



Norfolk Southern's SAP Ariba Assessment Story and Business Case for Procure to Pay Processes

Krishna Pathak (Manager) & Pranay Shah (Director)
Norfolk Sothern

Session ID # 83597

About the Speakers

Krishna Pathak

- Manager, Norfolk Southern
- Fun fact : Palmistry

Pranay Shah

- Director, Norfolk Southern
- Fun fact : Tennis

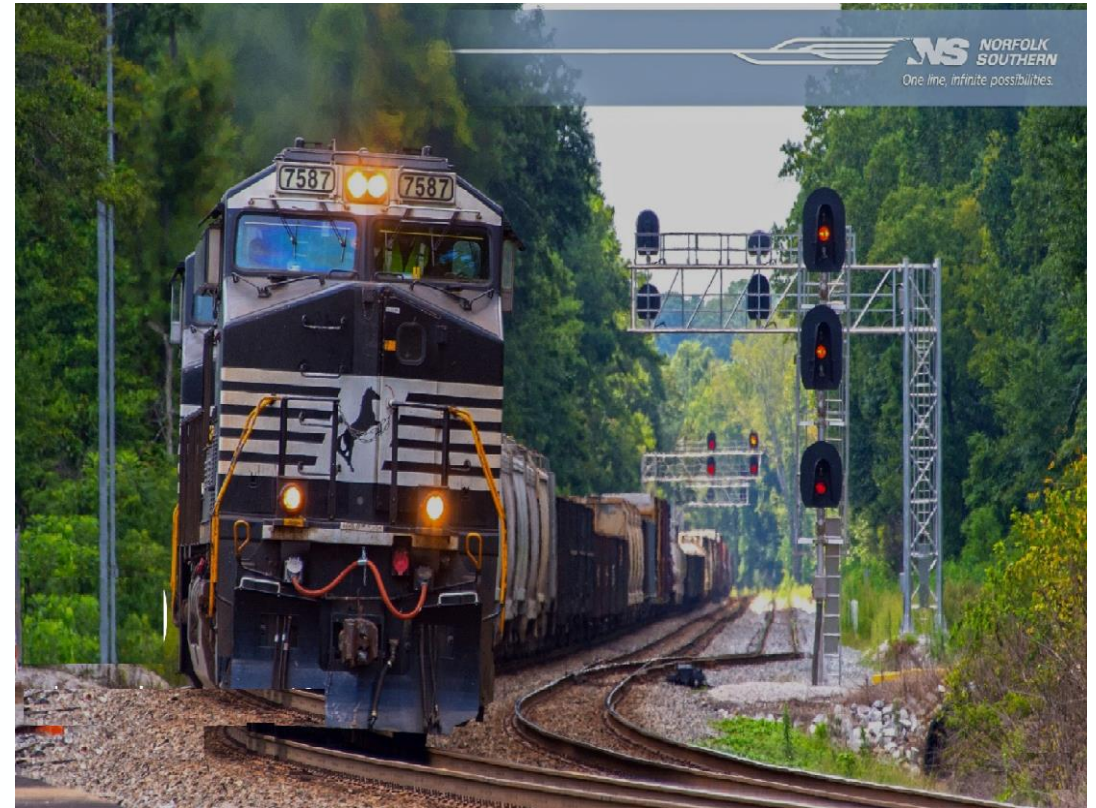
Key Outcomes/Objectives

- Learn how to build Ariba Business Case
- Key pain points
- Where to Start from ?
- Key business benefits



