Moving to Scanmarket

Accelerate Your Digital Transformation

Scanmarket

If you're reading this, it's likely you've run into challenges with your current source-to-contract (S2C) software platform. Perhaps you're coming up against resistance across the organization and not getting the user adoption you had expected. Maybe you aren't seeing a demonstrable ROI. It's also possible you aren't getting the technical or customer support you need. Or it may simply come down to your current solution is too clunky and difficult to use.

When The Time is Right

The fact is you have no time to lose. If you don't make the move to a platform that your team adopts, you're in danger of falling behind your peers and competitors. Organizations risk being locked in a circular trap of complacency by auto-renewing their software, leading to a decrease in overall satisfaction.

Most organizations see a positive change in satisfaction with a new vendor. In fact, **over half of organizations are 60%+ more satisfied after changing vendors** according to <u>research conducted by InfoTech.</u>

Costs of switching are real, but auto-renewal should not be the default. Check your expectations. Switching takes time and effort. But, **given that 80% of organizations see a positive change in satisfaction after switching vendors**, it is possible to reap the rewards from change.

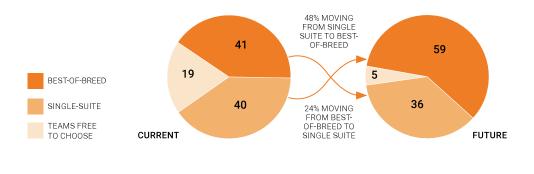
What matters most is making sure your organization is well positioned to make a switch. Download <u>Switching</u> <u>Software Vendors Overwhelmingly Drives Increased</u> <u>Satisfaction</u> for InfoTech's methodology. When it comes to switching software vendors, the grass really can be greener on the other side.



Best-of-Breed vs. Full-Suite

There are many voices in the discussion around whether to choose a best-of-breed or a full-suite solution. The trend, followed closely by Procurement Leaders (see Figure 1), is showing that more digitally mature organizations are moving away from singlesuite solutions, as those providers are unable to meet their specialized needs, in favour of best-of-breed solutions. At Scanmarket we see this strategy as complimentary – using several systems and providers to cover all your needs, and provide expert support in specific areas, as not one system is able to fully provide all the capabilities that you need for your procurement lifecycle.

Figure 1: Current and future system strategy (% of respondents)



Source: Procurement Leaders (2021)



What Your Industry Peers Have to Say

According to <u>Gartner Peer Insights</u>, Scanmarket scores a 4.8 out of 5 for customer satisfaction, and 90% of respondents would recommend Scanmarket. Reviews are rigorously vetted by Gartner, the world's leading research and advisory company with no vendor bias, no hidden agendas, just the real voices of enterprise users. Scanmarket receives particularly high marks in the areas of:

- » Customer Experience
- » Evaluation & Contracting
- » Integration & Deployment
- » Service & Support
- » Product Capabilities

<u>SoftwareReviews</u> named Scanmarket a gold medalist as it received an 8.7/10 composite score, which represents the complete and aggregated satisfaction score from end users. According to SoftwareReviews; "Scanmarket is one of few strategic sourcing solution providers capable of delivering innovative yet user-friendly quality technology, combined with solid execution, support and services" (Scanmarket Product Scorecard, Feb 2021).

Scanmarket's strongest capabilities span across very diverse areas of both product features, vendor capabilities and the softer organizational ethos that makes up an innovative and trustworthy source-tocontract solution, resulting in a 100% Plan to Renew and above average scores in Ease of Implementation and Usability and Intuitiveness reported by end users. The top satisfaction scores representing vendor capabilities and product features include:

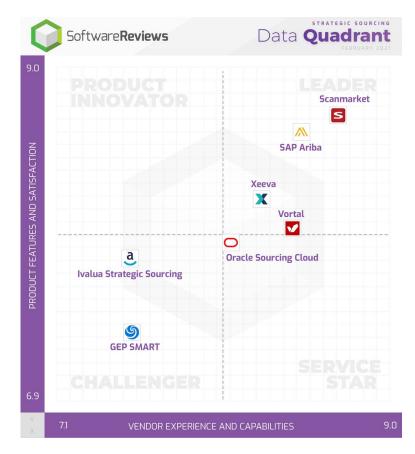
- » Product Strategy and Rate of Improvement
- » Business Value Created
- » Quality of Features
- » Spend Analysis
- » eRFx
- » eAuction Functionality
- » Auction Management
- » Procurement Management
- » Availability and Quality of Training

