



The Buy Desk advantage

**Delivering coordinated procurement
experiences through processes that
put the customer at the center**

May 2021

Future of Procurement

[kpmg.com](https://www.kpmg.com)

Contents

	Page
1 The Buy Desk advantage	1
2 Buy Desk activity flow	2
3 Unlocking value through Buy Desk	3
4 Customizing the Buy Desk	5
5 Overview of Buy Desk tools and technologies	6
6 Change considerations	7
7 Lessons from successful implementations	8



The Buy Desk advantage

Streamlining the procurement intake process, ensuring that business users access the correct channels and increasing functional leaders' influence on spend.

The Future of Procurement

The procurement function of the future depends on putting the customer at the center. This shift in focus will transform procurement from a spend gatekeeper to a true business partner.

This requires:

- A flexible purchasing approach that varies according to the commodity being bought. Offering more choices can help prevent frustrated business users from opting out of formal procurement policies and processes and turning to noncompliant means of procuring the supplies they need. This is of particular concern when it comes to lower-value and tail-spend categories.
- A less confusing buying experience that still aligns with the organization's need for spend control. Nonfrequent buyers and employees that are not familiar with procurement processes may be particularly overwhelmed by the array of technology options available to them.
- Breadth of capabilities to support everything from low-value everyday purchases to large strategic procurement projects.

What is a Buy Desk?

A Buy Desk comprises people and technologies that help business partners understand the most expeditious procurement routes:

- Human teams that triage calls from business partners and suppliers and direct them to the most appropriate buying channels
- A multifaceted technology platform that allows business users to choose the procurement route that best fits their needs

Benefits include:

- Offering a "one stop shop" for all procurement functions, including purchase requests, issue resolution, supplier communication, and order tracking
- Managing complex procurement tasks related to Supplier Evaluation, RFX Execution, Supplier Selection, and Negotiation
- Expediting low-value (below \$500K) procurement activities, if there is not a predetermined sourcing solution available.



Buy Desk is a great innovation for a Procurement organization to meet its objectives by not only reducing cost and managing risk but also by providing an additional career path for Procurement professionals within Sourcing. Leading Procurement organizations are **going above and beyond by playing** a growing role in enhancing diversity and inclusion, driving innovation and providing a launching pad for talent. Procurement leaders thus have an **opportunity to elevate** their teams by offering a broad career path to grow both within Procurement and in other functions.

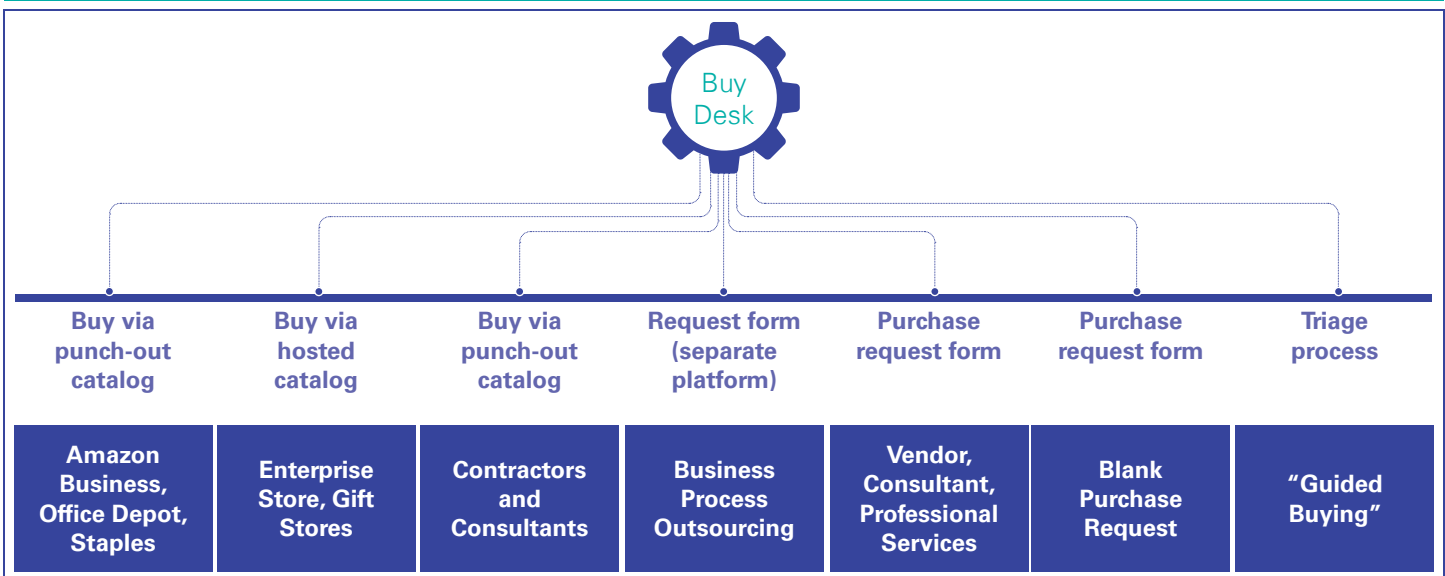
— Procurement Leader of a Global Technology Company



