

SAP Ariba 

## Groupe Auchan: Gaining Control Over Spend with SAP® Ariba® Solutions

Every day, millions of people in 17 countries shop at the retail outlets of Groupe Auchan, the world's 11th largest retailer. Auchan sought to streamline many of its processes by standardizing tools and centralizing spending across the company. Auchan deployed SAP® Ariba® solutions, generating significant savings and improvement in procurement operations.



## Company

Groupe Auchan SA

## Headquarters

Croix, France

## Industry

Retail

## Products and Services

Discount stores, specialty electronics, hypermarkets, supercenters, supermarkets, superstores, e-banking, and real estate

## Employees

330,700

## Revenue

€53.5 billion

## Web Site

[www.groupe-auchan.com](http://www.groupe-auchan.com)

# Executive overview

## BUSINESS TRANSFORMATION

### Objectives

- Drive efficiencies by gaining control of indirect spend
- Centralize and standardize spend processes across thousands of sites with disparate needs
- Improve supplier management and onboarding

### Resolution

- Deployed the SAP® Ariba® Sourcing, SAP Ariba Supplier Information and Performance Management, and SAP Ariba Buying and Invoicing solutions to manage all of the indirect spend for all business units effectively
- Helped ensure standardized SAP Ariba solutions were used to manage both buyers and sellers throughout the purchasing cycle
- Used Ariba Network to better manage Auchan's global network of 15,000 suppliers

### Benefits

- Increased savings from standardization and better-quality information for purchasers
- Managed all indirect spend effectively
- Established a consistent and common approach for all buyers and users

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# 15,000

Suppliers managed through SAP Ariba solutions

# €3 billion

Annual indirect spending managed by SAP Ariba solutions

# 100%

Estimated single-year rise in sourcing events

“SAP Ariba solutions are very complete and handle the entire purchase cycle, allowing us to start an event with sourcing and end it by receiving the goods. SAP Ariba solutions help us do business the right way.”

Pascal Delval, Chief Purchasing Officer, Groupe Auchan SA

Executive overview

## Company objectives

Resolution

Business transformation

Future plans

# Optimizing efficiencies with consistent spend processes

A visit to an Auchan-owned business is part of daily life for many people in France and other countries. Auchan takes pride in providing consumers with everything from quality foods to discount electronics and other goods. To offer customers highly competitive prices at its 3,051 locations, Auchan is constantly seeking ways to operate more cost-effectively. This includes making its purchasing processes more efficient for its 12,000 active system users.

For big retailers like Auchan, the management of direct spend is highly structured in order to drive cost efficiencies and deliver the best value. However, spend on products and services for internal consumption lacked structure, standards, and controls, so Auchan wanted to bring the efficiencies often associated with direct spend to its indirect spend.

One factor Auchan had to take into account was its highly decentralized structure. "Each store decides for itself what it wants, and we had thousands of store managers and employees making indirect purchases without any controls or guidelines," says Pascal Delval, chief purchasing officer at Groupe Auchan. "We needed to optimize costs. To achieve this, we knew we had to provide staff with standard purchasing processes and professional tools and functionality."

Auchan needed the right tools to reach its goals. "We wanted a solution that could adapt to the buying needs of very different sites," says Delval. "When you operate in multiple countries with 24 different business units around the world, it's impossible to work with the tools of the past. To act everywhere globally, with the same practices at the same time for every business unit, required better, new technologies."



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# Controlling spend globally with SAP Ariba® solutions

Auchan set out to meet its objectives. “We began by creating nine buying offices all around the world, and developed a strategy called the Oxygen program to optimize the cost of all activities and investments across the company,” says Delval. Oxygen involved developing project templates and training, identifying best practices, and reducing the number of forms required for indirect spend processes. The next step was to implement SAP® Ariba® solutions.

“We didn’t want to be a pioneer and try an unproven technology, so our first criterion was that the solution was already used by other companies,” says Delval. “Secondly, we operate across the world and wanted a standardized approach so that we could deploy the same tools across the world as we continue to grow.

Finally, the time to learn the solution had to be less than half an hour for a user. SAP Ariba solutions are simple to use and met all of our other criteria.”

Auchan deployed the SAP Ariba Sourcing and SAP Ariba Buying and Invoicing solutions in all of its business units at all of its global locations to centralize spend activities and provide uniformity in processes. The SAP Ariba solutions enable users to automate, expedite, and control the purchase of goods and services. This improves the management and leveraging of spend, reduces processing times and costs, and maximizes collaboration with a global network of trading partners. “SAP Ariba solutions were clearly the most suited to handle our international business,” says Delval.

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“SAP Ariba solutions enable us to centrally control and efficiently manage €3 billion of indirect spend and save time and money by standardizing our tools and processes across 12,000 users in 11 countries.”

Pascal Delval, Chief Purchasing Officer, Groupe Auchan SA



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# Simplifying processes through universal implementation

The deployment of SAP Ariba solutions throughout Auchan's locations worldwide has proven a big success. "SAP Ariba solutions have been adopted by 100% of our users – more than 12,000 in all," says Delval. "In addition, out of €4.5 billion in total annual indirect spend, €3 billion worth of activity takes place within SAP Ariba solutions, which is tremendous. We also easily manage more than 15,000 suppliers all around the world."

SAP Ariba solutions have given Auchan the consistency in standards, centralized tools, and processes it needed to effectively manage and control its indirect spend and operate more efficiently across numerous geographies. "The buyer and the seller use the same tool for their work, and SAP Ariba solutions have the flexibility and capacity to handle many different situations

within our business," says Delval. "This underscores that SAP Ariba solutions are the most effective at handling all expenses at Auchan."

The establishment of spend standards is generating the savings Auchan envisioned, and SAP Ariba solutions have been a key factor in these achievements. "Using very professional tools is producing significant savings, partly because we now have standards for doing business and partly due to the fact that the quality of the information we can draw on better prepares us for making purchases," says Delval. "SAP Ariba solutions are powerful and comprehensive for managing spend and increasing efficiencies for Auchan's global procurement operations."

## 66%

Annual indirect spend managed with SAP Ariba solutions

## 12,000

Auchan users of SAP Ariba solutions globally

## 3,050 sites

Using centralized, standard processes





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