



Electrify, Decarbonize, Revolutionize: GE Vernova Energizes Procurement with JAGGAER

Vertical

Energy and Utilities

Product Families

- JAGGAER One Platform
- Category Management
- Contracts
- eProcurement
- Sourcing
- Supply Chain Collaboration
- Supplier Intelligence

Size

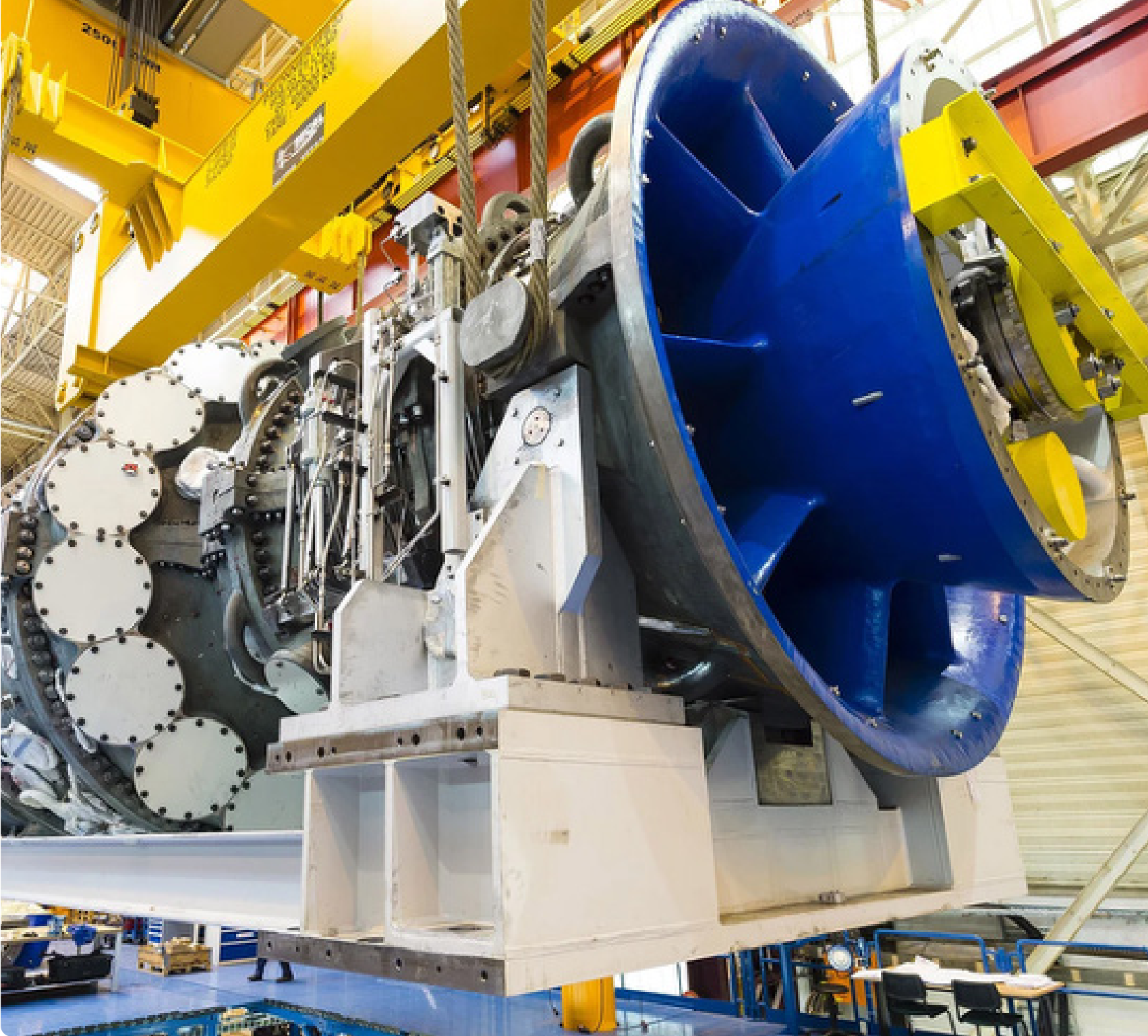
75,000 employees

About GE Vernova

“The energy to change the world” – so runs the motto of GE Vernova, an independent publicly traded company (NYSE: GEV) drawing on the talents of more than 75,000 employees worldwide. GE Vernova’s installed base generates around 25 percent of the world’s electricity. Much of its work involves unique build-to-order projects. In addition, services account for a significant portion of the company’s work backlog, which delivers a sustainable revenue stream while calling for a high level of forward thinking and responsiveness. Each year, GE Vernova spends approximately \$20 billion to sustain these operations. The Gas Power division alone has 5,000 suppliers in more than 80 countries worldwide supplying more than 150,000-part numbers sourced.

