Selling the **procurement data value promise** to your organization
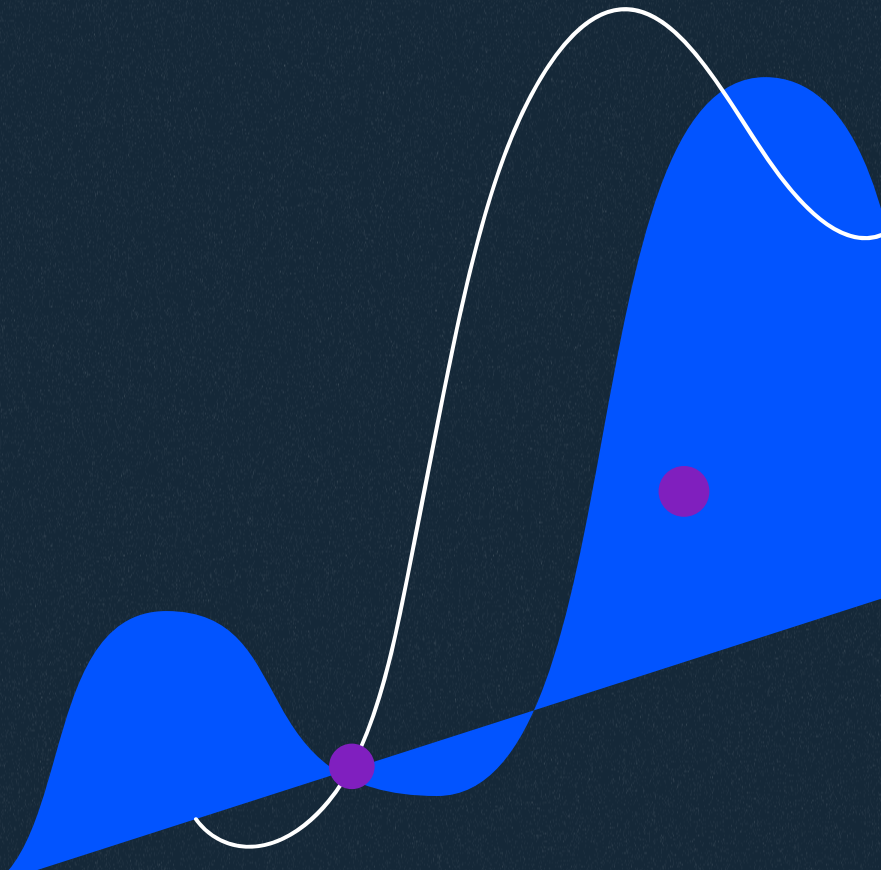
Sievo

The procurement value proposition

Procurement's role varies across organizations. In some, it's only for compliance and cost-cutting, while in others, it's a value-adding partner to leadership. The goal is for more organizations to see procurement as an active contributor and partner.

The most value-adding procurement teams combine servant leadership with business analytics and performance development. They have a clear value proposition:
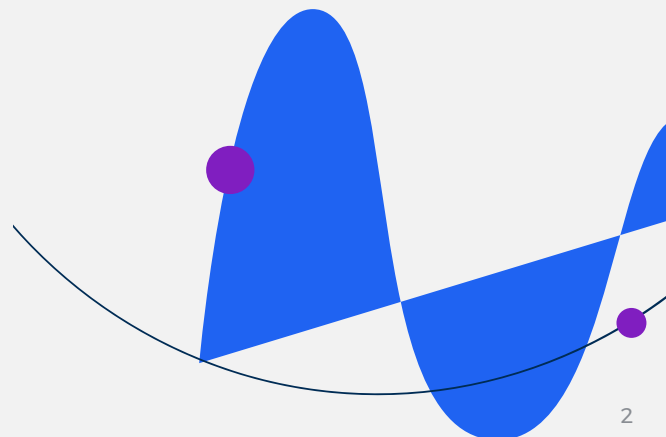
Unlocking the power of procurement data to uncover insights that drive business growth.

