How Can Digital Procurement Keep Spend in Check with Better Catalogs and Buyer Accountability?

One of the top-ten largest enterprises in Portugal, Trivalor SGPS SA operates as a holding company for more than 15 group businesses across a wide variety of industries. As a group, Trivalor is committed to business innovation that drives IT – and never the other way around. One of its core companies is Sogenave, which is responsible for all procurement activities as well as buying, stocking, and distribution. Dealing with more than 15,000 items distributed by roughly 30 families or categories and nine logistics centers is a challenge – and requires the full attention of Sogenave’s employees. So, when invoices for things such as office products and IT equipment were coming in without POs and causing excess manual work, it became clear that a digital solution was in order.

The goal was to simplify and standardize buying with clear, intuitive catalogs that focus on products and vendors that bring the most value for indirect spend.
Standardizing Buying and Increasing Transparency into Indirect Spend with SAP® Ariba® Solutions

Before: Challenges and Opportunities
• Lower costs associated with indirect spend
• Increase spend transparency, reduce legal risk, and establish greater buyer accountability
• Improve negotiating capabilities with vendors for products and services
• Reduce manual work and increase process automation
• Ensure that every IT project supports business innovation and transformation plans

Why SAP
• Integration with the SAP® ERP application and other SAP technology
• SAP Ariba® Buying solution, which enables fast, guided buying and streamlined catalog maintenance
• SAP Ariba Strategic Sourcing Suite, which unifies sourcing, contracting, and spend management
• Cloud-first strategy aimed at allowing users to work from anywhere and enabling a standardized, consumer-grade user experience without customizations

After: Value-Driven Results
• Creation of groupwide catalogs with fewer categories and a focus on preferred products and suppliers – helping save money and improve margins
• Standardization of the buying process to increase transparency and traceability, with the goal of establishing a groupwide no-PO, no-pay policy, so that every invoice has a PO
• Better contract management that clarifies contract details and responsibilities for buyers and vendors
• Opportunity to increase integration with vendor and client systems – especially for invoicing – to eliminate the time and costs associated with current paper-based processes using the SAP Ariba Commerce Automation solution

“By moving to SAP Ariba solutions for indirect spend, we can focus on the work that matters most for our business and our clients. We have greater transparency and expanded vendor opportunities as well the integration we need for future innovation.”
Luis Ferreira, Board Member and CIO, Trivalor SGPS SA

One Platform for sourcing, contracting, buying, and indirect spend management

15% Of indirect spend managed using SAP Ariba solutions – roughly €10 million per year

Trivalor SGPS SA and Sogenave
Lisbon, Portugal
www3.trivalor.pt

Industry
Cross-industry

Products and Services
National holding company

Employees
22,000 (Trivalor)
400 (Sogenave)

Sales Volume
€600 million (Trivalor)
€170 million (Sogenave)

Featured Solutions
SAP Ariba Buying, SAP Ariba Strategic Sourcing Suite, and SAP Ariba Commerce Automation
Before implementing SAP® Ariba® solutions, Trivalor SGPS SA struggled with vendor
invoices that frequently came in without a PO number. This resulted in lots of manual work
and rework to correct accounting errors. The company needed to digitalize the process to
make it more transparent and increase accountability for individual buyers.

In order for procurement teams to keep their focus on strategic spend, such as for raw
materials and food products, Trivalor looked to bring indirect spend for things like IT
equipment and office products under management with SAP Ariba solutions. Careful
ramp-up that focuses on educating business users and supporting suppliers continues to
be critical to a successful rollout.

Now, catalogs have fewer categories and focus only on preferred products and vendors –
helping ensure that internal users are making the right buying choices and that Trivalor
can get the most out of every contract. With approximately half of its indirect spend
running through SAP Ariba solutions, Trivalor aims to establish a no-PO, no-pay policy
across the board. Not only will this give procurement teams greater visibility into what is
being spent and where, it will help Trivalor lower costs and improve margins.

“SAP is a solid company focused on the future. The road map for SAP Ariba solutions is clear
and innovative – and is fully aligned with our procurement strategy. You have a reputation you
can count on as well as the innovation and drive of a start-up.”
Luis Ferreira, Board Member and CIO, Trivalor SGPS SA