

Coping with Supply Chain Risk through More Effective Supplier Management



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ORACLE
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Program Agenda

- 1 Procurement Challenges
- 2 Oracle Procurement Cloud Overview
- 3 Future Ready Technology
- 4 Q&A

Increasing Demands on Procurement

“Business continues to change at an accelerating speed, as enterprises and their suppliers are forced to adjust to new, disruptive technologies, intensified competition and a marketplace that continually resets expectations.”

*Source: Ardent Partners

“Too many CPOs implement technology to do more of the same, that’s a fundamental mistake. We need to automate the things that Procurement has traditionally done so we can have strategic conversations with the business.”

*Source: Fortune 200 CPO

Procurement must rethink its mission and model

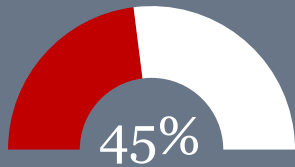
The path to becoming a strategic business partner



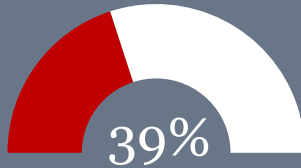
Sources: Ardent Partners CPO Rising; Deloitte CPO Study; AT Kearney

Why Transform Procurement?

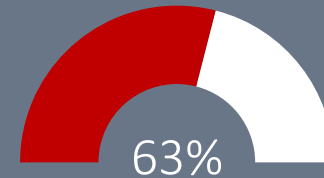
61% of CPOs say they are only “somewhat effective” at delivering value



of spend is contract
compliant



of addressable spend is
actually sourced



of spend is linked to a
purchase order

*Source: Ardent Partners CPO Rising

12 to 18%

Cost difference between “maverick” spend and spend made against contracts achieved through digitization

-Ardent Partners

2.5X

Level of effectiveness in managing supplier risk vs. peers through digital transformation

-AT Kearney: “Mobilizing for excellence in supply management”

\$6 million

Potential annual procurement-generated savings from digitization for world-class company with \$10B in revenue

-Hackett Group

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“ Leaders are more than 2.5 times more likely to invest in positioning procurement as a strategic partner and transforming procurement by investing in digital technologies ”

A.T. Kearney: “Mobilizing for excellence in supply management”

Could you benefit from modernizing your procurement systems?

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Digital Transformation: Raising the Bar

World-class organizations vs. that of peer groups

35%

Performance improvement
(measured by cost)
using digital tools

39%

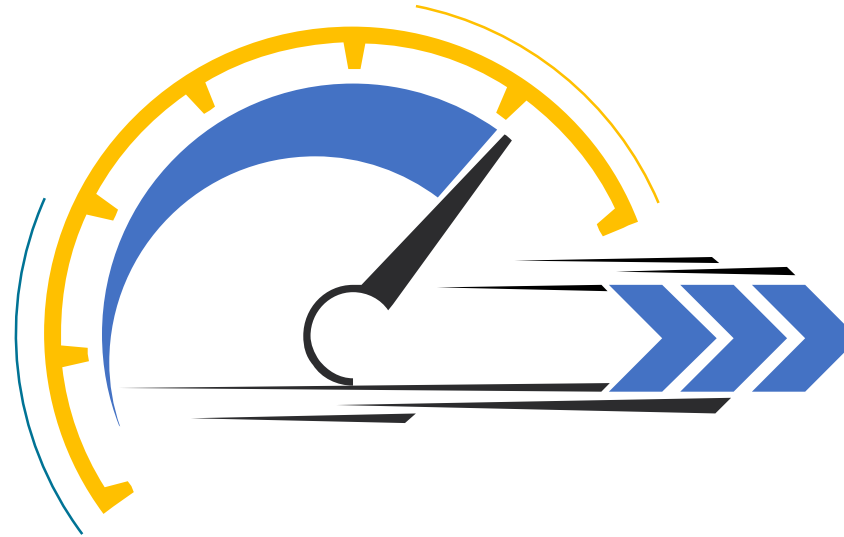
Reduction in the
number of lapsed
contracts

