NTT DATA

NTT DATA Services: Achieving Lean, Global Procurement Transformation

How do you build a procurement group to support a global enterprise with billions of dollars in spend, a complex portfolio of technology services, and an ambitious agenda of new company acquisitions? For NTT DATA Services, it takes a lean, agile procurement team running robust supplier management software from SAP – including SAP® Ariba®, SAP Fieldglass®, SAP Concur® solutions – to create a **scalable, nimble procurement operation** that has already driven over US$125 million in value.

THE BEST RUN **SAP**

Maximizing Supplier Value and Spend Savings with SAP® Solutions

Before: Challenges and Opportunities
- Create a nimble, scalable procurement organization to support rapid global growth
- Realize savings and generate operational efficiencies
- Centralize procurement policies and resources while enabling localized purchasing
- Increase supplier performance visibility and value while mitigating supplier risk

Why SAP
- Business value throughout the source-to-pay process by using SAP Ariba®, SAP Concur®, and SAP Fieldglass® solutions for integrated, intelligent spend management
- Business and technology solutions with diverse industry and domain expertise
- A single, unified view of every supplier and every product and service category
- Global and growing SAP partner practice generating $2 billion in revenue
- Integration between deployed SAP solutions
- Discounting for early payments with SAP Ariba Discount Management solution

After: Value-Driven Results
- Millions of dollars in annual spend savings with SAP Ariba solutions
- Over US$3 million in annual rebates from contingent labor sourcing with SAP Fieldglass solutions
- 14,000 invoices per month processed and 7,500 expense cards issued worldwide
- Exceeded key milestones, including the $100 million value capture target
- Improved supplier competition and monitoring
- Flexible, agile procurement supporting workers at home and clients worldwide

NTT DATA

"We had to build a lean and agile procurement team that could operate on a global basis and manage over $1 billion in annual spend. That's why we needed **world-class procurement tools** like SAP Ariba solutions."

Jeff Tramel, Vice President of Global Procurement, NTT DATA Services

$100 million

In value achieved since implementation

99%

Services spend captured by SAP Ariba solutions

NTT DATA Services
Plano, Texas
www.nttdata.com

Industry
Professional services

Products and Services
Technology-enabled services and innovative solutions to clients worldwide

Employees
>50,000

Revenue
US$4 billion

Featured Solutions
SAP Ariba, SAP Fieldglass, and SAP Concur solutions

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Building a Procurement Team from the Ground Up

Headquartered in Plano, Texas, NTT DATA Services is a division of the Japan-based NTT DATA Corporation. NTT DATA's team of more than 50,000 professionals serves clients in over 50 countries, generating US$4 billion in annual revenue. The company's comprehensive portfolio of industry-centric digital business and technology solutions delivers insights and outcomes that matter most to the companies they serve – from manufacturing and insurance to life sciences and healthcare.

Part of NTT DATA's success is a result of its acquisitions strategy, including its largest and most complex to date, the acquisition of Dell Services. With more than 30,000 employees and $775 million in third-party spend, Dell Services eclipsed NTT DATA's preacquisition employee and third-party spending levels. And with a combined supplier outlay of over $1 billion, NTT DATA needed to establish a core procurement organization that could effectively manage the massive increase in supplier spend.

