

SPEND ANALYSIS

FACT SHEET





• Fact Sheet: Spend Analysis

SMART by GEP provides comprehensive spend visibility, analytical reporting, graphical business intelligence and opportunity identification as part of a cloud-native, unified source-to-pay software platform.

Unlike conventional spend analysis systems, which are little more than reporting tools that sit on top of the ERP or AP platforms, SMART by GEP is a solution that transforms the source spend data – from all the key systems in the enterprise – into a single dataset that is accurately classified and easily integrated.

■ The Result of Spend Analysis

Once the data has been transformed, it is available in SMART by GEP for reporting and analysis.

SMART by GEP's spend analysis reporting includes:

- **Graphical Dashboards** – Multiple customer-specific, interactive dashboards that show trends, patterns and opportunities. These are universally available, as required, across the enterprise.
- **Business Analytics** – Create reports, graphs, charts and data extracts for use and publication throughout the business. Available to analysts and power users.
- **Opportunity Finder** – Built-in artificial intelligence that, following your guidelines, identifies opportunities for savings by analyzing the data.

A spend analysis project begins with the transformation of a year's historical data to provide a baseline to work from, and periodic (monthly or quarterly) data refreshes are included.

• Key Features

- Highest classification accuracy
- Intuitive dashboards
- Universal access
- Analytical reporting
- Data source agnostic
- Multilingual
- Multicurrency
- Supplier rationalization
- Unlimited use for report access

• Superior Spend Analysis

- Intelligent opportunity finder
- Unified with source-to-pay
- Supplier parent-child linkages
- Best-practice taxonomy
- Customer-specific taxonomy
- Client feedback integration
- Cloud native
- Threshold spend alerts

Case Study – 1

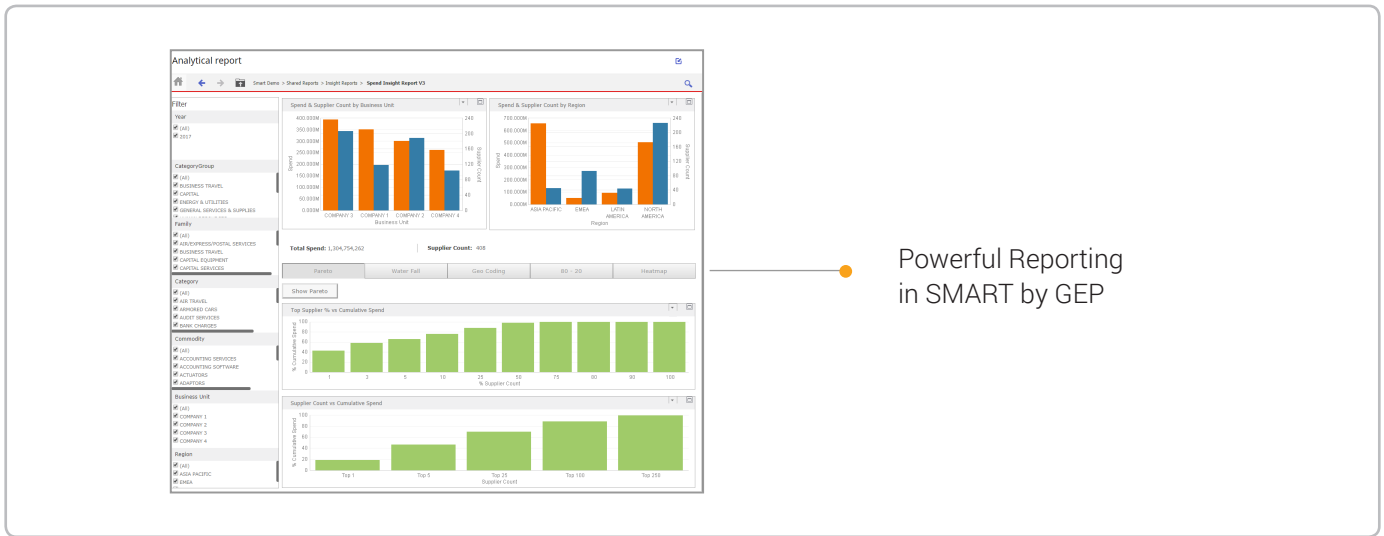
- Large global organization with annual spend of \$60 billion
- 175+ source data files, 40+ source systems
- Classified to five parallel business-unit taxonomies, including one group-wide schema
- Around 60 million transactions per year
- Monthly data refreshes

Case Study – 2

- Locally led purchasing in around 850 affiliates in 58 countries – annual spend more than \$7 billion
- 1,000+ data files from many different systems
- Classified to a new best-practice taxonomy for direct and indirect categories
- Classification accuracy around 93 percent
- Biannual data refreshes



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Powerful Reporting in SMART by GEP