Agenda

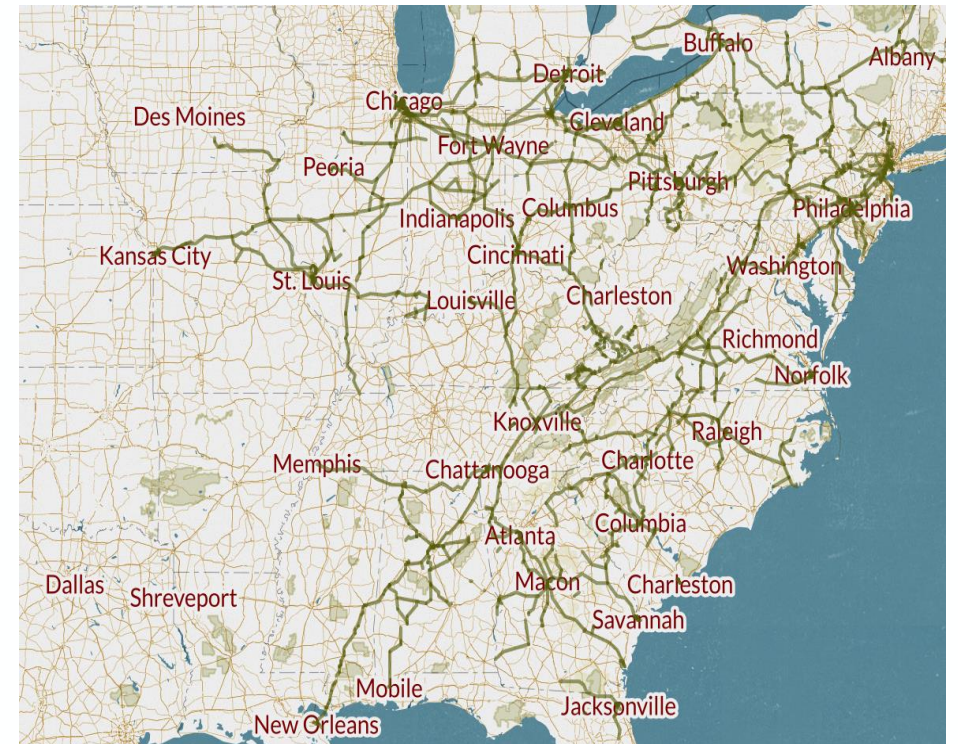
- NS at a Glance
- Key Pain Points
- Our Approach
- Recommendations
- Solution Approach
- Roadmap and Implementation Plan
- Key Business Benefits



Norfolk Southern at a Glance

Norfolk Southern Corporation is one of the worlds' premier transportation companies. Norfolk Southern Railway subsidiary operates **19500 route miles in 22 states** and the District of Columbia, serves every major container port in the eastern United States, and provides efficient connections to other rail carriers.

- 160 + years old company
- Total Assets (2017) : 36.03B
- Number of employees : 30,943
- We add ~ \$ 2B assets every year
- Employees: ~ 30,943

