

Accenture Closed Loop Spend Management (CLSM) Offering

February 2022



What is Closed Loop Spend Management ?

Closed Loop Spend Management (CLSM) drives **end-to-end transformation** across indirect and direct cost categories to **achieve and sustain breakthrough value**, while enabling talent with **new ways of working** through the power of **digital, data** and **AI** – enabling a more **resilient, agile** and **responsible** supply chain.

We do this by helping our clients with

- 01 Spend transformation
- 02 New ways of working
- 03 Responsible and resilient procurement



CLSM Overview

WITH CLOSED LOOP, WE FOCUS ON END-TO-END SPEND TRANSFORMATION, WITH FINANCE AND PROCUREMENT CLOSING THE LOOP WITH PLANNING AND BUDGETING

Key Pillars of CLSM



Spend Transformation

CLSM drives end-to-end transformation across indirect and direct categories to achieve and sustain breakthrough value

New Ways of Working

Enables talent with new ways of working through the power of digital, data and AI

Responsible and Resilient Procurement

Enables trust, transparency, and resiliency in the value chain while driving positive environmental and social impacts

Value Proposition



- Starting from a clean sheet, rebuilding a company's cost base by looking for opportunities to reduce costs to fuel growth opportunities across indirect and direct spend
- Intelligent and flexible operating model leveraging analytics, automation, and ecosystem technology partners. Talent and organization to support 360 Value
- Ethical, Responsible Procurement that contributes to meeting or exceeding Environmental, Diversity and Inclusion goals



CLSM Benefits

TAPS INTO PROCUREMENT TO GENERATE NEW VALUE

< 28%

Unlocks up to 28% reduction in 3rd party spend and generate value for the entire organization with a zero-based mindset

11x ROI

Generates up to 11x ROI in breakthrough value

4x - 10x

Responsibly generates 4x to 10x more value than other players in the industry



Reduce costs



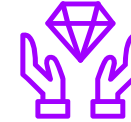
Drive compliance



Improve E2E Visibility



Optimize Processes



Add Value to the Business



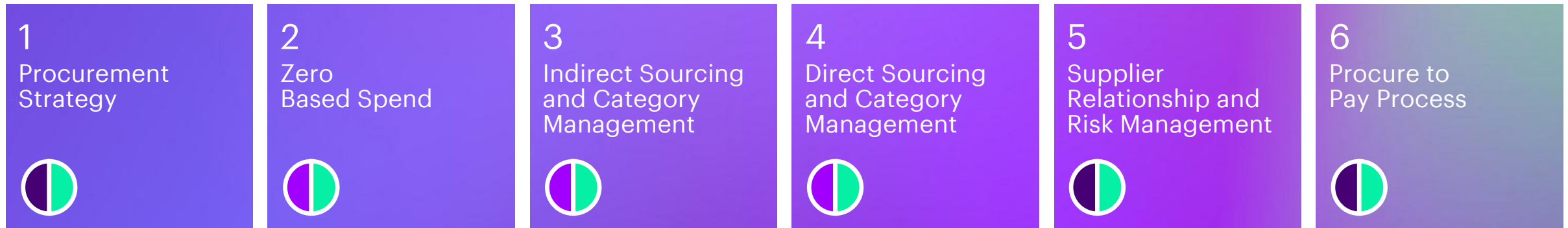
Support ESG goals and improve trust



How Accenture can help

WE HELP OUR CLIENTS TO CREATE A DYNAMIC PROCUREMENT CAPABILITY, ALLOWING THEM TO CREATE A ROBUST AND DYNAMIC PROCUREMENT FUNCTION THAT UNLOCKS VALUE FOR THE ORGANIZATION TO FUEL TRANSFORMATION AND GROWTH

Closed Loop Spend Management – How we do it



Sub-offerings

- Procurement Strategy and Operating Model
- Mergers and Aquisitions

- Visibility/Value Targeting
- Full Zero-based spend approach with budgeting

- Strategic Sourcing
- Contract Analytics and Compliance
- Materials Management
- Responsible Sourcing

- Visibility
- Should Cost Modeling
- Market Intelligence
- Strategic Sourcing
- Product Complexity Management
- Commodity Risk Management
- Responsible sourcing

