

Sourcing services quickly and efficiently has long been a challenge for procurement. An integrated approach transforms the experience significantly when it includes stakeholder engagement and real-time sourcing of competitive suppliers, powered by innovative AI-driven technology.

Santander Group Revolutionizes Services Spend with Globality and Aquanima

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An Integrated Approach Reinvents the Services Sourcing Process

Transforming the way services are sourced is an untapped opportunity for global enterprises. Procurement teams utilize purchase orders, purchase cards, and catalogs for goods, but when it comes to services, the methodology changes and becomes much more complex. Service methodology requires a different approach, taking into consideration the service to be performed, the skills required to do the work, and the monitoring to completion of the given service.

In most cases, the stakeholder's knowledge of the services required is deeper than procurement's understanding, which can further slow down the procurement cycle of competitive bidding, sourcing, monitoring, and completion of the service.

For these reasons, services spend has notoriously been a slow, cumbersome, and painful process for both procurement and its stakeholders. In addition, not all services categories are created alike, and many require different procurement methods that have not been captured well by traditional technologies and operating models:

- » **Field services and maintenance services:** These services are tied to explicit requirements to maintain or repair a particular piece of equipment so that it meets all field and warranty requirements. Each aspect is typically detailed within the supplier agreement, monitored for completion, and then paid for appropriately.
- » **Consulting firms, marketing agencies, and real estate firms:** These services are typically project based, include milestones, and are billed and paid for based on their achievement of said projects.
- » **Outsourcing services:** These services usually have a statement of work (SOW) to be completed, which includes the aspects of volume, type, and nature of work tied to specific key performance indicators (KPIs).

SOLUTION SNAPSHOT

ORGANIZATION:

Santander Group, a multinational financial services company

ORGANIZATIONAL CHALLENGES:

- » Partially automated procurement processes
- » Analysis of spend and realization of sourcing savings
- » Services procurement processes
- » Services stakeholder needs and sourcing of suppliers

SOLUTION:

Santander Group's procurement BPO of Aquanima integrated with the Globality Platform and SAP

BUSINESS BENEFITS:

- » Maximized services sourcing savings
- » New buying channel for high-value strategic services
- » Reduction in supplier selection
- » Instantaneous supplier matching to services required
- » Leverage of artificial intelligence, machine learning, and natural language processing to instantly match suppliers to services required
- » Double-digit savings from real money, efficiency gains, process standardization, and instantaneous marketplace exposure

Achieving the transformation to an innovative service spend approach requires a procurement organization to revisit its operating model and processes, using integrated solutions to revolutionize the services source to pay process. It requires an integrated approach because the meaningful change occurs by adding intelligent insights, instant accessibility, and a seamless experience, immediately improving the services sourcing spend process. When this process is married with the right innovative technologies and in the correct context, organizations enjoy an immediate reduction in cycle times, more transparency into the supply base for all stakeholders, and a significantly better buying experience.

Santander Group's Aqanima Transforms Services Spend with Globality

Aqanima, a Santander Group company headquartered in Madrid, Spain, is a global firm specializing in delivering holistic procurement solutions. Established in 2000, Aqanima has more than 20 years of experience and over 500 procurement specialists. The company has managed over 9,000 contracts, currently works in 12 countries, and has over 120 external clients. Clients range in size and industry, including midmarket to large enterprises in retail, banking, universities, fast food, manufacturing, and consumer products.

Aqanima has optimized its procurement processes by combining its core SAP Ariba and SAP Fieldglass systems with Globality's bespoke platform and marketplace for services to develop a modern hub-and-spoke procurement technology ecosystem, creating a purchasing process that is efficient and agile and minimizes supplier risk.

Services spend had continued to plague the organization regardless of the procurement function, so to counteract the long source-to-services cycle times, poor visibility, and lack of competitive sources, Aqanima found a best-of-breed technology-driven solution that could be applied to the entire services sourcing process. Globality's innovative self-serve platform was chosen to augment SAP Ariba's capabilities, helping both Santander and Aqanima make better buying decisions and bringing more value to the wider business.

Globality's platform and marketplace became the engine for buying services, using the power of artificial intelligence (AI), machine learning (ML), and natural language processing (NLP), to quickly search for the best suppliers to fulfill the services requests. This integrated solution leverages Globality with SAP, helping Santander Group make faster, more effective, and more informed sourcing decisions.

