**SAP Ariba** ⩜

**SAP**®

JM FAMILY
ENTERPRISES, INC.

# JM Family Enterprises: Driving Procurement Efficiency with SAP® Ariba® Solutions

To attract more internal customers, the procurement department at JM Family Enterprises Inc. wanted to streamline processes to offer the highest possible level of service. By deploying SAP® Ariba® solutions, the department digitalized and automated previously paper-based processes, enabling it to manage about 50% more spend with the same number of staff.

# Executive overview

**Company**
JM Family Enterprises Inc.

**Headquarters n**
Deerfield Beach, Florida

**Industry**
Automotive – distribution, sales, finance, and insurance products and services

**Products and Services**
Cars, trucks, financing, service contracts, parts, and dealer support

**Employees**
4,100

**Revenue**
US$13.1 billion

**Web Site**
www.jmfamily.com

## BUSINESS TRANSFORMATION

**Objectives**
- Standardize and automate procurement and elevate the role of procurement
- Encourage internal stakeholders to buy strategically through the central procurement department to ensure control and compliance
- Eliminate time-consuming manual processes

**Resolution**
- Implemented SAP® Ariba® solutions for contract management, sourcing, spend visibility, and procure to order
- Enabled rapid user adoption through a simple user interface and support from the SAP Digital Business Services organization
- Centralized storage and workflow of procurement contracts, spend, and supplier information

**Benefits**
- Reduced the administrative workload and allowed procurement personnel to focus on higher-value activities
- Improved visibility, validations, and cost savings with automated workflows
- Enabled easy access to one central repository of procurement activity

Read more ▶

**75%**
Less PO processing time

**2x**
Sourcing projects with no increase in staff

**$3.6 million**
Saved annually through automation

"Previously, finding answers to questions such as 'How much are we spending a year with this vendor?' would have taken a few hours. With SAP Ariba solutions, staff have answers in under a minute."

Todd Kimpton, Assistant Vice President, Procurement and Accounts Payable, JM Family Enterprises Inc.

# Offering top-notch services to internal customers

Founded in 1968, JM Family Enterprises Inc. is a diversified automotive company. Its primary businesses focus on vehicle distribution and processing, finance and insurance, retail vehicle sales, and dealer technology services. From its headquarters in Deerfield Beach, Florida, the company distributes vehicles to 176 Toyota dealerships across a five-state area, selling 20% of all Toyota vehicles in the United States. JM Family employs approximately 4,100 associates in North America and reports annual revenues of US$13.1 billion.

JM Family operates a nonmandated procurement policy, leaving each individual business unit free to choose whether to manage its sourcing and spend through the central procurement department. Todd Kimpton, assistant vice president, procurement and accounts payable at JM Family, explains, "To encourage more people to buy through the procurement department, we are constantly striving to ensure that our processes are as efficient as possible."

**Annual spend managed**

## $550 million

In the past, JM Family's procurement processes were overwhelmingly paper based. "We used to store contracts in filing cabinets," says Kimpton. "Lacking a common repository, there was little consistency across the procurement department. This prompted us to look at how we could unify sourcing and contracts for a more automated workflow process."

# Working closely with SAP to modernize processes

To boost the efficiency of its procurement processes, JM Family chose to implement the SAP® Ariba® Contracts and SAP Ariba Sourcing solutions, creating a single, easy-to-use, centralized platform.

Changing from traditional paper contracts to a digitalized solution represented a major cultural change for the company. "Weekly status calls with a dedicated project manager from SAP Digital Business Services ensured a quick and painless deployment program," says Kimpton. "We felt very well supported throughout the implementation process, as our project manager was always available between meetings if we needed her."

Impressed by the functionality of the solutions, JM Family wanted to expand its scope to cover further stages of its procurement activity. "Evaluating SAP Ariba Spend Analysis against other vendors' products confirmed it was the strongest solution offered," says

Kimpton. "Again, we worked with a single project manager from SAP Digital Business Services who helped us design and set up the system according to our very specific requirements."

Teddy Artemiou, procurement operations manager at JM Family, adds, "With  SAP Ariba Spend Analysis, you are assigned a dedicated project manager for the life of the contract. SAP Digital Business Services continues to work with me every quarter to ensure our processes deliver a top-quality service to internal customers."

JM Family chose to further expand with the SAP Ariba Buying solution and, with the help of dedicated SAP resources, implemented it in just 13 weeks. "We were assigned a project manager and a technical lead from SAP Digital Business Services, who were invaluable throughout," says Kimpton. "We couldn't have done it without them."

Executive overview

Company objectives

Resolution

**Business transformation**

Future plans

# Fueling departmental efficiency with automation

SAP Ariba solutions give JM Family's procurement department a centralized platform to manage all of its contracts, sourcing, and spend, totaling $550 million per annum. By digitalizing and automating previously paper-based processes, the department is able to share information with internal customers more quickly than ever before.

"Digitalization and automation have significantly streamlined our procurement processes and made the department more efficient," says Kimpton. "In the past, we used to send out requests for information and requests for proposals as Microsoft Word documents and receive paper proposals in return. With no standard format, comparing results was a difficult and extremely time-consuming process.

Using SAP Ariba Sourcing ensures that we get answers back in a single format and can easily export data to Microsoft Excel to compare results side by side. This simple move doubled departmental efficiency – we now manage twice as many sourcing projects with the same number of staff."

"We have dramatically streamlined processes by using SAP Ariba solutions, enabling us to offer a much more efficient service to internal customers and stand by our goal to continuously improve," Kimpton explains.

## 50%
Faster data enrichment process

## 6,500
Supplier records enriched

## 200,000
Transactions analyzed annually

# Identifying further areas for improvement

Highly satisfied with all of its SAP Ariba solutions, JM Family is currently assessing the SAP Ariba Supplier Information and Performance Management solution, as well as looking at mobile apps for SAP Ariba solutions. Kimpton says, "Although we don't have any plans for deployment in the immediate future, we are in talks with SAP about customizing features to suit our needs."

"We are very pleased that Ariba is now part of SAP," Kimpton continues. "The company is already using the SAP HANA® platform, which has now helped speed up search and reporting in the procurement department's SAP Ariba solutions. We believe that, supported by SAP, we will continue to see improvements and enhancements in our SAP Ariba tools."

"In the long term, we will consider implementing the full suite of SAP Ariba Procurement solutions," concludes Kimpton. "We need partners that can grow with us. SAP and the SAP Digital Business Services organization have proven to be valuable technology partners."

**SAP Ariba**

**SAP**