



Procurement transformation on display in full color

KPMG helped a leading paint and coatings company transform to a centralized global indirect procurement function, enabled by leading digital technology





Project at a glance

A major acquisition prompted senior management at a paint and coatings market leader to take a closer look at the indirect procurement function, which was limited by legacy systems, inconsistent processes, and lack of spend transparency. The company needed experience-driven advice on managing the move to a digital solution globally, which would serve as a foundation for the broader transformation. Leveraging our deep experience and tested methodology, KPMG LLP (KPMG) helped stand up a global indirect procurement function to deliver millions in savings.

Client challenge

Unlocking the value of indirect procurement

As our client experienced success, acquisitions helped them grow in both scale and revenue. A major acquisition significantly increased its footprint and revenue. With acquisitions come legacy technology, processes, and people. For our client it meant a diverse range of operations from manufacturing to distribution and from corporate functions to retail sales. The organization presented an extremely complex global landscape of plants, offices, stores, and other sites using disparate back-end systems. Although total spending for indirect procurement of goods and services needed for day-to-day operations was significant, it was not a focus area and was largely managed in a decentralized manner by individual divisions. Far more resources and attention were focused on direct procurement of raw materials, parts, or components.

The major acquisition prompted the organization to face issues that started small but now were more important. The integrated company needed a way to embed controls, improve compliance, increase spend visibility, and to drive savings on a global scale. The focus was on unlocking overlooked value within indirect procurement in a controlled manner, without disrupting day-to-day operations.

Our client chose KPMG as their transformation advisor based on our deep experience and successful track record. A multi-year roadmap and associated business case was developed to guide the transformation and validate the compelling return on investment for the program.

Unbiased guidance from KPMG helped the company select the cloud-based business spend management technology platform Coupa as the foundation for their transformation.

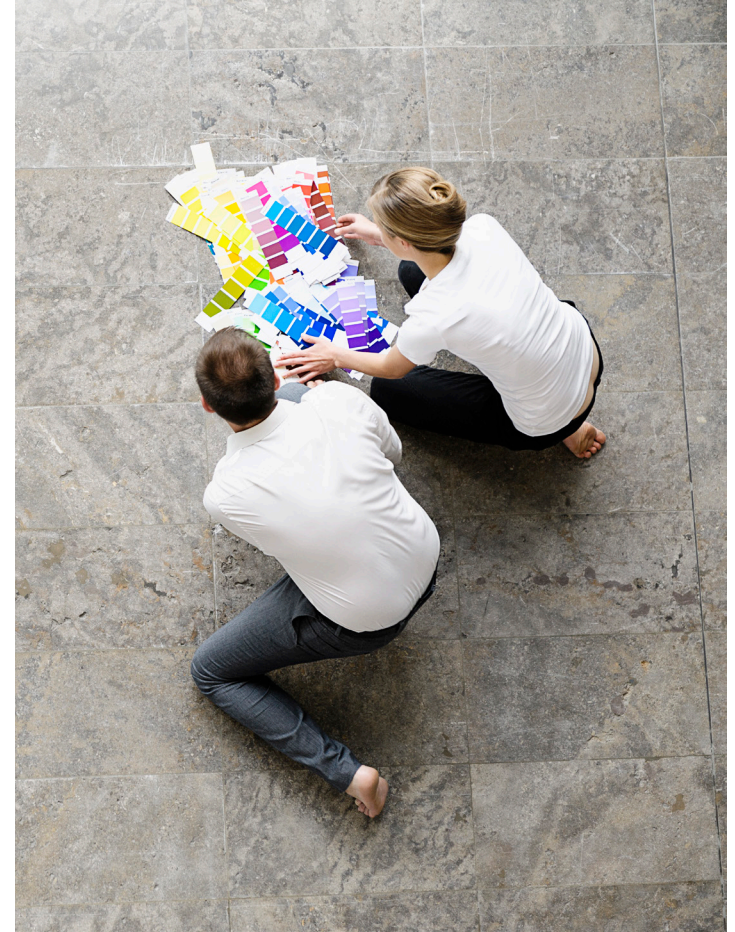
Transformation journey

A self-funded transformation built on strong guiding principles

We helped our client begin their transformation journey by working with them to outline and align on guiding principles across the team. The focus was on challenging the current state, creating a single enterprise-wide model, focusing on customer experience, and reducing complexity. These foundational elements served as a basis to inform decision making, impact change, and drive adoption. After alignment on core principles, a six-pillar, self-funded transformation program was launched.

