

Woodward Procurement Experts Share Lessons Learned in Implementing Coupa



Woodward (Nasdaq:WWD) is an independent designer, manufacturer and service provider of control system solutions and components for the aerospace and energy markets. The company has grown rapidly in response to increasing demand for fuel-efficient, low-emission, and high-performance energy management.

We sat down with Woodward's Craig Culver, *Director, Global Supply Chain* and Richard Landerholm, *Supply Chain Supervisor* to discuss their progress and lessons learned in implementing their procurement transformation initiative via the Coupa eProcurement platform.

Q: What were your business goals for implementing Coupa?

CC: We had three very specific goals for this initiative: Centralize procurement, standardize business processes across the company, and increase spend visibility in order to drive savings and strategic sourcing opportunities.

Q: When you first implemented the platform you ran into some challenges. What kinds of challenges did you encounter?

CC: After looking at several platforms, we chose Coupa because of its ease of use, robust capabilities and high industry rankings. In order to achieve a successful implementation, we chose to enlist outside expertise.

RL: The advantage of a cloud-based platform like Coupa is that best practices, policies, and procedures are already baked into procurement workflows. But every company and every industry has unique needs and practices. Our challenge was determining which internal processes should adapt to the system and which would warrant system configuration. Again, our team did not have the expertise required, but Shelby did.

Q: Why did you engage with The Shelby Group?

CC: First, Shelby came highly recommended. Along with extensive experience helping companies like ours maximize the benefits of Coupa, the Shelby team brought both technical and procurement expertise to the table. They had a wealth of experience to draw upon from many different industries and systems which helped us make critical decisions regarding configuration, rollout, user engagement and supplier enablement. Shelby's knowledge and expertise was vital to our success; they helped us better understand our processes and procedures and exploited the tool to its fullest advantage.

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Q: Can you provide examples of challenges Shelby helped you overcome?

CC: Sure. Anytime you move from a decentralized system to a centralized approach, there are overlaps. Getting suppliers enabled is a challenge. Suppliers and internal stakeholders are used to the old way of doing business. Prior to Shelby's involvement, we were rolling out the system supplier by supplier. With Shelby's help, we targeted specific user groups and got them trained and on boarded in waves, resulting in clear visibility of benefits to both users and suppliers. Moving to Coupa greatly streamlined processes across the board by significantly improving approval times and reducing the need for manual processing of paperwork and data re-entry. Suppliers serving multiple plants were able to realize additional discounts based on volume.

RL: While our suppliers have benefited greatly, our internal stakeholders are the real beneficiaries. Although there was initial reluctance to the change, business users today have become our greatest champions. They actually enjoy the system because it is easy to use and navigate. It takes the complexity out of procurement processes and enables people to focus on what they do best in creating value for the company.

Q: What was your strategy and approach for rolling out the platform?

RL: A common approach is to onboard all of your suppliers at once. We opted not to do that. Instead, we decided to vet suppliers and clean up our legacy database before onboarding. In retrospect, this was a wise decision that saved a great deal of time and effort later on. In addition, we rolled out the platform on a plant-by-plant basis which has enabled us to better understand and overcome challenges, create pockets of success, and apply lessons learned to subsequent rollouts.

Q: What business results have you seen so far, and what benefits do you expect to see in the future?

CC: Today, we have 85 percent of our indirect spend under management. That is an enormous business advantage. We know what we are spending down to the line item. This increased visibility to not only *what* we purchase but *how* and *where* it was charged enables us to have better negotiations and lays the foundation for strategic sourcing initiatives down the road. All of our suppliers, regardless of size, have been able to achieve concrete business benefits by using the system. Equally important, our business users really like using the system because it saves them time and eliminates hassles from day-to-day transaction processing and management.

Q: Do you have any advice for other companies that are looking to implement an eProcurement platform?

CC: Consider using a partner to help you implement. If we brought Shelby on when we acquired the platform, we would be a year ahead of where we are today in our procurement transformation initiative.

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