That's why NTT DATA embarked on a two-year mission to create a lean, agile team that would operate as a responsive global procurement organization. The team would build, deploy, and manage standardized procurement processes and tools to maximize supplier value and enable more company revenue. In fact, the procurement team had a specific target: to achieve $100 million in value capture over the two-year acquisition of Dell Services.
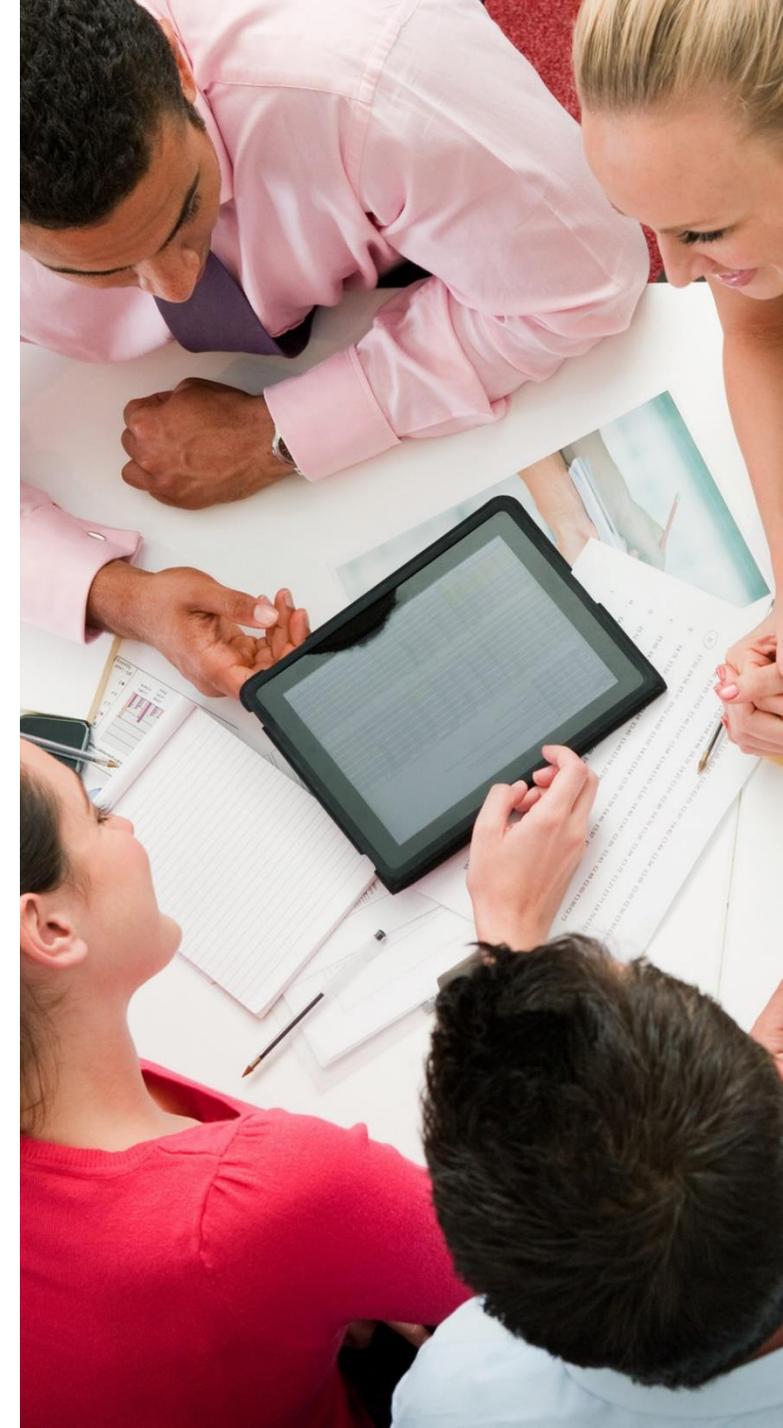
Achieving Global Procurement Transformation with
SAP Ariba Solutions

NTT DATA's new procurement organization sought a center-led approach where its team of experts could capture efficiencies of centralized supplier and spend management while providing flexibility to different regions and business groups to stay involved in local purchasing. By choosing SAP® Ariba® solutions, with SAP Concur® solutions to support employee travel and expenses and SAP Fieldglass® solutions to provide for contingent labor needs, NTT DATA had an integrated procurement solution that could amplify the team's expertise globally.

To ensure it met its savings goals, the procurement team created a three-dimensional spend cube identifying saving targets for both Dell Services and

NTT DATA. This helped in the creation of savings teams and the development of targeted savings plans with business stakeholders. The team also created a contract repository within SAP Ariba solutions using the SAP Signature Management application by DocuSign to affirm new contracts that include additional savings.

Throughout the implementation, NTT DATA leveraged the existing procurement expertise of the Dell Services team to help ensure success. In addition, NTT DATA deployed several components of the SAP ERP application to support better integration with existing employee, payment, and financial reporting systems.
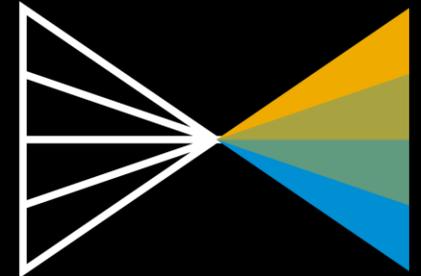
~99%

Of services spend, more than 1,200 suppliers, and 1,200 contracts migrated to SAP Ariba solutions during the Dell Services acquisition

Achieving Procurement Excellence That Exceeds Spend Savings Targets

NTT DATA's successful implementation of SAP Ariba, SAP Concur, and SAP Fieldglass solutions has exceeded the company's key procurement milestones.

Today, NTT DATA's lean procurement team is managing more than 3,700 suppliers and over $1 billion in spend. With insights derived from SAP Ariba solutions, the team determined that approximately 300 suppliers account for 80% of the spend. The team can now focus spend optimization for those key suppliers and dramatically shrink its reliance on the remaining 3,400 suppliers.

By improving competition among suppliers, along with better monitoring and remediation of supplier spending, the procurement team has been able to achieve $100 million in value since implementation.

The team also launched a buyer desk that uses the SAP Ariba Collaborative Sourcing bundle to compete more aggressively for discrete products and services. The desk has already saved NTT DATA over a million dollars annually. It has also helped NTT DATA acquire critical personal protective equipment (PPE) for its consultants working in healthcare settings during the COVID-19 pandemic.

"We created a new category within the procurement organization for PPE, using SAP Ariba Discovery to **source the equipment** for our frontline hospital teams."