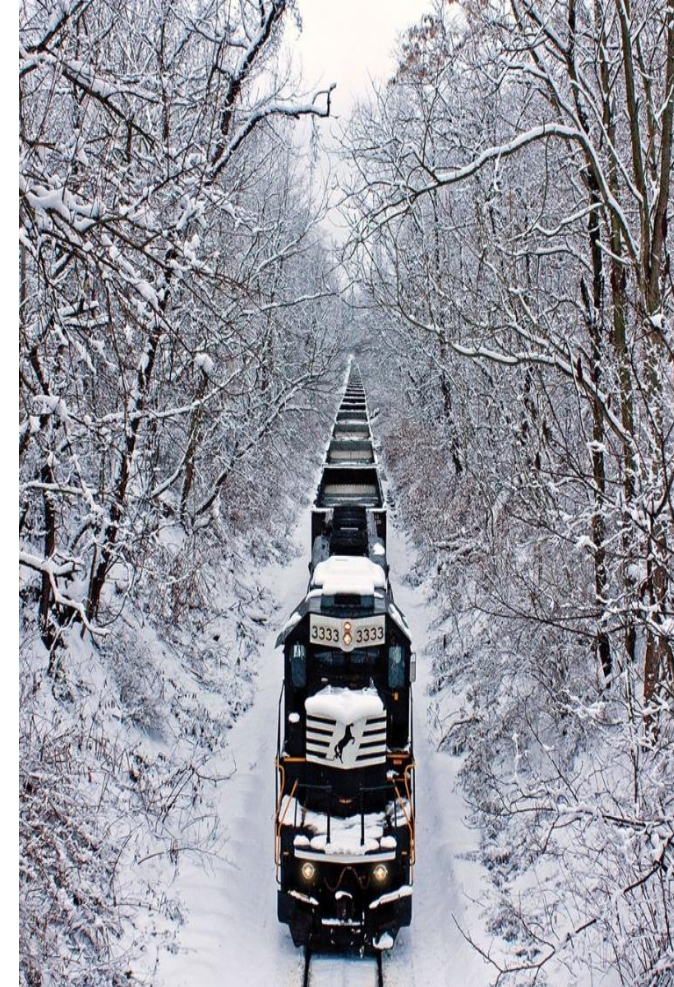
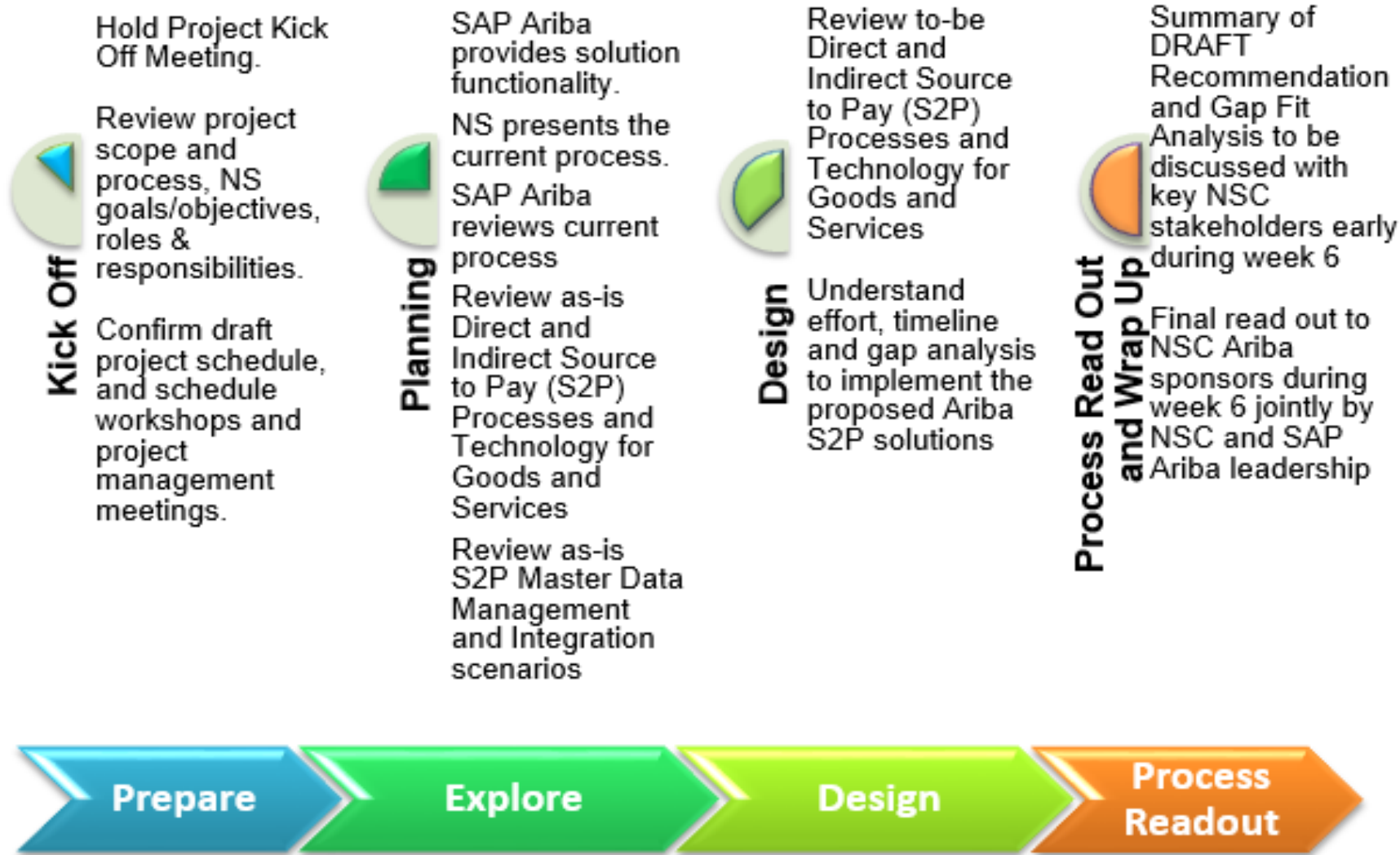


