SAP Ariba

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CIRCLE K

Stretch

Circle K: Driving Smarter, Standardized Processes with SAP® Ariba® Solutions

Circle K AS has moved from disparate procurement processes to a centralized, consistent approach to sourcing, spending, and contract management and payment, supported by SAP® Ariba® solutions. Newfound visibility and control of end-to-end procurement activity is helping teams work more productively, slashing process times, and improving compliance.

Executive overview

Company
Circle K AS

Headquarters
Oslo, Norway

Industry
Retail

Products and Services
Road transportation fuel, fuel service stations, and convenience stores

Employees
21,000 (in Europe)

Revenue
US$7.3 billion (global)

Web Site
www.circlek.com

Partner
Stretch
www.stretch.nu

BUSINESS TRANSFORMATION

Objectives
- Boost efficiency and make procurement a leaner operation
- Improve visibility and control of supplier relationships
- Maintain compliance business-wide
- Build a world-class procurement team

Resolution
- Implemented strategic sourcing functionality in SAP® Ariba® solutions and the SAP Ariba Buying and Invoicing solution
- Centralized procurement activity based on a strategic business center
- Enabled executives to route and approve contracts electronically with the SAP Signature Management application by DocuSign
- Worked with partner Stretch to roll out SAP Ariba solutions for Circle K's procurement transformation journey

Benefits
- Gain new insight into sourcing and spend activity, enabling Circle K to make smarter decisions and save money
- Accelerate contract approval processes, freeing up line-of-business teams to focus on more strategic work
- Increase compliance with centralized data
- Implement a more professional approach to working with suppliers

Read more ▶

Less
Time required to execute contracts

Higher
Efficiency due to automation

Greater visibility
Into spend and suppliers

"SAP Ariba solutions allow us to make the most of the resources available to focus on market opportunities and drive cost savings to help Circle K run a better business."

Knut Olav Irgens Høeg, Head of Procurement Europe, Circle K AS

Taking control over procurement and strategic sourcing

Circle K is an international chain of convenience stores, owned and operated by Canadian company Alimentation Couche-Tard Inc. In Europe, Circle K operates a global retail network of about 2,700 stores across Poland, Russia, Scandinavia, Ireland, and the Baltic countries. Most Circle K stores offer road transportation fuel and convenience products, while others are unmanned, automated fuel stations.

Knut Olav Irgens Høeg, head of procurement Europe at Circle K, explains the challenges, "Each business unit in each country had a different approach to sourcing and purchasing. We realized that in order for procurement to become more efficient, we needed to work as one team."

As a first step, Circle K established a core procurement team, based out of a strategic business center in Riga, Latvia. To support the newly centralized procurement function, Circle K needed solutions that could drive efficient, consistent, and compliant processes, from sourcing and contract management to invoicing, payment, supplier management, and spend analysis.

Høeg continues, "We wanted to make our central procurement function as lean and effective as possible. Much of the work depended on manual processes, and the procurement team was handling a great deal of work that would be better managed by people in the business areas concerned who had better knowledge of the suppliers and their contract terms. We wanted to introduce enterprise-standard processes that would give us better visibility and control of end-to-end procurement activity."

Selecting SAP® Ariba® solutions – checking all the boxes

Circle K selected SAP® Ariba® solutions as the foundation for its centralized procurement function. Høeg says, "The SAP Ariba solutions offered all the features we were looking for in a single package. The flexibility of the software was another key selling point – we could start small and add more functionality as required."

Circle K implemented the SAP Ariba Sourcing and SAP Ariba Contracts solutions across its European business. This was followed by the rollout of the SAP Ariba Buying and Invoicing solution to Norway initially, then to Sweden and Denmark, with the final implementation performed a few months later in the Baltic states and Poland.

Implementation partner Stretch worked with Circle K to optimize and transform procurement. Its project management and change management services and solution and process teams helped Circle K increase value for customers and owners on its procurement transformation journey.

In the contract management space, Circle K integrated the SAP Ariba solutions with the SAP Signature Management application by DocuSign.

"The ability to share and sign documents electronically has made the contract approval process much faster and more transparent," notes Høeg. In the past, it took weeks and even months to get some contracts approved and returned. "Today we can do it in minutes," Høeg points out. "It makes life much easier for our executives and gives us greater visibility into the process."

With SAP Ariba solutions, Circle K is transforming the way that its teams work, as Høeg explains, "We are centralizing more activities." The teams are taking on new kinds of work, such as monitoring auctions, which previously had to be done locally. Freed up resources in the business units now focus on strategic work, like preparing negotiations and tenders.

Strengthening compliance and driving smarter sourcing

Circle K's procurement team is demonstrating real value to the business through a global view of sourcing and spending and a standardized way of managing procurement.

The new level of visibility and control is helping Circle K to ensure that spend is compliant with contracts, reducing business risk. "With SAP Ariba solutions, we can track exactly what is being bought, from what suppliers, and at what prices," states Høeg. "We also use built-in business rules to make sure that we are following the proper procedure when we approve an invoice or issue a purchase order."

Additionally, Circle K is driving a more strategic approach to sourcing that helps the company negotiate better deals with vendors.

Circle K now creates a tender and invites several vendors to bid for the contract. Creating competition among suppliers encouraged them to come up with more attractive proposals. The company has been able to reduce consultants' rates by €10 to €20 per hour, resulting in significant savings per year.

Increased
Value provided by the procurement team

Improved
Supplier relationships

Better
Compliance rates

Building a world-class procurement organization

With its successful implementation of SAP Ariba solutions across Scandinavia, Poland, and the Baltic states, the sky is the limit for Circle K.

Høeg comments, "We received tremendous support from the development team in recent months. Once we have the SAP Ariba Buying and Invoicing solution in place across sites, we will be able to increase compliance across our entire European operations." All sites will manage invoices and purchase orders in exactly the same way. Circle K will be able to reduce the number of full-time employees working directly with invoices – saving time and money and increasing control.

"We are satisfied with the positive results we've seen so far since implementing SAP Ariba solutions," Høeg sums up. "We are looking forward to continuing to enhance and build on this foundation with mobile solutions from SAP to share a truly world-class procurement function in Circle K."

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