



Powering Up

Rolls-Royce sees advantages ahead as it adds the Ivalua platform.

By Alan Dorich

Rolls-Royce is deploying Ivalua in the next 18 months as an integral part of creating a step change in its procurement capability.



GORDON TYTLER
director of procurement

When a company's customer base includes more than 400 airlines, 160 armed forces, 70 navies, and more than 5,000 power and nuclear clients, having a strong supply chain is more than just a good business strategy – it is essential. Rolls-Royce Holdings plc has made sure not to rest on its laurels when it comes to its procurement capability.

The global power and propulsion systems company has shown the same level of innovation in its supply chain as it has in serving the civil aerospace, power systems and defense sectors with technologies that provide safe, clean and competitive solutions.

"Agility is absolutely the key," Director of Procurement Gordon Tytler declares.

A 30-year veteran of Rolls-Royce, he took his current role

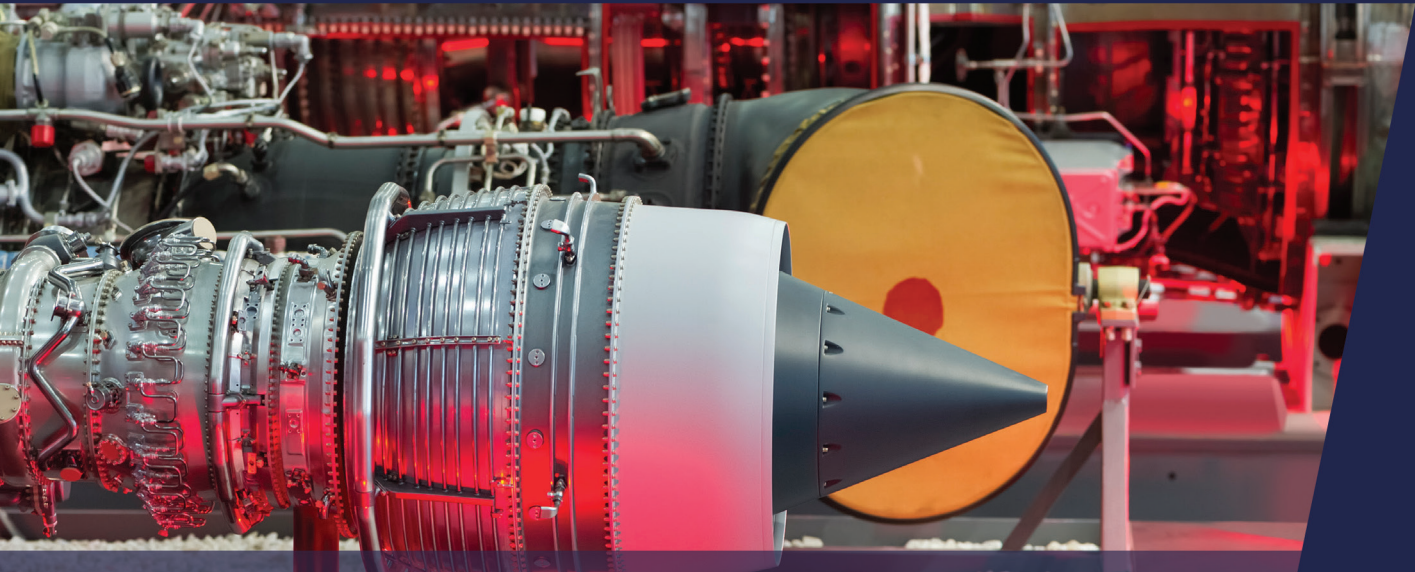
at the company in 2016 and has operated as the strategic and functional leader for its procurement groups. Under his leadership, the company launched its Indirect Procurement Excellence (IPEX) program, focused on materials and services that do not go directly into its products.

As part of this initiative, Rolls-Royce implemented Source to Pay (S2P), a web-based digital content tool from Coupa Software



The Procurement Empowerment Platform

Realize the possibilities



DUE TO TODAY'S COMPLEX AND DYNAMIC MARKET, COMPANIES REQUIRE A NEW APPROACH TO MANUFACTURING

“

Ivalua's system empowered a series of changes for the Chassis Brake's team. These included better collaboration and communication with suppliers, greater visibility on spend across the entire purchasing value chain and support towards the digitization of the previously paper-based processes. ”

Chassis Brake International - Global Manufacturing Business - Now part of the Brake Unit of Hitachi Automotive Systems

Strategy
& Analytics

Supplier
Management

Sourcing

Contract
Management

Procurement

Invoicing



The DPEX change program will allow Rolls-Royce to look at the capabilities of its teams and shape the skills they will need over the next three years.