3x

Reduction in number of
transactions requiring
error corrections

30%

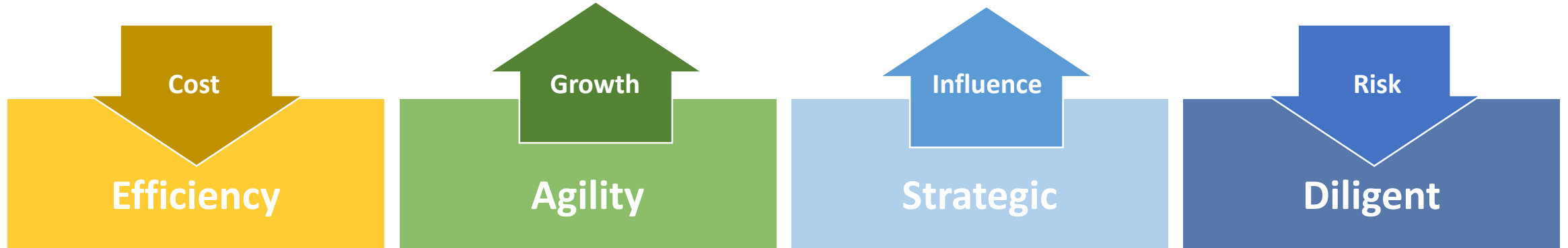
Reduction in overall
sourcing cycle times



Source: Hackett Group "Raising the bar in procurement"

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Why Digital Procurement Technology?



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Oracle Procurement Cloud

A complete and modern source-to-settle solution



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Future-Ready Solution



Secure

- Virtual tenancy
- Unified access control
- Local data residency



Scalable

- Most scalable architecture
- 200M+ transactions per hour



World Class

- Tier IV facilities
- Strong regulatory compliance
- Rigorous operational governance



Integration

- Seamless integration across clouds, on premise and 3rd party apps

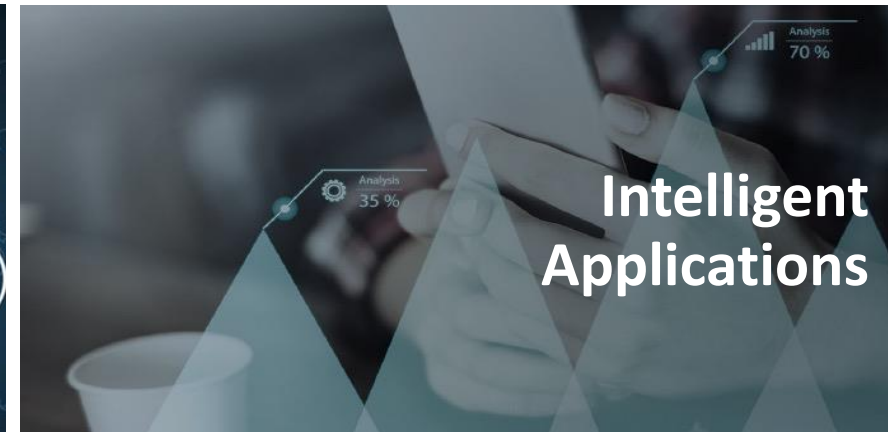
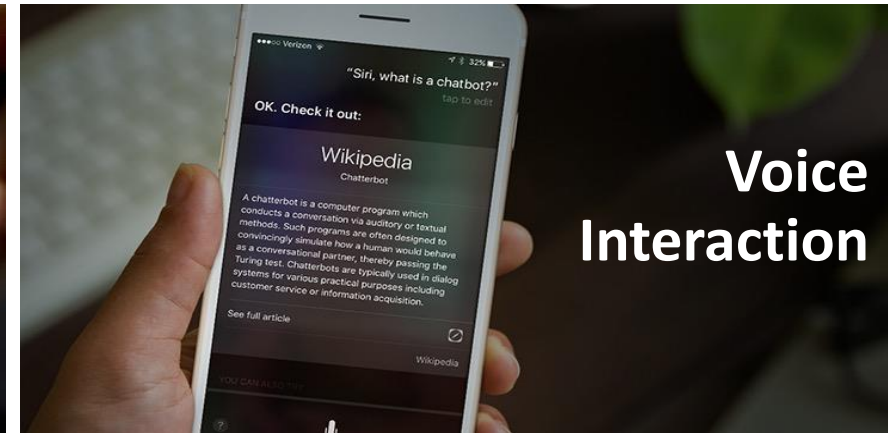


