

Supplier Risk Management Webinar (Know Your Supplier)

Consumer and Industrial Products & Services (CIPS) market

CIPS edition - 23 November 2021



salesforce

Rules/tips for the webinar

Your questions You can ask your questions via the chat function

Engagement Continuous interaction thrives this webinar

Distractions Please put other work / activities aside

Material Will become available after the webinar

Contacting Contact details will be shown in the end



Agenda PwC & Salesforce CIPS webinar


Time	Activity
0. 08:30 – 08:35	Drop in, word of welcome and discuss agenda – <i>Marcel Prinsenbergh</i>
1. 08:35 – 08:45	Key Know Your Supplier (KYS) challenges in the market - <i>Marcel Prinsenbergh</i>
2. 08:45 – 09:00	Use case: CIPS industry expert on Know Your Supplier (KYS) – <i>Hubert Verweij</i>
3. 09:00 – 09:10	How PwC can add value with Know Your Supplier (KYS) - <i>Xander de Jong</i>
4. 09:10 – 09:25	PwC's Know Your Supplier (KYS) model on the Salesforce platform - <i>Jasper Kakes & Robin Bhowmick</i>
5. 09:25 - 09:30	Closing, questions (Q&A) and contact details - <i>All participants</i>


1


Key Know Your Supplier (KYS) challenges in the market


Marcel Prinsenbergh
PwC


Why is Know Your Supplier relevant (in the CIPS market)?

 **33%** of the Dutch CEO's have indicated digitalization of risk management as their top priority

 **31%** of the Dutch CEO's have indicated collaborating with supply chain partners to collectively manage risks as their top priority

 **50%** of Dutch executives have cited lack of mature Third Party Risk Programme as a source of Third Party Fraud

 **21%** of Dutch executives have cited no due diligence or monitoring programme at all as a source of Third Party Fraud

 **42%** of CEOs name over-regulation as the #1 threat (e.g. Sanctions, (Anti) Bribery & Corruption, Cyber Security, Data Privacy)



Platform economics: rising interactions with suppliers

Interactions with suppliers are essential for every company



Rapidly changing supplier and trade regulations

Borderless supplier marketplaces by globalisation and digitalisation



Increased responsibility for financial and social well-being

Suppliers can cause significant financial and reputational damage to companies



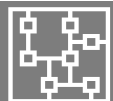
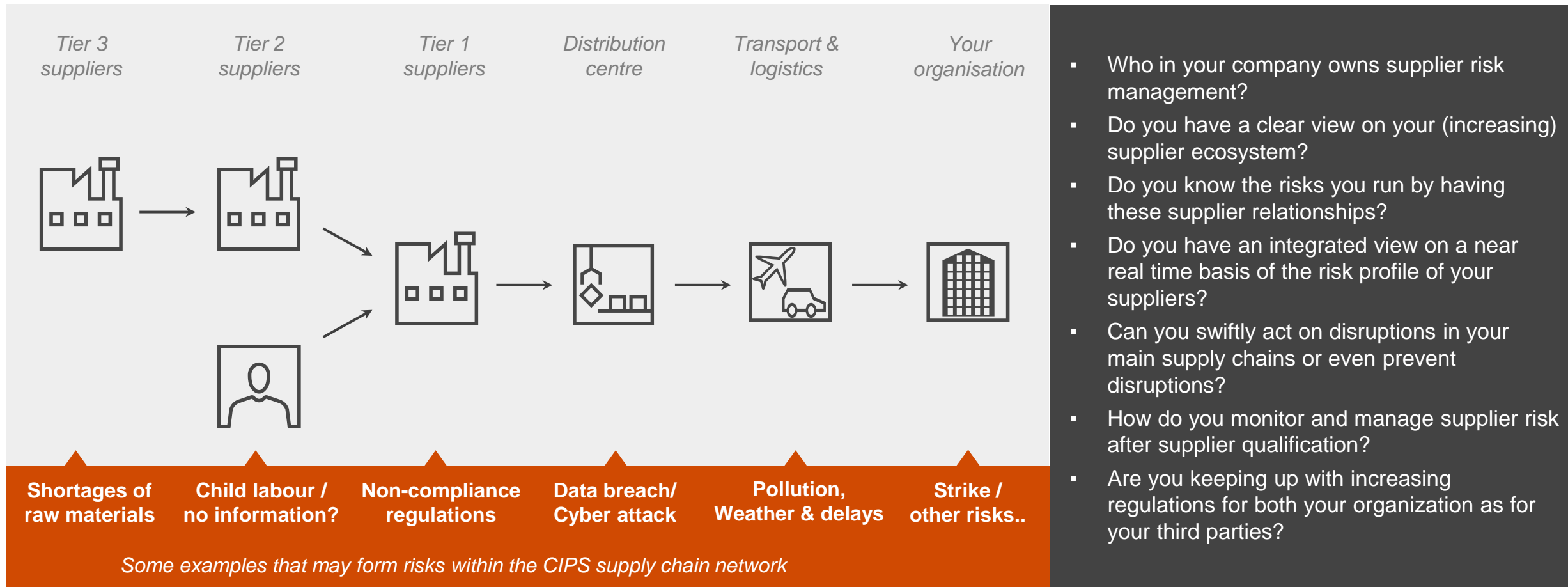
Rising costs to cover global requirements

Manual processes causes continuously increasing costs and affecting the effectiveness of the organization



Reality check: Is it possible at all to manage all the supplier risks your company is facing? And how are you now dealing with these risks?

Organizations that are in the dark about their supplier network may bare risks that could impact their supply, reputation and cause compliance issues



Challenges that organizations in the CIPS market are facing and our view:

Organizations only partly have a view on their suppliers' risks and their impact on business and therefore do not achieve building and maintaining a resilient supplier ecosystem.

Challenges related to CIPS market supplier risks

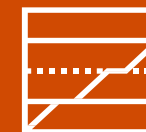
- Supply chains become **longer and more complex** due to globalization and outsourcing
- Truly understand supplier ecosystem and the **(hundred) thousand suppliers**
- The **high variety of risks** makes a full assessment virtually impossible; domains are needed
- **Rapidly changing** supplier ecosystems require transparency beyond tier-1 (and tier-n).
- Risk types should be treated differently as there is a difference in **predictability**.

Our view

Take preventive action in the boardroom while protecting your corporate strategy

- **Eliminate silos** by aligning supplier risk strategy with corporate strategy
- **Increase consistency** in mitigating actions and decisions
- **Reduce errors** through AI powered and data-driven decisions

The benefits for businesses:



Enhanced process efficiency



Confidence for decision-making



Full supplier network transparency

2

Use case: CIPS expert on Know Your Supplier (KYS)

Hubert Verweij
PwC

The CIPS market is additionally vulnerable to supplier risks due to its proximity to consumers and the public opinion: brand reputation is jeopardized quickly!

1

Product quality & safety

Consumers and customers expect that the products they are buying meet quality standards and are safe during usage.



2

Price & currency fluctuations

Strong fluctuations are directly felt by customers and consumers if additional costs can be charged to them



3

Material scarcity and volatility

Supply disruptions due to nature or human failure directly impact a seamless goods flow potential leading to inventory shortages.



4

Sustainable practices

Sustainability is not an order winner anymore. Good practices and visibility in the tier-n supplier network are now widely expected.



