P2P Solution Opens the Path to Digital Transformation at Balfour Beatty

The Profile

From its beginnings in 1909 Balfour Beatty has grown to become a leading international infrastructure group. Its 26,000 employees — comprising engineers, builders, project and facilities managers, analysts, consultants among others — create and care for the vital assets that enable societies and economies to grow: road and rail; airports, seaports, tunnels and bridges; health and education facilities;
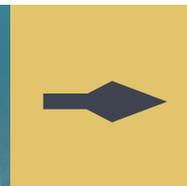
heat, light, power and water; places to live and places to work — the infrastructure that underpins all our lives and drives innovation.

Balfour Beatty's main geographical focus is the United Kingdom, the United States and Hong Kong. The company has created many iconic buildings and infrastructure all over the world including the London Olympics' Aquatic Centre, Hong Kong's first zero carbon emission building, the National Museum of the Marine Corps in the United States and the Channel Tunnel Rail Link between the UK and continental Europe.

Evan Sutherland, Procurement Director at Balfour Beatty, says, "As an organization we really are embracing digital. In procurement, this applies to areas such as eInvoicing, eContracts and eSignatures now. With digitalization, we are making it easier to work for and with Balfour Beatty: easier for you as an employee to procure and use goods and services, easier for us to pay you as a subcontractor or as a supplier, and easier for us to invoice you as a customer."

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Evan Sutherland
Procurement Director at Balfour Beatty

Balfour Beatty

JAGGAER

The Challenge

**Using a Purchasing System on a
Busy Construction Site**

One of the many people benefiting from digitalization is Stephen Mole, Project Manager on major Balfour Beatty sites. He says, "In the past, we had to use a separate individual purchasing card system for each supplier. That meant, if you needed to order ten different items, you might need to ring ten separate suppliers. At the end of the conversation, you had to submit the PCard number over the phone. There were often problems because the number was not taken down correctly and occasionally the payment didn't go through, so the materials did not turn up. Now, with JAGGAER, everything is on one system, you can place several orders at one time, and it always goes through."

Sutherland describes the big picture: "JAGGAER has delivered a number of things. We have fixed catalogues and products in place with our partners, and that gives our board and managers peace of mind that employees are buying the right products, for example the right products for the job from a health and safety perspective. Secondly, JAGGAER has allowed us significantly to reduce uncontrolled spend, spend that used to go on corporate cards. Thirdly, and perhaps most importantly, it has allowed us to start scoring our

subcontractors in a positive manner, which means we can work with those who need improvement plans and reward those that are performing very well."

There are also benefits that are not directly procurement related. For example, colleagues in accounts payable can now pay suppliers and subcontractors who are in the catalogue system much quicker. By moving away from the PCard system, Balfour Beatty has seen a reduction in aged debts, and more efficient, automated batching of payments.

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Overcoming The People, Systems & Process Challenges

Rachel McSheaffrey, Head of Systems and Processes at Balfour Beatty, sheds light on some of the technical challenges that Balfour Beatty and JAGGAER have already had to overcome and those that will arise going forward. "With any implementation there are probably three key areas, people, systems and processes. In construction, the people are the guys onsite who are used to having a PCard. The easier we could make the system front end, and the better the training we could provide, the smoother the transition. From a systems perspective, the focus was on the integrations. We are a project-focused business, so we have a lot of costing and orders information in the ERP system. That makes everything extraordinarily complex under the bonnet, but our job, working with JAGGAER, was to ensure that all this complexity is invisible and the system as intuitive to use as possible. As far as processes are concerned, we centralized the way we received goods, so that it could be executed within 24 hours of the order being issued. This also meant that we had

real-time costings and straight-through order processing, so we could pay our suppliers immediately."

JAGGAER worked closely with Balfour Beatty suppliers to get their catalogues loaded into the system, perform the necessary testing and to ensure effective communication between suppliers and Balfour Beatty businesses. Before the full go-live and rollout, a pilot project ensured that all the training material was correct and gave a focused community of users the opportunity to provide feedback, which JAGGAER then acted upon. That done, the system was rolled out to all business units over a two-month period. "By the end of August 2019, we had over a thousand people trained and using the JAGGAER system. "The catalogues are very intuitive to use, very much like shopping on Amazon," adds McSheaffrey.

The Future
Continuing the Journey
Balfour Beatty and JAGGAER are on a journey towards ever-greater digital transformation and automation of procurement. A central task in this quest involves feeding in more data, for example to score vendors based on attributes such as financial stability. Another is making the JAGGAER mobile app available

on any mobile device. And finally, extending the procure-to-pay (P2P) system to cover complex services.

"Because the system has been so good, I want to see it evolving further," concludes Sutherland.

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