Innovation

- Rapid and customer-driven innovation with true cloud

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Future-Ready Technology



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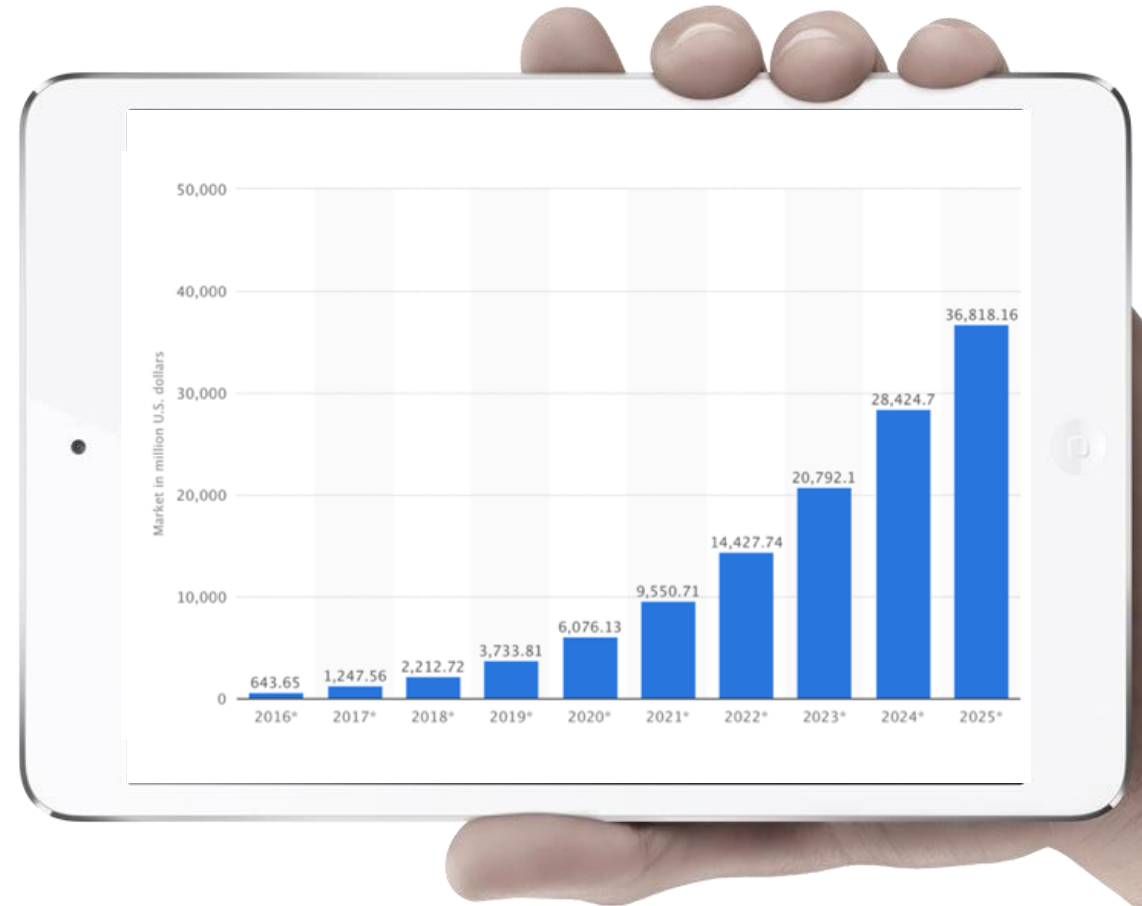
Modern Usability



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Conversational interfaces on connected devices

"Conversational AI-first" will supersede "cloud-first, mobile-first" as the most important, high-level imperative for the next 10 years



Modernizing procurement through intelligent bots

Simplify interaction using modern technology

Increasing use of bots in enterprise applications

- 4.1 Billion users on messaging apps such as Slack
- 6 of the Top 10 most used apps globally are messaging apps
- 90% of businesses use Facebook to respond to service requests
- Already 30,000 bots on Facebook and Kik, according to McKinsey & Company and TheVerge.com in 2016