Key Pain Points

- RFX process in SRM does not meet business standards/needs
- SAP will stop supporting SRM system in 2025
 - Improving RFX in SRM would be waste of time, effort, and money
- SAP will stop supporting e-Sourcing system in 2020
- SAP Ariba includes both RFX and Forward Auction processes that could potentially suit business needs



Our Approach to Design Methodology



High Level Summary -Recommendation



High Level Summary -Recommendation

- An implementation approach that's focused on "quick wins" with eye on building some of the foundational Source to Pay elements for the 2020 S4 program
 - Focus on implementing Ariba Strategic Procurement components that are less dependent on backend ERP
 - Start realizing some of the Ariba business benefits upfront
 - Lay solid foundation for future tactical work and improve End User shopping experience by implementing Catalogs
 - Minimal disruption to end users and backend operations
 - Mitigate IT and Business resource constraints by reducing the overall workload and by utilizing Ariba expertise
 - Blend Ariba Best Practices and proven Ariba Activate Methodology for an Agile Cloud implementation
- Ariba On Demand solution scope includes :
 - Ariba Sourcing
 - Ariba Supplier Life Cycle Management (Supplier Self Service & Supplier Onboarding)
 - Ariba Supplier Risk
 - Ariba Catalog

Business Process and Technology Design



Guided Buying

NORFOLK SOUTHERN

Find goods and services

Popular Saved Ordered

Facilities IT/Telecom Equipment Marketing Services

Safety Equipment IT Services Equipment Maintenance

Create request +

Open requests

PR123 Pending approval

Cleaning service
Need carpet cleaning service done by 11/12 in building 3 reception area

PR353 **3 Quotes**

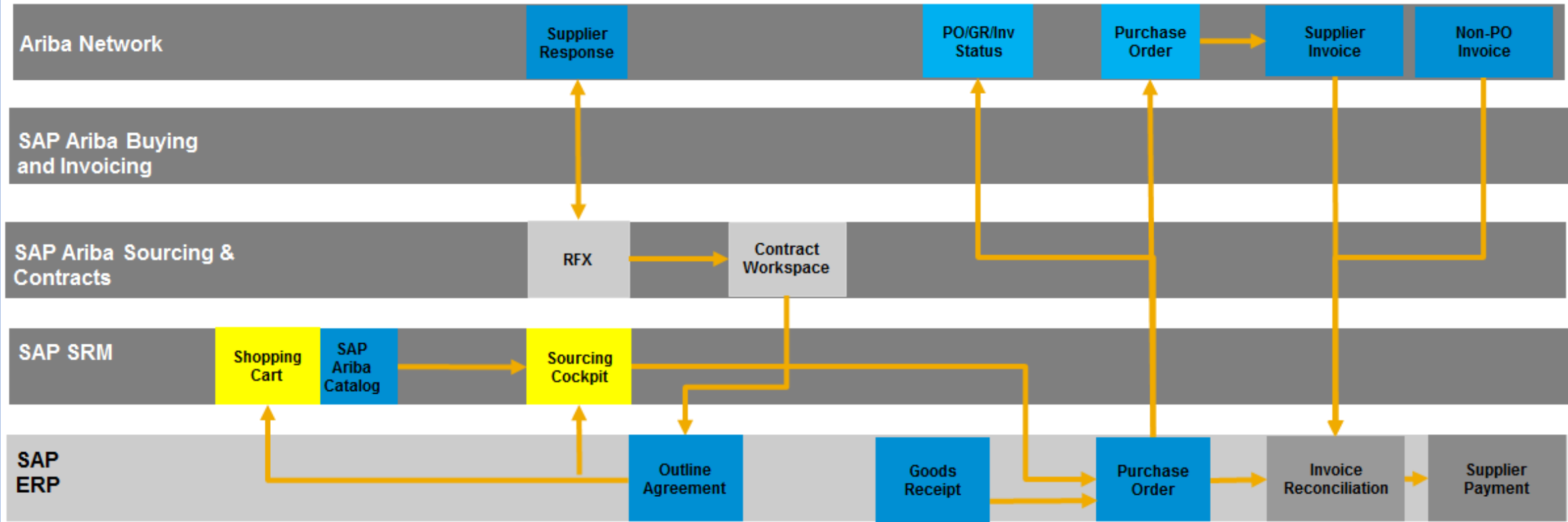
New server
Need carpet cleaning service done by 11/12 in building 3 reception area