Jeff Tramel, Vice President of Global Procurement, NTT DATA Services
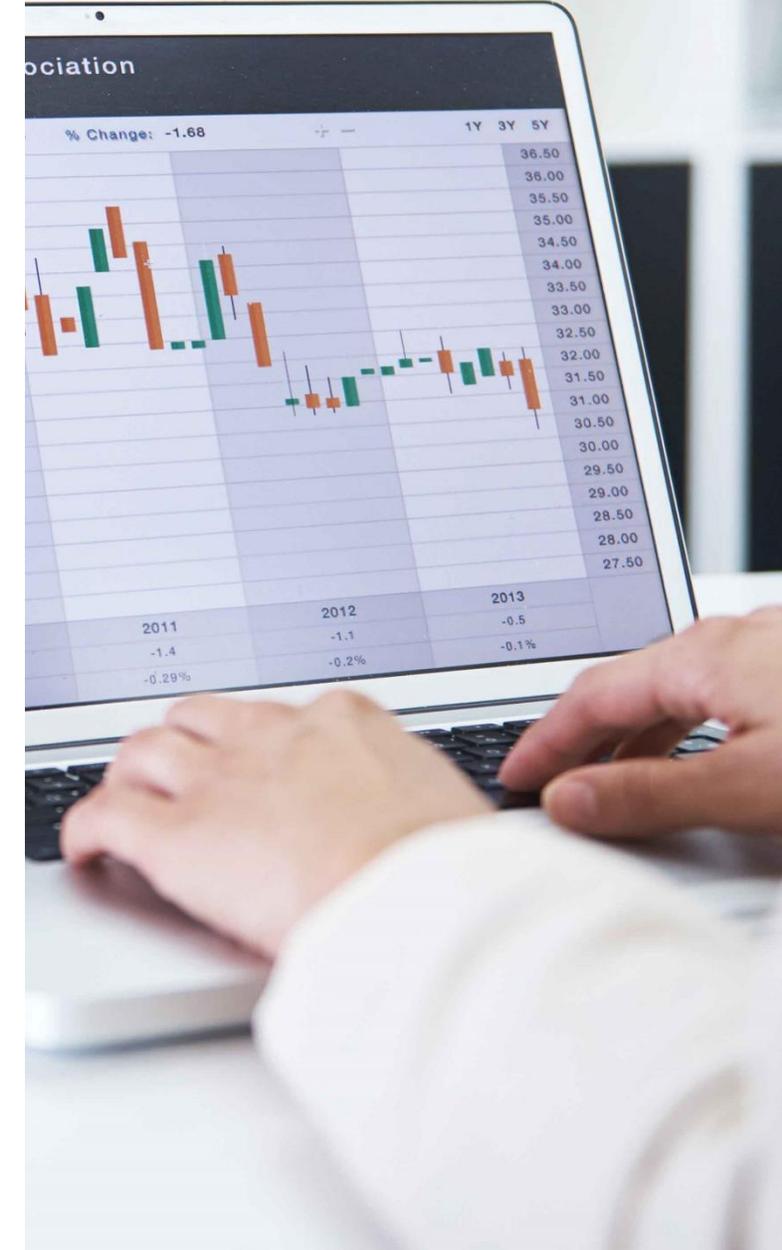
Simplify and Automate Procurement to Support Fast-Changing Work Environments

In the midst of the COVID-19 global pandemic, over 90% of NTT DATA's global workforce is working from home. And with the vast majority of NTT DATA's spend in direct or indirect support of clients, helping employees at home procure the needed goods and services to help clients around the world has emerged as a new and urgent challenge.

The procurement team wants to use additional functionality in SAP Ariba solutions to further improve the nimbleness and scalability of its procurement processes, including low-touch and no-touch procurement, on-demand sourcing, streamlined accounts payable, and secure, ubiquitous availability of procurement services through mobile devices.

In addition, to further enhance the capabilities and services of its small procurement team, NTT DATA will be leveraging automation in SAP Ariba solutions. They will be implementing AI functionality to analyze and spot contract anomalies and enable fast and thorough procurement support as NTT DATA acquires new companies.

What's more, NTT DATA wants to use SAP Ariba solutions to support its new device-as-a-service offering, where clients can sell products in smart lockers and vending machines that will communicate autonomously with Ariba Network to maintain and refresh inventory.

"We are not going back to where we were before COVID-19. We will have more people off-site and will probably have a smaller office footprint. We are going to have to **find new ways** to contract with different suppliers globally to get the things we need for our clients."

Jeff Tramel, Vice President of Global Procurement, NTT DATA Services
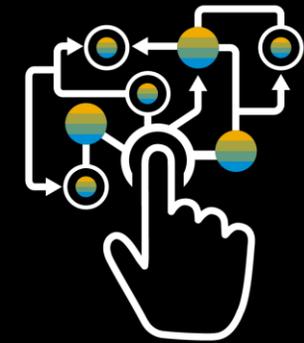
Integrated Spend Management at NTT DATA

NTT DATA is exceeding spend savings targets and supporting at-home workers and remote clients all over the world with integrated spend management solutions from SAP including:

- SAP Ariba Sourcing
- SAP Ariba Contracts
- SAP Ariba Supplier Information and Performance Management
- SAP Ariba Spend Analysis
- SAP Ariba Discovery
- SAP Ariba Buying and Invoicing
- SAP Ariba Discount Management
- SAP Signature Management by DocuSign, option for SAP Ariba solutions
- SAP Fieldglass Contingent Workforce Management
- Concur Travel & Expense

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