Scanmarket also received an Emotional Footprint score of +96/100, including top scores around Continually Improving, Helps Innovate, Respectful, Reliable, Efficient, Caring, and Acting with Integrity. Emotional Footprint Metrics in which Scanmarket ranked highly include:

- » Likeliness to Recommend
- » Cost-to-value Satisfaction
- » Vendor Support & Service Experience
- » Enabling Productivity & Saving Time
- » Enhancing Performance
- » Problem Resolution Experience (Being Trustworthy, Acting Fair)
- » Effective & Knowledgeable Teams
- » Using Client Friendly Policies and many more.

The Emotional Footprint makes the <u>SoftwareReviews</u> <u>Data Quadrant</u> unique as it is the inclusion of aggregated emotional response ratings in the areas of Service, Negotiation, Product Impact, Conflict Resolution, and Strategy and Innovation. This creates a powerful indicator of overall user feeling toward the vendor and its product from the software users' point of view.

Figure 2: Software Reviews Data Quadrant for Strategic Sourcing 2021





Justify Your Migration

Your decision to migrate to a new source-to-contract software platform is an important one. However, in some cases the benefits and efficiency gains may not be enough on their own to justify buy-in from decision makers or stakeholders.

This software is central to your business and will determine how successful your procurement department will be at driving savings, efficiencies, compliance, visibility and control. The financial impact should be carefully considered with longevity top of mind. The most comprehensive way to analyze and justify your migration is with data.

o1 Identify the funding process

Start by identifying your company's funding process and who your senior decision makers are. If it is the CEO, digital transformation is probably already becoming a business strategy, and you need to tap into the key metrics that the CEO would be looking for. Some of your other key enablers may be found within the Procurement, Finance, IT or Risk Management departments – and you then need to identify what they care about and ensure you have the numbers to back it up. Garter quotes the top project cancellation drivers as priority change, ROI concerns and budget issues as senior stakeholders are not included early enough in the project (Gartner, Technology Buying Dynamics – From Endless Opportunities to High-Quality Deals, 2019).

o2 Benchmark through key metrics

Next step is to build your business case to justify a migration, built on benchmarking through key metrics:

- » Do you know the ROI of your procurement organization?
- » What is the ROI per procurement FTE?
- » Compare with other organizations of similar size and spend?
- » What is your spend under management vs total spend?

When building the business case, you want to avoid discussions around headcount reduction and decommissioning of existing tools in order to approve a new software investment. Instead focus on what competitors are doing, how technologically advanced your customers are, and what is the impact of the regulatory environment?

o3 Introduce best-practice results

Use best-in-class examples to support your case – focusing on efficiencies and savings generated through alignment with internal needs, good project execution and high user adoption – all areas where your organization can drive and influence the results of a software migration. Using un-biased research (Aberdeen Research Group, page 8) will help to identify which results are realistic, when the right solutions are leveraged correctly, identify your current gaps and help quantify the ROI of a move to a new provider.

04 Pricing a solution

Once you've built your business case it is time to create a best guestimate of what an actual solution will cost. In that you need to include:

- » What will a solution cost (annual subscription, implementation)?
- » Do you need an implementation partner?
- » What does the implementation and possible data migration process entail?
- » What will the implementation timeline be?
- » How are you planning to drive adoption/user training?
- » What will maintenance require going forward?

And finally – you need to think of selling the upside of making an investment in procurement technology. This is where you need to think beyond ROI, and identify efficiencies, effectiveness, improvements around compliance and risk management – and most importantly: freeing up time to focus on more strategic, and less tactical activities.

INCREASE ADOPTION AND IMPROVE YOUR RESULTS

Aberdeen Research Group has provided some interesting results from simply increasing adoption of your sourcing solution and thus improving results greatly.

