

CONTEXT

VISION

PRODUCT  
DEFINITION

PRODUCT  
FEATURES

**ignio**

Cognitive Procurement  
PRODUCT OVERVIEW

CASE  
STUDIES

PRODUCT  
VALUE

WHY  
COGNITIVE  
PROCUREMENT

USE CASES

KEY  
STAKEHOLDERS

# PROCUREMENT

## Context



### Characteristics

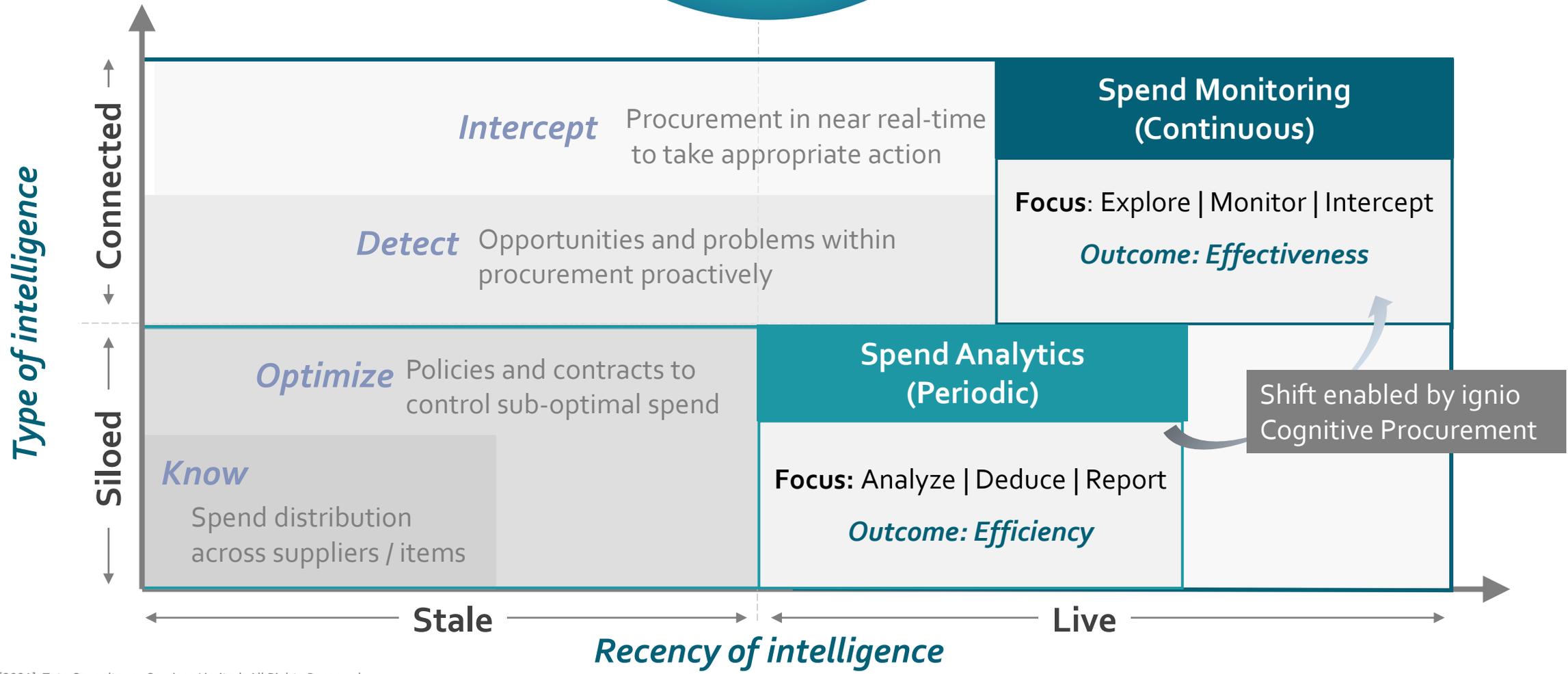
- Multiple stakeholders: procurement, finance, supply chain
- Multiple applications: eSourcing, eProcurement, eInvoicing, CMS\*
- Fragmented analytics and automation efforts

### Challenges

- Driving even more spend optimization
- Delivering value beyond savings
- Reducing risk of business disruptions

\* CMS - Contract Management System

**PRODUCT CATEGORY**  
**Procurement Analytics**

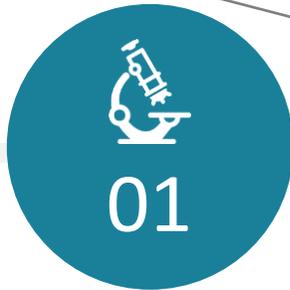


# OUR VISION

Enable every enterprise to autonomously adapt to procurement opportunities and problems in real-time