To tap into the potential value of procurement data, it's crucial to have support from C-level executives and stakeholders. Procurement leaders must have the skills to sell the value proposition to achieve this.

Improving communication about the value of procurement data can:

o enhance stakeholder engagement,
o facilitate early budget involvement, and
o promote digital procurement transformation.

This guide provides tools to increase buy-in, address objections, and ultimately boost procurement's strategic contribution to the organization!
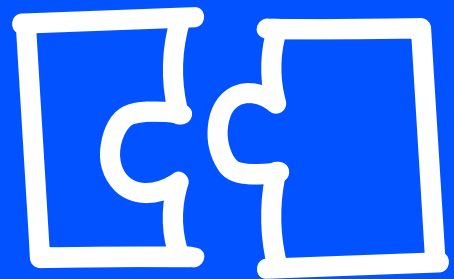
Here's when you need to sell **procurement data value:**

- You lack visibility and early involvement in spend decisions.

- You lack early involvement in business cases and want more "seats at the table."

- You lack speed and relevant insights and want to transform into a more data-driven organization.

- You have a cost-efficiency program and must capture more savings opportunities.

- You are building a procurement dream team must align its role and value for your organization.

- You need to execute a procurement strategy that encompasses multiple functions and stakeholders.

- You want to build trust and buy-in to your procurement agenda and decision-making.

- You are responsible for the digitalization of procurement and need to build momentum.

Presenting
the challenge

Stakeholders & data

Presenting
the challenge

Procurement data is a valuable asset that provides crucial insights into your supply base, cost structure, business performance, risks, and sustainability.

The strategic importance of procurement data cannot be overstated. It's a key source of costs, diversity, CO_2 emissions, and risk insights.

While procurement analytics has been in use for decades, it continues to be an area that requires further development. Business challenges and commodity markets are dynamic in their nature. Therefore, the need for timely procurement insights remains.

For many organizations, the ultimate goal is to access reliable, real-time procurement analytics, which can significantly enhance the procurement function's value-addition. Therefore, it's no coincidence that those struggling with procurement analytics often find it challenging to establish themselves as a value-adding function.

According to recent studies,

27% of procurement leaders perceive the inability to transform their businesses as their primary risk concern.[1]

To become transformational leaders, they need to master the art of selling and persuading with data. However, two significant obstacles hinder elevating procurement: the stakeholder challenge and the data analytics challenge.

1. The Hackett Group 2023 Procurement Agenda and Key Issues Study

Presenting
the challenge

1. The stakeholder challenge

Procurement data is frequently overlooked by stakeholders who believe they have more urgent concerns. However, they should welcome procurement data since it is the key to unlocking many business opportunities. Data not only provides insight into the current state of the business but also enables future-proof decision-making.

Unfortunately, stakeholders often view procurement as mere "shoppers." Selling the value of procurement data and analytics to your organization might just do the trick for earning the much-coveted seat at the table.

Getting people excited about the data insights will increase their willingness to further work with procurement in a strategic sense. Building positive relationships can raise the awareness of procurement value, secure digital procurement investment, and engage people in the agenda.

2. The data analytics challenge

Procurement data often faces skepticism, possibly due to past negative experiences with ERP projects or system changes. Additionally, some individuals may struggle to envision practical use cases, while others perceive transparency as intimidating.

The data quality and combination concerns maybe discouraging. Advanced data analytics requiring specialized skills can also appear overly complicated. This limited perspective can hinder progress on the digital roadmap.

In the following sections, you'll learn how to position these challenges as opportunities.

Addressing stakeholders

How to increase buy-in to
the procurement agenda

Why you need to sell **procurement data value**

Top industry leaders identify inflation, geopolitical turmoil, and talent shortages as major risk areas in the near future. Mitigating both internal and external risks through a cross-disciplinary approach is challenging.[2]

To address these challenges, organizations must rely on data-driven strategies, spend visibility, and collaboration.

Organizations must prepare for multiple disruptive global scenarios in their planning for the next years.