Run more eSourcing events...

.... and achieve greater benefits



Figure 3: The TOTAL number of eSourcing events you conduct each year

Figure 4: Benefits of eSourcing

All Others

51%

5.6%

59%

BEST-IN-CLASS: USE OF AUTOMATION & SUPPORTING TOOLS - DIRECT VS INDIRECT



Figure 5: Best-in-class use of automation for Direct and Indirect spend

BENEFITS OF CONTRACT MANAGEMENT

Maturity Class Index	Best-in-class	All Others
Contracts in a searchable repository - Aberdeen Research Group	75%	33%
Reduction in administrative costs - Aberdeen Research Group - Goldman Sachs	50%	0%
Average cycle time to create, negotiate and approve contracts - Aberdeen Research Group	40 Days	(49 Days)

Figure 5: The benefits of using a contract managent solution to drive improvements

BEST-IN-CLASS: DRIVING IMPROVEMENTS THROUGH CONTRACT MANAGEMENT

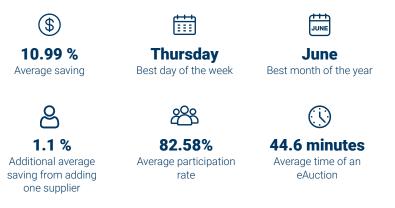
No contract management solution in place

Poor contract management is costing organization an average of 9% revenue each year - International Association for Contract and Commercial Management	^s 9%
Percentage of revenue companies spend to track agreements after signing a contract -Goldman Sachs	5%
Percentage of negotiated savings realised over the life of a contact. - The Faculty	<50%

Figure 5: The cost of not having a contract manageent solution in place.

HIGHLIGHTS FROM OUR 2020 EAUCTION STATISTICS

Research from Scanmarket's Global eAuction Index shows the following results from their own customer base:



CHOOSING A PARTNER

Once you've justified the need for a move to a different source-to-contract provider there are additional points to consider before selecting a new software vendor.

o1 Engage your stakeholders

Make sure to work with stakeholders, users and buyers to understand the key reasons for the failure and define what your key high level objectives and must haves are, but don't get lost in the detail at the specific functionality level - let the vendors show you how they will help you achieve those objectives.

o2 Ensure you select the right partner, not just the right system.

Get the balance right between depth of functionality and simplicity, ease of use and intuitiveness when considering providers, and get the provider to explain how they will ensure you are successful in adoption, embedding and ROI post implementation. Get future key users to test the system rigorously using real life use cases before making a final decision.

When selecting a provider take into consideration total cost of ownership (TCO) including the internal disruption that will be caused due to overly lengthy and complex implementation processes.

03 Plan for change

Ensure that you and your provider have planned properly for the change management process, as this will not happen by itself, and this is the most common reason for failed projects. According to Gartner, much of the complexity within a project is within the buying team, with conflicting objectives, disagreements and consensus challenges all contributing to delays of project cancellations (Gartner, Technology Buying Dynamics – From Endless Opportunities to High-Quality Deals, 2019).

Read more about "Do's and don'ts of digitalization".

IF YOU'RE CONSIDERING A MOVE TO SCANMARKET, YOU HAVE A LOT TO LOOK FORWARD TO:

Digitalization of Source-to-Contract Operations

Define, execute and control best-practice processes and strategies, resulting in enhanced, streamlined operations and better results. Gain valuable, actionable insights from your data to know where to focus and to evolve further.

Maximize Value from your Team

Enhance your procurement function by optimizing your use of key skills and strengths within your team, through automation of administrative, communication and analysis tasks and prebuilt templates, dashboards and reports.

Blueprint for Success

Easy to use, intuitive, flexible software with, tried and tested, pro-active approach to driving implementation and adoption, and lightning-quick technical support where needed: gives buyers, stakeholders and suppliers everything they need to adopt and embed the system quickly, deeply and successfully.

Growth of Digital Maturity

Grow and evolve usage and maturity according to your changing procurement and business needs, using a flexible, scalable and modular Software-as-a-Service solution – implementing only what you need now and building with Scanmarket, as you go.