Inc. that standardizes indirect purchasing processes and gives its associates a more direct view. Since then, “We’ve implemented it across our Group Business and our Civil and Defense businesses,” Tytler reports.

This has given Rolls-Royce end-to-end control across the entirety of these businesses and allowed it to enjoy efficiency improvements and savings. Previously, he recalls, the company waited 10 to 14 days to obtain approvals.

“Now, we’re around 40 hours,” Tytler reports, adding that Rolls-Royce also has enjoyed a 30 percent efficiency savings, increased annual cost reduction on the Indirect spend and moved further into the digital age with additional apps from Coupa Software.

These have given the company the benefit of digital analytics and built artificial intelligence into its procurement capability. One app is its Spend Analytics tool, “which gives us insights into and allows us to manage, our spend more effectively,” Tytler describes.

Another app focuses on how Rolls-Royce conducts its contract management, while it also uses Coupa Software’s new Risk app, which constantly scans the risk environment. With this tool, “[We can] pick up any knowledge that could translate into any issues



from an indirect supply chain risk perspective,” he explains.

BEST IN BREED

Rolls-Royce now wants to duplicate its success in the indirect space with its Direct Procurement Excellence (DPEX) change program. The initiative, Tytler notes, will follow a similar ethos of simplification and standardization creating a stable platform on which to build a digital solution. “At the end of that, what we’ll have, is a very fit-for-purpose digital procurement capability across both our direct and indirect spend,” he states.

David Fryer, an 11-year veteran

of Rolls-Royce, is overseeing DPEX as its transformation leader. “It’s taking what we have in the direct procurement space and bringing us a best in breed digital solution that delivers significant business value,” he says.

In the next 18 months, Fryer describes, Rolls-Royce will deploy Ivalua as an integral part of the change program to create a step change in its procurement capability. “As part of that deployment, we are digitizing our existing contract base, putting that into the Ivalua tool and using the various analytics options it gives us to drive near term value,” Fryer says.

Ivalua We are delighted that Rolls-Royce Aerospace selected Ivalua to help transform its Direct Procurement operations to better support its corporate goals. Rolls-Royce understands that unlocking the full value in its supply chain involves not just reducing costs and delivering operational efficiencies, but also closely engaging suppliers. Our complete, source-to-pay suite will empower Rolls-Royce to unlock greater supplier innovation to extend its competitive advantage. By leveraging our complete source-to-pay suite, they will be able to maximize automation, improve supplier collaboration and realize the full benefits of embedded artificial intelligence to improve decision-making and the user experience.



Engineer Solutions for a smarter world



Digital



Electronics



Software



Mechanical

#CreateTheFrontier



QuEST - Helping to build engines that fly billions to their dream destinations, safely

Aero Engine OEMs have been the vanguards for innovation in Aerospace for over 100 years, as they continue to push the boundaries of what is possible and each new generation of engine sets new performance benchmarks in Civil and Defence aviation. With the digital revolution blurring the boundaries between physical products and associated services, the industry is moving towards a future vision where Aero Engines are connected, contextually aware and even comprehending; where they are designed and tested digitally, serviced remotely and managed through their digital twins.

This grand vision is shared by QuEST Global, a trusted product engineering and lifecycle services partner to all major Aero Engine OEMs. Since its foundation in 1997, QuEST is now the largest and most comprehensive of all Engineering service providers in the Aero Engines industry and is now uniquely positioned to enable OEMs to set new standards in reliability, safety and performance. This, in turn, enables our Customers to offer an enhanced flying experience, lower carbon footprint and noise, and more economical flights.

Today, QuEST is focused on delivering innovative solutions that add real value to global leaders in our target industries, which are in fact most essential to humankind. Our unmatched scale in the Aero Engines sector and expertise to offer vertically integrated solutions across the product lifecycle has earned us a place at one such OEM's top table as a Strategic Managed Service Provider and a member of their Premier Supplier Group. Consequently QuEST is collaboratively engaged in several transformational initiatives, in partnership with the OEM, and is the only non-direct manufacturing supplier to be a member of their Digital Focus Group, focusing keenly on digital manufacturing.

QuEST engineers currently support Aero Engine OEMs with MBD/E, PLM, and other digital innovations as the scope of 'Engineering Services' continues to grow. They are actively involved in helping to achieve product cost savings during the component engineering stage, together with lifecycle cost savings from entry into service through to fleet retirement. In fact, we offer the full range of Engineering Services from concept design through to aftermarket support, bringing in significant expertise in product and digital manufacturing along the way. Leveraging our breadth of engagement and depth of expertise, Aero Engine OEMs can rely on QuEST as a 'trusted, thinking partner'.