Stakeholder engagement is crucial in executing strategies and mitigating disruptive scenarios. Failure to align the entire organization and leverage real-time data for decision-making could result in a rough ride.
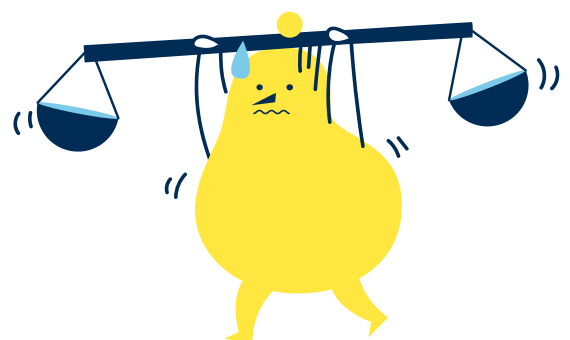
Sometimes, centralized procurement teams may become disconnected from business operations and market realities. This can lead to unrealistic targets and flawed assumptions that damage relationships and impede performance. Spend management and

sourcing decisions require plenty of coordination, alignment, and approvals. Therefore, you want your stakeholder relations to flourish.

Here are a few more reasons why you need to make the most out of your stakeholder relationships:
o Stakeholders have a significant influence on business decision-making.
o They can either make or break your business cases and strategies.
o Limited procurement resources require additional support to leverage data-driven opportunities.
o Recognizing the value of procurement data facilitates analytics investment decisions and tool acquisition.
o More eyes on data means more unique perspectives, identified opportunities, and insights.

Collaboration is the only way to succeed. Selling the value of procurement data is critical for securing timely transformation. Likewise, without a wider business understanding, you might be blinded by the numbers and miss the big picture.

2. The Hackett Group 2023 Procurement Agenda and Key Issues Study

Getting **stakeholders** excited!

So, how can you get stakeholders excited about the opportunities ahead?

It might be tempting to start conversations with numbers and graphs, but that's not the most effective strategy.

To get real buy-in, you need to articulate the benefits to your stakeholders. Why else would they listen to you?

Fresh and automated procurement data can make their lives easier in many ways.

Here are a few things to add to your elevator pitch:

o Procurement data can help them form realistic budgets (and keep to them).
o Procurement data improves their knowledge of cost structures, supply base, and markets.
o Data reveals actionable insights, business opportunities, and cost-saving potential.
o With good data, they'll have a 360-degree view of suppliers that helps manage risks before they realize.
o Data gives negotiation leverage and ensures they are paying the right price.
o Data analytics identifies trends and potential scenarios before they take place, so you can react while it matters.
o Finally, procurement data gives all stakeholders a better understanding of the business state and their suppliers.

"What's in it for me?"

To *really* sell the value, emphasize why procurement data should be their concern and interest. Make it clear that it will help them untap their business opportunities. It can tell them about their current state, as well as show them direction.

Looking at the parties you'll want to get on your side, these are very clear benefits of procurement data you can articulate:

Business leadership gets a consolidated view of the entire supply base, key partners and the business impact of the whole supply chain.

R&D can use supplier and material data for opportunity identification and make viable material choices during scoping, sourcing, and development.

Finance can track and validate savings programs with accuracy and transparency, form realistic budgets, and track spending.

Supply Chain can secure supply and improve delivery performance with a 360 view of suppliers to manage risk – and react to disruptions fast.

Investors get visibility into how the business is operated, as well as the financial health and performance of each function.

ESG and Compliance teams will improve their grasp of corporate responsibility scope and performance (90% of what they track is visible in procurement data from the supply chain). The visibility on supply chain responsibility helps them meet legislative requirements and demands of the surrounding society.

Sales will benefit from a sustainable and diverse supply chain that meets customer expectations and reporting requirements.
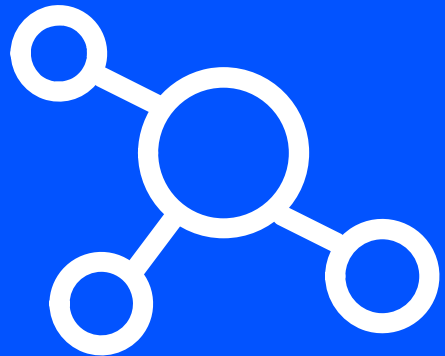
Legal will be on top of corporate agreements and have visibility into contracts incorporating risks and dependencies.

