HOW MENDIX DRIVES MAJOR SAVINGS IN INDIRECT PROCUREMENT
Extending your Cloud Solutions with Titan and Mendix

Would you pay me $100 to save $1,000?

Mick had three sleepless nights, since Friday's review of the Indirect Procurement process. He realized there was a gap – a Grand Canyon-sized crevice – in their approach. They're supposed to go live in two months. But closing that Grand Canyon-sized gap could delay things another two to four months.

Plan A's Gap Problem:

Implementing Ariba as part of their indirect procurement process was supposed to deliver huge savings due to compliance and negotiated pricing. **Those bottom-line savings were expected to cover the project costs and generate an impressive ROI.**

However, after Friday's review, it didn't take an expert to highlight the shortcomings. There was missing functionality between Ariba, SAP, and Fiori. The indirect procurement activities technically worked, but the user experience was lacking. John, the VP of Supply Chain, had been promised an Amazon-like process for users and was not willing to accept the lesser quality.

The procurement assessment revealed that over $10 million in purchases were made outside of standard procedures and did

not comply with company policies. Qualitative and quantitative factors included wasted time for employees and managers, excess inventory and carrying costs, and a lack of storage space for the surplus inventory.

A manager would order enough cups, garbage bags, or cleaner to last six months. If he ran out, it was easier to run down to the local Staples for a toner cartridge or the Walmart for more garbage bags. The total cost of purchases made outside of compliance with negotiated prices and SLAs *amounted to over $10 million per year in wasted time and money spent.* And that was just for the pilot set of 50 SKUs. The rest of the catalog represented an even bigger windfall.

The savings from Indirect Procurement was the primary justification for the project. Mick, who had been tasked with ensuring its success, did not want to be part of a growing list of app development projects that failed to meet expectations. He had to come up with a solution, and fast. After SAP had presented how Fiori could fill the gap, he was thrilled, until he heard the kicker – it would take an additional six months to develop the Fiori Apps to close the gaps. The knot in Mick's stomach tightened.

From Plan B to the Winning Plan:

Mick had a crackerjack team of Mendix developers who were chomping at the bit to support the project. They were a bit crazy, but they never backed down from a challenge.

Mick met with Lucy, the project manager, and Crazy Bart, the lead architect and senior developer. They huddled together and mapped out a Mendix solution that would not only close the gap, but also enable Mick and the team to hit their target go-live date.

Mick, Lucy, and Crazy Bart worked feverishly, and in about one week, they put together a Proof-of-Concept (POC) for the Indirect Procurement app. They presented it to some of the SMEs, who were both amazed at how quickly they pulled it together and surprised that it actually worked!

Proving it worked in one location gave them confidence. They still had many scenarios and variations to test, users to train, and over 500 locations in which to stabilize the app, but they were on the right track.

Go Live. No Excuses.

The night before the app was set to roll out, it was eerily quiet. Mick received a late phone call from John, the VP, who asked one last time if everything was a green light. Mick could hear the anxiety in his voice. While he wasn't betting the farm, he had fully

endorsed the investment in Mendix, recognizing that it could help improve more areas of his operations beyond just Indirect Procurement.

The "Amazon" experience was on full-display. The customers didn't know or care that their favorite store had just migrated hundreds of locations to Mendix, SAP, and Ariba with the help of Titan. **They just wanted to get the service they expected.**

One customer came up to Jerry, the store manager, and mentioned that they were out of paper towels in the restroom. Jerry hustled to the back room and grabbed a few extra packages, noticing that they were running low. Jerry had always been a doubter about all this technology – low-code, no-code – who cared?

Now was the time to test the Mendix app in real-life. He pulled up the Procurement App, scanned the bar code for the paper towels, and up popped the order information. So far, so good?

He would typically have ordered enough for a month, but the new app suggested the order quantity. Expecting a busy weekend with the upcoming holiday, he increased the order quantity, hit the "submit order" button, and saw the order confirmation along with the promise-to-deliver for the next day.

"It worked!" He smiled as he went to help more customers.

Jerry will miss seeing his friends at Staples and Walmart, but he's more focused on helping his customers and saving time and money. With his new Mendix app, he can do just that.

Let's Talk About Your Gaps!

Which of your processes are wasting time and money? We can provide you with Use Cases on how Mendix, together with SAP, Ariba, or other cloud-based applications, can simplify workflows and deliver better results in less time!

Learn how Titan and Mendix can satisfy your business's appetite for custom-developed applications. Contact your Titan Sales Director or visit our website at titanconsulting.net to get in touch with us and see more of our Mendix capabilities.