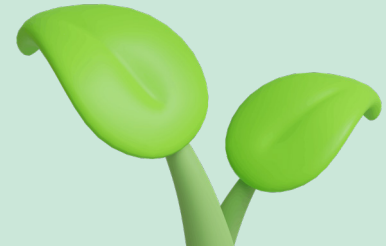


Agricultural cooperative saves money, increases efficiency



Lantmännen



Wanted: an efficient strategic sourcing tool that provides data to base decisions on

Lantmännen is an agricultural cooperative founded on the deep knowledge that farmers have acquired over generations. Lantmännen makes farmers thrive and work together to take responsibility from field to fork. From their core farming business, through the value chain, Lantmännen is involved in every step, from sowing to harvesting. Owned by Swedish farmers, Sweden is Lantmännen's base with the Baltic Sea area as their expanded domestic market.

Lantmännen needed an efficient strategic sourcing tool to handle several ongoing negotiations simultaneously. They also needed to compile the collection of RFx-data from suppliers in a more structured format so they could re-use the information for decision-making and repeat negotiations.

"With [Unit4 Source-to-Contract by Scanmarket (S2C)], this is easy because you save the data in the platform, and it can easily be reached by all users at any time. Previously, the usual way of working was that a person saved the data on their own desktop and frequently when it was time for re-negotiation, the entire project would need to be recreated," says Josefin Kronstrand, Head of Procurement at Lantmännen.

Data to base decisions on

Lantmännen chose [S2C] to digitally transform its procurement process. S2C is an integrated platform that offers control over spend and the ability to quickly make data-driven decisions while maintaining compliance. With Unit4 eRFx by Scanmarket (eRFx) the design, distribution, collection, and analysis of RFIs, RFPs, and RFQs are consolidated in one automated platform that boosts efficiency and allows sharing of data across the organization.

Unit4 eAuction by Scanmarket (eAuction) is a procurement tool that uses web-based software to allow potential suppliers to compete online, in real-time, to give prices for goods or services.

eAuctions are used to obtain the best value on products and services across a variety of categories, helping procurement professionals negotiate with more suppliers and eliminating the need for time-consuming one-on-one discussions.

Industry

Agriculture

Location

Stockholm, Sweden

Size

Owned by approx. 19,000 Swedish farmers; 10,000 employees; operations in more than 20 countries; annual turnover of SEK 50 billion

Product

Unit4 Source-to-Contract by Scanmarket (S2C)

Challenges

Lantmännen needed an efficient strategic sourcing tool to handle several ongoing negotiations simultaneously. They also needed to compile the collection of RFx-data from suppliers in a more structured format so they could re-use the information for decision-making and repeat negotiations.

Key metrics

10%

SAVINGS

Cost savings of approx. 10%



EFFICIENCY

Increased work efficiency brings ROI from the start

“The reason we chose [S2C] was because of its simplicity for both internal users and for the questioned suppliers. Training is seldom required for bidders.”

Josefin Kronstrand

Head of Procurement, Lantmännen

Much more efficient than traditional negotiations, eAuctions deliver process transparency and reduce the final price due to increased supplier competition.

Intuitive user interface requires little training

Josefin says, “The reason we chose [S2C] was because of its simplicity for both internal users and for the questioned suppliers. Training is seldom required for bidders. We initially bought only the eRFx tool and then extended it to the eAuction application as well. Implementation of [S2C] was extremely smooth. Training from the [S2C] team was good, and we could get started very quickly. Using Quick Call for support is simple and the support is fast and professional.”

Result: 10% savings and increased efficiency

“The categories where we use [S2C] are wide-ranging, including direct and indirect material also, with commodities that have widely fluctuating market conditions and pricing. Using the eAuction tool, we achieved ROI from the first event, including both cost savings of around 10% and increased work efficiency,” says Josefin.

Keys to success

Josefin says, “For new users just getting started on the journey, we have several words of advice:

1. For your early events, run test projects with internal stakeholders. By making them take the roles of bidders and buyers, you can confirm that all your documents are easy to understand and allow for competitive bidding.”
2. Take full advantage of the eLearning module. There’s a wealth of information there that can be extremely helpful.”
3. Pay attention to the types of questions you use, especially in the RFI and RFP phases. While it

may be advantageous to collect significant qualitative information, keep in mind that qualitative responses can require additional thought and effort for evaluation. Questions that are more specific and quantitative will be easier to compare across bids.”

Our goal is to continue spreading the knowledge internally about the benefits of the tool and to show best practices to achieve higher usage and increase internal user profiles. We plan an intense increase in activity in the coming years, especially in eAuctions.”

