IN
SIGHTS

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Digitisation S2P: Which mistakes you should avoid

Our daily bread in customer projects is the digitization of the source-to-pay process, abbreviated as S2P. It encompasses the process from the identification and selection of a suitable supplier or service provider, through order processing and collection of the products or services, to the final payment. With the help of modern digital support equipment - and coordinated workflows - this process can be automated to a large extent.

Maximum benefit from S2P digitization, but also stumbling blocks

We've often shared the benefits of digitizing the S2P process for various functional areas, such as increased efficiency, cost reduction, improved data management, and compliance, in our blogs and insights. However, digitalization is not without its challenges, and there are many "mistakes" or stumbling blocks that should be prevented. In the following, I would like to draw attention to the most common ones.

Insufficient definition of the objectives and scope of the digitisation project

One of the most common mistakes companies make when digitizing their S2P process is the lack of definition of the goals and scope of the project. The procurement function is a cross-functional activity that requires input from various departments such as finance, operations, and IT.

Without clear goals and scope, the project can quickly become fuzzy, leading to delays and cost overruns. It is important that it is clear before the start of the project which goals are

to be achieved and who (which departments, stakeholders, budget holders, etc.) is to be involved in the project, but also in the operational operation of the solution.

Lack of assessment of the current process

Before going digital, it is essential to make a comprehensive assessment of the current process. A digitized defective process remains a defective process. Prior analysis can help identify both the areas of the process that need improvement and the areas that are working well. In addition, without a thorough understanding of the current process, it is difficult to identify the areas where digitalization can bring the greatest benefits.

Data quality issues

Digitizing the source-to-pay process requires high-quality data. Companies need to ensure that the data they use in the process is accurate and up-to-date. To do this, it must be known where the information comes from, what it is to be used for, who is responsible for the care and, last but not least, where it is to be kept. And what can technology/artificial intelligence (AI) really contribute to this? Sometimes, answering these questions for the same data at different points in the process is not trivial and needs to be cross-functional.

One stumbling block is the poor design of the integration of interfaces with other systems, e.g. procurement, finance and inventory management. It is imperative to ensure that the digitisation project is integrated with these systems to avoid duplication of effort and ensure that data is consistent across all systems.

The marketing of solution providers: how – beyond all AI promises – benefits are generated

With each new field of action, numerous more or less comprehensive solutions or solution providers appear. And even in the area of traditional procurement solutions, there is a very high level of dynamism in terms of the further development of platforms, the integration of AI/AI (e.g. ProcurementGPT), interface processes (e.g. supply chain transparency, transport management), innovative technologies (e.g. process mining, robotic process automation) or other added values (e.g. integration of external CSR or reputational data partners, enterprise carbon management).

Selecting the solutions that are valuable for one's own organization from the huge and disjointed range of digital tools – and not least the most diverse pricing models – and determining one's own development path is anything but trivial.

Change Management

The digitalization of the S2P process brings significant changes in the way the company operates. It is important to actively manage these changes to ensure acceptance and realization of the benefits of the project. Neglecting change management can lead to resistance, delays, and increased costs. It is important to involve employees in the project from the beginning and clearly communicate the benefits of the digitalization project. This also includes providing them with appropriate

training and support in everyday life, e.g. with fixed counselling / help appointments.

Within the standardized procedure of our Digital Value Navigator, we evaluate the added value of process digitization for individual companies in a systematic, structured, and monetary manner. Independent of solution providers, the aspects of inventory, optimization approaches and necessary investment decisions are combined. Our customers are thus able to select the appropriate automation technology for their specific use case, to optimize and simplify the processes before automation.

ADCONIA - beyond the ordinary

As Adconia GmbH, we advise our customers with the experience of more than 250 projects from more than 18 years - in questions around purchasing, supply chain and the digitalization of processes. Our goal is always to increase the profit contribution of purchasing through cost reduction, process automation or the qualification of our customers' purchasing teams.

With a correspondingly broad wealth of experience, precise knowledge of everyday purchasing and a high level of professionalism, our consultants carry out training measures at eye level. We do this - depending on the requirements - both as a sparring partner for specialists and managers with many years of experience and as a trainer for seasoned purchasing professionals and young professionals.

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