PR791 Ordered

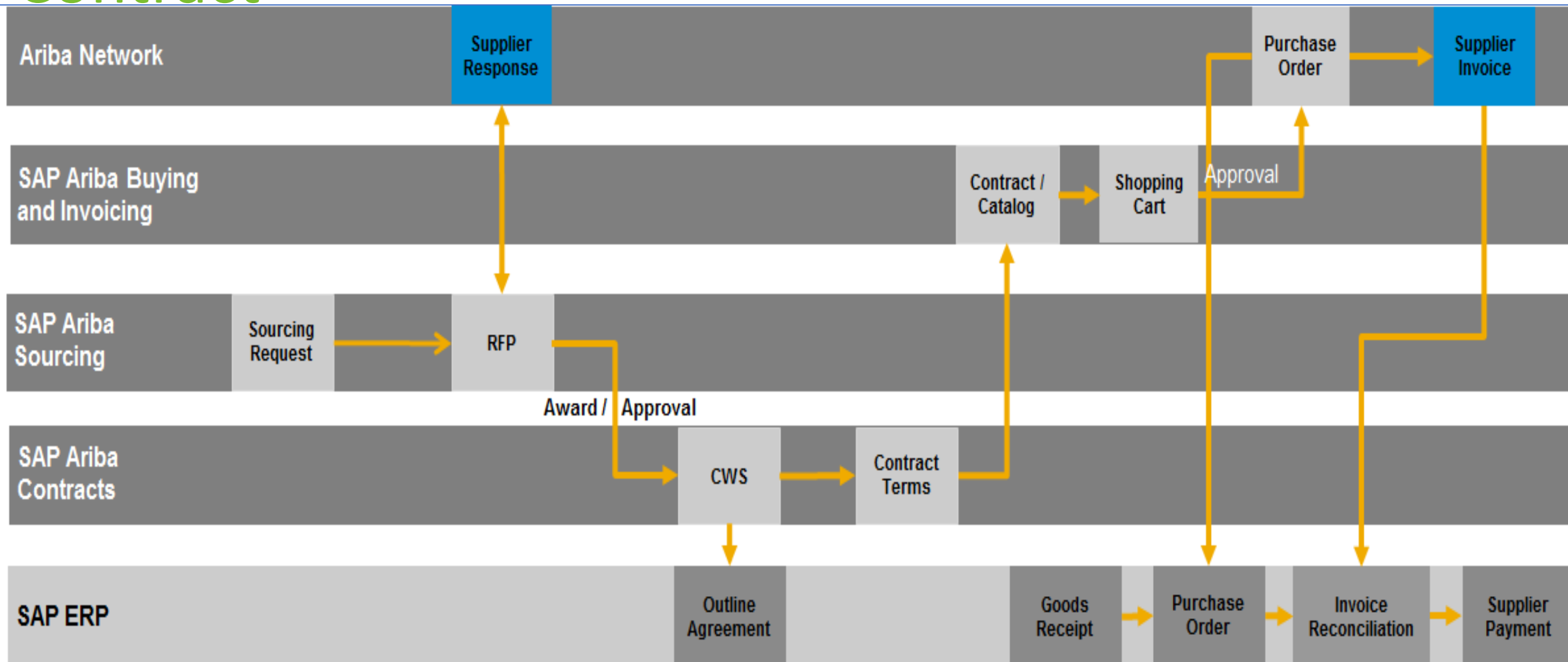
Chalkboard paint
In conference room in design sharing area Big Bear on the 2nd floor,