5

Intellectual property

Ongoing innovation and fast time-to-market make companies win or lose, but to what extent are you protected is or is open innovation the norm



6

Data protection & security

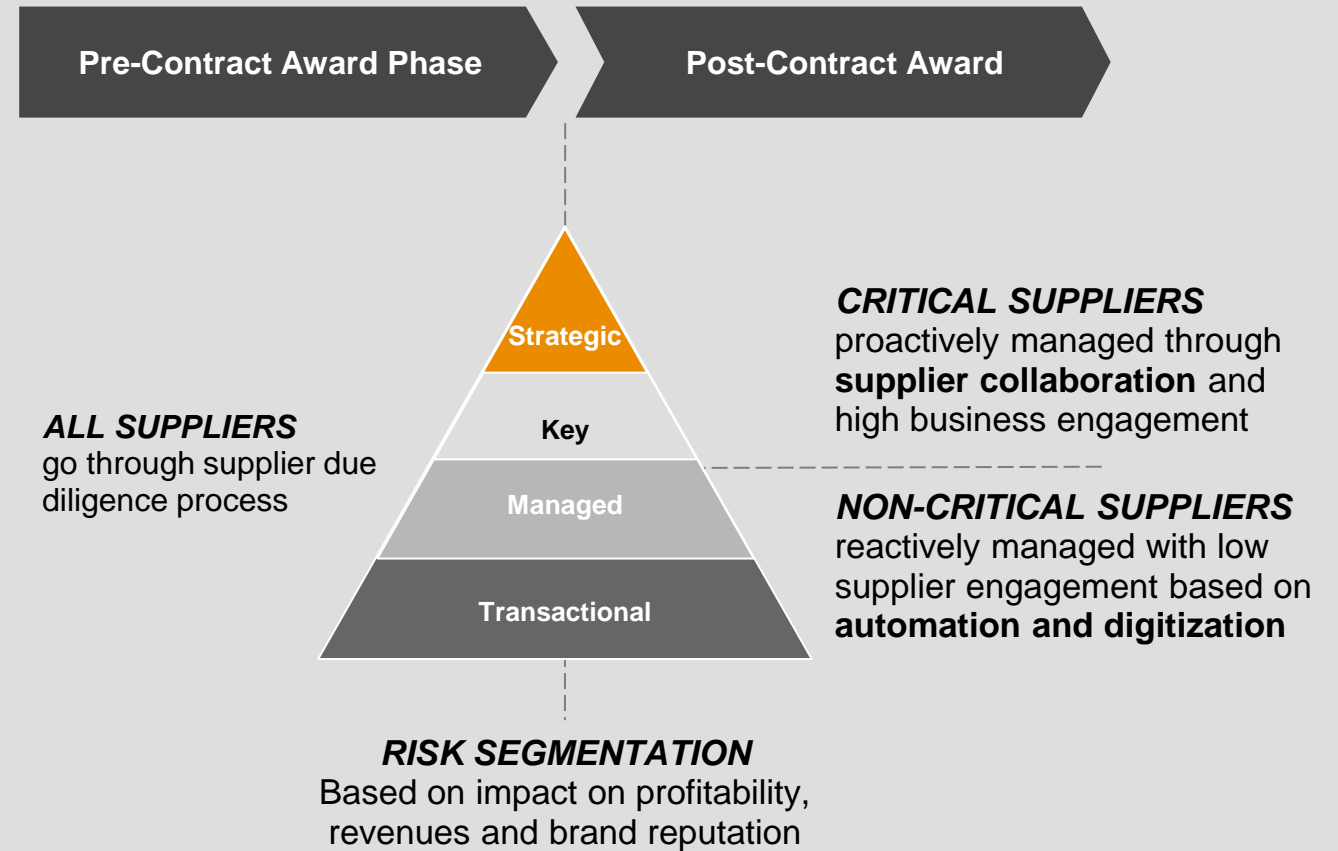
Besides fines if you encounter a breach, your competitive advantage is jeopardized when strategic information become available to the market



With typically more than 20.000 suppliers and limited resources, organizations in the CIPS industry need to be very conscious how they spend their time and resources.

What makes suppliers critical?

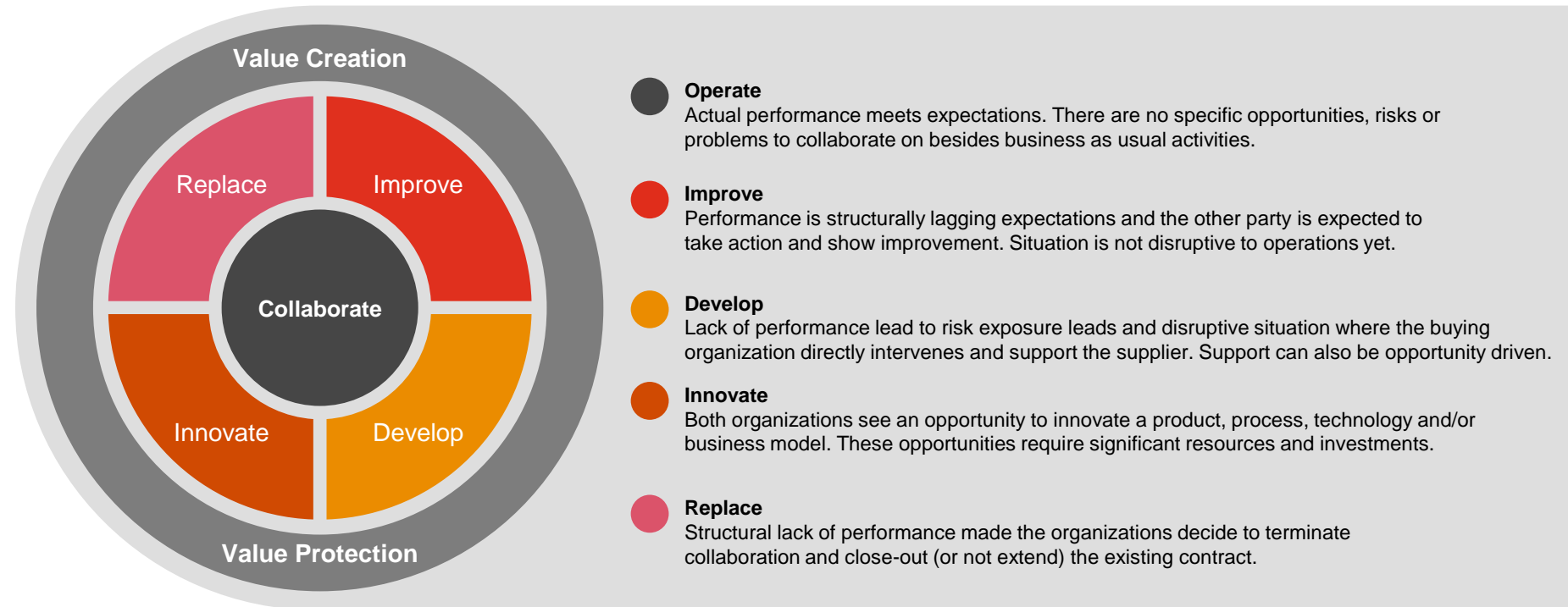
- ✓ Impact on current & future revenues
- ✓ Impact on current & future costs
- ✓ Expected length & continuity in relationship
- ✓ Access to critical supplier capabilities
- ✓ Dependency on supplier
- ✓ Relationship complexity
- ✓ Attractiveness own organization to supplier
- ✓ Strategic, organizational & cultural fit



-Segmentation is driven by business priorities so business is closely engaged-

Supplier collaboration is the measure to proactively identify, prevent and mitigate risks in your supply chain.

Different treatment strategies based on supplier segment and performance...



...As collaboration platform between your organization and suppliers

Effective supplier collaboration

- Focus on broader value impact of suppliers
- Putting suppliers as specialists in the driver's seat
- Step in when the suppliers lack the required resources and capabilities
- Multiple mitigation actions that go beyond dual sourcing only
- Multidisciplinary team and activity
- Deploy emerging technology

3

How PwC can add value with Know Your Supplier

Xander de Jong
PwC

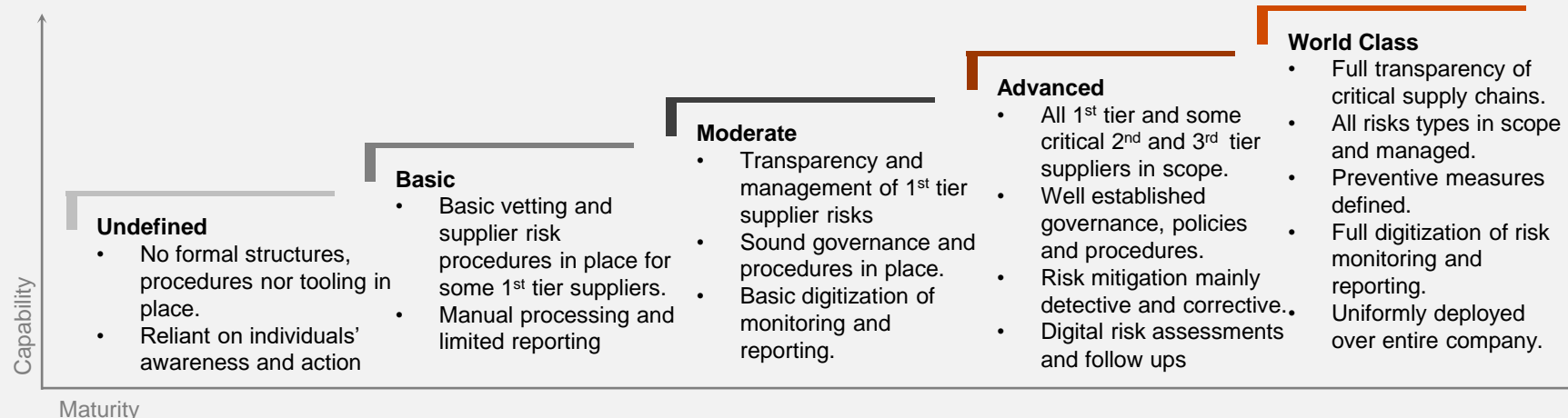
PwC's 'Know Your Supplier' framework to serve as your foundation

PwC's Supplier Risk Management Framework: A holistic framework that tackles all elements that are relevant for a reliable and effective supplier risk management approach, enabling organizations to manage risks associated with suppliers over their lifecycle.



