

# ROUNDTABLE DISCUSSION ON BUILDING CAPACITY IN THE SOUTH AFRICAN PUBLIC SECTOR FOR THE PROCUREMENT OF CLOUD COMPUTING

THE SANRAL EXPERIENCE ON SAP ARIBA  
INBA THUMBIRAN – CHIEF SCM OFFICER

**SANRAL**

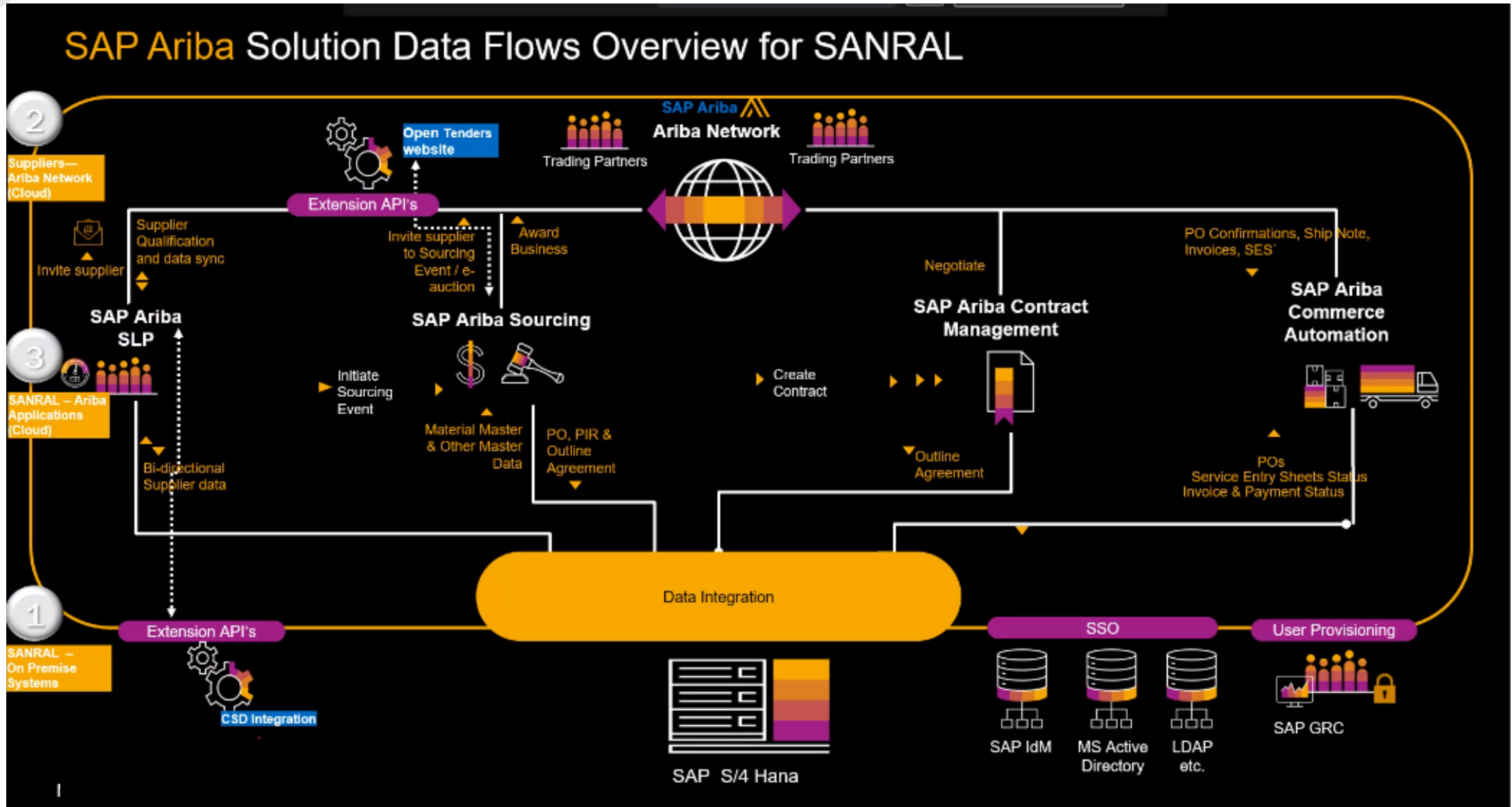


BUILDING SOUTH AFRICA  
THROUGH BETTER ROADS

# AGENDA

1. Sanral Sap Ariba End-to-end Process Overview
2. SCM Digitization
3. Implication of SAP on the SCM business processes
4. SCM Improvements through Sap Ariba
5. Challenges And Opportunities
2. Managing the change