Direct Material and Free Text Shopping Carts

- Keeping SRM for Shopping Carts & SOCO**
- Implement Ariba Network
 - Implement SAP Ariba Catalogs and Integrate to SRM
 - Utilize SRM Sourcing Cockpit and Shopping Carts
 - Implement Ariba Sourcing RFX functions (manual, no integration to ECC/ERP)



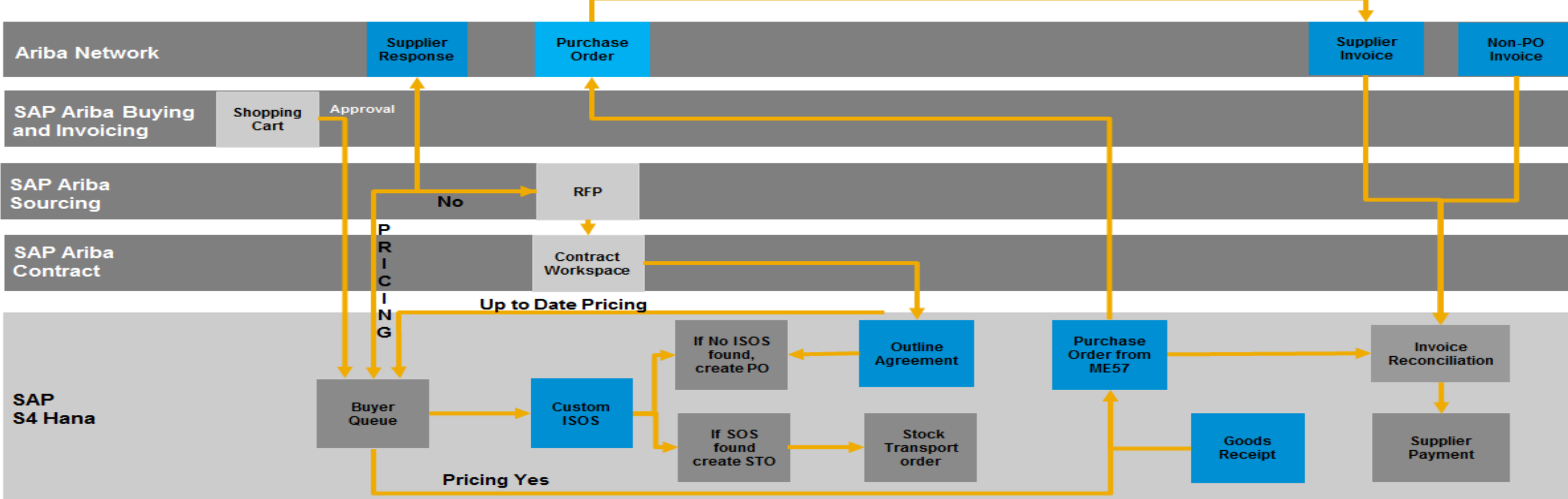
Services Procurement Workflow w/Invoice vs Contract