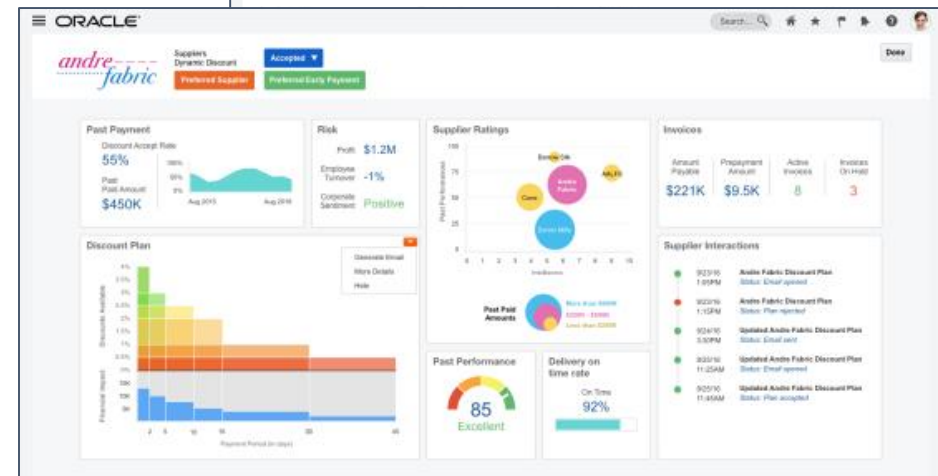
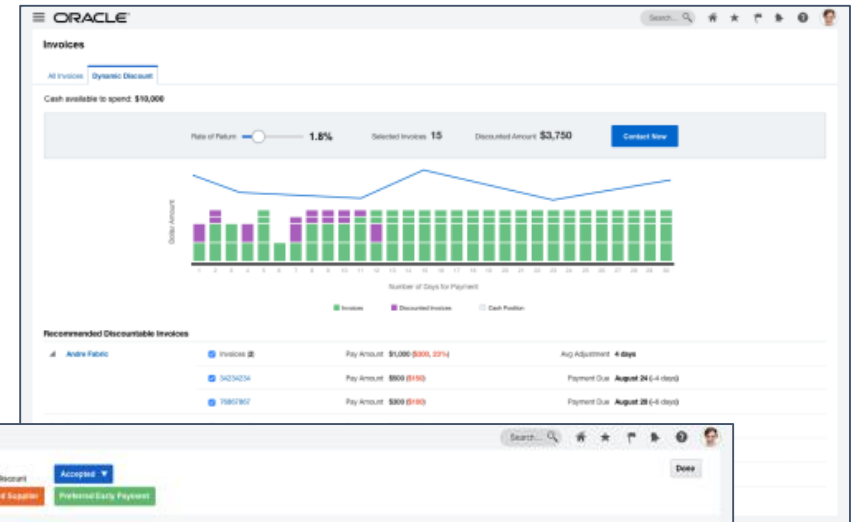


Adaptive Intelligent™ dynamic discounts

Optimize working capital and increase savings

Use real time internal and external supplier data to evaluate suppliers and recommend the best dynamic discount candidates

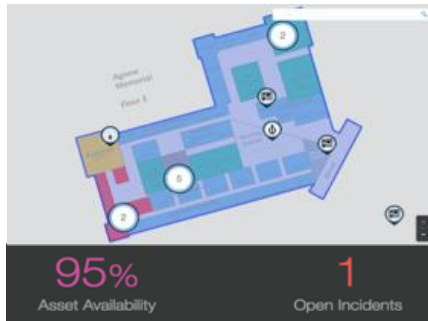
Integrate with cash flow modeling to determine if and when to offer dynamic discounts



Oracle IoT applications

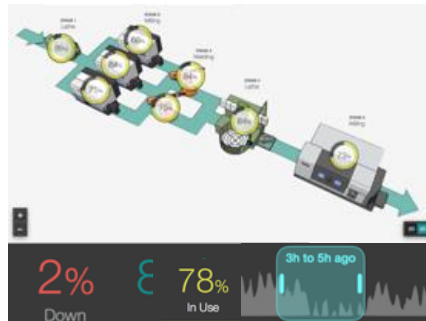
Powerful applications. Simple to deploy. Simple to use.

Asset
monitoring



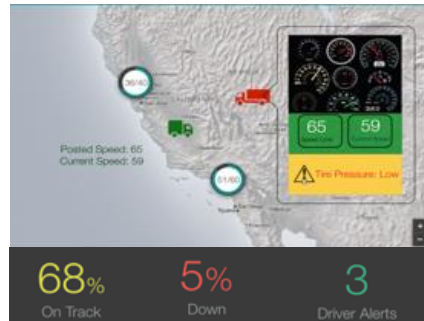
Monitor assets, their utilization, availability

Production
monitoring



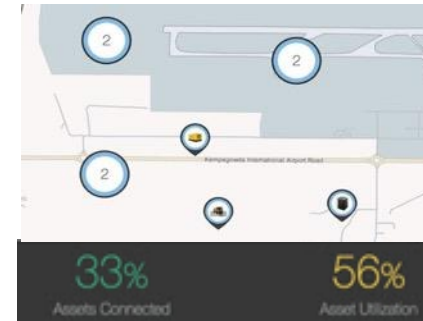
Manufacturing equipment Monitoring & prognostics