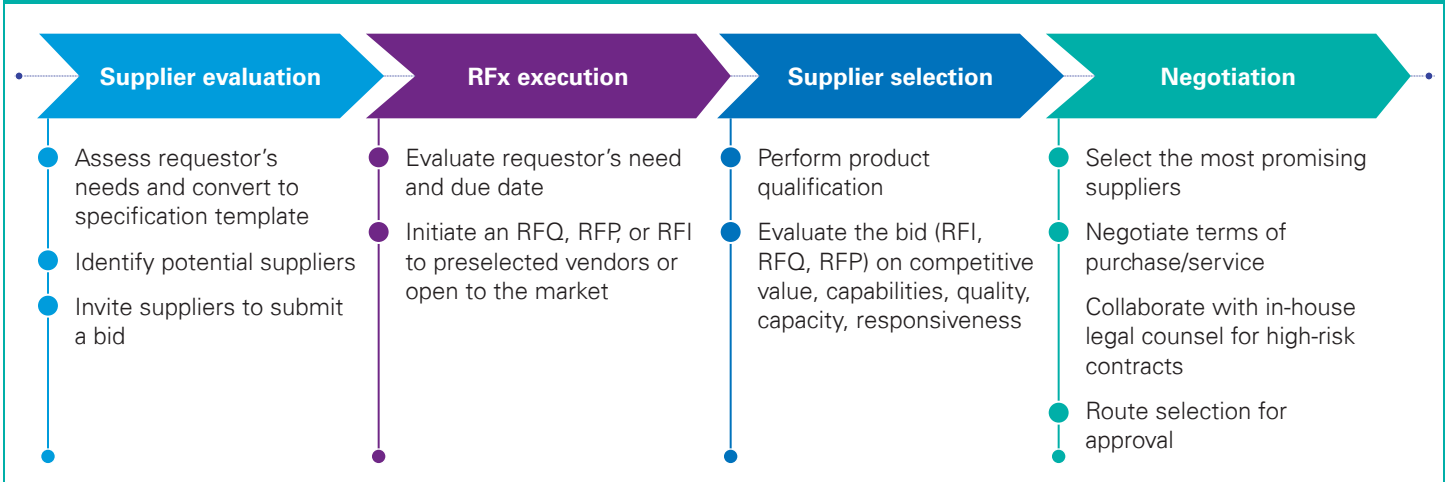
2 Buy Desk activity flow

The Buy Desk’s key functions are to allocate spend via an established automated buying channel and provide sourcing assistance on low-value acquisitions.

Buying channel triage for spend above \$500K – Helps the business user select the best sourcing channel from existing automated buying options, as illustrated below:



For requests below \$500K where there is no existing supplier available through traditional procurement channels, the Buy Desk team can complete a streamlined procurement exercise, as illustrated below:



- Other Buy Desk activities:**
- Validate completeness and accuracy of request
 - Manage issues and discrepancies
 - Confirm that quotes adhere to contract pricing
 - Track savings
 - Ensure a breadth of supplier diversity
 - Provide surge support



Unlocking value through Buy Desk

Implementation of Buy Desk can provide the following business benefits to the finance and procurement functions:

Significant cost savings

- 10–15% savings opportunities across the pipeline, i.e., by touching more spend
- Higher degree of influence over tail spend
- Extended employee bandwidth for increased demand
- Reduction in manual touchpoints
- Automated and streamlined processes
- Data and analytics – enabled forecasting and decision-making