# SANRAL SAP ARIBA END-TO-END PROCESS OVERVIEW





# SCM DIGITISATION

## 1. Operational Sourcing

- RFQ Request (Sourcing Request)
- RFQ Request Approval
- RFQ Creation (Sourcing Event)
- RFQ Publish
- Supplier response to RFQ
- RFQ Evaluation and Award

## 2. Strategic Sourcing

- Tender Request Creation
- Tender Request Approval
- Tender Process (Sourcing Project)
- Tender Creation (Sourcing Event - RFP, RFI)
- SAP Ariba Discovery Process
- Supplier Response to Tender
- Tender Monitoring Tender Evaluation
- Bid Award
- Reporting
- Master Data

## 3. Contract Management

- Contract Creation
- Internal Document Preparation and Reviews
- Supplier Reviews and Negotiation
- Contract Approval
- Contract Signature
- Contract Amendments
- Master Data Management
- Contract Pre-packaged Reports, Search Engine

The SAP Ariba suite consist of the following three modules.

1. Sourcing & Contracts - This module is live as of **5 February 2021**.
2. Supplier Lifecycle Planning- This module is live as of **21 April 2021**.
3. Commerce Automation. Go-live is planned for **21 July 2021**.

# Super User Team – SCM Officials

- Customisation of the SAP System to SANRAL Business Model
- September 2020
  - 9 Super Users
  - Dedicated time to development - 5 days a week; 8am to 12pm
  - UAT
  - Signoffs
- February 2021
  - Transitioning to SAP
  - Moving of old / existing contracts
  - New contracts

# SCM IMPROVEMENTS THROUGH SAP ARIBA

## DEFICIENCIES / CHALLENGES

- **Manual processes** for RFQ's / RFT's
- Long lead times to run manual processes
- **Inappropriate number of resources to manage the activities for RFQ's and RFT's**
- Reporting via Excel spreadsheets; manual capturing of data on spreadsheets; errors in capturing data
- High number of **legal challenges** due to slippages / mistakes
- High number of **audit findings**
- Delays in Vendor Creation / Purchase Order creation
- High number of findings relating to **Irregular Expenditure**
- Voluminous **paper** processes

## IMPROVEMENTS – SAP ARIBA / MM

- **Automated processes** for RFQ's / RFT's
- Shortened time frames
- Reduced number of resources to manage the automated activities for RFQ's and RFT's
- Automated reporting portal
- **Reduced** legal challenges due to slippages / mistakes
- **Reduced** number of audit findings
- Automated process for Vendors / PO's
- Avoidance of mistakes leading to Irregular expenditure
- **Paperless** environment

# CHALLENGES AND OPPORTUNITIES 1/2

## 1. CSD – Central Supplier Database

- Seamless integration not possible; verification on a manual basis
- Limitations with the NT system

## 2. Irregular Expenditure

- Contracts loaded immediately after award
- System to provide alerts 12 months / 6 months / 3 months – end date!!!
- PO's / invoices blocked once the PO value is reached – NO OVERPAYMENT on a PO will be possible (unless a new PO is raised)

## 3. Scoring Methodology

- All forms to be digitised and automated
- Compliance checks can be completed by the system
- SCM conducts qualitative checks

# CHALLENGES AND OPPORTUNITIES 2/2

## 4. Legal Compliance

- SAP Ariba is legally compliant with SCM Regulations

## 5. eTender Portal

- Opportunity to improve governance and compliance through digital links with NT (advertising / publishing awards)
- To be pursued over the next 12 months with NT

## 6. eProcurement

- Digital interaction with suppliers
- Create a roadmap – this is not an instant change – will happen over a period of time
- Suppliers are key (Digitised / Semi-Digi Suppliers / Un-digitised suppliers)
- Continuous awareness campaigns; training and engagement
- Marketing / Communication / Training / Support



# MANAGING THE CHANGE

**HELP THEM  
MANAGE CHANGE**



**How are you promoting change within your organization?**

Change is hard. We need to believe that making a change is going to bring about positive results, or we're inclined not to bother. When results are clearly spelled out, however, it's hard to deny them. But don't just take our word for it.