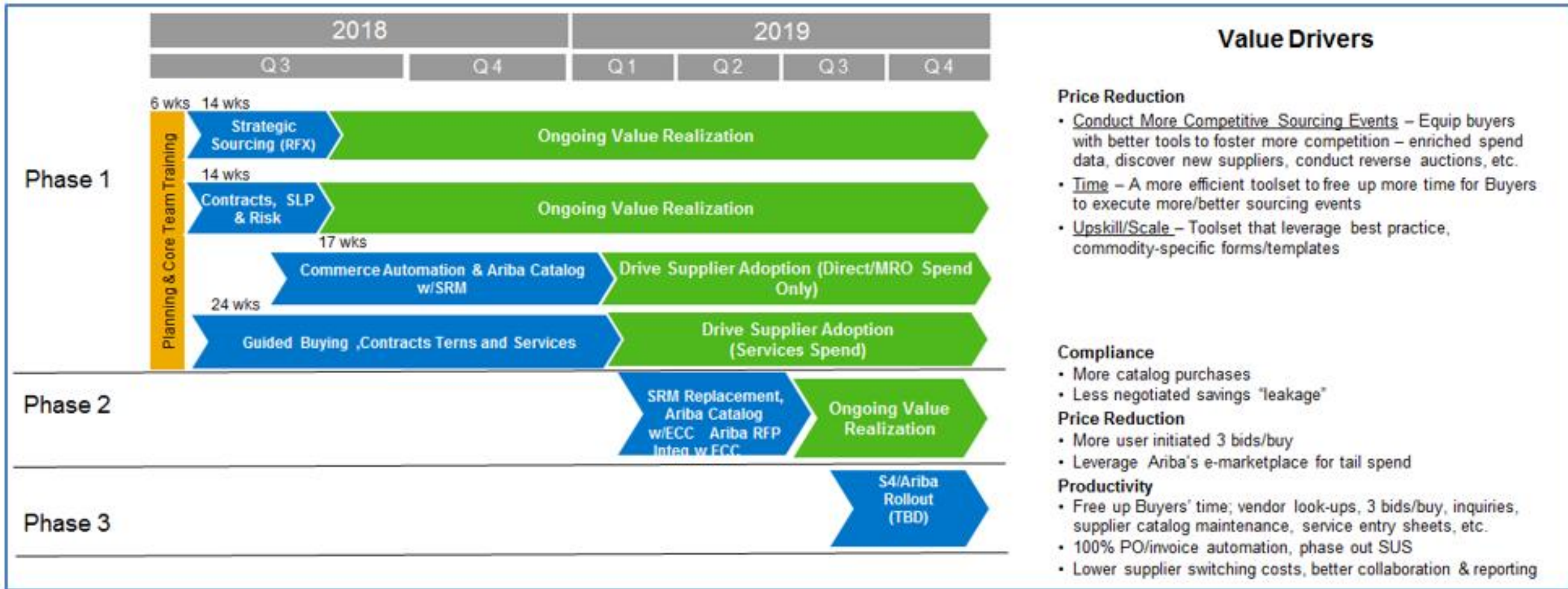
Long term Recommendation with S/4

Long term Recommendation – AP in S4 Hana






- Utilize Ariba Network
- Utilize SAP Ariba Guided Buying for Material items and Free text Shopping Carts and Approvals
- Send approved shopping cart to S4 Hana due to custom ISOS requirement
- Utilize Ariba Sourcing and Contracting