- Price Variance Analysis
- Exception Analysis
- Duplicacy Analysis
- Spend Analysis

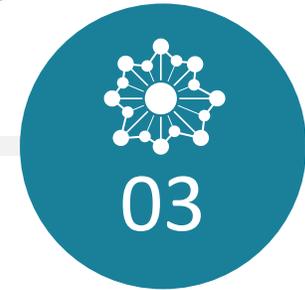
- Monitoring of POs and Invoices
- Monitoring of trends for KPIs
- Delay Analysis



This was the Beta Release



We are here



## EXPLORATION CENTER

### ANALYZE TRANSACTIONS ON-DEMAND

Intelligent insights from PAST transactions to tune policies and processes

## COMMAND CENTER

### MONITOR TRANSACTIONS REAL-TIME

Intelligent monitoring and interception of LIVE transactions to mitigate risks

## SIMULATION CENTER

### AUDITION THE FUTURE

Intelligent what-if simulations to take smarter decisions and actions

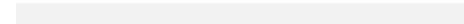
# PRODUCT DEFINITION

**ignio**

Cognitive Procurement

*A Virtual Procurement  
Analyst for Enterprises*

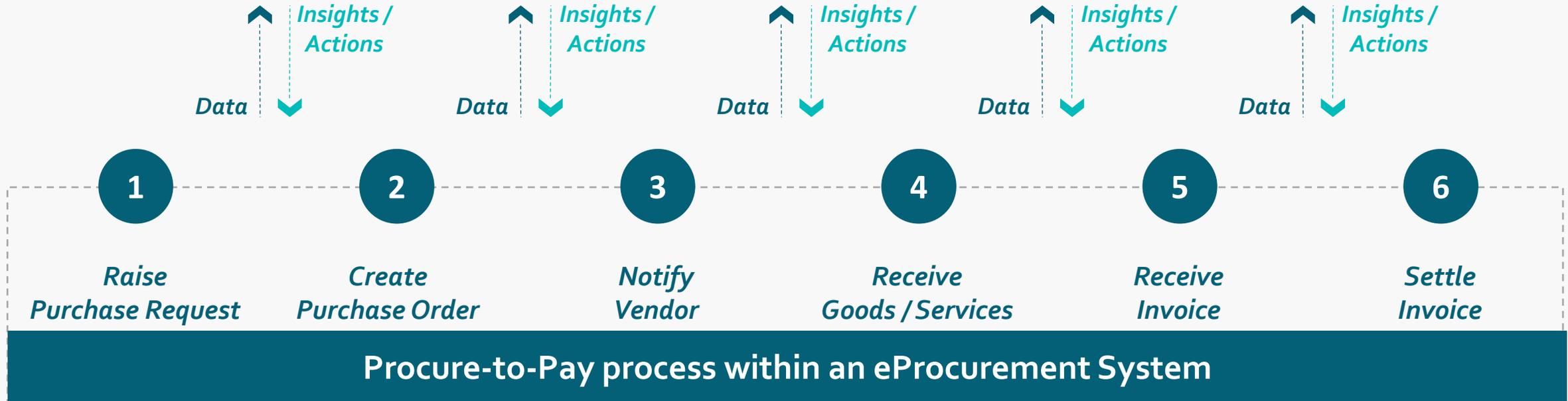
An AI based analytics solution for procure-to-pay that analyzes purchase transactions to detect anomalies driving leakage and non-compliance



# PRODUCT APPLICABILITY

## PROCURE-TO-PAY PROCESS

### ignio™ Cognitive Procurement (Available as SaaS)



Optimize Spend

Reduce Cost of Operations

Improve Compliance

# PRODUCT FEATURES

## Exploration Center

### Price Variance Analysis

Analyzes historical purchases to identify items with significant price variance and determine normal price points at which they could be procured to save money

### Duplicate Analysis

Analyses invoices to identify potential duplicates that should be reviewed before payout to avoid leakage

A diagram featuring a light gray circle with a dark teal border containing the text 'Exploration Center'. A vertical line extends downwards from the bottom of the circle, ending in a solid dark teal circle. A horizontal line extends to the left from the vertical line, also ending in a solid dark teal circle.