Fleet
monitoring



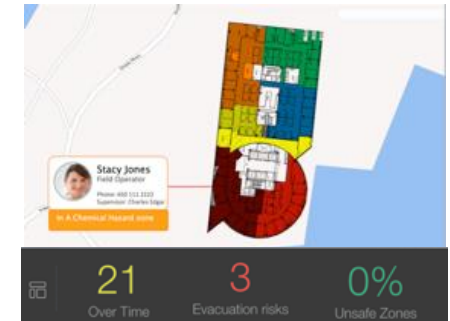
Monitor fleet vehicles, driver behavior and costs

Service
monitoring



Monitor operation of connected assets, diagnose and correct problems

Connected
worker

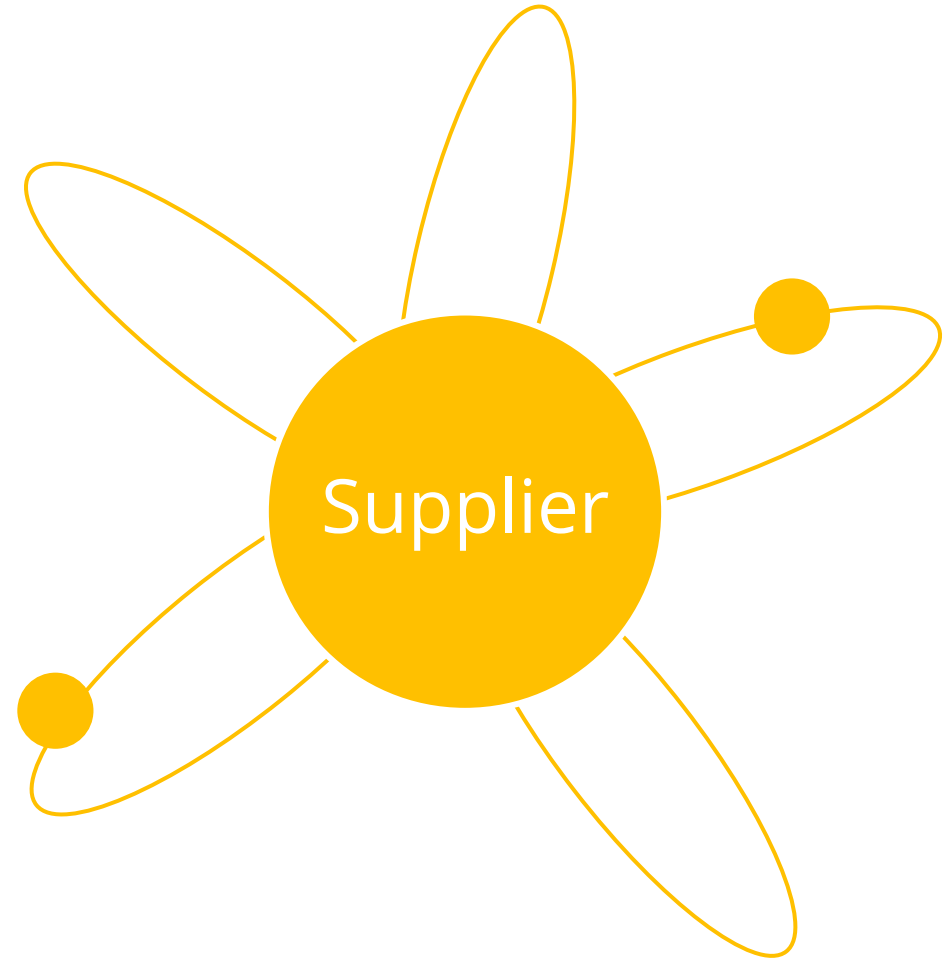


Enhance worker safety through monitoring of workers and environment

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The Future of Supplier Information Management

- Leverage big data to validate and augment supplier information
- Provide a complete and accurate view of supplier profile information
- Simplify qualification and onboarding



Learn What's Possible with Future-Ready Procurement

End-to-end source-to-settle in the Cloud



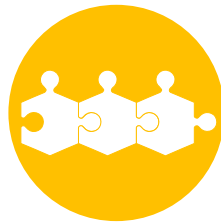
Real-time, in context analytics that optimize decision making



Integrated collaboration improves productivity and value



Self service procurement and approvals increase spend compliance



End-to-end source-to-settle solution improves agility



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Questions?



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