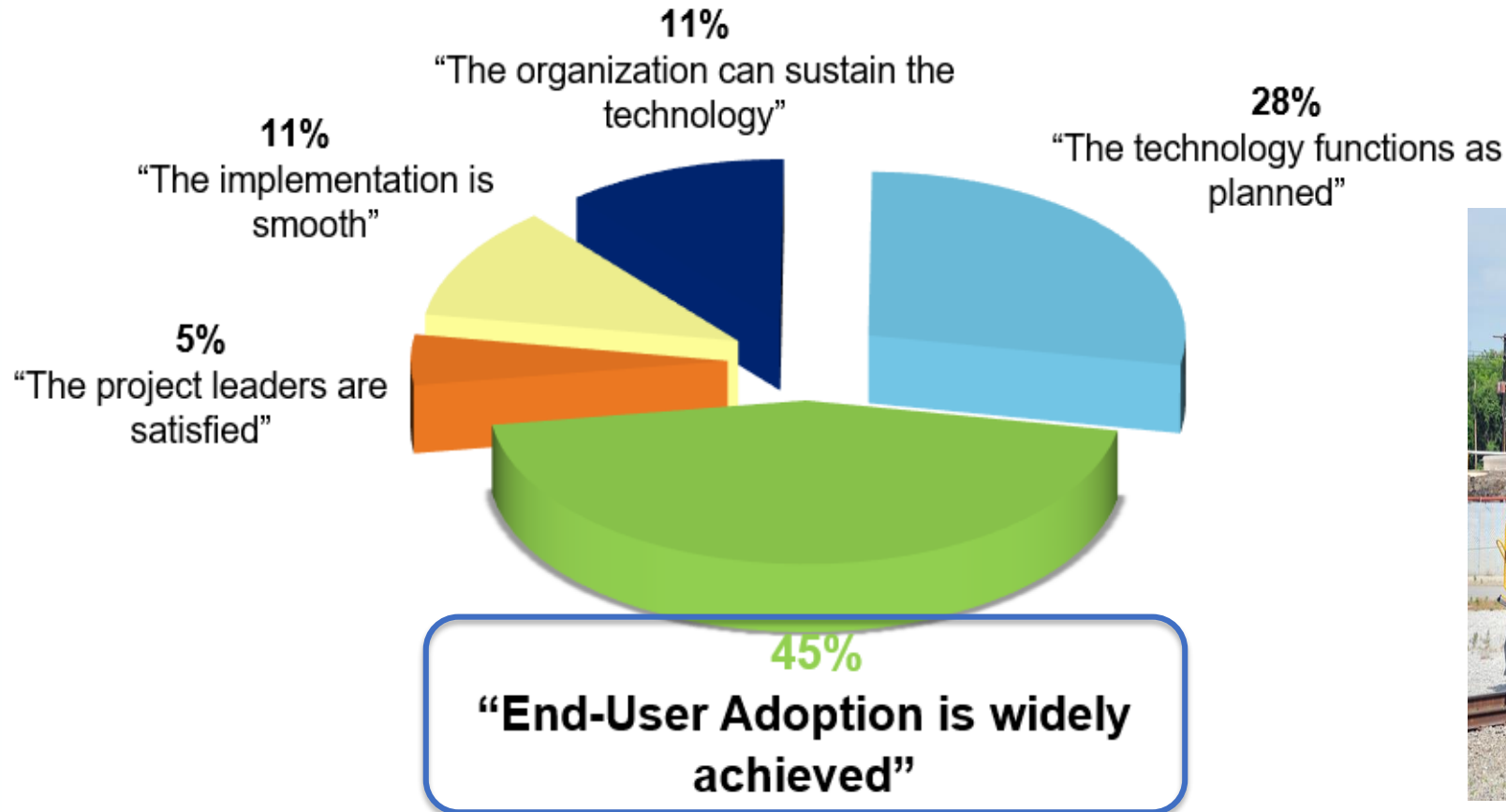
High Level Roadmap



Draft Implementation Plan (For illustration)

Workstream / Wk #	1	3	5	7	9	11	13	15	17	19
Program Mgmt	Program Management: Process/User/Supplier Enablement, Capabilities Development and Performance Management									
Sourcing	Architect Sourcing Templates				Build	Test			Cutover 	
Supplier Management	Design Supplier (Onboarding/ OffBoarding) Process				Build	Test			Cutover 	
Risk	Define Risk Template	Enrich Data	Cutover 		Steady State Risk Monitoring					
Catalog	Data & Integ Planning					Setup Catalogs ,Test & Cutover 				
 Initial move to Production+golive support										

How Do you Define Success ?



How did you define a successful technology adoption, in addition to the achieving the state business case?

Business Benefits

Immediate Sourcing/Procurement Benefits

- Strategic Sourcing Initiatives (Replace spreadsheets, email bids, etc.)
 - Stop de-centralized RFPs
 - Auditable Process
 - Centralized Sourcing Knowledge Repository
 - Identify Savings faster
- Services Procurement N Bids & Buy –user friendly process
- Supported ECC/Ariba Integration

Supplier On-boarding/Management/Risk

- Shift onus of collecting information to the suppliers
 - Frees up sourcing team for value added work
 - Certify Suppliers by Location, Material Group, Business Unit
 - Much more granular than current process
 - Safeguard NS from untoward disruptions due to supplier risk exposure



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Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

<http://info.asug.com/2019-ac-slides>

Q&A

For questions after this session, contact at Krishna.Pathak@nscorp.com

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