- **Sourcing execution.** KPMG developed a stage-gate approach to sourcing to enable contracting, manage risk, and capture savings. Our team leveraged Coupa's Sourcing module to show how spend categories would be optimized, how our client's complex business requirements would be incorporated, and ultimately identify commercially optimal solutions. Categories included Travel and Expense, Municipal and Industrial Waste, Temporary Labor, and Janitorial Services.
- **Coupa Procure to Pay (P2P).** Following our Powered Enterprise implementation approach, more than 200 certified KPMG professionals worked to enable Coupa's procurement technology. A multiyear roadmap across multiple regions, 20 countries, and 42 legal entities was established to quickly scale up the deployment. This planning helped to drive more efficient transactions, improve process efficiencies, and create a simplified Source-to-Pay process. Today, the Coupa P2P solution touches almost every one of our client's employees, with one regional deployment still to come.
- **Talent and organization.** To enable the transformation and sustain long-term benefits, a Center of Excellence was created to develop process standards, establish policies, drive compliance, and enable better organization across the Source-to-Pay process
- **Policy and governance.** To drive savings, we also helped align tools to policies and developed a change-management approach tailored to each of the deployments to help ensure buy-in and adherence to processes, systems, and policies. This approach helps to lower implementation costs and enable faster decision-making, ultimately delivering greater speed-to-value.
- **Reporting and analytics.** To scale across the enterprise, it was imperative to develop spend visibility, create reports, and standardize process governance. These reports also drove accountability and were published on a regular basis.
- **Vendor management office.** The transformation also focused on supplier enablement by making it possible for vendors to manage their own order flow, purchase order, and invoice processes within the Coupa interface to help ensure accurate and efficient payment processing.

Our client has continued to take advantage of the strong guiding principles established by the project to expand their roadmap to include digitizing aspects of contingent workforce management and digital contract lifecycle management. Again, the wider goal is to drive value across all spend areas.



When we started working with KPMG our focus was on launching a digital platform that would enable standardized processes, reduce inefficiencies and eliminate redundant systems. What we've learned since then is that the real value they offer is by acting as a trusted, knowledgeable advisor whose top priority is creating value for our shareholders.

Senior Vice President—Enterprise Finance

Business Impact

The results speak for themselves

KPMG closely supported the company as it deployed Coupa's technology to serve 22,000 users at more than 200 locations across 20 countries. By connecting employees, suppliers, and contingent workers across the globe, the company transformed their indirect procurement operations to get to the next level of maturity. The shift to the new procurement operating model enabled by a digital platform produced immediate and substantial benefits including:

- Millions in sourcing savings in categories including Travel and Expense, Municipal and Industrial Waste, Temporary Labor, and Janitorial Services
- Strong adoption of new buying channels that resulted in 96 percent of invoices being backed by purchase orders
- Robust content in the form of digital catalogs featuring over 9,000 items delivered an enhanced experience for users ordering products for their retail stores
- 14,000 strategic suppliers enabled on the Coupa Supplier Portal, driving 95 percent of all invoices to be submitted through true electronic channels
- A 50 percent decrease in average requisition approval cycle times through optimized approval flows that meet the requisite controls

As originally planned, these savings and improvements were enough to make the program self-funding, but the supply chain disruptions caused by the COVID-19 pandemic revealed an additional benefit: synergizing the supply base and having real-time access to data made it easier to lock in the most reliable and consistent sources of supply.

This program has set the stage for the procurement function to deliver sustainable business value, while continuing to mature the overall operating model to unlock additional benefits.

Why KPMG?

Our strength comes from our people – and yours

Large, complex enterprises with ambitious goals need journey advisers with the bench strength and scale to keep pace with them. Bringing an experienced, high-performing team to each engagement is what allows KPMG to achieve outcomes like those seen by a leading paint and coatings company. We take the time to understand each client's business, culture, goals, and concerns. We cultivate an environment of trust in which their priorities always come first.

Leveraging our alliance knowledge and experience for our clients' benefit

The KPMG alliance with Coupa enhances our ability to help clients transform their P2P processes to add strategic value, increase process efficiencies, reduce costs, and improve free cash flow. Over the last 10 years we have helped organizations realize the benefits of a user-friendly procurement application that encourages adoption, increases management oversight, and enables greater visibility into corporate spending.

Decisive leaders want to move quickly

The KPMG Powered Enterprise implementation approach is explicitly designed to generate rapid, measurable results. The preconfigured assets and technology accelerators delivered by Powered Enterprise let ambitious leadership teams take advantage of embedded leading practices to speed up the decision-making process, thus driving the consistent delivery of shareholder value.

Successful transformation requires the right efforts, in the right order

Our teams are designed to help clients navigate every stage of turning vision into reality, for maximum cumulative impact: from strategy through assessment, solution design, testing and deployment, adoption, and continued support.

We help get the most out of technology.

<https://www.kpmg.us/alliances/kpmg-coupa.html>



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