Partnership Approach

As a true partnership, your success is our success. Scanmarket will support, guide and drive your people and your organization to success from the initial engagement and throughout the relationship, using our deep domain knowledge and experience as a best-of-breed Source-to-Contract solution provider.

Experienced Source-to-contract software house

Ensure success on your digitalization journey by partnering with the founders of the eAuction Index - a recognized software vendor with a 20-year track record of solving upstream procurement challenges based on deep domain knowledge and expertise.



Key Questions to Ask Before Implementation

Changing platforms in an enterprise organization can be overwhelming, but proactive planning can make for a smooth transition. Below is a list of questions that will help you prepare for a successful migration.

1. What are your key procurement and business objectives for this year?

Driving down costs? Increasing the percentage of spend under management? Increasing supplier compliance? Standardization of internal processes? Speed up contract creation-execution cycle time? Increasing visibility of spend data?

By knowing what your key procurement and business objectives are, we can help to ensure your team leverages the platform in the most effective way possible to specifically achieve those objectives.

2. What are your current key procurement and business challenges?

Bottom line? Supply chain disruption? Lack of real-time data? Remote working? Inefficiencies?

By understanding your main current challenges, we can ensure to guide you to leverage the solution in the most effective ways possible.

3. What are the key objectives for the users of the tool?

To deliver more projects? Negotiate better prices? Change management? Embed digital processes?

By understanding what the users want to achieve, we can ensure we speak their language and help them get what they want out of the solution which will help drive usage and adoption.

4. Are there any departments, countries, category managers/users that are classed as being a higher priority in terms of speed and depth of adoption?

US direct procurement first? Indirect procurement second? Then stakeholders? Europe Direct? Indirect then stakeholders?

By understanding the priorities from your side, we can ensure we are aligned and that your priorities are our priorities in terms of rolling everything out.

5. What are the key success factors regarding the adoption of the source-to-contract solution?

Quick embedding of the new digital processes with high adoption and strong results in US? Then Europe?

By understanding your key success factors, we can plan and focus accordingly.

6. What are the key risk factors regarding the adoption of a source-to-contract solution?

Are there are pockets of resistance to the proposed changes in a department or certain business units? If we fail to win them over, will driving real change throughout the organization be very difficult? 7. Are you aware of any potential internal resistance or barriers to implementing the solution?

Do Category Managers X, Y Z do not believe e-sourcing is suitable for their categories due to the complexity and the nature of the markets?

8. Rate your list of users in terms of willingness versus resistance towards using the solution. For example, 1 = highly resistant, 5 = highly willing.

By understanding this list, we can deliver training and support in the most effective ways possible.

9. Rate your list of users in terms of their ability and confidence using software in general. For example,
1 = Not tech savvy at all, 5 = Very tech savvy.

By understanding this list, we can deliver training and support in the most effective ways possible.

10. Indicate on your list of users those who are a high priority regarding early adoption and mature usage of the solution.

By understanding this list, we can deliver training and support in the most effective ways possible.

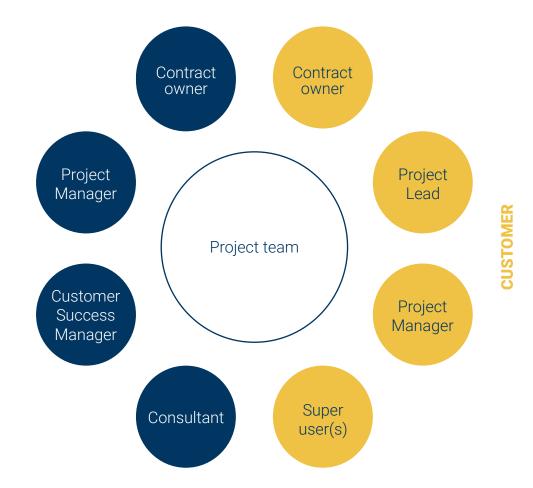


Ready to Make Your Next Move? Here's What's Next

With more than 20 years of experience, we've learned a lot about how to implement a sourceto-contract platform the right way. There's no single implementation strategy that's right for all organizations, but every project should have a coherent approach with focus, measurable goals and the right amount of support.

