



An SAP Company

Ariba Business Transformation Study | Automotive | JM Family Enterprises



JM Family Enterprises: Driving Procurement Efficiency with Ariba® Solutions

To attract more internal customers, the procurement department at JM Family Enterprises, Inc., wanted to streamline processes to offer the highest possible level of service. By deploying solutions from Ariba, an SAP company, the department digitized and automated previously paper-based processes, enabling it to manage about 50% more spend with the same number of staff.





Company

JM Family Enterprises, Inc.

Headquarters

Deerfield Beach, Florida

Industry

Automotive – distribution, sales, finance, and insurance products and services

Products and Services

Cars, trucks, financing, service contracts, parts, and dealer support

Employees

4,100

Revenue

US\$13.1 billion

Web Site

www.jmfamily.com

Executive overview

BUSINESS TRANSFORMATION

Objectives

- Standardize and automate procurement and elevate the role of procurement
- Encourage internal stakeholders to buy strategically through the central procurement department to ensure control and compliance
- Eliminate time-consuming manual processes

Resolution

- Implemented Ariba® solutions for contract management, sourcing, spend visibility, and procure to order
- Enabled rapid user adoption through a simple user interface and support from the Global Service & Support organization from SAP
- Centralized storage and workflow of procurement contracts, spend, and supplier information

Benefits

- Reduced administrative workload and allowed procurement personnel to focus on higher-value activities
- Improved visibility, validations, and cost savings with automated workflows
- Enabled easy access to one central repository of procurement activity

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75%

Less PO processing time

2x

Sourcing projects managed by the same number of staff

\$3.6 million

Saved annually by automating sourcing and contract management

“Previously, finding answers to questions such as ‘How much are we spending a year with this vendor?’ would have taken a few hours. With Ariba, staff can now find answers in less than a minute.”

Todd Kimpton, Assistant Vice President, Procurement and Accounts Payable, JM Family Enterprises, Inc.

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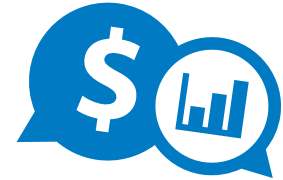
Future plans



Offering top-notch services to internal customers

Founded in 1968, JM Family Enterprises, Inc., is a diversified automotive company. Its primary businesses focus on vehicle distribution and processing, finance and insurance, retail vehicle sales, and dealer technology services. From its headquarters in Deerfield Beach, Florida, the company distributes vehicles to 176 Toyota dealerships across a five-state area, selling 20% of all Toyota vehicles in the United States. JM Family employs approximately 4,100 associates in North America and reports annual revenue of US\$13.1 billion.

JM Family operates a nonmandated procurement policy, leaving each individual business unit free to choose whether to manage its sourcing and spend through the central procurement department. Todd Kimpton, assistant vice president, procurement and accounts payable at JM Family, explains, "To encourage more people to buy through the procurement department, we are constantly striving to ensure that our processes are as efficient as possible."



\$550 million

Annual spend managed through Ariba solutions

In the past, JM Family's procurement processes were overwhelmingly paper based. "We used to store contracts in filing cabinets," says Kimpton. "Lacking a common repository, there was little consistency across the procurement department. This prompted us to look at how we could unify sourcing and contracts for a more automated workflow process."

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Working closely with Ariba to modernize processes

To boost the efficiency of its procurement processes, JM Family chose to implement the Ariba® Contract Management and Ariba Sourcing solutions, creating a single, easy-to-use, centralized platform.

Changing from traditional paper contracts to a digitized solution represented a major cultural change for the company. “Weekly status calls with a dedicated project manager from the Global Service & Support [GSS] organization from SAP ensured a quick and painless deployment program,” says Kimpton. “We felt very well supported throughout the implementation process, as our project manager was always available between meetings if we needed her.”

Impressed by the functionality of the Ariba solution, JM Family wanted to expand its scope to cover further stages of its procurement activity. “Evaluating Ariba Spend Visibility against other vendors’ products confirmed it was the strongest solution offered,” says Kimpton. “Again, we worked with a single project manager from GSS who helped us to design and set up the system according to our very specific requirements.”

Teddy Artemiou, procurement operations manager at JM Family, adds, “With Ariba Spend Visibility, you are assigned a dedicated project manager for the life of the contract. GSS continues to work with me every quarter to ensure our processes deliver a top-quality service to internal customers.”

JM Family chose to further expand its Ariba solutions with the Ariba Procure-to-Order solution and, with the help of dedicated Ariba resources, implemented it in just 13 weeks. “We were assigned a project manager and a technical lead from GSS, who were invaluable throughout,” says Kimpton. “We couldn’t have done it without them.”



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Fueling departmental efficiency with automation

Ariba gives JM Family's procurement department a centralized platform to manage all of its contracts, sourcing, and spend, totaling \$550 million per annum. By digitizing and automating previously paper-based processes, the department is able to share information with internal customers more quickly than ever before.

"Digitization and automation have significantly streamlined our procurement processes and made the department more efficient," says Kimpton. "In the past, we used to send out requests for information and requests for proposals as Microsoft Word documents and receive paper proposals in return. With no standard format, comparing results was a difficult and extremely time-consuming process.

Using Ariba Sourcing ensures that we get answers back in a single format and can easily export data to Microsoft Excel to compare results side by side. This simple move doubled departmental efficiency – we now manage twice as many sourcing projects with the same number of staff."

"We have dramatically streamlined processes by using Ariba solutions, enabling us to offer a much more efficient service to internal customers and stand by our goal to continuously improve," Kimpton explains.

**50%**

Faster data
enrichment process

6,500

Supplier records enriched
through Ariba solutions

200,000

Transactions a year
analyzed through Ariba

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Identifying further areas for improvement with Ariba

Highly satisfied with all of its Ariba solutions, JM Family is currently assessing the Ariba Supplier Information and Performance Management solution, as well as looking at the mobile app that Ariba offers. Kimpton says, "Although we don't have any plans to deploy it in the immediate future, we are in talks with Ariba about customizing features to suit our needs."

"We are very pleased that Ariba is now part of SAP," Kimpton continues. "The company is already using the SAP HANA® platform, which has now helped speed up search and reporting in the procurement department's Ariba solutions. We believe that, supported by SAP, we will continue to see improvements and enhancements in our Ariba tools."

"In the long term, we will consider implementing the full procurement suite from Ariba," concludes Kimpton. "We need partners that can grow with us. Ariba and GSS from SAP have proven to be valuable technology partners."



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