Enhanced customer experience

- >30% improvement in speed and cycle time
- Treats employees and suppliers as “customers”
- Customized purchasing experience
- Single location regardless of user needs
- High-end user satisfaction as many granular details of the procurement process are avoided

Engaged stakeholders

- >80% spend under centralized management
- Capture of greater number of purchase orders
- Enhanced supplier relationships
- Stakeholder / business partner satisfaction
- Elimination of rework by getting orders right the first time

Unlocking value through Buy Desk *(continued)*

Sustainable supply chain

- Better managed supplier due diligence
- Supplier risk mitigation
- Expanded economic opportunities
- Sourcing from highest-rated and most ethical suppliers
- Increased compliance with category strategies

Talent management

- Increased employee engagement
- More time to dedicate to strategic objectives
- Career progression for Buy Desk employees to strategic sourcing, category planning and automation roles

6 Procurement must constantly aim to become a better business partner by becoming a trusted adviser through the use of a structured procurement process, by providing market intelligence, lead negotiations and innovative solutions such as a Buy Desk. The business case for implementing a Buy Desk **needs to include the advantage of moving tactical work** and hence enabling your Category Teams to do more value added work, penetrating more supplier categories and setting up self-service channels. **Building a mature procurement organization** is critical before implementing a Buy Desk. Maturing a procurement organization involves defining standard procurement processes, establishing an enterprise Preferred Supplier List, building a buying channel with multiple sourcing categories, cross-training sourcing professionals and educating your business partners.