- Third Party Risk Management
- Supplier Performance Management
- Sustainable/Diverse Supplier Programs

- Technical Strategy and Selection
- Solution Implementation
- Process Design
- P2P Process



● Spend Transformation

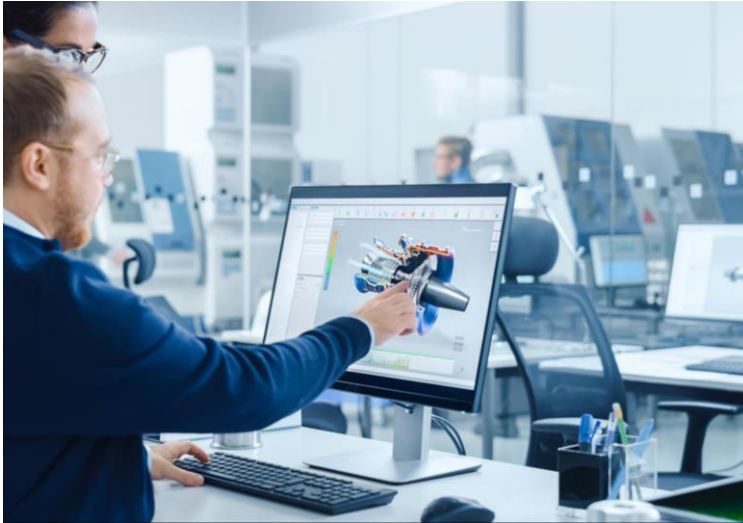
● New Ways of Working

● Responsible and Resilient Procurement

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Transformation Journey

ACCENTURE WILL BE PART OF EVERY STEP OF THE TRANSFORMATION JOURNEY CO-DEVELOPING THE KEY ELEMENTS OF THE PROGRAM ALONG WITH THE CLIENT



Blueprint

Transform

Operate

Co-development with client

Establishment of Value Realization Office to drive savings through cross-functional controls and monitoring

Technology enablement for spend management, sourcing and category management, analytics, etc.

Intelligent automation to create faster and better ways of working

Utilization of data, analytics and insights



Key Activities

ACCENTURE WILL BE PART OF EVERY STEP OF THE TRANSFORMATION JOURNEY CO-DEVELOPING THE KEY ELEMENTS OF THE PROGRAM ALONG WITH THE CLIENT

Blueprint



- Align and engage leadership across finance, procurement and the business
- Create end-to-end visibility and transparency across all organizational costs
- Assess and identify opportunities to drive value across a wide range of value levers (price, consumption, specification, policies and processes)
- Launch of Drive near-term value by impacting price and specification reductions through rapid sourcing events
- Assess operating model, organization and technology landscape, ways of working and pain points; develop blueprint for new operating model

Transform



- Integration of spend reductions from Spend Optimization into the budget
- Execute sourcing and price reduction initiatives to drive sustainable value
- Collaboratively design and build the new Procurement operating model (people, process, technology)
- Define behaviors, workforce capabilities and organization design required to deliver value
- Define responsible procurement metrics and target initiatives, and establish capability to drive responsible sourcing
- Establish governance and control tower framework to support Procurement Operations

Operate



- Create and stand-up risk management governance and control tower
- Mobilize, transform, and operate the procurement function
- Facilitate compliance/ improve end user experience through integrated Procurement Portal, Help/Buy Desk, etc.
- E2E Workflow, Advanced Analytics, and Knowledge Management
- Real time tracking and monitoring of spending levels with corrective action when leakage occurs
- Implement the retained capability and mobilize managed services



