

# Daimler Spearheads Digital Transformation with Icertis

## Daimler AG

Daimler is one of the world's biggest producers of premium cars and the world's biggest manufacturer of commercial vehicles.

### **OBJECTIVE**

Replace a legacy contract management system with one that would lead a digital transformation of sourcing.

### ☆ HIGHLIGHTS

- Streamlined relationship with 500,000 suppliers
- Easy-to-use system accessed by 6,000 buyers
- Contract cycle-time reduced from six weeks to one
- System deployed in just five months

The Icertis Contract Management (ICM) platform reduces contract cycle time by 83%, drives new vision of procurement for auto manufacturer.

#### □ BUSINESS CHALLENGE

Daimler, a leading automobile manufacturer behind such iconic brands as Mercedes-Benz and the world's biggest manufacturer of commercial vehicles, needed to overhaul its procurement system to handle its tremendous growth.

Business expansion meant higher budgeting volumes, hundreds of thousands of suppliers, and thousands of sourcing personnel responsible for buying goods in the organization.

Its 25-year-old procurement system was not up for the task of managing the global complexity of the business. Onboarding new suppliers required them to go through multiple systems—including non-integrated processes for issuing RFPs, selecting suppliers, and tracking suppliers' performance and contract terms. This all created delays and distractions that took workers away from more important tasks. It was also difficult for the company to track risks and obligations in its supplier contracts.

"This made us slow and inefficient," says Ulrich Ochmann, Product Owner Contracting, New Procurement System. "And it was hard for us to identify all the risks and obligations out of our contracts."



From sourcing to contracting we have gained speed. But it has also made us safer. We have our risks transparent."

Ulrich Ochmann, Contracting Product Owner. Daimler NPS



The NPS team was impressed with Icertis' vision of bringing contracts to the center of the sourcing process, as well as the Icertis Contract Management (ICM) platform's ability to integrate into its current IT infrastructure.

"We wanted sourcing and contracting to go hand in hand, because in procurement you start with sourcing but immediately you also start your first contracts," says Ochmann. "When this is joined in one powerful tool, you have everything transparent."

Daimler saw great value in Icertis' cloud-first, API-first approach to enterprise contract management, which promised to both accelerate the sourcing process and protect the company against risk



#### RESULTS

ICM was fully deployed at Daimler within five months.

Today, the NPS team says it has a contract system that is easy to use and is saving its buyers precious time. Contracting has been reduced from six weeks to one, an 83% improvement. The platform has also greatly improved regulatory compliance.

"From sourcing to contracting we have gained speed. But it has also made us safer," Ochmann says. "We have our risks transparent, we have our process transparent, and our buyers like the software. It's easy to use.

"ICM has made us faster, stronger, and more efficient."



#### **☑** CONTACT US

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