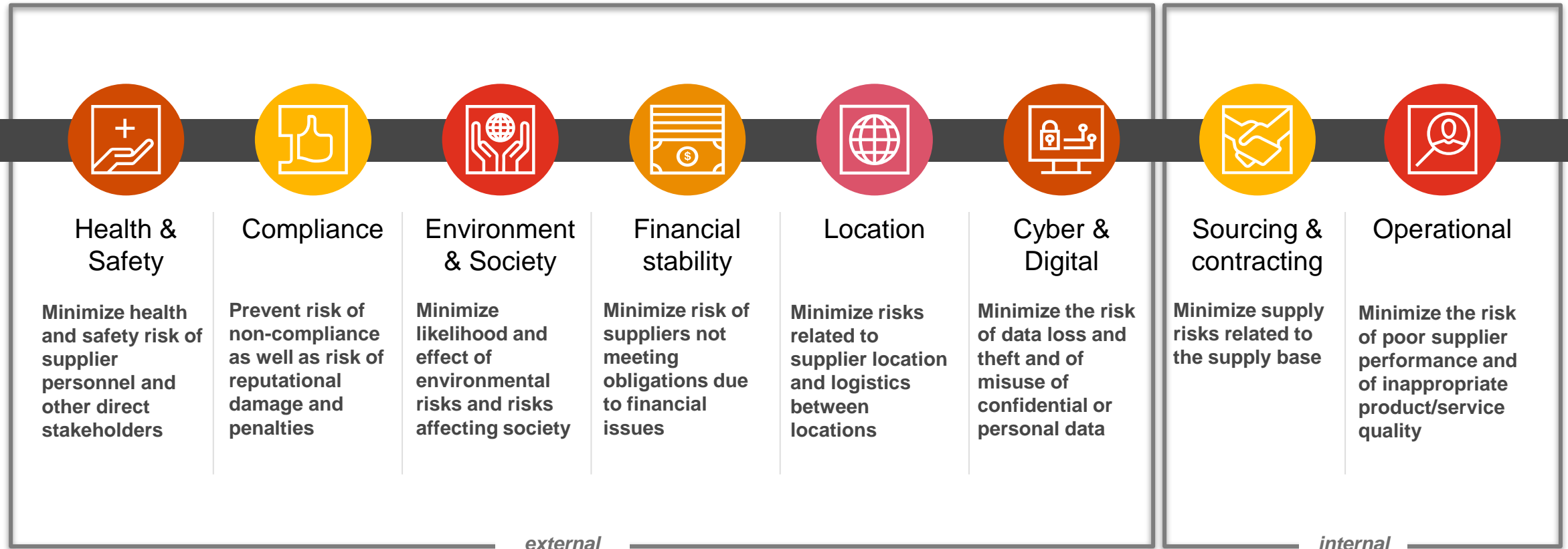
A Supplier Risk Management maturity assessment and a clear and committed ambition are the first critical steps towards World Class Supplier Risk Management.

How mature is your organisation in terms of 'Supplier Risk Management'?



Building on the KYS framework results, your supplier risk is assessed

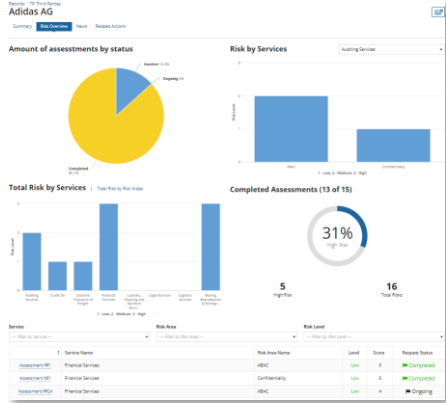
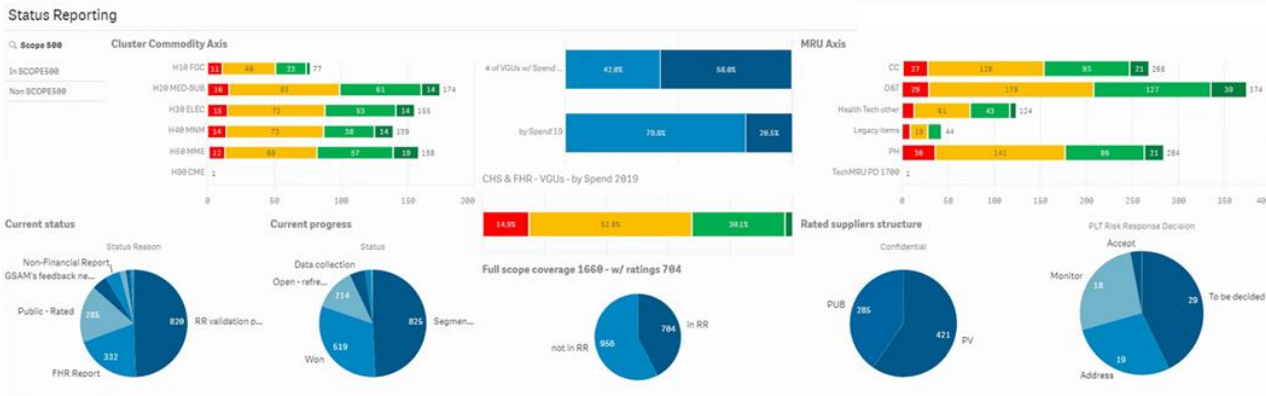
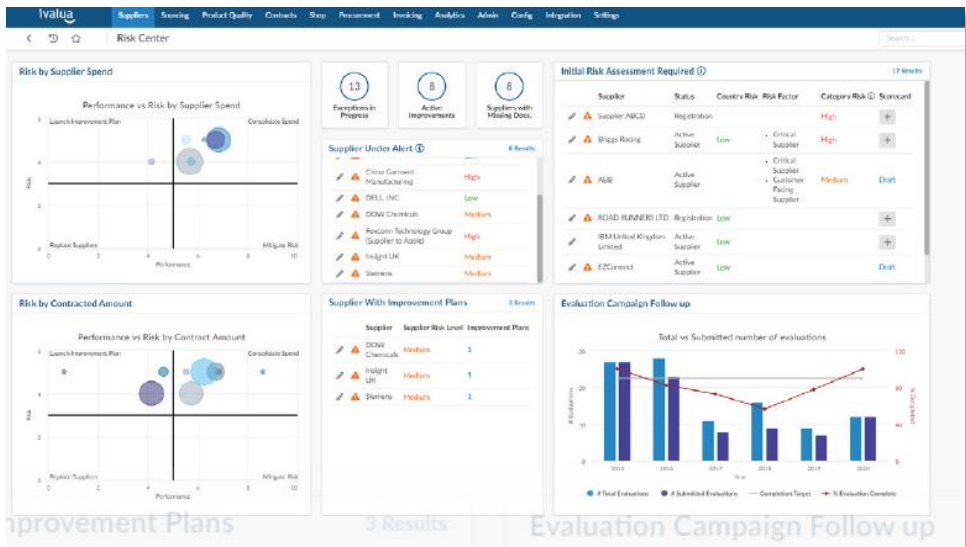
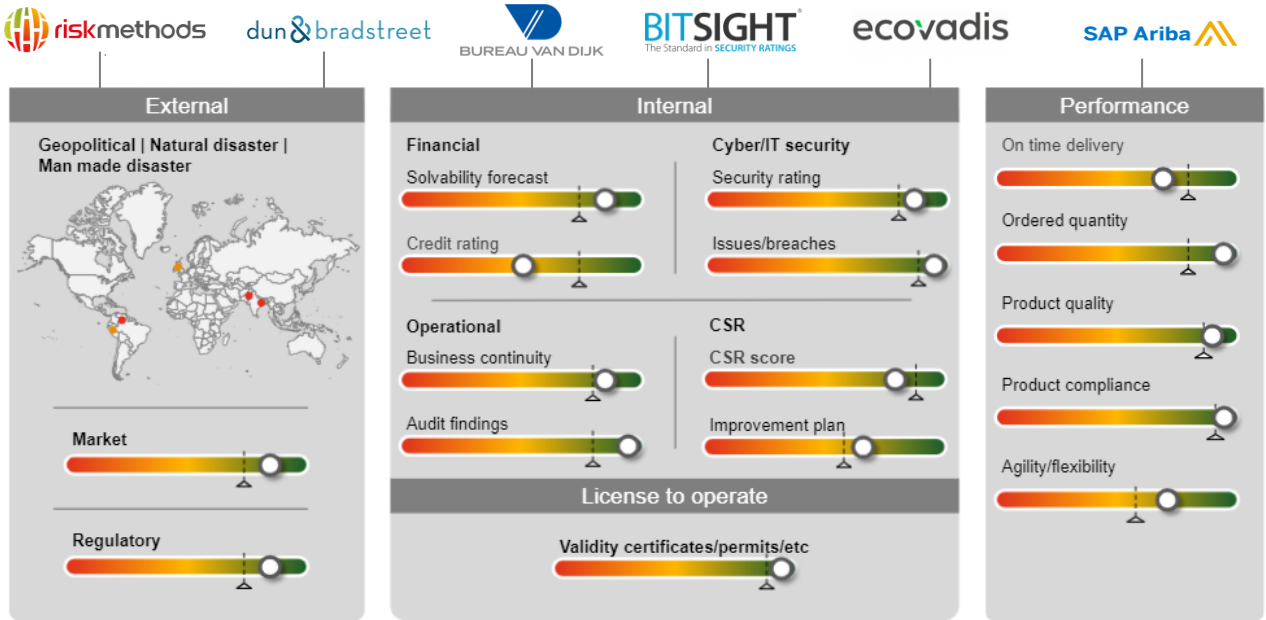
To truly have a good insight in and understanding of the risks your suppliers may bring with them, a clear view on all risk domains must be combined with a thorough and well deployed risk management framework



