



# Process Excellence for Procurement

How Procurement departments can optimize  
processes for the objectives that matter



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# **Introduction**

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# Transformation

now

**Rising customer expectations.**

**Agile, digital-native competitors snapping at your heels.**

**The constant pressure to move faster — while also cutting costs.**

For any big enterprise, business transformation is imperative — and Procurement is a great place to start. It's often full of low-hanging

fruit, whether it's opportunities for automation or easy cost savings. Optimizing Procurement processes can deliver significant and immediate value to the business — and pave the way for other departments to follow.

Even so, it's easier said than done.

You're hamstrung by legacy systems that are hopelessly out of date. Your processes are expected to run across a rigid and segmented technology landscape. Frankly, the sheer number of systems and siloes you have to deal with keeps you up at night.



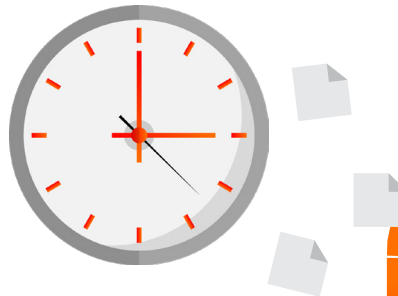
# We call it operational friction.

**It's the slow calcifying of workflows. The increasing demands of rework. It's where productivity and business outcomes go to die — very, very slowly.**

Operational friction is the natural by-product of scale and complexity, but it's holding back enterprises at a critical time, getting in the way of their ability to execute to their full potential.

By identifying and eliminating operational friction, AI-enhanced Process Mining can help Procurement departments execute more effectively—and ultimately deliver better outcomes.

**Here's how.**





The background is a vibrant collage of overlapping geometric shapes in various shades of orange and red. On the left side, a large, bold white number '2' is prominently displayed, partially overlapping the colorful shapes.

2

**Meet  
AI-enhanced  
Process  
Mining**



**Do you know  
what's going on  
inside your  
business?**

# You know operational friction is hampering your business if...



**Your execution  
isn't where you  
want it to be**

Processes are at the heart of execution. So if you want to successfully optimize Procurement to achieve its business goals, you need to remove friction from your processes.



**But you can't see  
how your processes  
really run**

You need an intelligent layer that sits on top of your technology landscape, and proactively identifies and removes the obstacles getting in the way of your execution.



**So you don't know  
what's getting in  
the way, or why**

That's what Celonis provides.



**And you don't have  
the means to fix it**

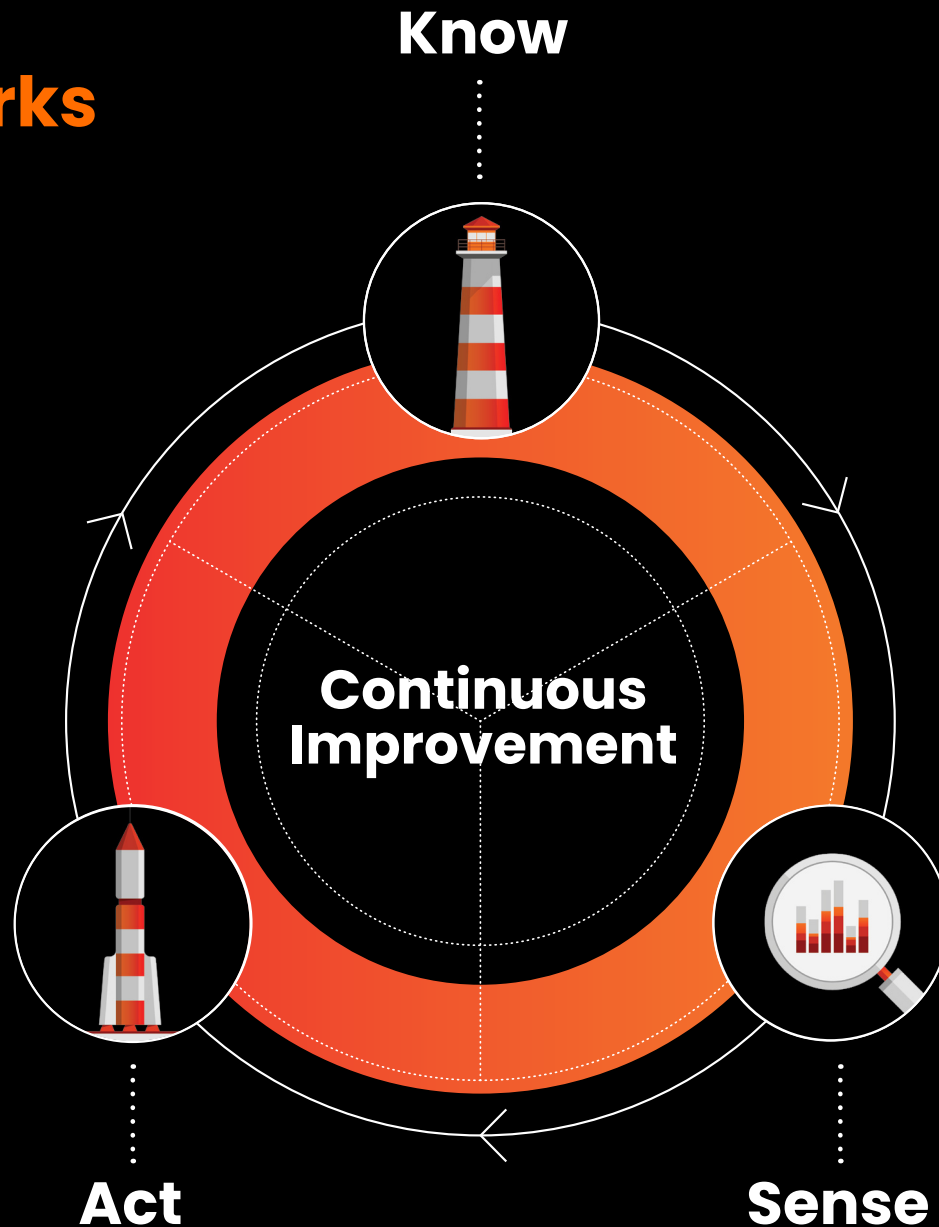
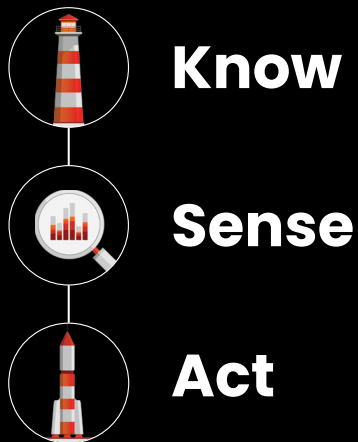
Our system brings together Process Mining, AI and automation to empower companies to manage all aspects of their business execution.



