Cognitive Procurement - The Future is Here!

Stefan Freund, Robert Jamison, Reid Francis
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- IBM’s statements regarding its plans, directions, and intent are subject to change or withdrawal without notice at IBM’s sole discretion.

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- The information mentioned regarding potential future products is not a commitment, promise, or legal obligation to deliver any material, code or functionality. Information about potential future products may not be incorporated into any contract.

- The development, release, and timing of any future features or functionality described for our products remains at our sole discretion.

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SSM Suite roadmap

**Interaction**
User Experience Enhancements
- Design Thinking releases v10.1 - (Contracts), v10.1.1 (Sourcing)
- Next Release – Contract Editor
- Reporting on Cognos 11 (new UX)

**Insights**
Analytics and Advanced Reporting
- Reporting Services w/external data systems available now
- Additional self-service models on Cc
- Extended analytics – IBM assets

**Integration**
Internal/external systems
- Within Emptoris Suite and PgM
- Within IBM (Maximo, Filenet, etc)
- External systems (Coupa P2P, other enterprise apps)

**Innovation**
Cognitive Supply Chain Topics
- Big Data for Supplier Risk
- Procurement Advisor
- Procurement Insights
Agenda

• Emptoris + Watson = Cognitive Procurement
• Procurement Intelligence (a new Emptoris app!)
• Digital Workbench
• Watson Company Analyzer (former SupplierIQ)
Emptoris + Watson = Cognitive Procurement
The evolving role of procurement through 2020

Administrator
- Limited visibility
- Generalist covering all aspects of S2P
- Savings focus
- Transactional
- Supply Chain Risk Aware
- No innovation

Enabler
- Historical data visibility
- Commodity specialized and expert
- Compliance
- e-Procurement, Digital
- Supply Chain Risk Managed
- Procurement-only innovation

Advisor
- Real Time visibility
- Relationship managers?
- Transformation
- Cognitive Procurement
- Supply Chain Risk Mitigated
- Corporate/global innovation
Cognitive in procurement

IBM Enterprise Source to Pay

Enterprise spend management  Strategic Sourcing  Procurement Contracting  Requisition  Purchase  Invoice  Procurement Compliance & Savings Validation

Supplier Qualification  Supplier Classification  Supplier Evaluation & Development  Supplier Risk Management  Supplier Compliance Management

Supplier Lifecycle Management
The need for cognitive

To combat a broad range of disruptive forces, clients need strong capabilities in engagement, discovery and decision making.

Empowered consumers  Changing demographics  Product redesign/demand  Supplier resiliency  Changing regulations

Engage  Discover  Decide

To take their *engage*, *discover* and *decide* capabilities to the next level, Procurement leaders must be smarter in how they approach data.
Cognitive computing dramatically transforms business processes through intelligence and automation.

**Watson technology enables the transformation**

1. Understands natural language, structured and unstructured data, text or sensory information
2. Generates and evaluates hypotheses for better outcomes
3. Adapts and Learns from user selections and responses

**Key BPS Focus Areas**
- Customer Experience
  - Guided Assistance
  - Self Service
- Personalized Coach/Learning
- Compliance and Regulation
- Risk Management
- Transition Management
- Sales and Solution Support

**Cognitive Automation**
- Autonomous decision making ("reasoning and remembering")
- New insights and data discovery ("learning")
- Personal and interactive support ("engagement")
Cognitive computing

50 underlying technologies

- Entity Extraction
- Sentiment Analysis
- Emotion Analysis (Beta)
- Keyword Extraction
- Concept Tagging
- Taxonomy Classification
- Author Extraction
- Language Detection
- Text Extraction
- Microformats Parsing
- Feed Detection
- Linked Data Support
- Concept Expansion
- Concept Insights
- Dialog
- Document Conversion
- Language Translation
- Image Tagging
- Text Detection
- Visual Insights
- Visual Recognition
- AlchemyData News
- Tradeoff Analytics
- Natural Language Classifier
- Personality insights
- Relationship Extraction
- Retrieve and Rank
- Tone Analyzer
- Emotive Speech to Text
- Text to Speech
- Face Detection
- Image Link Extraction

Empower 2016
Watson in Procurement

IBM Watson cognitive capabilities

IBM Emptoris procurement experience, processes, data

Cognitive Procurement

Empower 2016
Cognitive Procurement – enhancing the Emptoris Suite with Watson solutions

IBM Emptoris Procurement Solutions

Inspired by

Empower 2016
Innovation Projects

- **Big Data for Supplier Risk**
  - Receive alerts on trending social media/news about your suppliers!
  - Better supplier risk insights, faster risk mitigation

- **Watson + SLM Risk**
  - #omnipresent

- **Watson + SSM Suite**
  - #justask

- **Procurement Advisor**
  - Watson can answer any question on your strategic procurement!
  - Higher user adoption, improved efficiency

- **Procurement Insights**
  - Watson powered procurement dashboards for a holistic overview and unique insight
  - Increased transparency, discovery of optimization potential
procurement intelligence
(a new Emptoris app!)

Empower 2016
Procurement professionals struggle to easily find procurement data.
- Data is spread across multiple systems with different data models and terminology.
- The most difficult data to map is sometimes the most important.

**We want to solve this with...**

Emptoris SSM Suite + Watson

**Allowing you to:**

- Gets answers to question for question without having to understand the data model or data complexities of the supply chain data for his company.
- Clarify a request if it is not understood by providing further or narrowing information.
- Quickly see data related to the suppliers or categories without having to login or access other systems.