— **Steve Amicone**,
Senior Director, Global
Process Owner – Source to
Pay AECOM

4

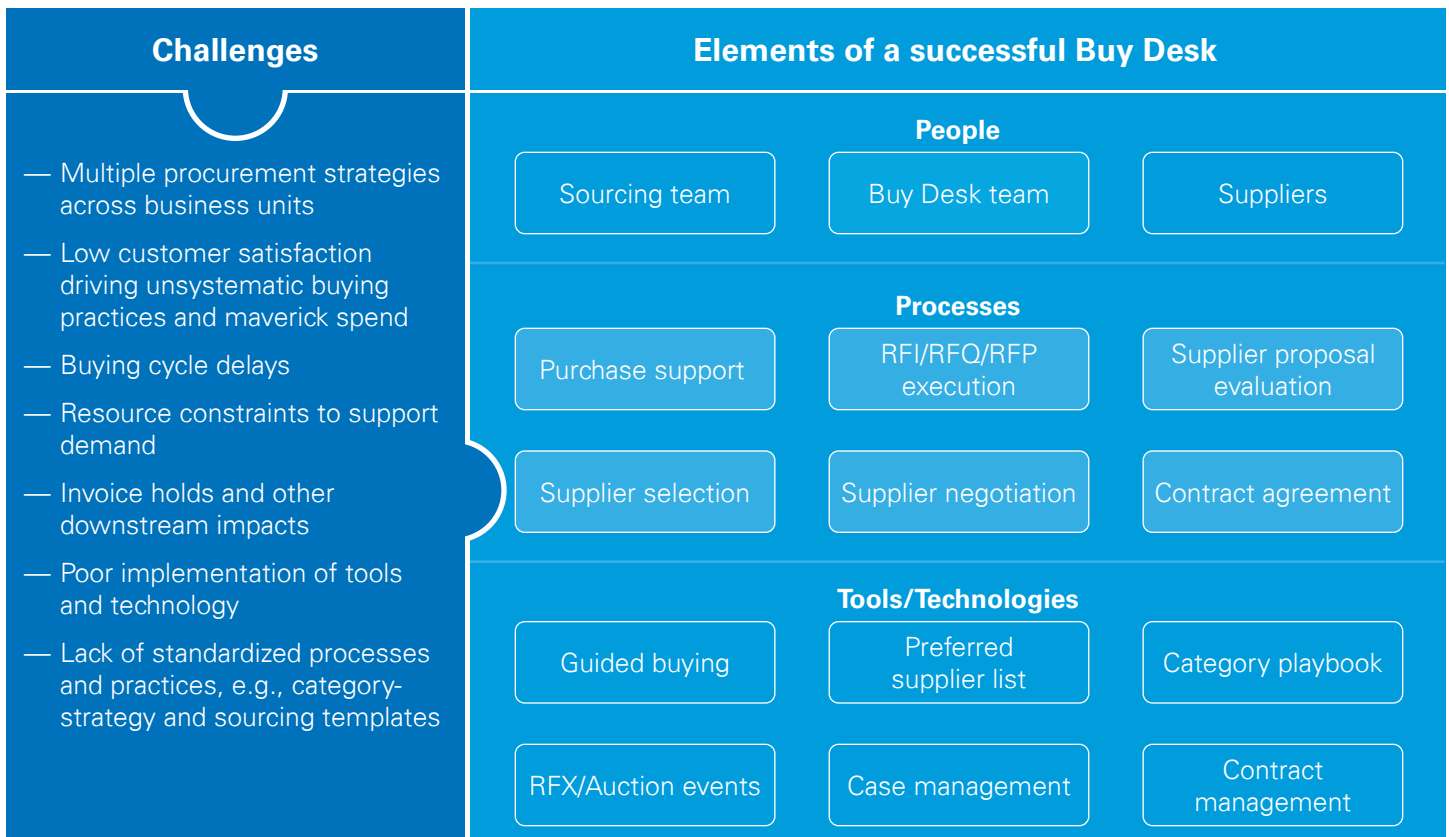
Customizing the Buy Desk

A well-designed procurement Buy Desk enables effective procurement, but Buy Desk design can vary by organization.

Every procurement function is different. An organization should consider what elements of the procurement journey need improvement and set a strategy at the outset of the project. Answering the following questions to understand gaps in the current process will drive the design of the Buy Desk and selection of tools and technologies.

- Does my existing sourcing team have bandwidth to deal with purchases <500K?
- What is the risk in the spend category of <500k?
- What is the volume of spend in the category <500k?
- Are business users satisfied with existing procurement processes?
- How many vendors does my organization use for procurement?
- What current tools and technologies are used in our procurement function?

Examples of challenges and elements of a successful buy desk are listed below





Overview of Buy Desk tools and technologies

Organizations should consider how emerging technologies and disruption can redefine how goods and services are sourced, purchased and tracked. Some examples appear below:

Automation and machine learning

- Comprise a smart guidance system that gathers and inputs business requirements and directs users to the correct buying channels
- Allow users to quickly search, find, and purchase items, and increases user familiarity with the organization's purchasing process
- Result in accurate collection of supporting documents and smoother supplier onboarding

Block chain

- Utilizes qualitative and quantitative criteria to identify and rank preferred suppliers
- Encourages collaboration with trusted suppliers with a strong track record working with the organization
- Enhances the user's system-adoption experience and improves key procurement performance metrics

Predictive analytics

- Develops standardized dashboards to more efficiently evaluate supplier performance and capabilities
- Improves decision-making based on information-driven planning and analysis
- Simulates demand and planning scenarios based on large volumes of data

Human engagement and augmented senses

- Comprise guided self-service interfaces that facilitate faster user decision making
- Deploy chat-bots with the use of machine learning and analytics to respond to user queries and alerts in real time
- Drive faster cycle time and enable buyers to remotely access and evaluate product characteristics