# The Message (internal / external)



## Source

SANRAL will move all requisitioning, sourcing and supplier contracting activities to SAP Ariba applications.

SANRAL will be able to make better sourcing decisions with spend analysis insights.

SANRAL will minimize risk and accelerate contract lifecycle with built-in contract management functionality.



## Procure

With a streamlined digital process there is a move to a paperless environment where approvals are quick with a reduced margin for error in the procurement process.

Cut costs and risks as well as ensure compliance using SAP Ariba.

Transact with all suppliers easily and confidently over the SAP Ariba Network.



## Pay

With invoices digitally matched to their respective purchase orders and goods receipts in one system.

Orders and invoices can be easily verified and confidently processed.

Automate accounts payable, from invoice capture through approval.

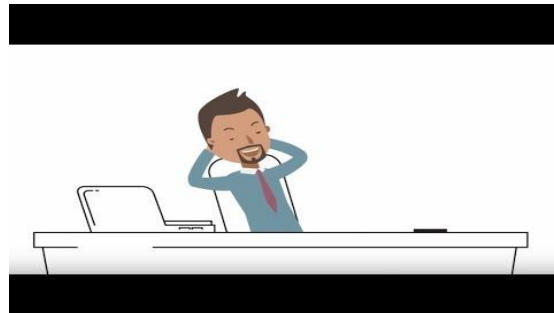
Provide suppliers with real-time payment visibility.

# SIX USER STORIES 1/2



## Procurement Lead

Learn why Pam, Head of Procurement, has so much to celebrate since she began using SAP Ariba solutions.



## Supplier

We've also created a video to share with your suppliers, which features Carlos being asked to join Ariba Network. He talks about how joining Ariba Network has opened up a world of opportunities for him as a supplier.



## End Users

Let your end users know they now have a streamlined digital process for finding what they need from pre-approved suppliers at pre-negotiated rates. With less paperwork, approvals are quick and there are fewer payment errors!

# SIX USER STORIES 2/2



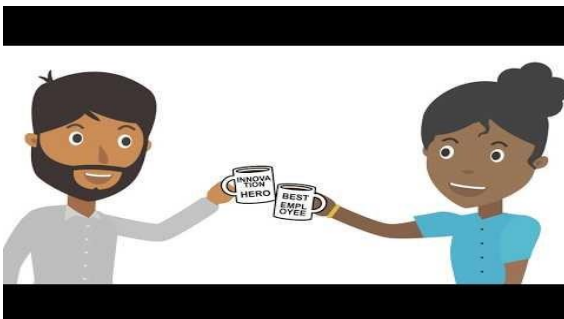
## Payables and Finance

Laura transforms accounts payable into a strategic asset by automating payables processing and precisely timing payments. With invoices digitally matched to their respective purchase orders and goods receipts in one system, orders and invoices can be easily verified and confidently processed. Invoice exceptions are caught before they even get to AP. In the end, suppliers get paid faster and AP gets better discounts!



## Program Lead

Jane plays a critical role in the implementation of SAP Ariba within her organization. A successful change management strategy includes a clear roadmap, shared program vision, and the full support of her team. By bringing together all stakeholders, she ensures alignment and collaboration.



## IT Lead

Joe helps to digitally transform procurement in his organization through simplified integration, as well as ensuring system and data security.

# The reality

- SOP's issued for continuation of services electronically under lockdown conditions
  - Tender advertisements
  - Tender briefing
  - Tender closure
  - Tender evaluation
- Transition to SAP – value add is understood
- 4IR - Digitisation is scary (change is hard for some)
- Lack of confidence; need constant tutorials
  - Live assisted sessions with technical team
- Aversion to automation – prefer paper
- Different level of skill and competence
- Some are fast learners, others not
- Training has to be continuous