Ariba compares to the competition.*
It’s time to stop thinking about spending in silos – limiting control, creating disconnected experiences, frustrating employees, and slowing the business down. **Intelligent Spend Management is about rethinking your strategy, and SAP is uniquely positioned to help.**

We can work with you to create an engaging, cross-category, cross-channel experience that helps your company be simultaneously more responsive, more responsible, and ready to keep business moving forward.

Learn more at [http://go.ariba.com/intelligentspend](http://go.ariba.com/intelligentspend)