Value Delivered

PROCUREMENT 360°: EVOLVING THE WAY OF LOOKING AT THE VALUE OF PROCUREMENT

Financial

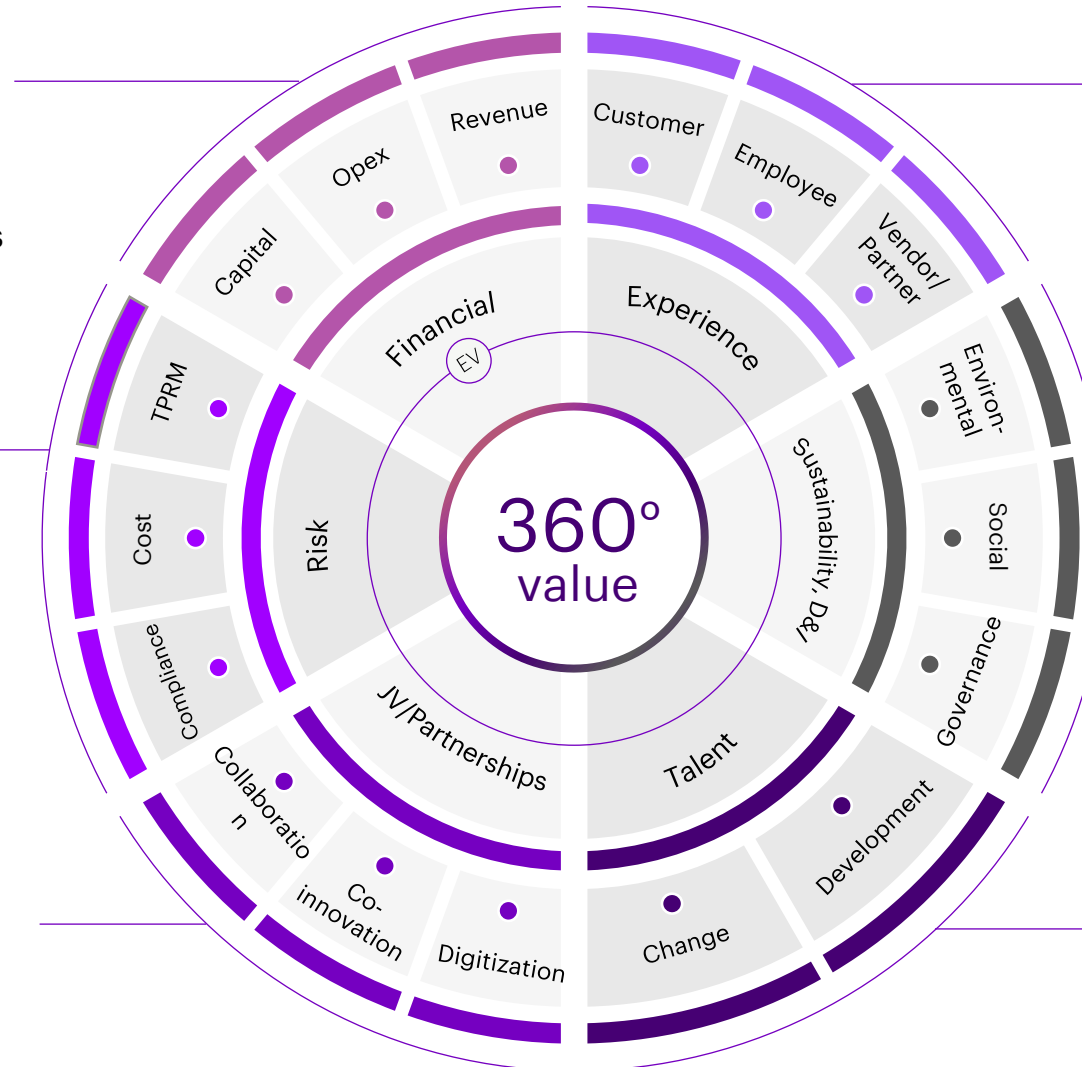
Deliver sustainable savings across pricing, consumption and inventory whilst identifying new opportunities to invest these savings across the business

Risk

Create sustainable operation and supplier ecosystems that earn stakeholders trust and provide licence to operate, grow and innovate

JV/Partnerships

Build collaborative relationships with suppliers to co-create and co-innovate to achieve the desired strategic business outcomes.



Experience

Provide engaging and seamless experience for all internal and external stakeholders that drive sustained adoption

Sustainability, Diversity & Inclusion

Embed sustainability into all Procurement activities, designing for circularity and supporting net-zero operations. Accelerate responsible sourcing practice considering diversity, ethics and labour practices in buying decisions

Talent

Give your people the tools, skills and confidence they need to excel in their jobs today and prepare their place in the workforce of the future





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