Supplier risk management should be incorporated in the procurement cycle; each step of the cycle has distinct risk mitigating activities



Various data sources will have to be combined with additional intelligence to monitor and report supplier performance and risk - *example dashboards*



4

PwC Know Your Supplier (KYS) model on the Salesforce platform

Jasper Kakes
PwC

Robin Bhowmick
Salesforce

Our Point of View on Supplier Management

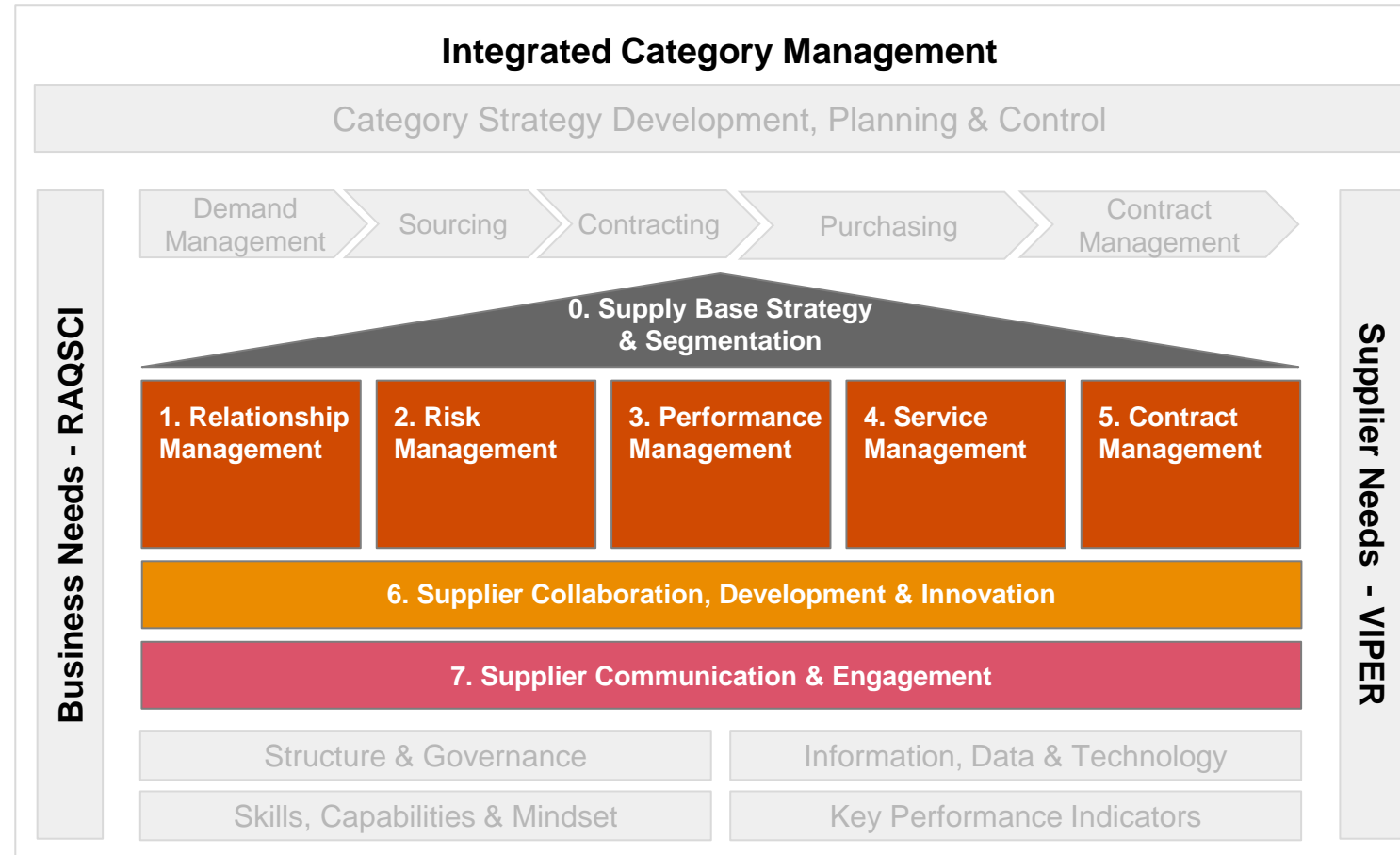
Supplier Management is all about choosing the right suppliers and optimizing collaboration with suppliers to sustain contracted savings, manage risks, unlock new value through innovation and become a customer of choice for the most important suppliers.

0. Supply Base Strategy & Segmentation: Translation of business strategy and objectives into the value needed from the supply base

1. Relationship management: supports buyer-supplier relationship development, capturing of contact moments and one global account view

2. Risk management: Full visibility on supplier audits, supplier related risks and support in managing the corresponding mitigation actions

3. Performance Management: one integrated view on supplier performance, also enabling supplier benchmarking



RAQSCI: Regulations, Assurance of supply, Quality, Service, Costs and Innovation

VIPER: Volume, Information, Profitability, Efficiency and Reliability

4. Service Management: One-point of entry for service to suppliers for issues, questions, and claims

5. Contract Management: Contract repository and contract approval flow

6. Supplier Collaboration, Development & Innovation: collaboration and development on projects with supplier(s) (such as innovation and product development)

7. Supplier Communication & Engagement: communication with individual suppliers, and mass communication to (parts of) the supply base.

