**Executive Summary**

Date: April 24, 2024

To: Deloitte US

Subject: Purchase-to-Pay Process Review

**Introduction**

The objective of this project is to offer comprehensive, actionable recommendations for refining Deloitte’s Purchase-to-Pay (P2P) process to 1) increase working capital on hand by reducing cost leakage by synchronizing all phases of the P2P process; 2) maximize efficiency across all business sectors by identifying and eliminating friction points; and 3) identifying inefficient business practices that can be enhanced through automation and other technological solutions. These recommendations are based on a thorough analysis of SAP P2P data provided by Deloitte.

**Analysis**

**Objectives**

The primary objectives of the project were:

1. Streamline Procurement Processes: Simplify and optimize the end-to-end P2P processes to reduce cycle times and improve operational efficiency, thereby increasing the amount of working capital on hand.
2. Cost Reduction: Identify cost-saving opportunities across the procurement lifecycle through process optimization, vendor management improvements, and eliminating friction points by automatic phases of the P2P process.
3. Enhanced Visibility and Control: Implement tools and systems to enhance visibility into procurement activities, improve data accuracy, and enable better decision-making.

**Methodology**

We utilized a structured, rigorous methodology for the P2P process review:

1. **Current State Assessment**: Conducted a comprehensive, data-driven review of existing P2P processes, systems, policies, and performance metrics using machine learning techniques to identify bottlenecks and areas for improvement.
2. **Gap Analysis**: Analyzed the gaps between current and desired state processes to determine the scope and objectives of process enhancement.
3. **Process Redesign**: Collaborated with stakeholders to design and document streamlined P2P processes incorporating best practices, automation, and controls.
4. **Technological Innovation**: Evaluated possible technological solutions such as automation and analytics for process automation, data visibility, and reporting.
5. **Performance Monitoring**: Established key performance indicators (KPIs) and metrics to track process efficiency, cost savings, compliance, and stakeholder satisfaction post-implementation.

**Recommendations**

Based on the foregoing analysis, we recommend the following strategies:

* **Optimize Payment Terms**: Work with vendors to negotiate favorable payment terms such as extended payment cycles or early payment discounts. Analyze cash flow projections and supplier relationships to determine optimal payment schedules that balance working capital needs with vendor incentives.
* **Enhance Supplier Collaboration**: Foster stronger collaboration with key suppliers to address late goods received issues and improve supply chain visibility. Implement proactive communication channels, performance scorecards, and vendor management programs to monitor delivery schedules, resolve discrepancies, and streamline inbound logistics.
* **Automate Purchasing Processing**: Leverage automation tools and electronic invoicing systems to streamline invoice processing, reduce manual errors, and expedite payment approvals. Implement workflow automation, invoice matching algorithms, and real-time analytics to enhance accuracy, efficiency, and control over accounts payable processes.
* **Monitor Working Capital Metrics**: Establish key performance indicators (KPIs) and dashboards to track payment schedules. Conduct regular reviews and analysis to fully identify trends, anomalies, and opportunities for standardizing payment schedules to increase working capital availability.

References

**Data:**

Dataset, requirements, and expectations provided by Deloitte.

**Advisors:**

* **Project Management Advisors:** Prof. Teagan Dixon and Prof. Jeff Hittler
* **Technical Advisor:** Prof. Chenhui Guo