

Capitalizing on Internal Excellence



JABIL

Jabil gains visibility on \$US6 billion annually in spend across its global business



Frank McKay
SVP, Chief Supply Chain &
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Heidi Banks
Senior Director of Global
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People with a purpose

Jabil is a manufacturing solutions provider with over 260,000 employees across 100 locations in 30 countries. As a deeply customer centric company, the world's leading brands rely on Jabil's unmatched breadth and depth of end-market experience, technical and design capabilities, manufacturing know-how, supply chain insights, and global product management expertise.

Driven by a common purpose, Jabil and its people are committed to making a positive impact on their local community and the environment.

The company's global procurement team suspected it could do more to support Jabil's business purpose. Its leaders thoroughly analyzed billions of spend to look for opportunities to drive cost leadership and operational efficiency gains.

The Multi-Billion Dollar Opportunity

The Procurement leadership team realized its greatest opportunity to drive improvement was to introduce appropriate controls and establish visibility into indirect spend. "After a bit of digging, the team uncovered billions in insufficiently managed but addressable spend", explains Heidi Banks, senior director of global procurement at Jabil.

"We didn't have insights into how much indirect spend was actually occurring," Heidi adds. "Soon, we realized that indirect spend was culminating in

over two billion dollars, and we saw it as a massive untapped opportunity to drive bottom line savings to the company."

Ultimately, Heidi's team needed a solution which could integrate with three separate SAP ERPs, combine the data into one place to improve spend visibility, provide embedded digital processes to simplify governance and compliance, and to enable scalability.

Visibility into

\$12.5B

cumulatively

With such a large company, Heidi knew that significant changes wouldn't work without companywide consensus. A new business spend management (BSM) system would affect every part of the business. She made a concerted effort to involve IT and other key executives in the evaluation and decision-making processes.

"It absolutely had to be both a cross functional and divisional partnership founded in our policies, with support at all levels of the company if we wanted it to have an impact and deliver with speed," shares Heidi.

“Soon we realized that indirect spend was over two billion dollars, and we saw it as a massive untapped opportunity to drive bottom line savings to the company.

The Coupa Partnership

After several internal meetings with key stakeholders, Heidi had a good idea of what the team needed to do. The next logical step, in partnership with the IT team, was a down-selection to the two best options available based on an appropriate, multi-faceted selection criterion.

“As users are always utmost in our mind, I spoke with IT, and they pointed out that it’s still an integration any way that you look at it – regardless of the solution we choose,” Heidi conveys. “The team agreed with our balanced scorecard approach, and we collectively made our choice based on the best one for us overall, which was Coupa.”

Heidi said the dominant factors in the selection decision were cost, supplier network, user experience, performance in all global regions, and partnership. Where the latter is concerned, Heidi maintains, “We wanted to have influence on the vendor’s roadmap and have an influential voice. If you’ve ever tried to get a new enhancement that aligns with your business objectives or a change made to software it’s difficult, even if you are a large customer. With Coupa, we felt that we could influence the roadmap positively through the customer advisory boards, feature enhancements, and the different product development relationships we have.”

Big Strides and a Global Roll Out with an Asia Bias

Heidi’s team started working with Coupa on the global design in June 2017. Within six months, they went live with Coupa at their first 12 sites – one at corporate headquarters in Florida, and 11 in China.

“Most companies would start small and probably in the US, but we chose the biggest sites we had, in the country that held the highest concentration of spend and transactions,” states Heidi. “That was going to be the most challenging, of course. But that was also where we saw our opportunity to the fastest path in the delivery of our committed ROI targets, and where we wanted to start to prove our system capabilities were operable, with compliance as a guiding principle.”

It was a true test to see if Coupa held up especially because customers in China didn’t conduct electronic invoicing. But it proved the smart choice for the first roll-out. After realizing the impact of electronic invoicing, Procurement and AP teamed up in China to increase electronic invoicing from 5% to over 50% in 18 months.

600,000

invoices come through Coupa

“Coupa allowed us to get our spend under control very quickly, identify any process issues, and get our user base up from the start,” Heidi voices.

“We learned from our mistakes, stabilized for six months, then we launched. And we never slowed down from there.”

Heidi’s team, unilaterally, went on to roll out Coupa across 125 sites, which is 99% of the company.


One Platform to Rule Them All

Now Heidi's team has the visibility it needs to manage spend more effectively – supporting the company mission of investing more resources back into the business.

The team has a central place to manage spend, and 90% of spend goes through Coupa now, which comprises more than one million purchase orders (POs) and 600,000 invoices.

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of spend goes through Coupa



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Heidi Banks

Senior Director of Global Procurement at Jabil

“With Coupa, we continue to gain control over Maverick spend, and are able to make sure we're getting that elevated up to the right global teams so that we can drive cost leadership,” reveals Heidi. “Plus, the digitized processes make us more efficient and productive.”

“Having visibility to spend from a single BSM platform has been vital,” confirms Heidi. “Even though we are executing financial transactions through three separate ERPs, Coupa has provided us with a huge advantage. We have grown from \$2B to over \$6B of spend with Indirect annually during our implementation horizon. The Coupa roll out has been a real success story for us especially in the timelines achieved.”

Giving Back While Building a Path Forward

Heidi is impressed with the way the Jabil team was able to make wholesale changes at such speed across countries. So impressed, in fact, that Jabil is starting to offer source-to-pay advisory and implementation services (as a Coupa Certified Partner) to help other companies run and maintain their own Coupa platform.

“We want to show other companies it's totally doable to implement Coupa and change the way you do things,” Heidi concludes. “We remember being nervous at the start, and we want to work with others in that situation and show them how they can do it right. We feel that our experience of having implemented in some of the



most challenging jurisdictions globally allied with our deep functional experience uniquely positions us to help many other companies realize their own strategies.”

Jabil hasn't finished its own procurement journey just yet. Heidi's team is focused on becoming world-class in every respect - from enhancing spend visibility even further, to driving the company's strategic roadmap. “We've made incredible progress already, but we know we've only scratched the surface on how far we can go with Coupa. We are now squarely in the Enhancement phase of our S2P journey,” expresses Heidi.

“We realized from the early stages in our thinking that it shouldn't be just a 'procurement' only initiative, and Heidi did a fantastic job of not only involving the business, but ensuring the project was implemented with stakeholders being part of all major decision making from the start,” affirms Frank McKay, SVP, Chief Supply Chain & Procurement Officer. “We've managed to address some really complex, historical spend challenges that now have the appropriate governance and compliance policies and procedures in place in such a short period of time. This ensures we have a robust and sustainable Indirect Procurement operating system deployed that makes us a more relevant, trusted, and safer pair of hands for our customers to continue to entrust their Supply Chain Management and Manufacturing requirements to Jabil.”

More than

1M

purchase orders
managed through
Coupa

JABIL

About Coupa

Coupa is the cloud-based Business Spend Management (BSM) platform that unifies processes across supply chain, procurement, and finance functions. Coupa empowers organizations around the world to maximize value and operationalize purpose through their business spend.

Coupa's community of 2,500+ customers use the platform to maximize the value of nearly \$4 trillion of direct and indirect spend to date.

For more information, visit coupa.com