Which suppliers am I already working with?

How much am I spending in certain regions and categories?

Who are my top suppliers?
Example Use Cases for Watson in Procurement

1. Natural Language Question
2. Interactive Chat
3. Actual Advise about a business question
procurement intelligence

Hello, Ram. How can I help you?

Type your question here
Procurement intelligence

Show me suppliers in Asia

There are 54 suppliers that matched your criteria.

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Spend (USD)</th>
<th>Performance Score</th>
</tr>
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<tbody>
<tr>
<td>CONNECTED ROUTERS CO.</td>
<td>$76,940,811.09</td>
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<td>IBM DEUTSCHLAND GMBH</td>
<td>$45,096,220.97</td>
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<tr>
<td>IBM GLOBAL SERVICES US</td>
<td>$44,904,763.88</td>
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<td>FACILITIES MANAGEMENT LTD</td>
<td>$33,742,821.88</td>
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<td>INFITI AIR:INFR</td>
<td>$77,911,965.72</td>
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<td>IBM GLOBAL CONSULTING</td>
<td>$23,283,655.61</td>
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<td>3COM</td>
<td>$19,102,630.43</td>
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<td>AMERICAN AIRLINES</td>
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<td>IBM UNITED KINGDOM LIMITED</td>
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<tr>
<td>METROPOLITAN LIFE INSURANCE CO</td>
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<tr>
<td>EXECUTIVE CONFERENCE, INC.</td>
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<td>UNICARE LIFE &amp; HEALTH</td>
<td>$11,218,209.27</td>
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<td>ANDERSEN CONSULTING JAPAN</td>
<td>$9,085,330.58</td>
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<td>SYNAC INC</td>
<td>$5,021,301.27</td>
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</table>
### Procurement Intelligence

There are 29 suppliers that matched your criteria.

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Spend (USD)</th>
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<tbody>
<tr>
<td>VICTORY AIRWAYS</td>
<td>$4,285,387.29</td>
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<td>AMERICAN AIRLINES</td>
<td>$3,138,125.25</td>
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<tr>
<td>UNITED AIRLINES</td>
<td>$2,249,967.55</td>
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<td>STANLEY PRODUCTION SOUND AND EDIT</td>
<td>$564,431.54</td>
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<tr>
<td>IBM VENDOR ACCOUNTING</td>
<td>$769,567.60</td>
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<td>PUTNAM FIDUCIARY TRUST COMPANY</td>
<td>$144,568.49</td>
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<td>WASTE MANAGEMENT</td>
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<td>IBM CORPORATION</td>
<td>$55,940.00</td>
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<td>INTERNATIONAL BUSINESS MACHINES IN</td>
<td>$47,952.93</td>
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<td>$35,414.13</td>
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<td>$32,953.16</td>
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<td>STALLA SEMINARS</td>
<td>$30,103.84</td>
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<td>$26,421.79</td>
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<td>CURRALL CONSULTING CORPORATION</td>
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<td>$20,256.67</td>
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<tr>
<td>ROWFORD INTERIOR LTD</td>
<td>$13,849.34</td>
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**procurement intelligence**

![Procurement Intelligence Dashboard](image)

There are 26 suppliers that matched your criteria.

<table>
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<td>$88,021.17</td>
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<td>PM CORPORATION</td>
<td>$68,941.05</td>
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<td>INTERNATIONAL BUSINESS MACHINES IN...</td>
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<td>JOHNSON BUILDING INC.</td>
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<td>$32,953.16</td>
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<td>$26,421.70</td>
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<td>DOMFORD INTERCO LTD</td>
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<td>MFS COMMUNICATIONS</td>
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<td>GPDA PLC</td>
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Empower 2016
**procurement intelligence**

There are 4 suppliers that matched your criteria.

<table>
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<tr>
<td>NEW YORK INSTITUTE OF FINANCE</td>
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<td>TATE APPOINTMENTS</td>
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### Digital Workbench

#### ProcurementSuite

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<tr>
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*Open all Sourcing*

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<tr>
<td>Penc <img src="https://example.com" alt="2016-05-12" /></td>
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<tr>
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*Open all Spend*

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<tr>
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<td>Answer</td>
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<td>Release</td>
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</tbody>
</table>

*Open all SLM*

**Buswell**

- **HiTech**: 34,900,000
- **Acme**: 31,081,000
- **Tech**: 28,760,000
- **Pencer**: 25,400,000
- **Acme**: 24,150,000

**Zewan**

- **HiTech**: 29,100,000

**Acme**

- **HiTech**: 24,150,000

**Penel**

- **Pencer**: 25,400,000

**Leon**

- **Leon**: 28,760,000

**Bannister**

- **Bannister**: 24,150,000

**Answer**

- **Buswell**: 29,100,000

**Release**

- **HiTech**: 29,100,000
- **Acme**: 24,150,000

**Approve**

- **Buswell**: 29,100,000
- **Penel**: 25,400,000
- **Leon**: 28,760,000
- **Bannister**: 24,150,000

**Renew**

- **Bannister**: 24,150,000
Digital Workbench
Supporting more and more apps creating a Procurement Workbench
Working time spent

Strategic

Transactional

?
Working time spent

Cognitive Engagement

Strategic

Transactional

Social Collaboration

Analytics

Empower 2016
Introducing Watson Company Analyzer
A solution for procurement officers and managers

Generate a detailed profile and overview of a company

Eliminate manual data gathering

Automated financial benchmarking information

Up-to-date industry news and activity

Empower 2016
Thank you!