

IBM EMPTORIS STRATEGIC SUPPLY MANAGEMENT VALUE MAP

			Value Drivers											
			Financial Benefits				Risk Mitigation				Productivity Improvements			
			Generate incremental Savings	Increase savings realisation, reduce leakage	Optimise working capital	Increase Revenue	Ensure regulatory compliance	Ensure compliance to required standards	Avoid negative brand impact	Avoid supply disruption	Reduce people workload, issues	Enhance visibility	Improve speed of response	
Leading practices			138	16	11	16	2	14	20	3	14	15	14	13
Categories	Implement standard procurement categories across the enterprise	8	*		*					*	*	*	*	
	Establish best practices for sourcing events and use across the enterprise	6	*				*	*			*	*	*	
	Optimise the results of sourcing events to maximise savings	2	*		*									
	Expand the number of categories under management	3	*		*				*					
	Expand coverage to complex service categories	8	*		*		*	*		*	*	*	*	
	Expand coverage to telecoms/wireless services	7	*		*			*		*	*	*	*	
Contracts	Create a central, searchable contract repository with standard templates and language	8	*	*			*	*		*	*	*	*	
	Establish a common contract process utilising standard processes and templates	6		*			*	*		*	*		*	
	Ensure compliance between contract terms and payment transactions	3		*	*			*						
	Implement contract audit and tracking controls	7	*	*	*		*	*		*			*	
	Track and manage contract obligations and performance	9	*	*	*	*	*	*	*	*		*		
Suppliers	Establish and maintain a single master profile for all suppliers across the enterprise	7	*		*		*	*			*	*	*	
	Classify and segment suppliers according to strategic importance	2								*	*			
	Qualify suppliers to supply categories to various business requirements	3								*	*	*	*	
	Expand number of suppliers under management	6	*		*		*	*		*	*			
	Drive additional business to preferred suppliers	4	*		*					*	*			
	Rationalise suppliers based on cost, performance and risk	5	*		*			*		*	*			
	Collaborate with suppliers to innovate and uncover further savings and benefits	3	*		*	*								
	Implement supplier development programs	4					*	*	*	*				
	Monitor the CSR record of key suppliers	4		*			*	*	*					
	Conduct formal supplier performance evaluations	4		*			*	*		*				
Monitor and mitigate supplier risk	3		*				*		*					
Programs	Have visibility of all strategic category programs across the enterprise	8	*	*	*		*	*			*	*	*	
	Create targets and monitor achievement of goals and management of risks and compliance	7	*	*	*			*			*	*	*	
	Allocate responsibility for the achievement of all strategic procurement programs	4						*			*	*	*	
	Ensure that all strategic category programs adhere to agreed processes and practices	7		*	*		*	*			*	*	*	

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MANAGEMENT VALUE MAP**

		Emptoris Applications											
		Spend Analysis	Supplier Qualification	Supplier Classification	Supplier Risk	Sourcing	Contract Management	Services Procurement	TEM	Supplier Evaluation	Supplier Development	Virtual Supply Master	Program Management

Business Processes		95	8	3	6	3	5	11	12	17	6	3	7	14
Research Opportunities & establish priorities	Review overall spend + analyse by category, business, region and supplier	9	*		*	*	*	*	*	*	*		*	
	Identify savings opportunities including rebidding categories and spend consolidation	5	*					*	*	*				*
	Identify "at risk" suppliers and substitution opportunities	7			*	*	*	*	*		*			*
	Prioritise opportunities for saving or risk mitigation	3	*							*				*
Establish programs and test the market	Gather requirements and set program goals	4								*				*
	Investigate and on-board new suppliers	5		*	*							*	*	
	Pre-qualify suppliers	7		*	*					*	*		*	*
	Publish requirements and test market for savings opps (RFI/ RFP)	3					*			*				*
Develop and negotiate supplier agreement	Negotiate savings (RFP/RFQ/ Auction)	5					*	*	*	*				*
	Analyse results to select suppliers	5					*			*			*	
	Create performance and risk mitigation plans	6				*		*		*	*	*		*
	Agree business terms and award contract	4						*	*	*				*
Requisition and settlement (TEMs and SP)	Requisition and order	3						*	*	*				
	Manage telecoms and wireless assets	2								*				
	Verify invoices	3						*	*	*				
	Authorise payments	3						*	*	*				
Monitor	Monitor contract compliance and obligations	5	*					*	*	*				*
	Monitor supplier performance and implement corrective actions	8	*					*	*	*	*	*	*	*
	Monitor alternative suppliers	4		*	*							*	*	*
	Report program achievements	4	*						*	*				*

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			Business Functions						
			Supplier Management	Category Management	Legal	Finance	IT/TEM	HR	
Leading practices			59	16	19	5	6	6	7
Categories	Implement standard procurement categories across the enterprise	1		*					
	Establish best practices for sourcing events and use across the enterprise	1		*					
	Optimise the results of sourcing events to maximise savings	1		*					
	Expand the number of categories under management	1		*					
	Expand coverage to complex service categories	5		*	*	*	*	*	*
	Expand coverage to telecoms/wireless services	3		*			*	*	*
Contracts	Create a central, searchable contract repository with standard templates and language	3	*	*	*				
	Establish a common contract process utilising standard processes and templates	2		*	*				
	Ensure compliance between contract terms and payment transactions	4		*		*	*	*	*
	Implement contract audit and tracking controls	5		*	*	*	*	*	*
	Track and manage contract obligations and performance	5		*	*	*	*	*	*
Suppliers	Establish and maintain a single master profile for all suppliers across the enterprise	2	*	*					
	Classify and segment suppliers according to strategic importance	2	*	*					
	Qualify suppliers to supply categories to various business requirements	2	*	*					
	Expand number of suppliers under management	1	*						
	Drive additional business to preferred suppliers	2	*	*					
	Rationalise suppliers based on cost, performance and risk	1	*						
	Collaborate with suppliers to innovate and uncover further savings and benefits	1	*						
	Implement supplier development programs	1	*						
	Monitor the CSR record of key suppliers	1	*						
	Conduct formal supplier performance evaluations	1	*						
Monitor and mitigate supplier risk	1	*							
Programs	Have visibility of all strategic category programs across the enterprise	5	*	*		*	*	*	*
	Create targets and monitor achievement of goals and management of risks and compliance	3	*	*		*			
	Allocate responsibility for the achievement of all strategic procurement programs	3	*	*				*	
	Ensure that all strategic category programs adhere to agreed processes and practices	2	*	*					