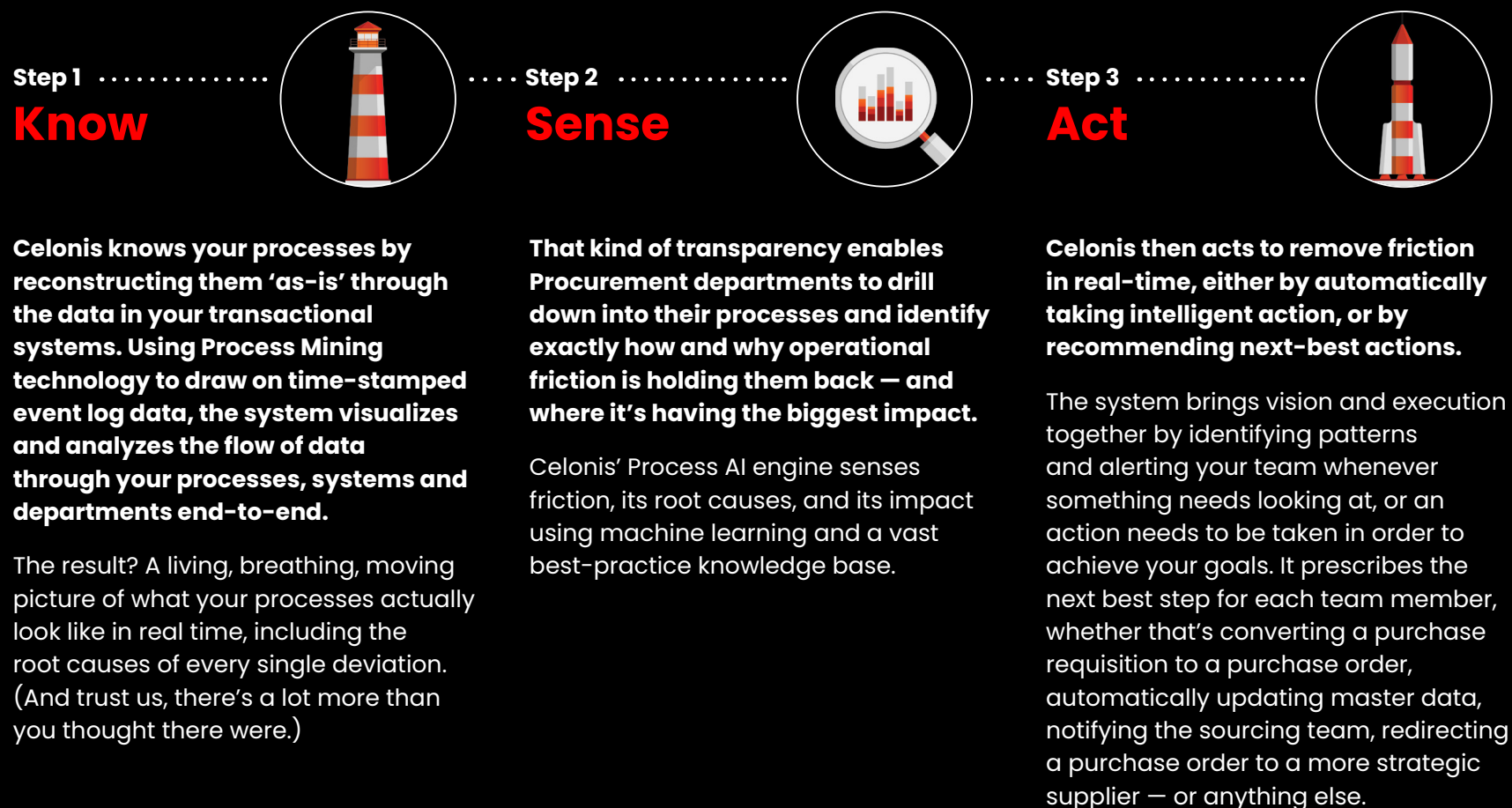


# How AI-enhanced Process Mining works

AI-enhanced Process Mining is the key to more intelligent processes — processes that automatically self-correct to resolve operational friction, enabling better execution and better outcomes.



# How AI-enhanced Process Mining works



**It means better execution, and better outcomes. We call it Frictionless Procurement.**



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# End-to-End Optimization

# What Frictionless Procurement looks like in action

## Drive outcomes across Procurement



Increase Perfect PO rate – right the first time



Reduce material lead times



Increase automation rate



Ensure compliance and crack down on maverick buying

Being the VP of Procurement isn't a job for the fainthearted. Everybody loves to hate you, even though you're the department keeping the lights on.

But you know that getting procurement right actually means enabling the business to deliver on customer experience – without breaking the bank. You're a steward of the enterprise, working across the organization to maximize purchasing power. You keep pace with the business' rapidly changing requirements, all while nimbly adjusting for the dynamics of a volatile supplier ecosystem and a strained supply chain.

From optimizing spend and driving productivity, to getting better deals and negotiating more favorable payment terms – every purchase order is an opportunity to make money.

