



## How Bekaert and robots (RPA) procure better together

A world leader in steel wire transformation and coating technologies, Belgian company Bekaert works with numerous suppliers around the globe. Every year, no fewer than 3,500 supplier contracts need renewal – a process that entails heavy administrative and preparation work. That is about to change, as Bekaert is currently exploring how robotic process automation (RPA) can handle routine tasks in contract lifecycle management and sourcing.

### 1 Efficiency gains in administrative processes

It was delaware's DEL20 innovation and co-creation event series that triggered Bekaert to explore the possibilities of RPA for administration: "RPA is all about reducing manual effort and making time for value-added activities," says Robrecht Coucke, IT business partnership manager at Bekaert. "We decided to investigate how RPA could boost the efficiency of administrative processes. It was easy to come up with a business case: our procurement team spends a lot of time on the administrative part of the contract life cycle management and tender process. This sometimes leads to a reduced focus and missed opportunities during negotiations. Delayed contract awards result in a loss in efficiency in the purchase order process." As delaware and fellow DEL20 participants were also enthusiastic about the Bekaert case, a proof of concept is now underway.

### 2 Time-consuming tender preparation process

The purchasing team at Bekaert manages 3,500 annually renewed supplier contracts in SAP. Bert De Bock, P2P process manager: "To do that in line with our company policy, our buyers have to capture and compare numerous details about the vendors and the contracts in SAP and the data warehouse – a time-consuming task that could be better spent on more qualitative negotiations. Moreover, the way of working differs greatly around the globe – which is not really professional for a global player like Bekaert."

### 3 Automation from gathering data to launching a tender

RPA helps professionalize that contract lifecycle management process: every month, the robot checks the contracts in SAP two months prior to the validity due date, or at a random moment chosen by the purchaser. It then runs a set of reports that list vendor and contract details (e.g. material quantities, contract compliance, quality details, unplanned costs, delivery times, number of complaints, etc.) and compiles all that data into one predefined Excel spreadsheet. Once the bot is ready to upload the data into the e-sourcing solution, it informs the buyer.

Here's when the expertise of the buyers comes in: they can study the information, adapt it where needed and give approval to the robot to submit a tender. The robot will then create an event – a.k.a., launch a tender – in the e-sourcing platform and set up the participating vendors as per instruction of the buyer. The buyer then steps in to validate and select the internal stakeholders and then sends an invite to all the participants.

### 4 Cost savings and global compliance





“Automating these tasks will help the procurement team exercise a greater level of scrutiny and oversight of their operational contracts and focus on outcomes and negotiations instead of preparation and administration,” Bert adds. “That will help us save money while boosting quality. In addition, all contract negotiations around the globe must be compliant with internal processes – RPA will help us achieve that.”

## **5 Boosting accuracy in the procure-to-pay process**

RPA also adds value after a contract has been awarded to a vendor, as the bot uploads all the information on the awarded bid into SAP. Robrecht: “This is really crucial, as it means that every detail about the contract – from coordinates through to prices and terms and conditions – will be accurate and up-to-date in our master data system, as they are based on the negotiated contract details. As a result, POs and invoices will be first time right. Moreover, the accurate master data helps us automate the PO and invoice creation processes, too.”

## **6 People and machines: better together**

Bert and Robrecht are confident that RPA will help Bekaert professionalize the procurement process. At a later phase, delaware and Bekaert may implement machine learning approaches for supplier shortlist evaluation. Moreover, purchasing is not the only administrative process with repetitive and routine tasks ready for automation; there is plenty of potential in sales and finance as well.

“The beauty of RPA is the ability to implement change gradually. It can be introduced to automate individual tasks and then build up as people become familiar with the process.”

Does that mean that people are being replaced by machines? “Absolutely not. Like I explained earlier, the procurement robot takes care of the preparation and administration, while the buyers can spend time on their sourcing and negotiation tasks. It’s simply ‘better together’ – in line with our baseline,” Robrecht concludes.