Project Team & Resources

The following resources are required by both Scanmarket and the customer to ensure a successful project execution. Note that one person can serve in various roles depending on the size of the project's scope. **SCANMARKET**



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SCANMARKET ROLES & RESPONSIBILITY

Contract Owner (Sales)

Ensure a smooth hand-over from sales to implementation.

Project Manager (Consultancy/Customer Success Team)

Ensure project progress and delivery according to the Statement of Work (SOW) document. Support the Customer Success Manager, if needed, with advice, recommendations and best practices.

Customer Success Manager

The customer's primary contact both during and after implementation. Create and deliver the specified deliverables according to SOW. Advise the customer on best practices and configure the solution according to agreed wishes. Is responsible for the daily contact between the customer and Scanmarket, after the system launch. Responsible for continuously developing and driving the customer's usage of the system and pro-actively supporting in any way possible.

Consultant

Support the Customer Success Manager with support either through-out the project or ad hoc whenever needed.

CUSTOMER ROLES & RESPONSIBILITY

Contract Signatory/Owner (CPO/CFO) Overall ownership

Senior Project Lead (VP/Director/Head of)

Ensure project delivery according to the SOW. Ensure customer involvement from other business units e.g., legal when needed.

Project Manager (Daily Management)

Ensure delivery of project deliverables according to the SOW. Support Super Users with advice, recommendations and best practice, when needed.

Super User(s)

Create and deliver the specified customer deliverables according to SOW. Lead daily usage after system launch and be the point of contact for users if they have questions or issues with the system. Act as the key contact(s) for Scanmarket's Customer Success Manager during phase 6.

Implementation Process

We believe in keeping things simple. Therefore we have a very light-touch approach to implementation, tailored to your organization's most important challenges. The implementation process is divided into 6 phases, each with their own purpose and clearly defined deliverables. The average implementation time for a standard project is 2-6 weeks. However, the timeline is subject to change depending on the final project scope. Elements that have a significant influence on the timeline include, but are not limited to, the number of products implemented or number of workshops and/or locations of workshops.

Post-implementation	Phase 0 Contract negotiation Contract signature	Ensure efficient implementation immediately after the contract negotiation by setting up a source-to-contract program driving team, made up of both customer and Scanmarket representatives, working towards identified key business objectives and challenges, and defined source-to-contract KPIs and targets. Scanmarket's Customer Success team will help ensure an efficient implementation process. The Customer Success team is involved early in the process, often before the contract has been signed, and they will help you be up and running in no time so you can start working towards the ROI's you are looking for.
	Phase 1 Project kick-off	Kick-off the project with the project team and discuss the customer's bespoke implementation plan, milestones etc.
Implementation	Phase 2 Customer requirement definition	Define how the system should be configured to meet the customer's specific wishes and requirements.
	Phase 3 System configuration Configuration sign-off	Configure the system according to the definitions from phase 2 Ensure the system is configured according to the customer's requirements and tested through User Acceptance Testing (UAT).
	Phase 4 Training	Ensure all users are ready to start utilizing the system after system launch.
	Phase 5 System Iaunch	Finalize the project by signing-off on the delivered system and training.
	Implementation sign-off	
Pre-implementation	Phase 6 SuccessPlus	Begin to drive adoption, usage and best practice adherence with the combined Scanmarket and customer source-to-contract program driving team.

Let Us Guide Your Organization to Success

S2C Platform Implementation Doesn't Guarantee Positive Results - Using It Does

Scanmarket has a 20+ year history of providing intuitive S2C tools with expert support to get real business results. On average, customers see a 300% increase in productivity and savings from their source-to-contract programs when they switch to Scanmarket.

Why Some S2C Programs Fail

The buying organization and the chosen solution provider often spend the most time and energy on selecting the right solution and implementing it, including configuration, data migration, standard training, and roll-out of the solution.