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**How does Salesforce
Enable this?**



Procurement Systems Still Run on Legacy Technology

Disparate and non-collaborative systems impede working fast



CRM and SRM - Two Sides of the Same Coin

Why Traditional SRM Practices Need to be Challenged

SRM on Salesforce

Master Data and Analytics

- Spend Mgmt & Analytics (SMA)
- Supplier Information Mgmt (SIM)
- Supply Base Analytics (SBA)

Transactional Procurement

- Source to Contract (S2C)
- Procure to Pay (P2P)

Legal and Risks

- Supplier Due Diligence (SDD)
- Vendor Risk Mgmt (VRM)
- Contract Lifecycle Mgmt (CLM)

Procurement Performance

- Savings Tracking and Reporting (STR)

Supplier Management

- Vendor Performance Mgmt (VPM)
- Supplier Relationship Mgmt (SRM)



Customer 360

Master Data and Analytics

- Revenue Mgmt & Analytics (RMA)
- Customer Info Mgmt (CIM)
- Client Base Analytics (CBA)

Transactional Sales

- Digital Commerce

Legal and Risks

- Enterprise Risk Mgmt (ERM)
- Contract Lifecycle Mgmt (CLM)

Sales Performance

- Sales Force Automation (SFA)
- Sales Performance Mgmt (SPM)

Customer Management

- Customer Communications Mgmt (CCM)
- Social CRM (SCRM)
- Customer Service and Engagement (CSE)

Navigate the New Normal with Customer 360

Build secure and scalable apps from anywhere



Experience	Apps	Web	Channels	Bots
Einstein	Automation	Workflow	Personalization	Low Code
Single Source of Truth	Data	Streams	Segments	Privacy

Hyperforce

Trusted, reliable platform
Fast time to value
Flexible configuration & updates
Smart apps with analytics & AI

= ROI



Salesforce Platform

World's #1 platform, powering the Customer 360

salesforce

Innovate Fast

Agile innovation of intelligent, enterprise-quality apps to rapidly adjust to business needs

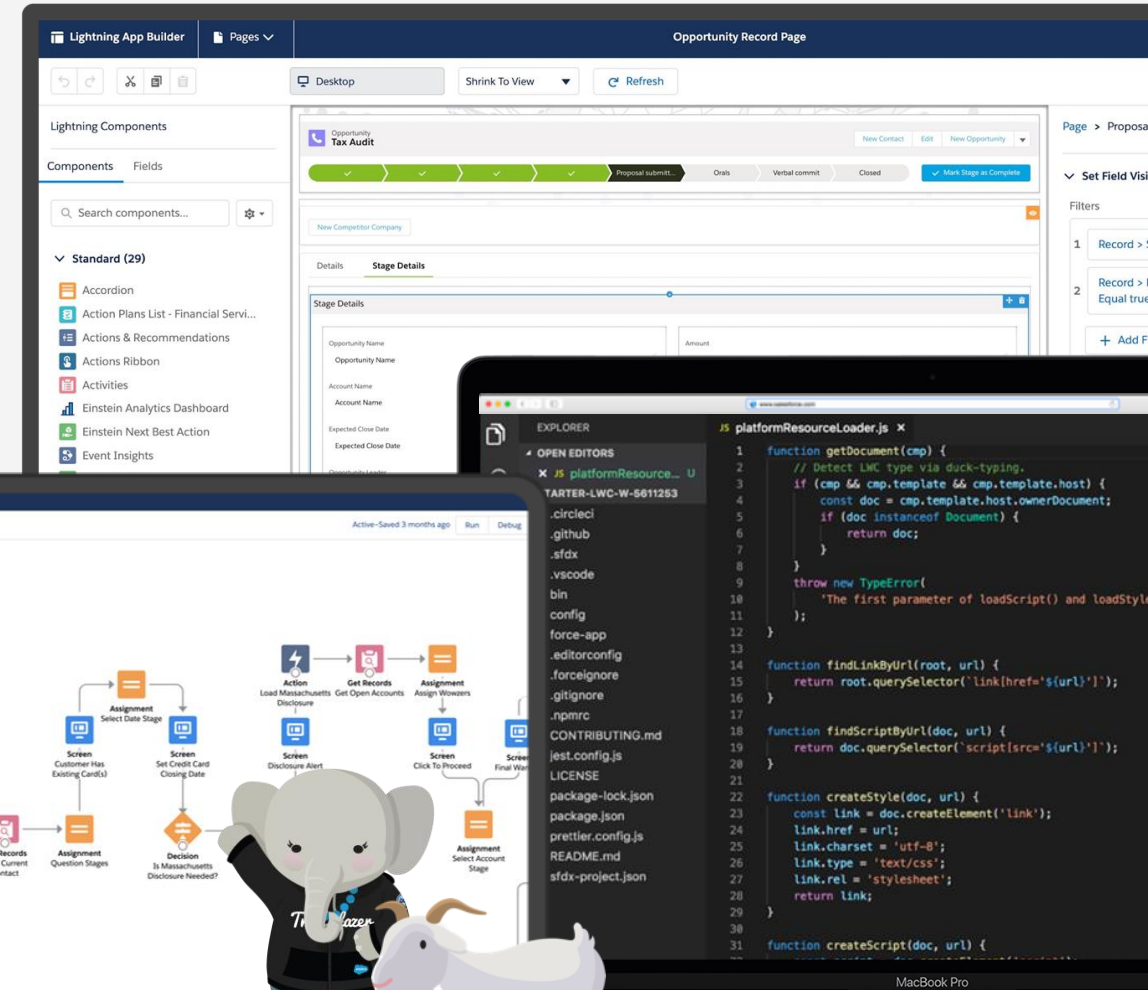
Scale with Confidence

Build on the most trusted enterprise platform with out-of-box security, performance, and governance

Empower Everyone

Create with clicks or code using responsive, customizable components and services