You live for 'perfect' purchase orders – the elusive PO that's right the first time. Reducing material lead times gives you a real thrill. And you look forward to the day you've completely eradicated maverick buying from the business.

## But your day-to-day is not so rosy.

Achieving your goals would be a whole lot easier if you could actually have complete transparency over aggregated buying activity across the company. Then you'd actually have a chance of identifying the maverick buyers, the inconsistent codes, the multiple suppliers, and any other repeat offenders making your life harder.

Inaccurate or out-of-date master data dogs your every step, resulting in price and item discrepancies that delay purchase orders and generally cause chaos and confusion.

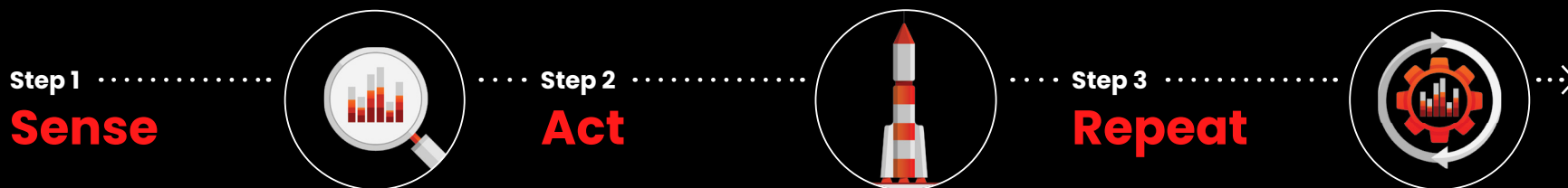
Last but not least, your purchase orders are far from touchless – let alone first-time-right, every time.

Here's where AI-enhanced Process Mining can help.



# AI-enhanced Process Mining at work

**Meet the perfect PO — one that's right the first time, every time. By eliminating rework and deploying judicious automation, you can increase productivity and optimize material lead times. It's not just touchless — it's perfect.**



## Step 1 **Sense**

Understand when and where POs require manual rework and establish why — is it a price or quantity change? A delivery date shift, or an unnecessary block?

Maybe you learn 40% of price changes are taking place because the master data's gone out of date. Sourcing's renegotiated your contracts — but those prices haven't been reflected in the source data. Now what?