However, post-implementation is where the real work begins, and where most organizations place the least focus. Post-implementation is comprised of different components, depending on the S2C solution and maturity of the organization including:

- » A detailed and robust change management plan
- » Proactive driving of initial widespread adoption
- » Monitoring and optimizing performance
- » Calculating and reporting on the benefits and ROI of the S2C solution
- » Continuous evaluation and improvement



SuccessPlus – A Partnership Approach to Maximizing ROI for S2C Programs

SuccessPlus is built upon all our consolidated bestpractice tactics, strategies, and methodologies that we have developed and optimized during 20+ years in the business. The result is a comprehensive structured approach that will guide your organization to success.

Under the SuccessPlus framework, your key stakeholders will have defined roles and responsibilities, clear metrics, and full support to get where they need to go. Management and executive sponsors get continual reporting and periodic health-checks to monitor progress and identify areas for improvement, coupled with best-practice recommendations.

The key elements of SuccessPlus include:

- » A true partnership between you and Scanmarket, with continuous expert guidance and best-practice recommendations
- A driving team with the sole purpose of driving success, consisting of your key stakeholders at several levels of seniority and dedicated Scanmarket experts
- » Defining your procurement tiers and wider business objectives
- » Defining S2C KPIs and targets feeding into your wider procurement/business objectives
- » Together, creating a success plan with quarterly milestones, including several unique Scanmarket service solutions such as Project-based Learning, eAuction Strategy Masterclass, popcorn events, myth-busting webinars, etc.
- » Communicating a clear top-down directive, explaining the program and its benefits
- » Rolling out the success plan across the organization
- » Regular status meetings to monitor and drive performance, uncover gaps, adjust the approach, and deliver more training where needed
- » Bi-annual system health-checks and reports provided by Scanmarket, summarizing the last 6 months usage, performance, areas for improvement, and proposed best-practice solutions

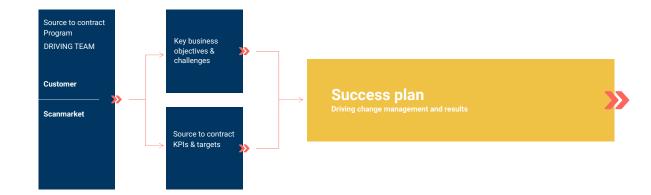
The SuccessPlus Framework

Scanmarket's customer success managers are waiting in the wings to work proactively with you to drive user adoption throughout your engagement and deliver ROI across all relevant departments and modules.

Our SuccessPlus program was developed with your goals in mind and includes a source-to-contract driving team that will help you develop a success project plan that includes:

- » Defining KPI targets based on your unique key objectives
- » Performance monitoring
- » System health checks and recommendations
- » Best practice guidance
- » Much more!

This approach guarantees excellent user-adoption over time.



Project-based Learning: Learn by Doing - With Expert Support

The project-based learning approach ensures that users can learn at their own pace, with dedicated support. This means that they execute their first projects through the new system with full confidence.

Users also save time, as they are not learning how to use the new tool as an extra element added to their daily jobs, they are learning as they carry out their daily tasks.

However, the most important element of project-based learning is that the users are learning whilst doing, which significantly increases assimilation and how much they remember for their next project.

<u>Click here</u> to see our other training options.

Step-by-step	 Training is done in steps, rather than all in one go, mirroring how the participants would normally execute their projects.
Project-based	 In training, participants learn only what they need to know for the actual project they are about to run. Following training participants immediately use that knowledge to set up and launch their real-life project. This helps participants to maximize the assimilation of the training.
Dedicated support	 Participants receive full support from a dedicated Scanmarket expert during the program, ensuring that projects are executed fully according to best-practice guidance.



Customer Story: A Smooth Transition to Scanmarket

It's one thing to read about the best approach to a migration; it's another to see how it's gone for others. Boliden is a Swedish metals company founded in 1931 with focus on sustainable development. The company's core competencies lie within the fields of exploration, mining, smelting, metals recycling and production of copper, zinc, lead, gold, and silver. The Boliden Group operates mines and smelters in Sweden, Finland, Norway, and Ireland and has approximately 5,800 employees. Annual revenue amounts 50 BN EUR.