68% faster app development

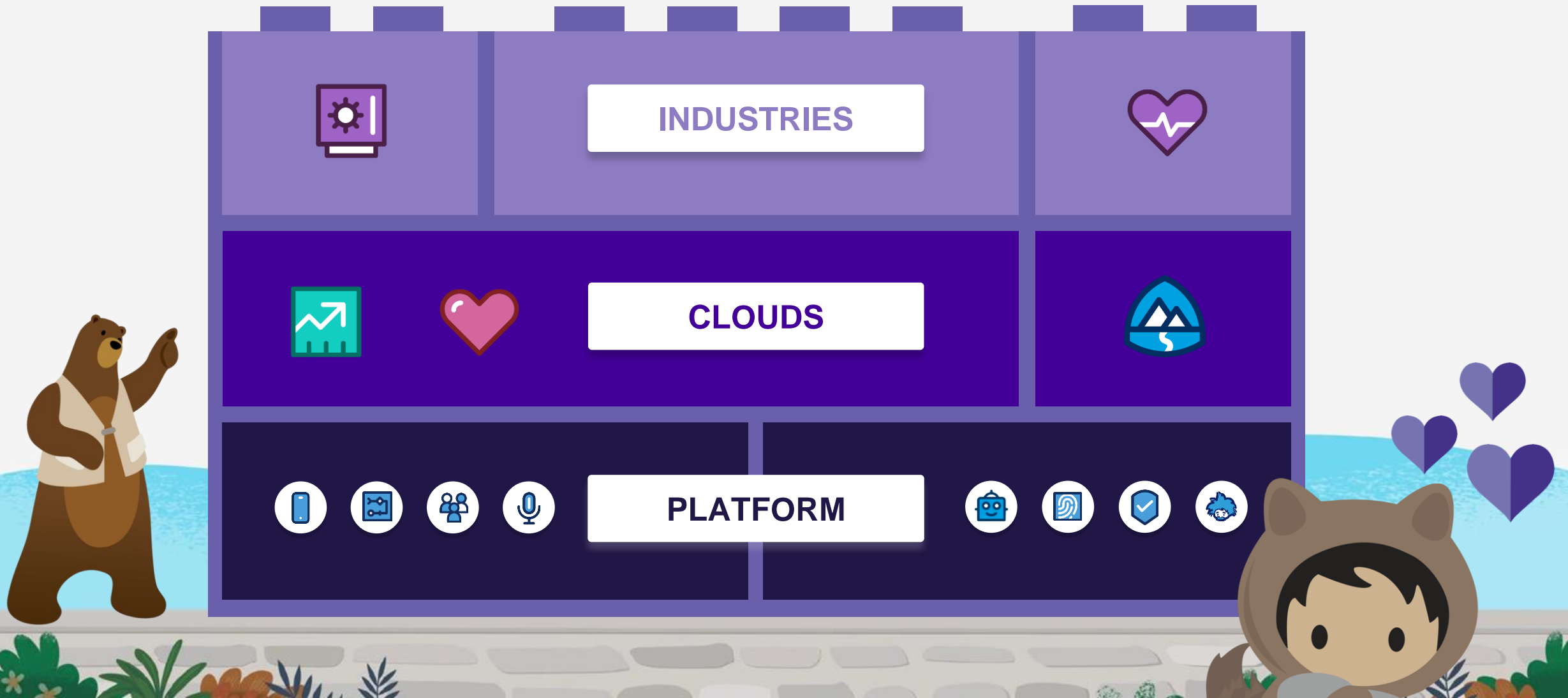


Salesforce Platform is a Set of Building Blocks



Salesforce is Built with Platform

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SRM on Salesforce Pillars



Trust

Make personalization secure and safe for large enterprises



Ease

Make it easy for anyone to implement

Make it easy for anyone to use



Integration

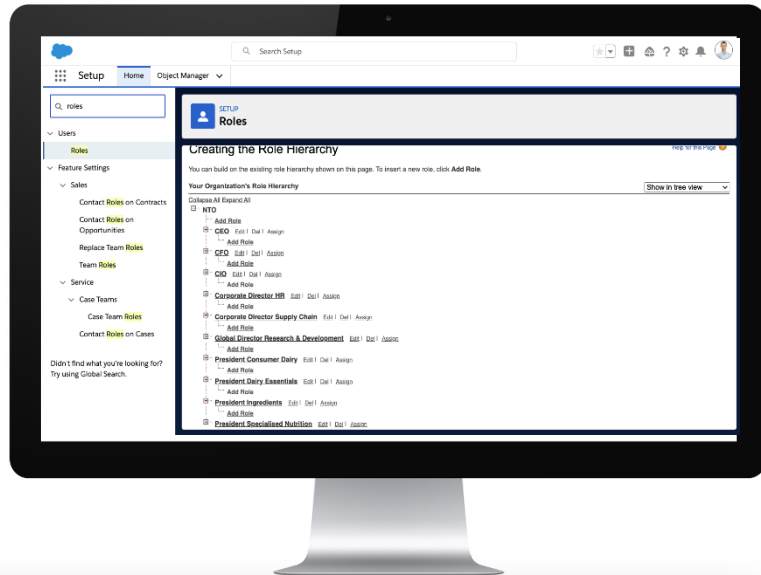
Connect with your critical systems and other internal/external sources



Intelligence

Decision with rules and AI/ML

Trust



Advanced Permissions

Granular access control ensuring appropriate data isolation and role configuration.



SOC2 Certified

Published certifications and Penetration/Vulnerability tests available in our [Compliance Portal](#).



Sustainability Measurement

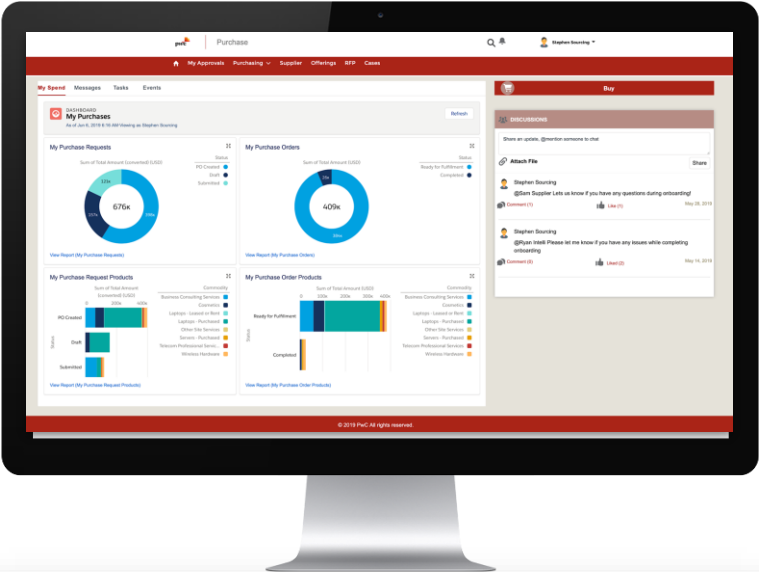
Integration with Sustainability Cloud next to Strategic Sustainable Goals

Ease



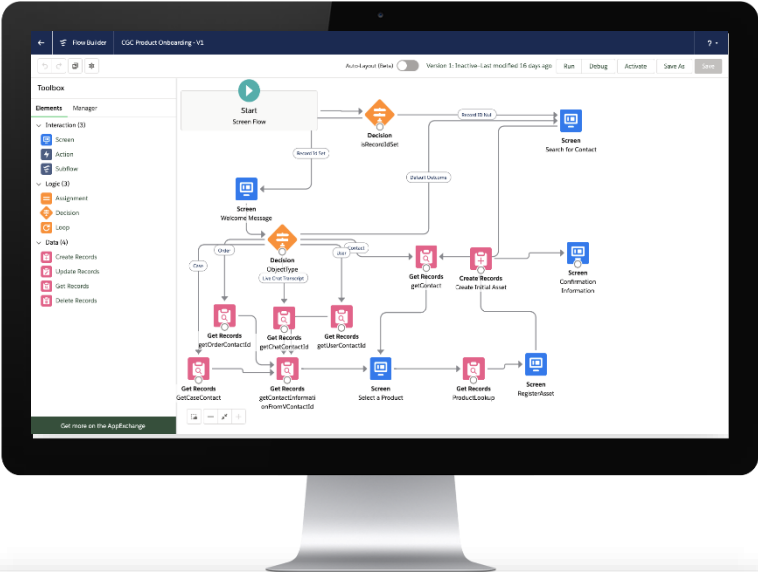
Templates for Surveys and Dashboards

Out of the box templates for 20 different use cases. Standardized feeds for Suppliers, Risks, Improvement Plans etc..



Single view of Supplier

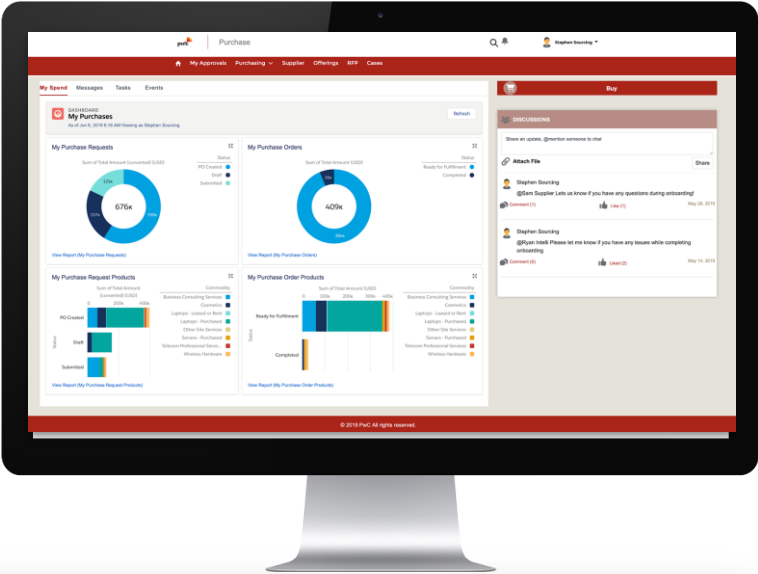
Overview at a glance to make fast decisions with visual KPIs and integrated Action Plans for Improvement.



Declarative Approvals, Flows and Automation

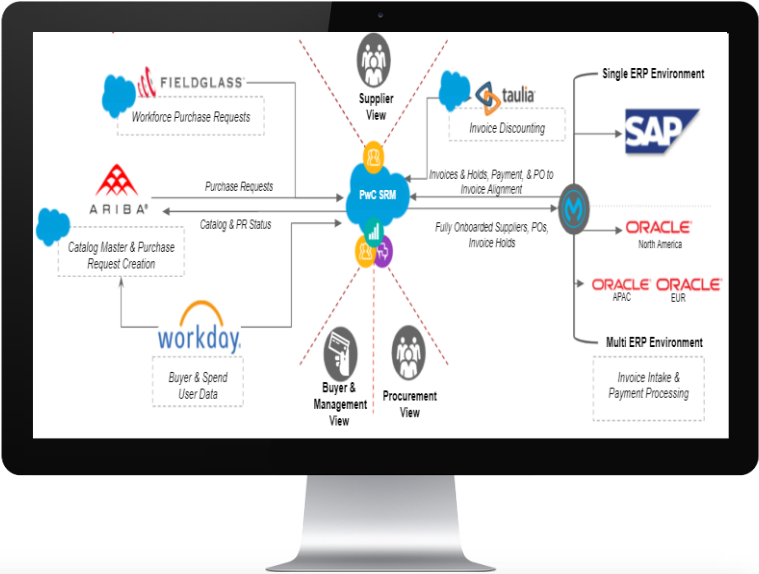
On-boarding, Feedback Templates, Process Flows and Nurturing Processes.