In fact, Alejandro Schipani, Global Head of Delivery at Aqanima, believes Globality, an SAP ecosystem partner, enhances the core SAP Ariba and SAP S/4HANA platforms, transforming the overall experience of the business user in the following way:

- » **The user experience.** Users can enter the procurement portal when they have a services need, and behind the scenes, the system checks the budget and cost center in the SAP ERP system. If it matches, the system triggers a spend request, which starts the services sourcing process in Globality's platform. With one click, an individual can see the business unit information, scope the service, and then publish the report as an RFX/Q. Globality's approach coupled with AI, ML, and NLP brings the cost controls, services tasks, contracts, and so forth into one system, automating the workflows overall. In addition, it also aligns stakeholders and connects into the SAP ecosystem as needed, identifying competitive sources of supply from Globality, Aqanima, and SAP Ariba.

Tangible Benefits with Globality and SAP Integration

The integration of Globality with SAP has yielded great value, transforming the traditional analog services sourcing process through the creation of a true ecosystem partnership. As a result of time and efficiency gains and the new self-sourcing model, Aqanima's team is able to focus more resources on high-value strategic goals such as supplier diversity, supplier innovation, and helping clients achieve their ESG targets. According to Schipani:

- » "Globality has reduced the long cumbersome semi-automated steps in the process to instantaneous results, pushing the RFX/Q to market. Process standardization and optimization are key contributors from Globality as well as additional suppliers that are found using the AI, ML, and NLP that are based on the critical components of the service."
- » "Buyers find Globality's platform brings a competitive tender, suggesting more than one supplier and typically identifying two to six suppliers. With the automated tenders, more players are brought into the market mix. In addition, the tenders are compared through automation, reducing the time of analysis."

The depth and breadth of Globality's provider database means the service request can be compared among providers quickly. One of the largest drawbacks for procurement has always been the difficulty of finding alternative and competitive suppliers from which to do instant cost comparisons. Because these are services, there are many nuances to them, and trying to understand that can bog down the process — sometimes for weeks. The Globality provider database eliminates the question of why a certain supplier was chosen; procurement is simpler, faster, automated, and competitive.

In addition, Schipani highlighted the immediate cost reductions as a result of competitive bidding — not just in one digit but often in two digits — delivering real savings to the organization as well as efficiency gains. As he noted, "Instead of a few percentages of savings, the savings are on average from 10% to 15% across a multitude of services. When you add in the efficiency, process standardization, and real-time marketplace aspects, those savings can go north of 20%."

Challenges

As with any technology provider, it's important to assess not only the technical functionality of specific tools and support services provided but also the company's vision for the future of procurement and the way that individual components and platforms fit together.

Due to the breadth of SAP's technology portfolio, organizations should perform an evaluation of their ability to integrate their versions of SAP's core products with the new best-of-breed solutions. The goal of such an evaluation is to ensure a quick implementation and immediate use.

Additionally, organizations may see clear value in innovative solutions such as Globality's and worry about having the change management capabilities and resources to take full advantage of such a platform. In this case, they should ensure that third-party services partners exist in their area or industry to assist with the development of a best-of-breed ecosystem, consisting of a core solution such as SAP combined with bespoke enterprise applications.

Globality's AI predicts the most qualified suppliers based on merit, regardless of human bias, to meet a particular service need.

Technology Leads the Way in the Digital-First World

Technology has also been an enabler of business processes, employees, and performance, but in the digital-first world, it becomes the engine that drives greater quantifiable benefits in real time. The many-to-many aspects of innovation, when applied to a multitude of data sets, is a sure winner for the digital enterprise. The innovation from Globality's integration with SAP creates multiple dimensions that quickly materialize into winning business benefits of quicker, simpler, standardized, automated processes; ease of sourcing and stakeholder engagement; supply base optimization to business value; and clarification of the SOW for suppliers.

From a technology perspective, SAP clients can quickly reap the benefits from ecosystem partners such as Globality. The ability of Globality's platform to monitor, source, learn, and identify the right suppliers for each need, based on the specifications, standards, and rules within a company, means the additional value can be realized immediately.

Methodology

The project and company information contained in this document was obtained from multiple sources, including information supplied by Globality and questions posed by IDC directly to Aquanima.

About the Analyst



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Mickey North Rizza is program vice president for IDC's Enterprise Applications and Strategies, Financial Applications, Enterprise Asset Management and Smart Facilities, Procurement Applications, and Digital Commerce research practices. She leads a team of analysts responsible for IDC's coverage of next-generation enterprise applications, including ERP, financial applications, procurement, supply chain automation, enterprise asset management and smart facilities, professional services automation, and related project-based solutions software and the digital commerce business applications and network.

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Through its AI-powered Platform and Marketplace, Globality is revolutionizing how companies buy and sell services and bringing digital transformation to the sourcing industry. Globality's AI digital solution replaces the archaic analog Request for Proposal, efficiently and effectively scoping needs, managing demand, matching companies with outstanding suppliers that meet their specific service needs and cutting the sourcing process from months to hours while delivering savings of 20% or more. For more information, visit www.globality.com.



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