



Mining deeper levels of trust

KPMG Flagship client story

About our client

Client industry: Healthcare and life sciences

Client sector: Life sciences

Client description: One of the world's largest independent biopharmaceutical companies, headquartered in the U.S.

Project at a glance

KPMG worked with our alliance partner, Celonis, to help a biotech leader optimize its sourcing and contract management processes.

Together we helped the client remove considerable complexity from its sourcing processes with automated process mining and a revamped target operating model. Standardized processes cut cycle time in half, built trust among vendors, and secured better terms for the client.



Challenges

Facing bottle necks in the source-to-contract process, operational inefficiencies, and lack of transparency in the procurement process, the cycle time to complete sourcing projects crept upwards to 200 days. This biotech leader was already in the process of replacing its current procurement system, SAP Ariba, with the Workday Scout strategic sourcing platform, when it also hired Celonis to implement automated process mining capabilities and optimize its procurement and contract management processes.

Celonis asked alliance partner KPMG to support the implementation.

Key KPMG initiatives

Applying our cross-functional resources with extensive experience in integrating process mining solutions and creating analytics needed to measure performance against industry benchmarks, the KPMG team worked with the client's process owners to:

- Identify the right KPIs and data
- Propose improvements to procurement processes, as well as the use of the Celonis execution management system
- Isolate operational inefficiencies and business risks
- Drive customer satisfaction improvement
- Instill industry-leading practices and metrics fundamental to building trust in the client's procurement processes.

In addition, KPMG divided the holistic source-to-contract process into three distinct components—sourcing events, sourcing projects, and sourcing contracts—to help the client identify bottlenecks. Then we built a dashboard around specific use cases to help the organization better source events and projects and analyze contracts.

Leveraging the KPMG Powered Enterprise methodology, we helped the company build out the target operating model for the Workday Scout implementation. Our team provided leading practices, benchmark data, roles, and procurement controls for an end-to-end process view, while Celonis accelerators and assets sped up the transformation process.

Business impact

Working together, KPMG and Celonis helped the client remove considerable complexity from its sourcing processes to achieve these benefits:

- Cut process cycle time in half, from 200 to 100 days, by identifying the root causes of critical bottlenecks and standardizing processes
- Identified \$1.2 million in potential cost savings by eliminating manual contract approvals and defining process requirements for new system implementation
- Identified an 8-to-19 percent reduction in process rework by removing undesired activities
- Established new purchasing authorizations dependent on the level and type of spend
- Outlined an actionable roadmap to streamline the end-to-end process based on data-driven results—for example, using our target operating model to show how current individual process paths can be cut in half to arrive at the industry standard
- Gained a deeper understanding of the new Scout platform and ways to negotiate better deals to realize impact faster.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

kpmg.com/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization. NDP221882-1A

Why KPMG?

Clients want advisers with a deep well of experience and technology solution partners.

KPMG draws upon our alliance with Celonis to synergize the platform's strengths in automated process mining with our life sciences domain knowledge and functional strength in procurement and data analytics to build standardized processes that engender trust among vendors and secure better terms for the client.

We identify risks and provide mitigation strategies before issues occur.

We provide insight into upcoming milestones and deliverables to reduce the impact of program issues and delays to elevate stakeholder trust.

We work as one team with deep strategic and technical experience.

Large, complex enterprises with ambitious process and technology aims need journey advisers with the bench strength and scale to pace with them. We can deliver big-picture client priorities on ambitious timelines, providing strong continuity of vision and execution capabilities.

Let's start a conversation.

Todd Babione

Principal, GRC Technology

T: 614-578-8364

E: toddbabione@kpmg.com

Andrew Vogel

Managing Director, Finance Transformation

T: 310-658-2697

E: andrewvogel@kpmg.com

Marnell Kleynhans

Director, GRC Technology

T: 215-680-8180

E: marnellkleynhans@kpmg.com

Please visit:

<https://advisory.kpmg.us/services/technology/enterprise-cloud-services/grc-technology-services.html>

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