## Exploration Center

### Exception Analysis

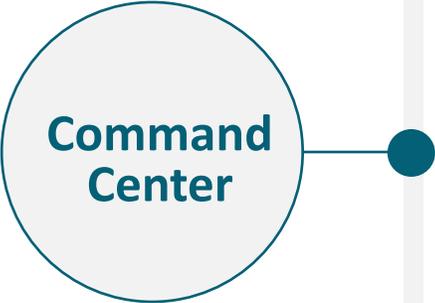
Analyzes exceptions (anomalies) in historical data and mines patterns that explain their repeated occurrence needing costly human intervention

### Delay Analysis

Analyzes Delays from historical data and mines patterns that explain their repeated occurrence needing costly human intervention

### Spend Analysis

Identifies avenues to consolidate spend across suppliers, categories, items, plants and increase working capital by recalibrating spend across payment terms



## Command Center

### Monitor Purchase Orders (POs)

Screens POs to detect and flag maverick orders, split orders, duplicate orders, non-compliant orders, purchases with high-risk suppliers, overdue orders, predicted fulfillment delays etc

### Monitor Invoices

Screens Invoices to detect and flag duplicate invoices, discount opportunities, overdue invoices, predicted payment delays, 3-way mismatches, wrong tagging, non-compliant invoices etc.

# CUSTOMER VALUE

## Optimizing Spend

- Detecting Spend Leakage
- Identifying savings opportunities
- Bringing unmanaged spend under management



01

02



### Reducing Processing Costs

- Discovering hidden patterns that explain fallouts
- Preventing fallouts by detecting patterns early in the procurement life cycle

### Improving Compliance

- Checking compliance against organizational policy
- Identifying employees trying to game the system



03

# POTENTIAL USE CASES

Reduce price variance for standard purchases



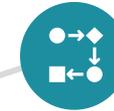
Improve budgeting through better insights



Prevent overutilization of Purchase Orders



Reduce costly fallouts in invoice processing



Detect non-compliance before it causes any damage



Reduce duplicate invoice processing



Reduce delays at different stages of the procurement process



Reduce bias in awarding purchase orders to vendors



# KEY STAKEHOLDERS

## 01 Chief Procurement Officer (CPO)

**Responsibility** - Manage the overall Procurement function

**Interest** – Optimize spend, improve business satisfaction and compliance

01

## 05 Chief Financial Officer (CFO)

**Responsibility** - Manage overall finances  
**Interest** - Monitor and control expenses

05

## 02 Category Managers

**Responsibility** - Procure a particular category of items

**Interest** – QA 100% of purchases to optimize spend and cycle-time

02

## 04 Accounts Payable Managers

**Responsibility** – Ensure timely and accurate payments

**Interest** – QA 100% of invoices to pay out accurately and on time

04

03

## 03 Procurement Analysts

**Responsibility** – Analyze procurement performance

**Interest** – Optimize spend, cycle-time and improve compliance

## CHALLENGE

Optimizing Travel & Expense spend by plugging leakages due to erratic or non-compliant spend behavior

## SOLUTION

Move from 'rule-based' to 'pattern-based' sampling of purchases made through corporate cards for the purpose of conducting audits.

Analyze price variance in hotel bookings to understand employee preferences and unearth opportunities for corporate negotiations

## STUDY

## BENEFITS

**\$ 14M**

Leakages uncovered as compared to \$3.8M in previous fiscal year

**22%**

Non-compliance detected as compared to 8% in previous fiscal year

Airlines

Multinational  
Company

## CHALLENGE

**HIGH INVOICE BACKLOG**  
Backlog of over 11k invoices in Austria across 1500 vendors across all payment terms

**DELAYED VENDOR PAYMENTS**  
40% critical vendors had delayed payments with an impact of over €100M

## SOLUTION

**DISCOVERED 56 PATTERNS DRIVING DELAYS**  
Patterns for Delayed GRNs, Missing GRNs, Non-PO Invoice Delays, System related issues.

**PREDICTED 32 ACTIONABLE INSIGHTS**  
Predictive actions driving proactive behavior across the Vendor and Buyer community

## BENEFITS

**32%**  
Reduction in Invoice delays

**60-65%**  
FIRST PASS YIELD  
Compared to 30-35% in Jan'19

**54%**  
Reduction in invoice backlog on a base of 11k in Jan'19

Industrial Aluminum

## CHALLENGE

Increase the granularity of insights

## SOLUTION

74,000 procurement transactions analyzed to uncover a saving potential of 12% on a spend of \$162M

Identified 12 behavioral patterns associated with 3 vendors that consistently drove exceptions over a \$40M spend

## BENEFITS

### Price Variance Insights

32% Price Variance driven by 5 Items  
29% Items had price variance  
14% transactions had odd behavior

### Collusion Detection

A single item purchased by one buyer from a particular vendor led to 89% Price Variance signaling a potential collusive behavior

# WHY COGNITIVE PROCUREMENT

## Comprehensive

Draws holistic insights from across data sets and presents granular recommendations



## Convenient

No installations or system integrations required to get started and works with current data files



## Continuous

Allows analysis of transactions on a rolling basis to track emergent patterns



## Flexible

Allows you to conceive and realize diverse use cases through a DIY Mindset