Challenge: Despite advanced functionalities, the legacy solution was too difficult and slow to use

Boliden has been a Scanmarket customer since 2019. Prior to partnering with Scanmarket, Boliden carried out its sourcing events using a full-suite operator which, despite its many advanced functionalities, had turned out to be slow, complex to use and onboarding new suppliers proved difficult. Boliden decided to implement a new platform for its sourcing events, and this time user-friendliness was the primary focus.

Solution: A reference team to drive the selection process

After a market review, Boliden qualified a short list of suppliers consisting of both full-suite and bestof-breed solutions. In order to secure the suppliers, selection was well anchored in the organization. Boliden set up a reference team consisting of 8 people from different parts of the procurement organization. Their task was to evaluate the different vendor solutions and ultimately provide a vendor recommendation to senior management.

The process started with an RFP process that shortlisted 6 suppliers. To make sure the solutions could meet Boliden's demands on functionality and usability, heavy focus was placed on demos, user tests and POC's. After several sessions the reference team proposed to proceed negotiations with a best-of-breed vendor, Scanmarket. Scanmarket was chosen because their capabilities were better suited to the needs of Boliden. Scanmarket was competitively priced, and the platform was intuitive which was Boliden's key objective for selecting a new vendor for their sourcing events.

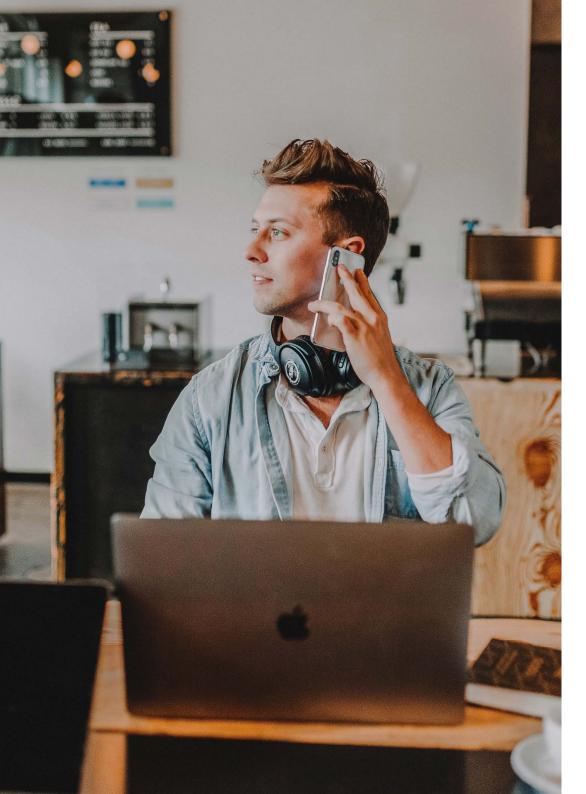
Benefit: Seamless implementation & successful onboarding process

Implementation took place in 3 stages where Boliden's legacy solution was phased out gradually as the Scanmarket solution was configured, users onboarded, and the solution adopted.

Within the first weeks of implementation, Scanmarket carried out 4 on-site workshops across 4 geographically dispersed locations. It was important to Boliden that these were carried out in person, and both the head of procurement and the CPO were deeply involved to communicate the strategic importance of the change to all employees. They explained why the change of platform was necessary and what the selection process had been to ensure that all employees were engaged and understood the focus on user-friendliness and adoption within the company.

Result: 100% adoption rate & 427 executed events in 6 months

Within the first 6 months Boliden ran 427 RFx projects and every single user created their own events, resulting in an outstanding 100% adoption rate – a win for both users of the system and senior management.



🛞 Scanmarket

<u>Scanmarket</u> is a source-to-contract software provider that develops advanced functionalities in an effortless design. Originating from the needs of the end user, Scanmarket's S2C solution is attuned to meet the needs of the procurement professional. We take ownership of customer success with experts at your fingertips to drive user adoption. Digitalize your upstream procurement functions with technology that is built to be used.