## Step 2 **Act**

Once you've identified the root cause, you can address it. You can track all manual changes, predict rework, and alert your teams to update specific data fields before they start being a problem.

Or you could preempt it entirely by automatically updating the master data based on the sourcing contract. You've just eliminated price changes due to out-of-date master data — forever.

## Step 3 **Repeat**

Track your perfect PO rate over time and tweak your process to continually improve it as new process insights come to light. It's what we call a virtuous cycle of continuous, automated improvement.

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**By giving you complete transparency over your purchase-to-pay process, Process Mining helps you identify the blockers that are getting in your way. Resolve them to reduce spend, improve execution and drive productivity higher than ever.**



# Vodafone increased their 'Perfect PO' from 73% to 96% — in a year

Vodafone's Procurement department processes 800,000 purchase orders, 5 million invoices and 40 million assets every year.

**Using Process Mining, they analyzed their source-to-pay process to discover where inefficiencies and deviations were driving up costs and delivery times.**

Their goal was to get their 'Perfect PO' rate — right-first-time ordering — from 73% to 80%.

In six months they got it to 85% — and with 85% of purchase orders produced correctly the first-time round, they managed to reduce the cost of each PO by 11%.

Within the year, their Perfect PO rate had reached 96% — improving their time-to-market by 20%, too.

[Learn more](#)

“

**I like to use the Perfect PO initiative — right-first-time ordering — as the perfect use case for how Process Mining enabled us to transform the business to perform on a world-class level.**

**When we kicked off this initiative our Perfect PO rate was at 73%. Only six months later we over-achieved our 80% annual target by hitting 85%.**

”

**Israel Exposito,**  
Head of SCM Data Governance,  
**Vodafone**

# Driving process excellence and execution across the organization

**The power of AI-enhanced Process Mining is cumulative.**

**It drives outcomes rapidly and effectively within a single process or department, but its real value lies in what it can do when it is applied end-to-end.**

That's where you break down silos, facilitate change and get people who previously wouldn't speak to each other to actually collaborate.

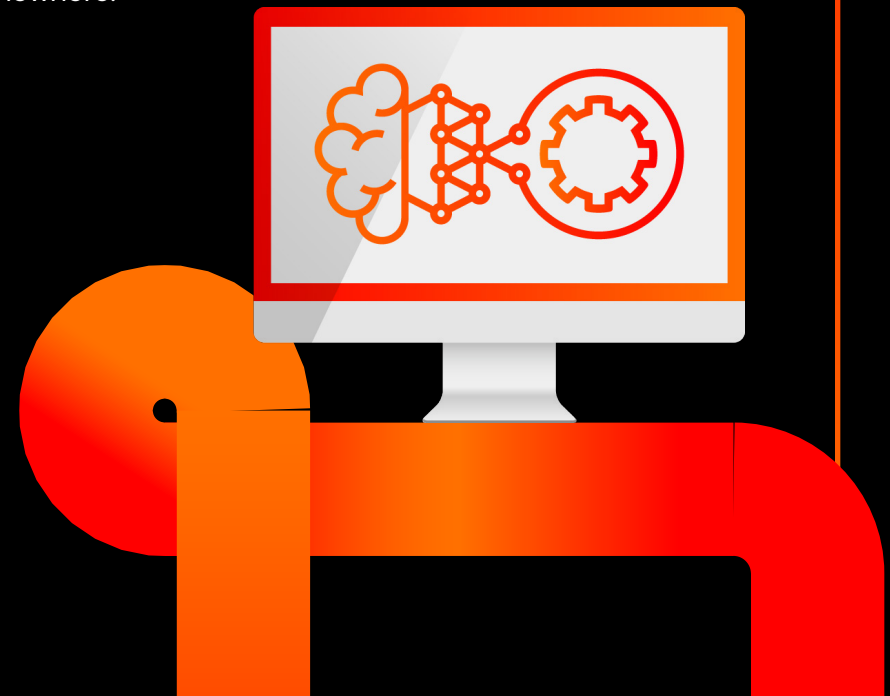
By identifying and eliminating operational friction, Process Mining can help Procurement departments execute more effectively and achieve their objectives accordingly.

Accounts Payable will also thank you for it though, as the trickle-down effects of effective execution start to benefit them, too.

It's just the beginning of a company-wide journey towards process excellence.

But first, you need to start somewhere.

Start with Procurement.





**Celonis is the market leader in AI-enhanced Process Mining and Process Excellence software. The system helps Procurement departments everywhere remove friction from critical business processes and improve both their execution and their outcomes.**

To find out more about AI-enhanced Process Mining and what it can do for your Procurement department, [get in touch.](#)

[www.celonis.com/frictionless-procurement](https://www.celonis.com/frictionless-procurement)