IT benefits from new data sources, improved visibility, enriched data, and joint R&D.

Addressing data & analytics:

Proving procurement data value

Procurement data analytics

CPOs are putting their faith in digital transformation. To combat risks like economic downturn and recession, the #1 action by procurement is accelerating the transformation through automation, advanced analytics, and modeling.[3]

In essence, procurement data tells how your cost structure and supplier base is doing. Spend data analysis reveals:
- what are you buying,
- From which suppliers,
- how much you are paying,
- who is spending money,
- how much you have bought, and
- on what terms.

By combining that data with market index data, risk ratings, and CO_2 data, you can get a richer view and identify even more insights! Simply put,

Data analytics allows you to make the right business decisions in a timely manner. There is no guesswork involved.

3. The Hackett Group 2023 Procurement Agenda and Key Issues Study

The cycle of **opportunities** from leveraging procurement data analytics

Improving
prioritization
& strategic
focus

Understanding
spend

**Benefits
of leveraging
procurement data**

Gaining
insights into
quality, ESG &
performance

Negotiating
better
contracts

Improving risk
& disruption
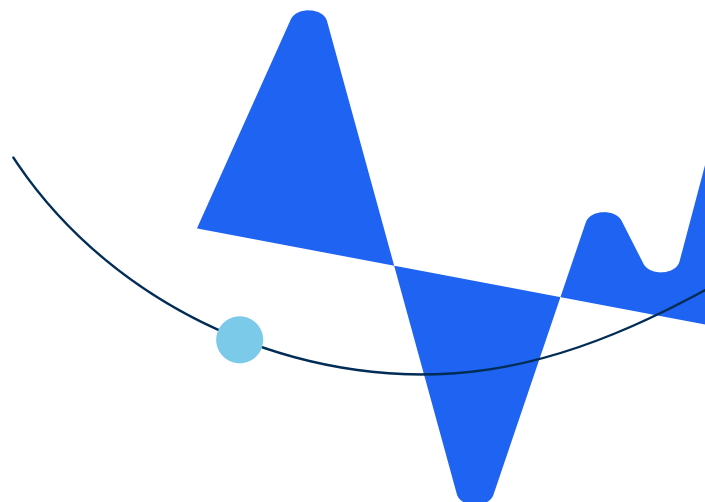coverage

Improving
forecasting
and budget

7 Common challenges with **procurement data**

Before evangelizing the benefits of procurement data, it's important to recognize the associated challenges. Managing expectations and being realistic is key. Data transformation can be a complex process, and procurement data is seldom flawless and usable in its raw form. Technology can help address these issues.

Steps to facilitate the productive use of procurement data:

1. Ensure data quality is at a reasonable level. Data doesn't need to be perfect to provide value - just good enough.
2. Combine data from multiple sources and ERPs.
3. Align the data with the correct functional focus. The classification should reflect how the business is managed.
4. Keep data timely and maintain data quality with automated cleansing and low barrier for corrections at the source.
5. Maintaining data quality with automated cleansing and a low barrier for corrections at the source.
6. Encourage adoption and awareness, and provide user-friendly analytics solutions.
7. Embrace transparency and build a data-friendly culture, with leadership leading the way.

When it comes to unlocking the full potential of procurement data, it can be a daunting task to take on solo. Sievo has a proven track record of helping organizations of all sizes unleash the potential of their data. Don't let the fear of imperfect data hold you back. We have successfully transformed even the crappiest data into valuable insights!

How we can help **you**

Data quality

with our decades of procurement data expertise, we cleanse and enrich your data to increase visibility, no matter the industry. We cleanse and organize your data, irrespective of existing master data quality. This also includes automated cleansing based on tailor-made rules.