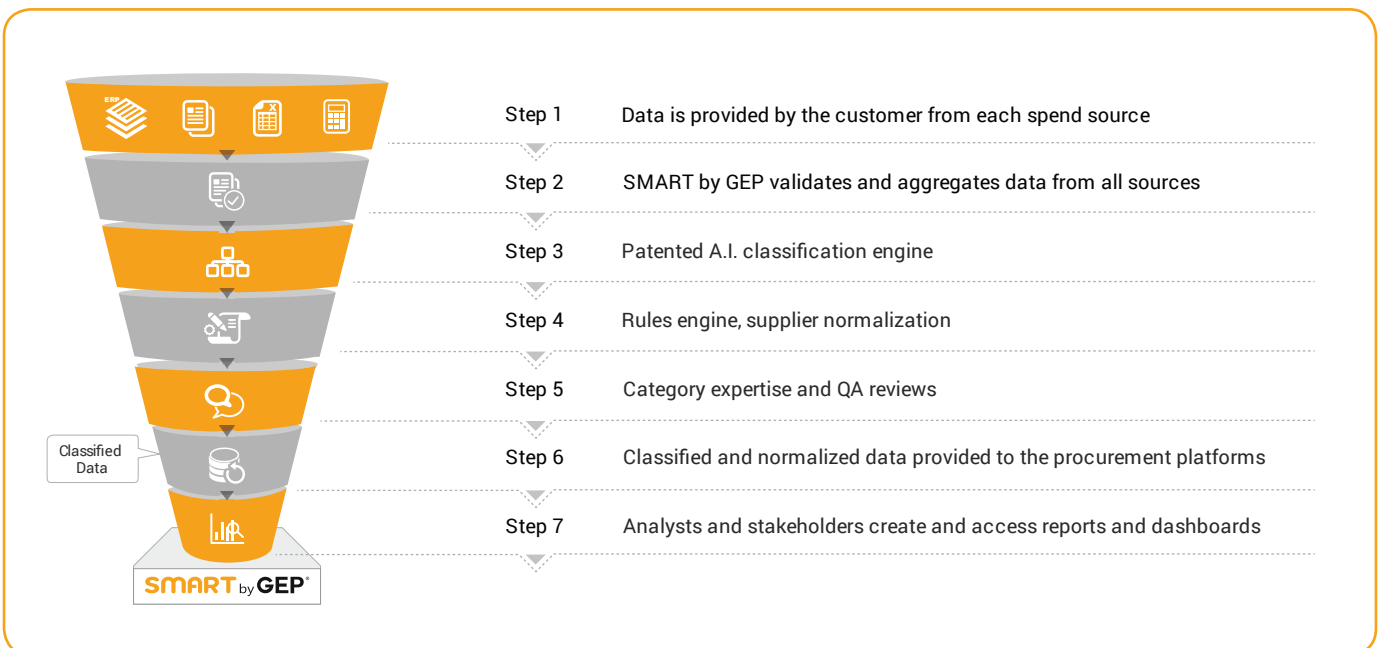
■ **The Process of Spend Analysis**

SMART by GEP takes raw spend data from multiple systems across the organization: ERP, accounts payable, purchase orders, P-cards and so on, and classifies every unit of the currency spent to the customer’s preferred taxonomy. The classification achieves extremely high accuracy and effectively puts all of the spend under management.

Classification combines patented artificial intelligence, category and customer-specific rules, and expert oversight – by experts, not only in spend analysis but also in key industries and categories. Data in multiple languages is translated and classified to provide a single consistent reporting framework and multiple currencies are converted to a single baseline currency. SMART by GEP only adds these new data to the set; thus reports can be generated in original currency as well as “corporate” currency.

Real-Time Spend Alerts

The spend alert feature enables creation of threshold-based spend alerts which notify users if and when their organizational spend reaches or exceeds the set limit.





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■ Normalization of Supplier Data

The vendor information in the raw spend data is likewise transformed with differences in spelling, punctuation and description eliminated to normalize the supplier data. Supplier bases can also be incorporated to provide additional levels of insight. Using GEP's supplier intelligence system, the corporate parent-child linkages are applied on the data to reveal how spend rolls up country by country and business by business from subsidiaries to ultimate owners in the supply chain.

■ Feedback Integration

SMART by GEP allows incorporation of client feedback on category classification and supplier normalization. The classified and normalized spend data can be further enriched as required by the customer with the inclusion of third-party data.

The client feedback tool helps you effectively correct mismatches in classification or supplier parent-child linkages. Risk metrics and market data related to the supplier bases can also be incorporated to provide additional levels of insight. With proper approval systems in place, the client feedback tool ensures that feedback is implemented only after proper validation and approvals. ■



GEP helps global enterprises operate more efficiently and effectively, gain competitive advantage, boost profitability, and maximize business and shareholder value.

Fresh thinking, innovative products, unrivaled domain and subject expertise, and smart, passionate people – this is how GEP creates and delivers unified business transformation solutions of unprecedented scale, power and effectiveness.

Named a Leader in the Gartner Magic Quadrant and Best Provider at the World Procurement Awards and EPIC Procurement Excellence Awards, GEP is frequently honored as an innovator and leader in source-to-pay procurement software by Gartner, Forrester, IDC, Procurement Leaders, Spend Matters, PayStream and Ardent Partners.

GEP is also ranked leader in managed procurement services (procurement outsourcing) by Everest Group, NelsonHall, IDC, ISG, HfS and IAOP. In addition, the primary research firm in the management consulting sector, ALM Intelligence, ranks GEP leader in procurement strategy and supply chain consulting.

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