With robust technology partnerships in High-Technology and Industrial sectors, QuEST continues to empower our valued Customers to innovate and do amazing things with emerging technologies. As they Create The Frontier in their own realms, we are proud to be part of their quest.

These options range from contract management to spend and supplier performance analytics that will help the company evaluate data and create actionable insights. "As part of the approach, we'll be looking at different data structures," Fryer says, noting that this will give Rolls-Royce the ability to analyze contracts, supplier performance and risk data in real time.

He explains that the DPEX change program will allow Rolls-Royce to look at the capabilities of its teams and shape the skills they will need over the next three years. "It will change the way that we look at procurements role within the business," Fryer says.

"It will give us insights and allow us to drive better overall value in terms of how we engage with our suppliers," he says, noting that this will also help improve workflows and efficiency in the organization.

For example, the system will enable Rolls-Royce to update its pricing more quickly and reduce the lead time to put a contract in place from many hours to only a few. The company will also gain actionable insights into supplier performance and will have the ability to better collaborate in real time, with its suppliers.

"We will be able to better understand the value generation and performance of our suppliers," Fryer says, noting that this will generate more time for its buyers to do the value-add activity that they really want to do.

Carrie McComb, the functional procurement and transformation lead for Rolls-Royce's Civil Business, agrees. "We've got a fantastic procurement team and this investment is really going to help take us to the next level," she says, adding that she appreciates how Rolls-Royce took a holistic approach to the initiative.

"We could have taken a more fragmented approach by focusing on our incumbent systems," she says. "Instead, we've gone for a total approach focusing on a change management program, a best in breed tool, processes, and analytics."

McComb adds that "DPEX will help allow our procurement teams to focus on value generation – this platform which will allow us to quickly update our pricing and contracts will give the teams more time to focus on value added activity such as actionable insights and collaborating with suppliers to deliver increasing value."

Rolls-Royce now also has the ability to see what the buyer of the future will be like, as it moves away from analog processes to a digital future. "It will be exciting to see how the profession evolves with the implementation of this program," McComb says.



THE NEW VISION

Rolls-Royce is on track to implement the Ivalua platform next year. “The first phase goes live in March through to July,” Fryer says, noting that the second phase will follow in the third quarter.

“The final phase is in the start of the following year,” he continues. “We’re currently in what we call the sprint phase to complete our phase 1 build.”

Tytler notes that the entire process has required a rapid deployment at Rolls-Royce, which is similar to the schedule it followed with IPEX. “We got approval in October 2018 and mobilized movement through this year,” he recalls.

When implemented, DPEX will have a global reach, with circa 500 users in seven countries. Tytler adds that he sees a strong future ahead for Rolls-Royce procurement, which has a clear 10-year vision.

“That vision is focused around our business drivers,” he notes. “We want to move from being viewed as purely procurement experts within Rolls-Royce, to establish ourselves as business leaders with a procurement expertise.”

Accenture brings a depth of industry and functional understanding to help clients address any aspect of procurement & supply chain, from strategy, organization, people, processes, and technology. As trusted advisors, we help our clients devise procurement & supply chain strategies and capabilities that truly create competitive advantage through effective implementation. We support industry and enterprise-wide transformations through embracing new digital technologies and new ways of working.

Only one in five companies are effectively embedding digital intelligence across procurement & supply chain functions. These leaders are investing in digital innovation, analytics and talent while forging new relationships among peers and partners. The results? Insight-driven, differentiation that fuels enterprise growth.

Accenture specializes in helping clients capitalise on the impact of digital disruption, optimizing spend demand management, enabling improved sourcing, contract & supplier management, and supply chain effectiveness, whilst delivering automation through improved use of technology.

“Every day we strive to be our best at helping Rolls-Royce and other leading organisations harness the power and capability unlocked by new digital technology within their procurement and supply chain functions. We take pride in helping organisations outperform.” – Simon Peters, Managing Director, UKI Procurement & Supply Chain

© 2020 Accenture. All rights reserved.



**NEW
ISN'T ON ITS WAY.
WE'RE
APPLYING IT
NOW.**

See how we're applying innovation and deep industry knowledge to real business challenges in Supply Chain management now at [accenture.com/gb-en/operations-strategy-index](https://www.accenture.com/gb-en/operations-strategy-index)

**NEW
APPLIED
NOW**