External data combination

We work with third-party data providers to combine your spend with valuable data sets to provide insights in a seamless data ecosystem.

Viability for user

Sievo caters to a wide range of procurement and finance and other roles, ensuring they get the views and drill-downs they need. This is especially relevant for category managers, who can easily filter and manage specific supplier or category views.

Timely refreshes

We can facilitate weekly or monthly data refreshes, which allow your procurement teams to stay up to date on spend developments.

Adoption and awareness

Sievo takes onboarding and adoption very seriously. That's why we don't limit users and offer our own training platform Sievo Academy to get users engaged. Your account manager will help you in every way possible to ease newcomers into the solution.

Transparency for your organization

We want to enable a data democracy. That means creating equal and flexible access to procurement data, and our solution is designed on this principle.

Sievo

Final thoughts

"

Without data, you're just another person with an opinion."

W. Edwards Deming

Selling the
Value promise

Data is the key point when selling procurement value and positioning yourself as a trusted advisor. You don't need to have a photographic memory for all the numbers. The key is having the data at your fingertips to answer questions quickly and confidently.

How you present the data matters too. Clear and concise dashboards can communicate insights much more effectively than complicated spreadsheets. So don't underestimate the power of data visualization in making your case for procurement.

Here are some final tips and advice we've compiled from our decades of enabling procurement transformation.

o Show genuine interest and curiosity. Understand your stakeholders' business drivers and learn about their goals and strategies.
o See the data through your stakeholders' eyes. How does it align with their business goals and KPIs?
o Avoid a one-size-fits-all mentality. Tailor your insights to your audience and deliver relevant, actionable information.

o Show a helpful attitude. Listen to their concerns and challenges and show how data can help solve them.
o Share progress and success stories. Highlight achievements and improvements, such as increased PO coverage or successful sourcing projects.
o Be prepared for pushback, even with the best intentions. Stay patient and continue to communicate the value of procurement data.

Remember, Rome wasn't built in a day, nor is a successful procurement transformation. Take your time, stay focused, and you'll see the results you want.

Don't be afraid to ask for help if you need it. We're always here to support you on your procurement data journey.

With 🤍 -

Sievo.

The Data Resistance Tool kit

Common objections and how to tackle them

The **data resistance tool kit** 🔧

"But we don't have enough time"
You're losing MORE time without seizing the opportunity! If you don't have spend data visibility, you don't know where to focus or might be focusing on the wrong things.

"But we don't have enough money"
But there are SO many cost-saving opportunities waiting for you! Spend analytics pays back your investment.

"But we've got our own process"
Procurement use cases are relatively similar and universal. You're not as different as you think. Too much customization and specialization may drive you away from global best practices.

"But our key supplier says no"
Are they a real partner then? Let's sell the data value prop for them together!