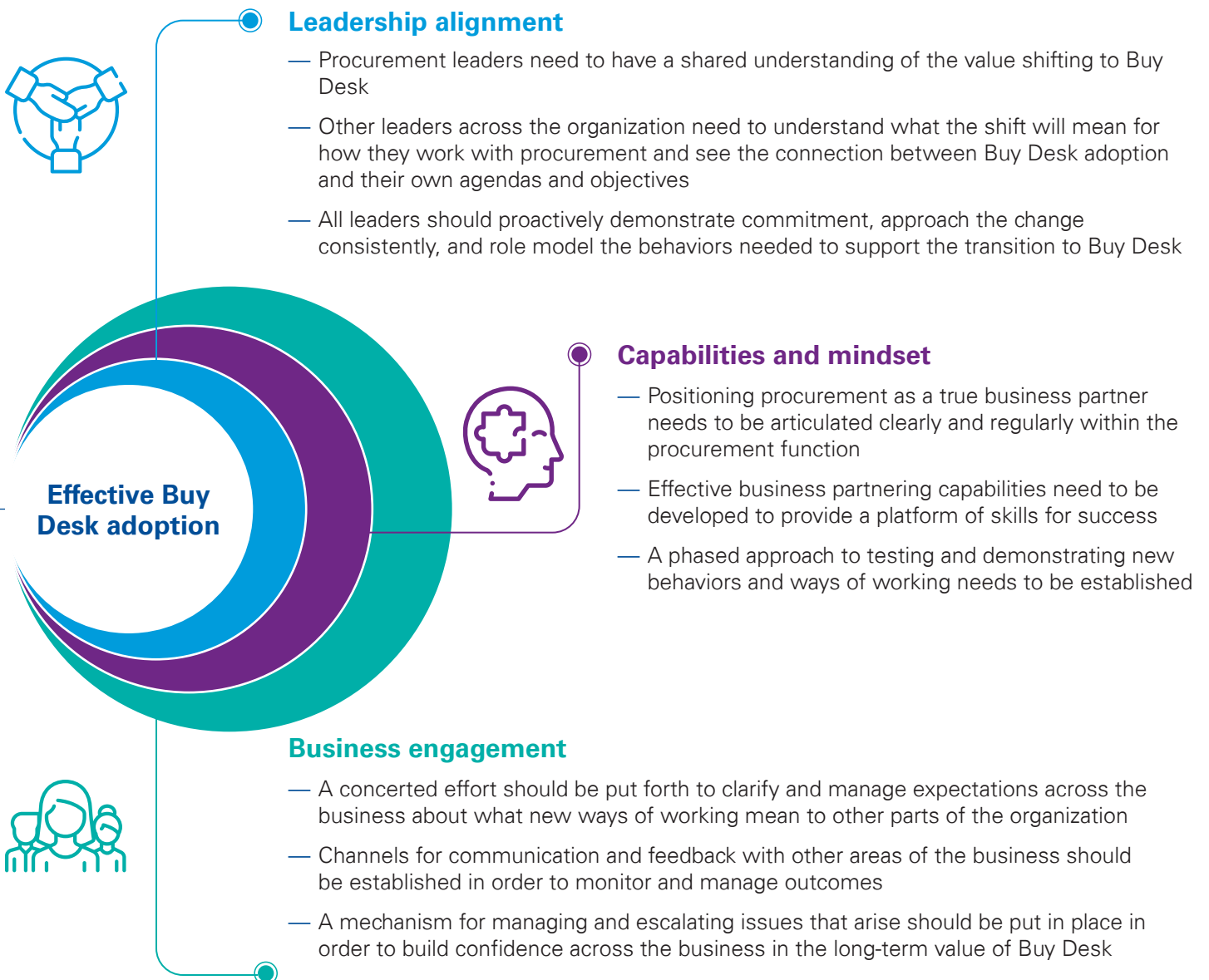


Change considerations

Shifting behaviors within the organization is essential to achieve a successful Buy Desk transformation.

Introducing a new Buy Desk supported by enhanced technologies, workflows, and processes is a complex endeavor. As such, it requires an enterprise-wide mindset that embraces change. The success of the program ultimately depends on the adoption of the program not only by the business stakeholders and newly hired employees, but also by the other roles impacted by the change.

Following are three critical areas of behavior change for achieving effective Buy Desk adoption:





Lessons from successful implementations

KPMG has tested experience delivering successful Buy Desk transformations across multiple industries...

\$6M savings via new procurement Buy Desk

Client: Major US Wireless Provider	Sector: Technology, Media & Telecom (TMT)	Project: Establish a new procurement Buy Desk
----------------------------------------------	-----------------------------------------------------	---------------------------------------------------------

Although the client was in the process of an end-to-end procurement transformation to centralize functions under one Chief Procurement Officer, there was a need to improve the quality of service delivered to the business overall. The client came to KPMG for both quick wins and strategic, long-term benefits across its procurement function.