Business Challenge

Created by a series of acquisitions over several decades and codified as a stand-alone energy company in March 2023, with many strategy business units divided into three segments of power, wind and electrification, GE Vernova delivers a quarter of the world’s energy. Like many other organizations that have grown through M&A, GE Vernova inherited a highly disparate and complex IT landscape, including need to manage multiple ERP systems. Consequently, the company need for improved visibility and control over its expenditures and compliance with regulatory requirements, as well as ensuring system reliability and security.



The challenge was to get as much of its \$20 billion spend under management as humanly possible to drive savings, reduce risk, and ensure full regulatory compliance. GE Vernova engaged JAGGAER to complement and simplify its IT environment, putting security, value, quality and synergies at the center of its purchasing strategy. By replacing obsolete legacy systems with reliable and streamlined software as a service, JAGGAER is supporting the company’s lean approach and improving the function’s contribution to its EBITDA and shareholder value enhancements.

Sourcing Strategy

Randy Rowe, Executive, Sourcing Operations and Transformation at GE Vernova’s Gas Power business, says: “Integrity and safety are the foundation of what we do, and we have a continuous improvement mindset.” GE Vernova has a long tradition in lean methodology. “With regard to critical suppliers, this means working with them and challenging them every day to get leaner and better, never to be satisfied with the status quo,” Rowe explains.



In 2022, the business expanded its procurement digital transformation journey with JAGGAER. “Our aim was to phase out several outdated databases and contract storage folders and to fully digitalize the entire process,” Rowe states. The company has implemented JAGGAER One upstream modules for everything from source to contract. There is also an underlying analytics layer, with JAGGAER One passing transactional data into a data lake for analysis to support continuous improvement.

“What’s really exciting about this journey is the spirit of collaboration from JAGGAER, the desire to help us get better,” Rowe says. Several high-priority engagements are always in progress to identify synergies and efficiencies.

Sourcing 360 – Guided Buying

“Given the complexity of our IT landscape, imagine what it would be like if you, as a production buyer, had to log into multiple ERP systems to do your job. This is why we’ve implemented an information layer on top, which we call Sourcing 360,”

says Rowe. “Rather than buyers looking for stuff, the system guides them on what actions to take,” Rowe explains.

GE Vernova’s Sustainability Framework

Initially published in 2024, GE Vernova has developed a Sustainability Framework with four dimensions: Electrify, Decarbonize, Thrive and Conserve. The company sees its mission as catalyzing access to more secure, sustainable, reliable and affordable electricity to help drive global economic development. It is also at the forefront of decarbonization, with the goals of innovating toward 2050 Scope 3 zero emissions and reducing carbon intensity. For example, it is increasingly using hydrogen, a zero-carbon fuel, to drive gas turbines. Under the ‘Thrive’ heading GE Vernova has set out goals to advance safe, responsible and equitable working conditions across the value chain: for example, fatality-free operations, progress on gender representation and the advancement of disadvantaged populations, training the entire workforce on ethics and compliance, and partnering with suppliers

to promote human rights in the value chain. And finally, ‘Conserve’ involves innovating to create more with less, conserving natural resources. For example, GE Vernova aims to advance circularity, covering 90 percent of top products by 2030.

“All of this is underpinned by our GE Vernova philosophy of customer focus and continuous improvement on Safety, Quality, Delivery, Cost & Cash and Operational Transformation,” Rowe says.

The Future

Rowe believes that GE Vernova is well positioned to embrace upcoming opportunities. “Regulations around the world such as CBAM [the EU Carbon Border Adjustment Mechanism] and PFAS [the use of Per- and Polyfluoroalkyl Substances] require us to gather data for reporting. But with JAGGAER analytics, this will also enable us to use that supplier data for our own purposes,” Rowe says. The deployment of generative AI, machine learning and process automation will drive further progress. “AI will make the software even more intuitive,

enabling our users to become more strategic in their decision making,” he adds.

Through its engagement with JAGGAER, GE Vernova has seen continuous improvement of its procurement KPIs including spend under management, RFP launches, contract visibility, risk mitigation, regulatory compliance, decarbonization, and supplier engagement.

The deployment of JAGGAER in the gas and steam business units has been an impactful successes. But there is still a long way to go in getting the rest of GE Vernova’s spend under management, giving visibility over every dollar spent.

Plenty of opportunities lie ahead: with 775 million people around the world currently lacking reliable access to electricity, and estimates suggesting that we need to produce 50 percent more electricity over the next twenty years, GE Vernova is committed to greener and leaner sourcing and supplier management.



GE Vernova was the winner of the Supply Chain Initiative category in the 2024 World Procurement Awards, in recognition of its Sourcing 360 implementation.