

Customer Story

Sweden's largest food retailer cuts contract agreement times by 70%

Axfood transforms procurement efficiency and consistency following group-wide adoption of JAGGAER Contract Management



About Axfood

Axfood is one of Sweden's leading food retailer. Its 1,100 stores are home to some of the country's most recognizable retail brands, including Willys, Hemköp, and Urban Deli.

Location: Stockholm, Sweden

Size: 13,000 employees,
SEK 81.1 billion in annual net sales 2023

Business Challenge

Accelerate digital transformation of retail operations and improve contract agreement times, with single view of group-wide procurement.

Why JAGGAER

Enable procurement teams to access a pre-approved menu of contract options, with the ability to edit, amend or add clauses.

Through Contract Management capabilities of JAGGAER One, Axfood experiences:

- Reduction in contract confirmation times by 70%
- Establishment of group-wide consistency
- Strengthening of compliance and risk mitigation

Executive Summary

Axfood sought to accelerate their digital transformation and create total visibility across their 1,100 locations. After the procurement team was able to leverage JAGGAER's Contract Management solutions, they reduced contract confirmation times by an impressive 70%, decreased risk, and improved their overall procurement efficiency. The single unified platform provided a 360-degree view of group wide procurement activities that could keep up with them as they evolve.

Unifying a fragmented approach to contract management

Axfood Product Owner, Christian Dorch, smiles and shakes his head when recalling how the retailer would sometimes handle contract management. “A few years ago, we did a study,” he says. “We found people were signing contracts on napkins!”

Clearly, for one of the largest players in the Swedish retail industry, this situation was far from ideal. Axfood’s unique selling point is that it is a ‘house of brands’: each store comprises multiple retail brands. While this has proved a hit with consumers, it was becoming a growing headache in the back-office. Each brand and each business unit managed its own procurement process, each maintaining separate relationships with suppliers.

A reliance on paper-based processes, napkins or otherwise, left the group lacking a clear view of supplier relations. The organization worried this was leading to inconsistent pricing, service levels that were difficult to track, and process inefficiency. With retailers working within razor-thin margins and increasingly slick supply chains, Axfood’s fragmented approach was diminishing its competitive advantage.

“We needed a modern system to contract management and storage procedures,” says Christian, “one that gave us visibility and transparency across all contracts within the group.”

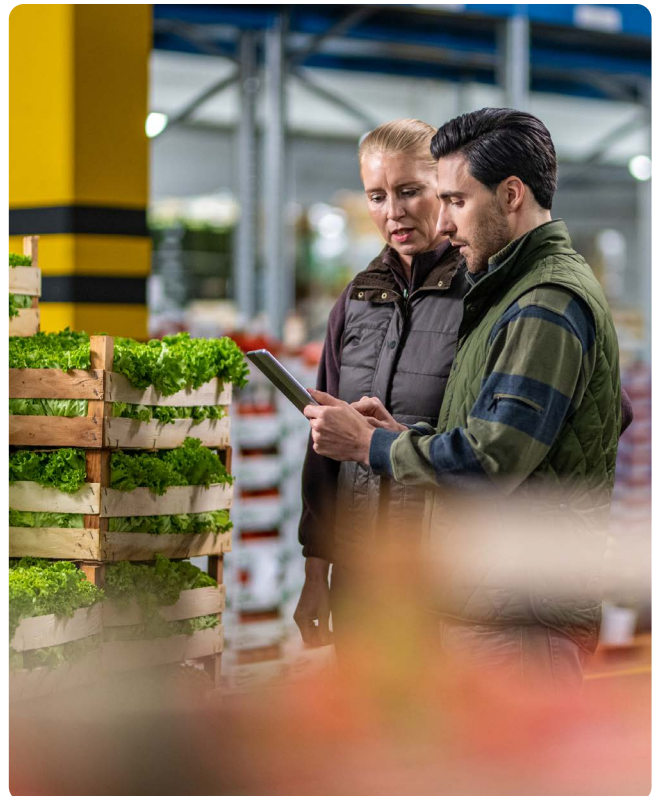
Identifying opportunities to digitize workflows

The adoption of JAGGAER Contract Management created, for the first time, a consistent approach to contract management at Axfood. It established a platform to

be shared across the various business units within the broader Axfood group.

JAGGAER Contract Management transforms the way contracts are generated and managed.

To build control into its processes, the JAGGAER platform enables Axfood to create a menu of pre-approved contract options for users to select from. Users are able to edit, amend or add clauses to contracts, with AI removing further manual processes by automatically suggesting new contract options. Specific clauses or risks can be flagged and shared across teams, helping Axfood head off issues before they develop. Critically, the platform allows Axfood to visualize contract detail across the group, current and historical. The business can now score contracts, identify anomalies, and extract key metadata from legacy contracts. Axfood’s origins, and some of its supplier relations, go back to the 1980s.



The choice of JAGGAER is part of a larger digital transformation journey. Axfood is identifying opportunities to digitize workflows throughout the group as it seeks to streamline back-office operations.

“JAGGAER has extremely skilled people within its project business,” says Andreas Ferngren, Axfood Project Manager for Pricing and Sourcing. “The methodology used for establishing the statement of work and preparation prior to the project beginning was exceptional - it provided us with a great sense of security and comfort.”

Reducing contract confirmation times from weeks to days

Christian Dorch says there has been a queue of business units wanting to adopt JAGGAER Contract Management: “One of the best things about this project and overall implementation is that we’re constantly able to add new departments to the platform. The platform is now standard for

all new users. Business units and individual users can customize features according to their individual business needs.” Employees who have very different functions, but the same contract management needs - the IT and Fruit & Veg. departments, for example - are now able to electronically store and manage their contracts across a joint platform. To date, five business units, including 110 individual users, are using JAGGAER Contract Management.

“We could combine teams with a single solution that was flexible enough to allow tailored configurations based on their unique needs,” Andreas explains.

One-click contract generation, and the ability to quickly create bespoke contracts, has dramatically streamlined procurement efficiency.

“The turnover time between contract discussion and contract signing has



been significantly reduced,” says Christian. “Having once taken weeks, our average turnover for a new contract with a new supplier is now five days.”

This transforms how the retailer engages with suppliers. It positions the business as modern, responsive and efficient. Users, previously tied up in paperwork, are now better able to focus on strategic tasks. With a central contract repository and a single source of truth, there is more reliable data and stronger compliance. Axfood now has the visibility and transparency it needs, and a scalable solution for the future.

What hasn't changed is Axfood's position as one of Sweden's leading food retailers. And as a retailer where you can find everything you'd need for a picnic, Axfood also carries napkins. Unwritten on, of course.

Conclusion

The implementation of JAGGAER Contract Management at Axfood reduced contract confirmation times by an impressive 70%, drastically improving procurement efficiency. By establishing group-wide consistency across contract management, Axfood has achieved uniformity and streamlined processes throughout its diverse brands and business units. Additionally, the AI-powered platform has strengthened compliance and reduced risk by providing greater visibility and transparency into supplier relationships and contract details.

“Turnover time between contract discussion and contract signing has been significantly reduced. Having once taken weeks, it's now five days.”

Christian Dorch, Product Owner and Process Manager, Axfood



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