"But transparency is uncomfortable"
No great idea ever came from the comfort zone. Radical transparency enables the full potential of the organization. Skeletons in the closet are even more uncomfortable!
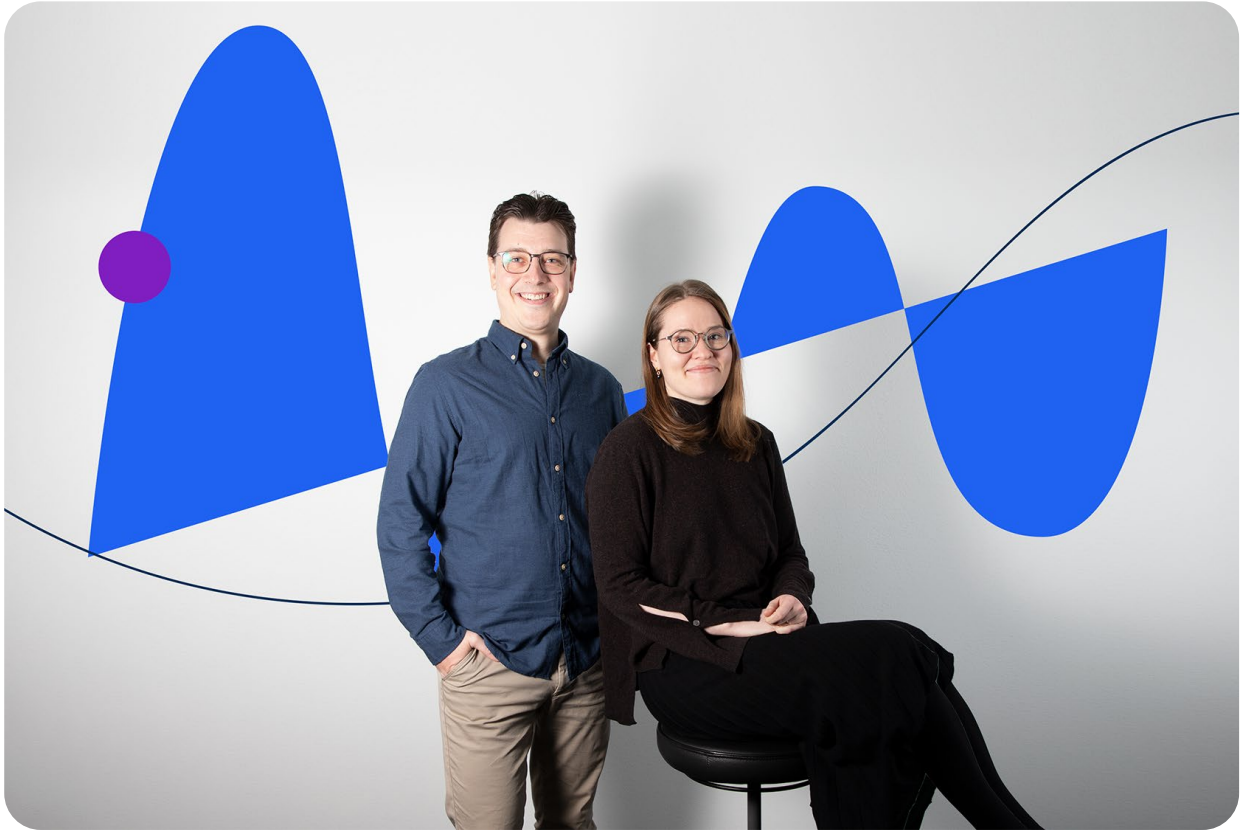
"But we don't understand the numbers we're looking at"
Data should be accessible and understandable for all! It should not be so complex that it scares people off – and well-built analytics can help a lot.

"But procurement is boring"
Who wouldn't like shopping with a bigger budget? Procurement holds 80% of your bottom-line impact on customer experience, quality, emissions, R&D and innovations!

About the authors

Alexander Duray

VP - Value Enablement, Sievo

Alex is a former procurement expert leading 9 teams responsible for all Sievo customers. The main task of the function is ensuring Sievo provides maximum value to our users and supports customers in growing engagement and competence.

Heta Ruikka

VP – Product Management, Sievo

Heta strives to develop Sievo as the best Procurement Analytics solution the world has ever seen. As a young leader in the space, she aspires to change the world into a more open and data-driven one, where leadership is based on empathy and empowerment.

About

Sievo

Sievo provides actionable procurement analytics based on data you can trust.

Designed for large enterprises with $1B+ in revenue, loved by global companies featuring Mars, Levi's, and Deutsche Telekom, and praised by key analysts, we provide a future-proof solution with immediate ROI.

We empower Procurement, Finance, IT, and Sustainability teams to overcome their data chaos and capture all insights, drive bottom-line savings, improve ESG performance, and streamline budgeting and forecasting.

Sievo goes beyond world-class analytics and dashboards. We help our customers close the data-to-action gap with reliable insights, recommendations, and benchmarks by combining internal, third-party, and cross-customer data.

By processing spend data equivalent to 2% of the world's GDP annually, we enable fast, informed decision-making and deliver the industry's highest data quality with end-to-end data accountability.

We call it procurement excellence —
but you can call it Sievo.