Integrations



Contract Management

Collaboration and Action around existing contracts and activities with deep links to contract management legacy systems or integrated



Third Party Connectors

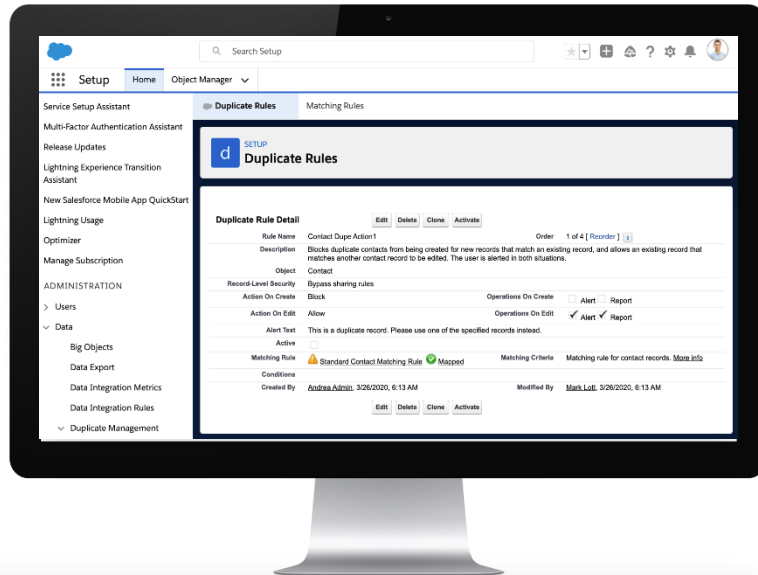
Connect data from any system faster. Empower IT and Business to create connected experiences with faster time to market



External Data Sources & Industry Metrics

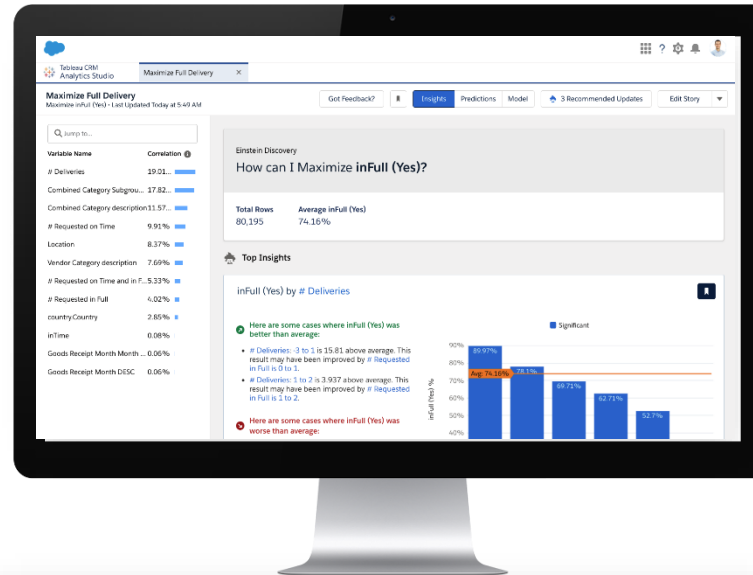
Dun & Bradstreet, CompanyInfo, EMS Tools eg Celonis

Intelligence



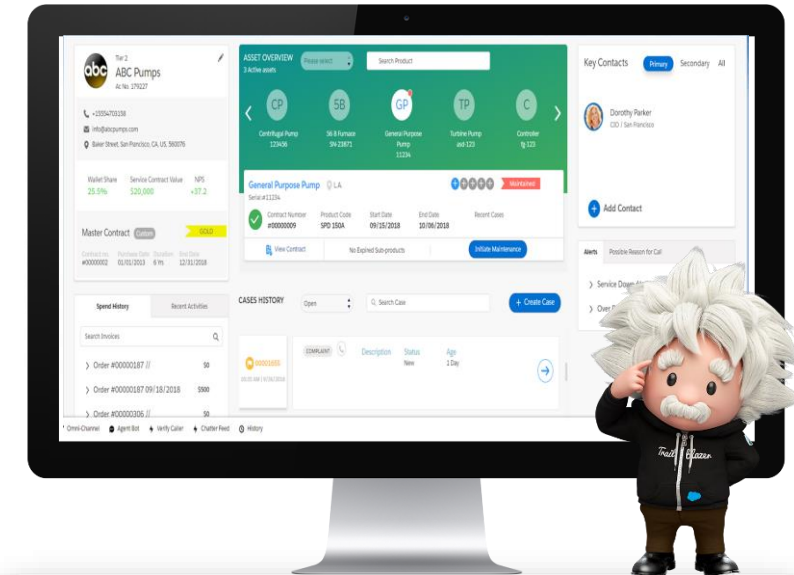
Data Quality and De-Duplication

Duplicate Management and Data Merge/Cleaning



Machine Learning and AI

Discover patterns in the behaviour of your suppliers to maximise In Full Metrics and other key KPIs around your business



Smart Decisions that guide Next Best Action

Machine learning and scoring models that drive next best actions with Suppliers in your business

SRM on Salesforce Pillars



Trust

Make personalization secure and safe for large enterprises



Ease

Make it easy for anyone to implement

Make it easy for anyone to use



Integration

Connect with your critical systems and other internal/external sources

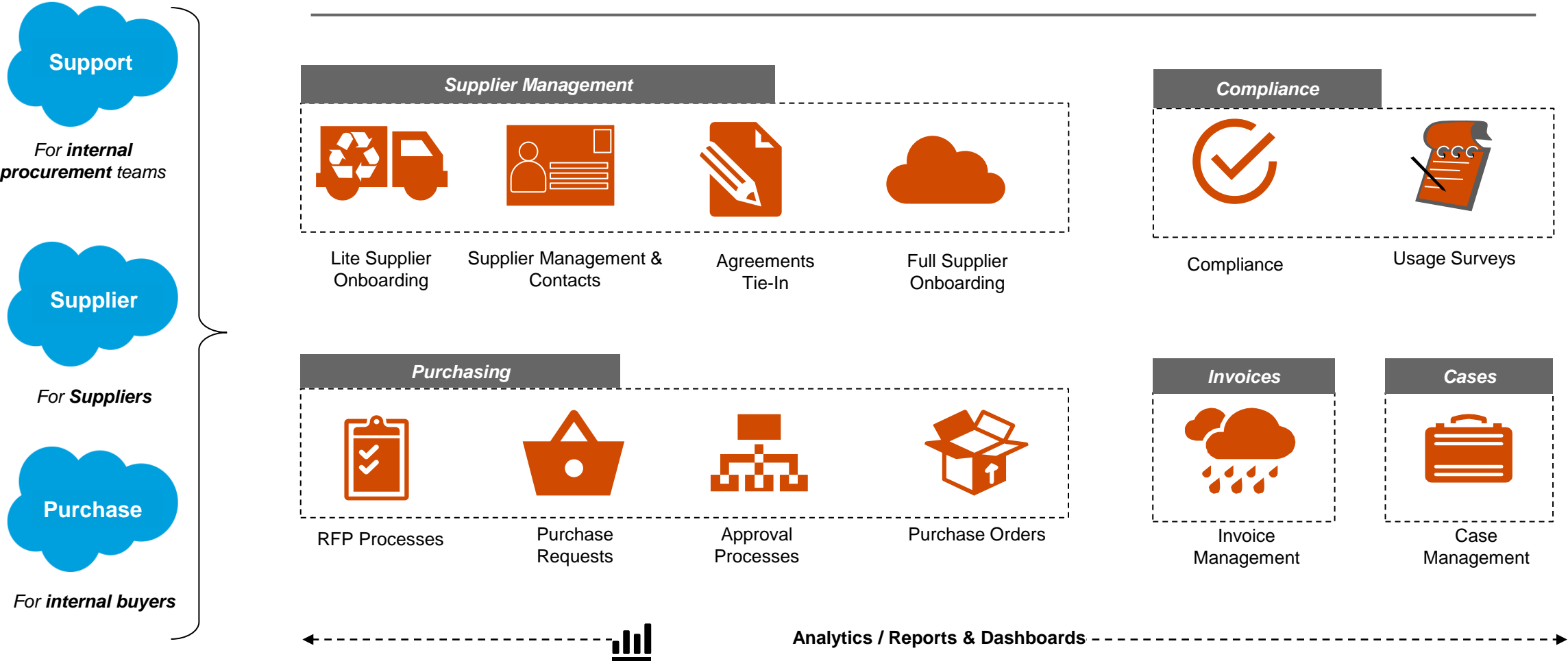


Intelligence

Decision with rules and AI/ML

SRM Accelerator Modules

Module Design across packages for smaller starting scope & 'bite-size' implementations

