



Efficiency boost in the procurement department

Unleash your full potential through process mining

Challenges within the purchasing process:

The path to efficiency through process mining

Global market dynamics demand unprecedented adaptability and strategic innovation from companies in order to secure their competitive position. When it comes to Procurement in particular, different systems and their interfaces often lead to a loss of efficiency. Many departments struggle with the effort of manually entering data and managing Excel lists, which is not only time-consuming but also error prone. This is where advances in digital technologies, especially process mining, offer a solution for increasing efficiency and effectiveness.

What is process mining?

Process mining is an advanced method that allows companies to use the data collected in their IT systems to get a clear picture of their actual business processes. This technology uncovers processes that are not running as intended, where time is being lost and where resources are being wasted. By shedding light on previously concealed workflows, process mining opens up the opportunity to implement targeted improvements, increase efficiency and reduce costs. For companies, this offers a significant advantage: not only do they gain deeper insights into their operational reality, but they can also make informed decisions in order to continuously optimize their processes and proactively manage risks.

Automation of procurement processes

A more in-depth analysis of the actual business processes by means of process mining makes it possible to make well-founded decisions on process optimization. This includes:

1. Ordering

Process mining with regard to the purchase order system not only helps to identify duplicate orders, errors or incomplete orders by analyzing process data, but can also be

used to automate recurring orders based on previous planning data. In addition, purchase requisitions can also be created automatically based on previous tenders, making the ordering process more efficient and error-free.

2. Supplier management

Process mining makes it possible to analyze supplier performance. This enables your company to assess whether suppliers are reliable and meet their delivery dates and payment targets. In addition, it offers the possibility of benchmarking different suppliers by evaluating risks from past ordering processes and thus optimizing the selection of suppliers.

3. Contract management

Manual purchase requisition processes, a lack of transparency regarding available contracts and a lack of standardization often lead to orders being executed without referencing contracts, resulting in unnecessary additional costs. In times of rising prices, it is more important than ever to take action and improve spend management. By identifying purchase requisitions without contracts and automatically applying the appropriate agreement, you can ensure that contractual terms and prices are honored.

4. Invoice processing

Process mining can be used to automate invoice verification and approval processes, resulting in faster processing times and fewer errors. Duplicates are identified and deleted, eliminating the need for manual rework. In addition, goods receipts can be automated, checked for completeness and results can be transmitted to the accounting department.

Advantages of automation through process mining

The employment of process mining leads to significant efficiency gains and cost savings. The benefits include:

1. Effizienzsteigerung

By analyzing the actual workflows in the procurement process, process mining uncovers irregularities and inefficiencies, such as redundant steps, unnecessary delays or recurring bottlenecks. By identifying these problem areas, it is possible to take targeted action to make processes more efficient.

2. Cost reduction

The reduction of costs is realized, among other things, through more efficient use of resources. Routine activities can be automated and unnecessary steps can be eliminated. By improving the utilization of contracts and reducing errors, companies can also reduce their expenses.

3. Improved data quality

Automated processes reduce human error so that data accuracy can be significantly increased. This precise and reliable data quality forms the basis for well-founded decisions. As a result, the likelihood of costly errors can be reduced.

4. Error prevention

Process mining helps to identify patterns and trends. This makes it possible to identify duplicate invoices. Any duplicate invoices that have already been paid can be reclaimed and future ones can be avoided. These quick wins can be identified early in the analysis phase and offer great potential.

5. Risk minimization

Automation helps to identify and minimize risks in the supply chain by providing early warnings and insights. As a result, these risks can be eliminated before they lead to costly downtime, penalties or delays.

CONCLUSION

Conclusion

The continued development of AI and machine learning technologies is opening up new opportunities for process optimization and automation. Process mining is revolutionizing how companies are able to understand and improve their procurement process. It increases the resilience of the supply chain, minimizes disruptions and enables data-driven decisions.

In addition to in-depth industry expertise, msg industry advisors have extensive process know-how, which enables us to provide you with tailor-made solutions. This enables you to quickly implement process mining as a key technology with a high degree of precision and effectiveness.

Your contact for process mining:



Daniel Fathmann

Senior Manager Business Transformation
+49 172 361 9752
Daniel.Fathmann@msg-advisors.com



Markus Greufe

Consultant
+49 172 896 2383
Markus.Greufe@msg-advisors.com

msg industry advisors ag

Robert-Bürkle-Str. 1 | 85737 Ismaning/Munich | Phone: +49 89 961011-300
www.msg-advisors.com | info@msg-advisors.com

