



Identify, assess, and mitigate supplier risk

Automate risk management with KPMG and Coupa



Supply chains continue to experience significant challenges, so identifying, managing and mitigating risk is no longer optional in order to remain resilient when the unexpected happens. While companies have been focused on retrospective supplier risk management for a number of years now, the new dawn of technology allows leading entities to proactively take charge of supply chain risk and performance.

The historical challenges are well documented, for example:

- 74%** of companies don't have a complete list of suppliers that handle sensitive employee and customer data¹
- 65%** of companies have poor visibility into second- and lower tier suppliers²
- 30%** of companies consider their third-party collaboration to be inadequately effective.³

Indeed, many companies wait for a supplier event to hit before identifying the risks lurking within the supplier base. In the age of big data and digital transformation, implementing a proactive and predictive supplier risk and performance management (SRPM) program is an achievable goal and a competitive advantage.

SRPM programs help procurement organizations deliver additional value to their internal business partners and contribute to the organization's strategy by mitigating risk across third-party suppliers, complying with increasing regulatory pressures, avoiding production disruptions, and reducing the risk of data breaches. In addition, new cost-effective automation capabilities can improve and digitize the supplier risk management steps, integrating them with the entire source-to-pay lifecycle.

KPMG delivers a holistic supplier risk operating model enabled by Coupa, a market-leading technology for automating SRPM. With automated alerts and workflow, Coupa provides capabilities to streamline initial risk assessments, due diligence, residual risk management and performance management.

Building on our long standing alliance, KPMG and Coupa can now help you integrate supplier risk management into your source-to-pay process so you can better identify, assess, and manage supplier risk while also improving efficiency, governance, and cost savings.



Automate with Coupa

Coupa's cloud-based Business Spend Management platform provides visibility into enterprise-wide spend, assesses supplier risk, and delivers transactional efficiencies via automation—all so your company can make smart sourcing and buying decisions.

¹ APOC (2013), Supply Chain Disruption: What Your Organization Should Know About Managing Risk in the Supply Chain
² RSA Archer (2015), The Growing Need to Manage Third-Party and Vendor Risk
³ Navex Global (2016), Ethics and Compliance Third-Party Risk Management Benchmark Report

Coupa makes SRPM an integral part of the source-to-pay process with data-driven workflows for assessing your supply base against critical risk factors. It enables businesses to actively manage third-party risk and compliance—including advanced risk domains such as information security, bribery and corruption, and demanding new data privacy regulations. It helps you to:

- Automate the communication and dissemination of information and tasks to internal and/or external parties associated with the compliance and performance management processes
- Automate sharing, management, and monitoring of third-party information
- Automate measurement and management of internal business processes
- Automate monitoring and management of compliance, performance, and risk using a sophisticated, exception-based platform.

With features for streamlining supplier data collection, managing multiple risk domains from data privacy to corruption, developing multitier risk models and reports, and off-boarding suppliers, Coupa addresses the risk challenges facing supply chains.



Understand and mitigate risk with KPMG



The KPMG Procurement & Business Services practice addresses the full range of underpinnings that enable procurement and compliance teams to strategically support an enterprise’s growth and competitive objectives. This includes designing and implementing strategy and operating models, managing spend, developing talent, leveraging technology, and, of course, managing risk.

KPMG professionals help companies improve supplier collaboration and institutionalize a third-party risk management program. Leveraging Coupa’s technology, we can help your organization to:



Understand risks. Collect the right data and monitor risks related to supplier activities and data access.



Assess suppliers. Develop a multilevel risk assessment model—including each supplier and their suppliers—across multiple risk domains.



Mitigate risks. Monitor changing risk profiles to proactively transition spend away from high-risk suppliers and manage corrective plans as needed.



Drive performance. Drive consistent and automated supplier performance measures.

Drawing upon extensive industry knowledge and decades of domain experience, the KPMG Procurement Advisory practice can help you develop risk-based, sustainable, value-add relationships with your supply chain.

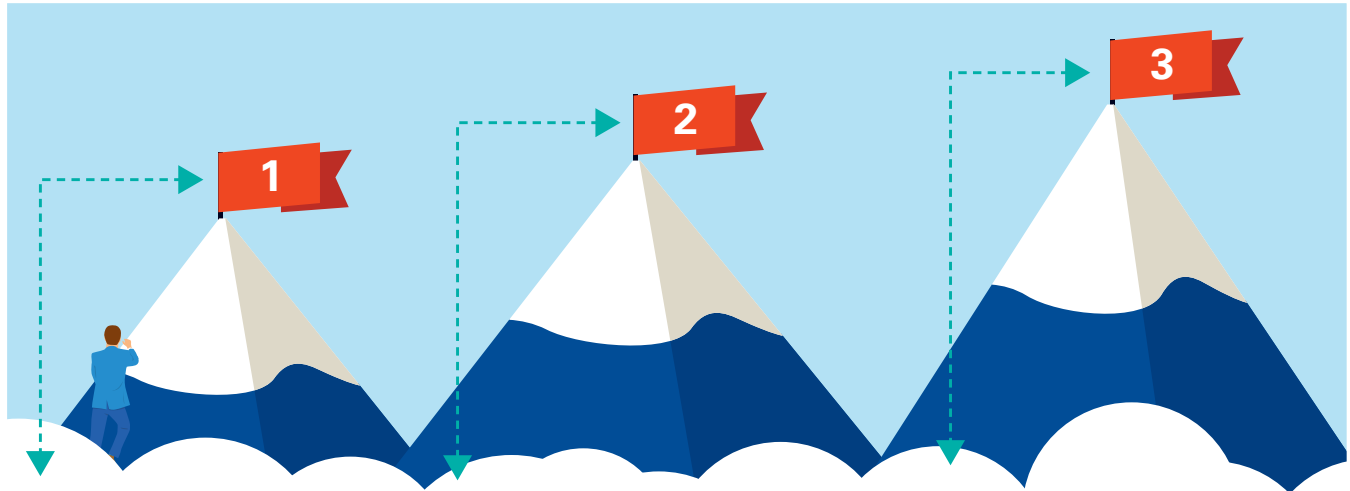
Proactive approach to supplier risk management

With KPMG and Coupa, your procurement organization can develop a proactive approach that streamlines and automates how you monitor performance, risk, and compliance.

KPMG professionals work with clients to develop target operating models for SRPM that include service delivery, governance, process, data and metrics, and organizational structure. As the enabling technology,

Coupa automates the collection, sharing, and monitoring of third-party information, then tracks that information throughout internal business processes. The joint offering integrates technology and processes to deliver a solution that can identify, assess, and manage supplier risk while driving efficiency, compliance, and cost savings.

To achieve this, KPMG can work with your company in several ways:



SRPM assessment. A short, sharp, and inexpensive assessment is effective for sizing the problem and identifying areas where Coupa can automate SRPM.

Design and roadmap. KPMG procurement and industry professionals design a future-state SRPM vision and roadmap that provides a target operating model covering people, processes, governance, policies, and Coupa technology.

Full-scale design and implementation. This broad engagement provides roadmap execution, an assessment of the incumbent supply base, new process implementation, Coupa implementation, and change management support.

Conclusion

Because third-party suppliers play such a critical role in your business, your procurement organization must institutionalize an SRPM program to be better prepared for the future. With KPMG and Coupa, you can build an effective SRPM program designed to reduce costs, lower business risks, and drive improved company performance, supported by Coupa's technology.

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