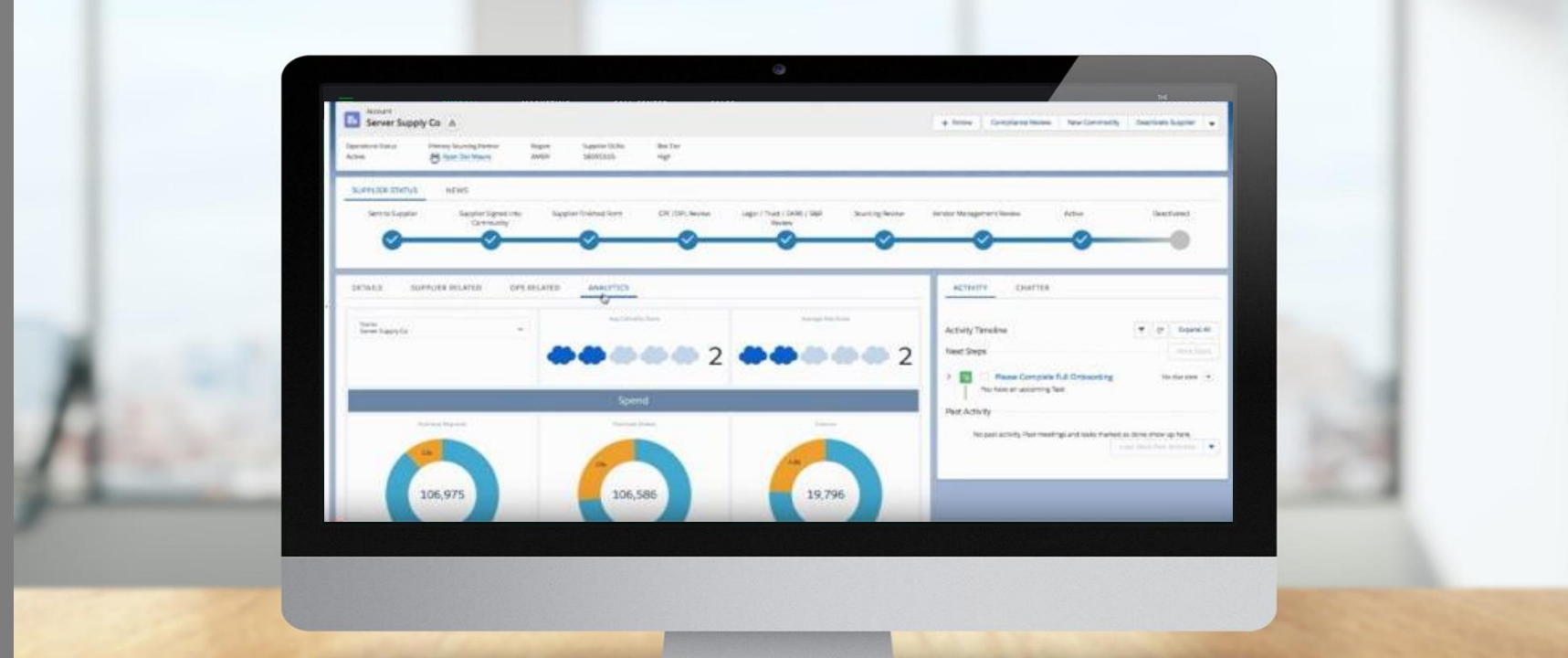


Supplier Relationship Management (SRM)

A cloud-based integrated solution powered by Salesforce, PwC's SRM facilitates collaboration and increases relationship visibility between suppliers and buyers by providing intuitive self-service in a central location.

Key features

- 360° view of suppliers on a single platform
- Real-time collaboration between internal and external stakeholders
- Consolidated supplier data in one centralized location
- Fast installation and minimal code for faster results and ROI
- Einstein Analytics
- Anywhere anytime mobile access
- Built-in workflows that accelerate cycle time
- Cost-effective solution to drive profitable growth



Transforming the way procurement and suppliers engage

Problem

Organizations are challenged with delivering improved efficiency across the procurement process, along with scalability to align with the needs of a growing company. They also need a centralized repository, allowing suppliers and buyers easy and quick access to important information so they can manage all interactions and transactions more effectively and transparently.

Perspective

Providing a 360-degree view of the procurement and supplier engagement lifecycle at all levels, SRM is a cloud-based, integrated solution powered by Salesforce technology that accelerates time-to-value and facilitates collaboration, engagement and automation.

Payoff

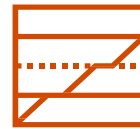
- Procurement Engagement—allows buyers and suppliers to perform functions across the procurement cycle
- Supplier Engagement—gives suppliers access to manage their profiles and offerings all while leveraging Chatter
- Mobility—buyers & suppliers can access the solution via any device
- Reporting—view and proactively manage a 360 relationship internally and externally

5

Closing, questions (Q&A) and contact details

All
PwC & Salesforce

Three quick benefits for your business when adopting our Know Your Supplier approach:



Enhanced process efficiency



Confidence for decision-making



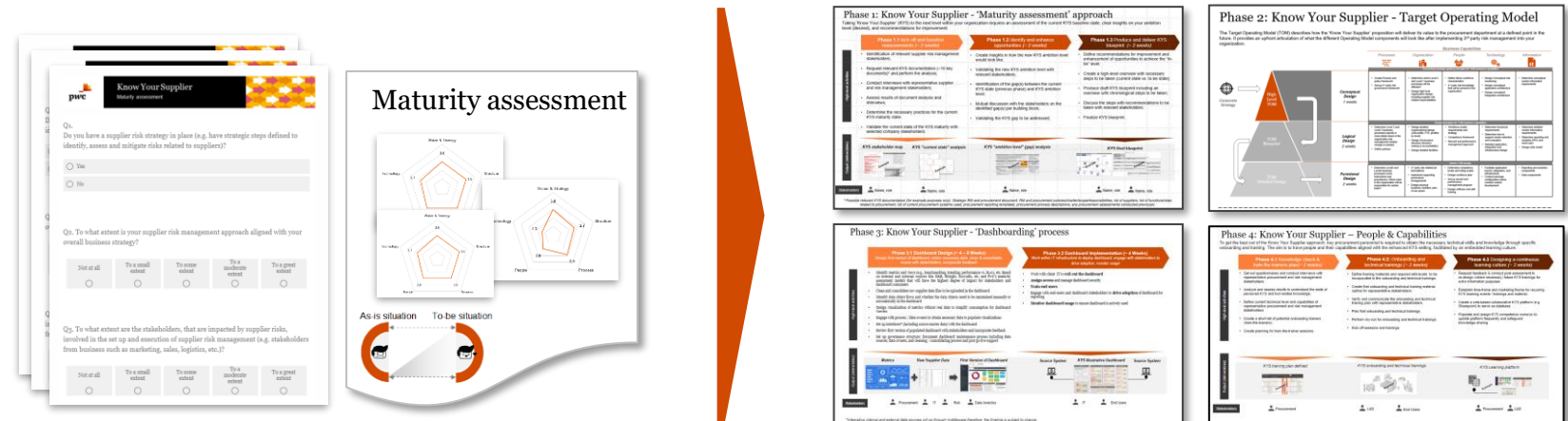
Supplier network transparency

- Centrally coordinated
- Segmented suppliers
- Scheduled reviews

- Quantified supplier risks
- Predictive analytics
- High quality data

- Three-tier scope
- Real-time monitoring
- Preventive alerts

Feel free to try our 'Know Your Supplier' maturity assessment on our [PwC NL website](#)



Thank you

Know More about PwC Salesforce Model



Take the SRM maturity assessment survey built by PwC



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Connect with us and learn more about how we can help you transform the way you work with your suppliers by scanning the QR codes above