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Thomas Toll, Group Procurement BPO at SVITZER

Handsfree Procurement

SVITZER is a global provider of maritime services, including towage, salvage, and emergency response. In recent years, the company has taken steps to implement a handsfree procurement process as part of its efforts to streamline its operations and improve efficiency.

Overall, the implementation of handsfree procurement will result in a much faster and more precise procurement process, which will allow SVITZER to focus more of its resources on delivering high-quality services to its customers.

Procurement statistics

- » 53 Procurement colleagues
- » 45 Buyers
- » 2775 Active users
- » 47000 Purchase Orders
- » 92% PO compliance
- » 60% PO auto-match
- » Over 10.000 suppliers
- » Over 100m USD spend

SVITZER

Eliminating manual processes

One of the key challenges that motivated SVITZER to implement handsfree procurement was the time and effort required to manually process and manage purchase orders.

With a fleet of over 400 vessels and operations in more than 30 countries, the procurement team handles a large volume of purchase requisitions and orders, which could be time-consuming and resource-intensive to manage manually.

“The concept of handsfree procurement emerged because we had a desire to eliminate as many manual steps in the procurement process as possible to avoid human error and waste of time. Handsfree procurement means that sourcing and contracting always happen proactively, preceding the individual requests. Vendor and item master data are created in advance and no additional information is required to conduct a purchase.”

Thomas Toll, Group Procurement BPO



Building proper master data in SERTICA enabled the system to become the one source of truth – and the steppingstone towards handsfree procurement.

Today, the procurement requests are automatically routed to the appropriate approvers, who review and approve orders electronically. SVITZER has streamlined and digitalized the process, aiming at elimination of several time-consuming steps. The end goal scenario of handsfree procurement flow can be seen here where the number of steps involved is reduced from 11 to 5:



The REQ can now be sent directly to the buyer because it contains pre-priced items connected to

the contracted vendors, all thanks to the master data set up in SERTICA. This means that SVITZER avoids unnecessary handling of REQ, RFQ and POs whenever priced items and punchout catalogues are available.

Approval flows and Framework agreements

By establishing long-term agreements with suppliers, SVITZER reduces the time and effort required to negotiate and finalize new price lists for goods or services. All contracts and framework agreements are managed in SERTICA.

The Approval app allows users to review and approve documents from their phone or tablet, which helps to streamline and automate the process of reviewing and approving purchase orders and other procurement-related documents.

"It is easy to set up the approval flows and limits in SERTICA, and with the Approval app, we speed up the processes significantly. To be honest, everyone here is quite ecstatic about this app."

Thomas Toll, Group Procurement BPO

Advantages of SERTICA App:

- Improve efficiency
- Reduce the risk of delays
- Minimize the effort required to process orders
- Easy to use for non-SERTICA users.

By using the SERTICA Approval app, SVITZER can easily track the progress of purchase orders and approvals, which helps to increase transparency and accountability within the organization. It also allows SVITZER to focus on more strategic tasks.

Negotiating better terms with suppliers

In addition to streamlining the purchase order process, the handsfree procurement concept improves supplier management in SVITZER.

By using SERTICA to track and manage orders, the company was able to monitor delivery times and performance, and to identify opportunities to negotiate better terms with suppliers.

“Spending less time on resolving issues with invoices and waiting for approvals, our Procurement department can focus on more strategic tasks such as sourcing and contracting. To do this, we need a solid core and thus we have SERTICA.”

Thomas Toll, Group Procurement BPO

Core Procurement Vision at SVITZER

- » Increase planning capabilities by relying on PMS data
- » Itemize spend and reduce free text usage to reduce rework by buyers
- » Focus on using vendors with frame agreements and enrichment of catalogues and pricelists
- » Simplify low value purchasing by introducing credit cards and punchout
- » Move vessel-based supply chain towards port-based consolidation
- » Streamline roles and responsibilities globally within the PTP process to improve efficiencies

Master Data Challenge: Punchouts versus Catalogues

SVITZER is currently investigating how and when to use Punchouts versus Catalogues.

Punchout allows you to interact directly with supplier’s web shop and use that information to populate Requisition positions through an integration between the platforms. This solution is best applied for the categories where prices and products fluctuate, e.g., consumables.

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Thomas continues, “Catalogues should be implemented whenever there’s a need to control the transaction on item level e.g., when procuring to stock. The cost of catalogue and item management can be optimized by close collaboration with vendors, making them co-owners of the master data update process.”

The catalogue works well for OEM items, spares and critical consumables. All items have fixed prices and follow global standards. The catalogue has a running cost and is unique, which makes it difficult to replace.

How to get started with Handsfree Procurement

To achieve handsfree procurement, SVITZER works with the 3 pillars:

- People
- Process
- IT Systems

The people need a standardized way of working. Roles and responsibilities must be clear in the organization. Training is essential and you need to secure the proper resources.

Define your procurement process today and how your handsfree procurement should look like in the future. Thomas Toll recommends that you divide your processes into strategic sourcing and transactional purchase-to-buy.

Finally, you should consider which IT systems can support handsfree procurement.

In SVITZER, they make use of:

- Mobile apps
- Punchouts
- Vendor maintained catalogues
- IMPA