Client challenges

- Customer frustration with the length of time required to complete tactical and transactional procurement activities
- Lack of control, focus and cohesive strategy across a continually growing number of tail suppliers
- Diversion of sourcing managers from value-added tasks to low-value, low-risk transactions

KPMG solution

- Rapid project scoping comprising strategic, long-term efficiencies across, people, processes, spend, and governance
- Fast-track RFP for a provider to support long-term goals
- Identification of in-scope processes across the supplier lifecycle via close collaboration with key stakeholders from the client team

Outcomes

- Transformation of end-to-end supplier lifecycle process
- Higher value target operating model for the Buy Desk, including key inputs and hand-offs
- Roles and responsibilities profiles for each of the actors in the Buy Desk process
- Selection of a new third party Buy Desk supplier, delivering a \$6M+ benefit

Why KPMG?

- One firm approach with KPMG professionals from across Procurement and Financial Management
- Trusted advisor that understands how to deliver results within a complex client environment

Centralized Buy Desk implementation

Client: Large Industrial Manufacturer	Sector: Industrial Manufacturing	Project: Design and implement a centralized Buy Desk
-------------------------------------------------	--------------------------------------------	----------------------------------------------------------------

Since the client's existing e-procurement platform was underutilized, they were interested in replacing it with a centralized Buy Desk that could offer a better user experience and more value to the business. KPMG partnered with the client to design and launch a centralized Buy Desk to help drive savings from improved compliance and tactical sourcing.

Client challenges

- Lack of centralized support for buying and tactical sourcing
- Lack of control over purchases made outside established procurement tools and policies
- Unrealized value due to lack of preferred-supplier programs
- Internal customer frustration with disconnect between purchases and contract pricing

KPMG solution

- Rapid creation of centralized Buy Desk team to perform key procurement and sourcing functions for certain indirect spend categories
- Program management encompassing new processes, procedures, tools, and templates
- Transition from small pilot focused on specific corporate spend categories to full global rollout alongside the client's eProcure system.
- Creation of training and communications strategy and materials for effective global rollout

Outcomes

- Design and development of detailed procedures with metrics and reports
- Greater compliance with policies and procedures
- A more streamlined user experience and increased customer satisfaction

Why KPMG?

- One firm approach with KPMG professionals from across Procurement and Financial Management
- Trusted advisor with the ability to quickly leverage extensive institutional knowledge of relevant business units and stakeholders

We deliver results that matter



The biggest challenges in the Procurement function are often inconsistent application of policies and a lack of transparency. These issues often create compliance risks, impede the negotiation process and harm the overall relationships with vendors. A Buy Desk can **resolve these challenges** by providing greater visibility across the business, reducing compliance risks and automating the application of policies. **The link to automation is key**, which enables the flagging of potential SOX control violations in real-time and provides procurement leaders with better control efficiency and decision-making. In addition, a Buy Desk **will raise awareness** across the business by providing on-demand education to all stakeholders that interact with it and help establish more efficient business partnerships with vendors. The business proposition for a Buy Desk is strong and has the **potential to improve** the quality of spend governance, SLAs, terms and conditions and other desired business outcomes.

— **Diana Jajeh**,
Gamestop -
Interim Chief Financial Officer



Lessons from successful implementations *(continued)*

...and can apply lessons learned to help clients minimize wasted effort, accelerate prioritization, and reduce opportunity costs associated with delayed action.

Challenges

Success factors and mitigation



Authors



James Murphy
Principal,
Finance Transformation
T: 408-367-1603
E: jpmurphy@kpmg.com



Chris McClory
Director,
Procurement and Business Services
T: 949-885-5634
E: cmclory@kpmg.com



Anuj Mathur
Advisory Managing Director,
Finance Transformation
T: 623-455-0063
E: anujmathur@kpmg.com



Raman Gilotra
Manager,
Finance Transformation
T: 347-295-4056
E: rgilotra@kpmg.com

Contributors

KPMG would like to thank the following tech industry leaders for their valuable insights:

Steve Amicone
Senior Director,
Global Process Owner –
Source to Pay, AECOM

Diana Jajeh
Interim Chief Financial
Officer, GameStop

Lead contributors

Monika Gorna
Senior Associate,
Management Consulting

Anthony Henderson
Manager,
Management Consulting

Additional contributors

Tolu Amele
Manager,
Management Consulting

Arpita Banker
Senior Associate,
Management Consulting

Jaslin Levy
Manager,
Management Consulting

Wade Lenon
Associate,
Management Consulting

Sabrina Zhu
Associate,
Management Consulting

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

kpmg.com/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. NDP147774-1A

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.