

Sample Company Size	Employees	39,950	<i>S&P 500 is 39,950</i>
	Revenue	\$11,180,000,000	<i>S&P 500 is \$11,180,000,000</i>
	Spend	\$3,354,000,000	<i>Average 30% of revenue</i>
	Indirect	\$1,118,000,000	<i>Average 10% of revenue</i>

[McKinsey \(BVA Source\)](#)
[McKinsey \(BVA Source\)](#)

☐	Data Point / Assumptions	☐	Default	☐
1	Annual Employee Initiated Spend		\$1,118,000,000	
2	Annual volume of procurement requests		119,850	
3	Annual number of new suppliers onboarded		839	
4	Sourcing & Supplier manager FTEs		64	
5	Avg effort to resolve a procurement request (hours)		0.5	
6	Avg effort to onboard a supplier (in hours)		250	

Exposed?	☐
Yes	<i>10% of Revenue</i>
Yes	<i>Average 3 per employee per year</i>
Yes	<i>3,000 suppliers per \$1B, 25% indirect, 10% Churn a year</i>
Yes	<i>33 FTE per \$1B Sourcing and Procurement, 25% indirect, 69% operational users</i>
No	
No	

[McKinsey \(BVA Source\)](#)
[McKinsey \(BVA Source\)](#)
[ISM/ASU Benchmark Study](#)
[APQC Benchmark Study](#)

Questions 4

Outcome	Annual Benefit	% Total
1 Reduce Employee Time Spent On Procurement Tasks	\$1,100,000	7%
2 Increase Procurement Request Deflection & Resolution Efficiency	\$1,200,000	8%
3 Accelerate Supplier Onboarding	\$6,000,000	37%
4 Increase Supplier Manager & Sourcing FTE Efficiency	\$3,100,000	18%
5 Increase Spend Under Management	\$5,470,000	31%
Total Annual Benefit	\$17,870,000	

Annual Cost (Est)	\$400,000
Implementation (1.5x Sub)	\$600,000

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Annual Benefits	\$4,400,000	\$12,000,000	\$17,800,000	\$17,800,000	\$17,800,000	\$71,200,000
Annual Cost	\$1,000,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,600,000
Net Benefits	\$3,400,000	\$11,600,000	\$17,400,000	\$17,400,000	\$17,400,000	\$66,600,000

ROI	200%
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