1) Cloud technology
2) Growth in eInvoicing
3) Mobile Capture For AP
4) Robotic Processing Automation

“ROBOTIC PROCESS AUTOMATION WILL HELP HUMANS BECOME MORE HUMAN AT WORK.”
5) Artificial Intelligence
6) Invoice Financing
Against a background of…

**Top 3 Challenges:**
- Keeping track of invoices
- Making payments on time
- Maintaining the Master Supplier File
- Storing and retrieving paper invoices
Agenda

Opening remarks  Ellen Leith, Editor Purchase to Pay Network (PPN)
Keynote Speaker  Tim Harford, introduced by Andrew Parkes, Commercial Director Tradeshift

Networking Break 11:30 – 11:00

Tracks 1 & 2  Breakout rooms Adelphi 3 and Aldwych Suite (first floor)
Tracks 1 & 2  Breakout rooms Adelphi 3 and Aldwych Suite

Lunch served 12:30 – 13:30

Agile Sessions  Breakout rooms Adelphi 3 and Aldwych Suite
Plenary session  Business Wargaming - Adelphi 3

Networking Break 15:40

Awards and Prizes  PPN Awards, Prize Giving, Champagne reception

Event ends  16.45
Say hello to our partners
Rethinking Finance Transformation
Why you should always start with “Why?”

Andrew Parris
5 June 2018
● CRH
● Tarmac
● Tarmac SSC
● Our Performance Reporting story
CRH at a Glance

CRH HQ
Belgard Castle
Dublin, Ireland

CRH AT A GLANCE

OPERATING IN
31 COUNTRIES

ACROSS APPROX.
4,000 LOCATIONS

24 BILLION
REVENUE

87,000
EMPLOYEES

16 MILLION M³
OF READY MIX

2 MILLION TONNES
OF LIME

120 MILLION TONNES
OF AGGREGATES

26 MILLION TONNES
OF CONCRETE PRODUCTS

10 MILLION TONNES
OF ASPHALT

People First, Process Next, Service Excellence Always
Tarmac and CRH

People First, Process Next, Service Excellence Always
First, Next, Always
People First, Process Next, Service Excellence Always
● People First
● Process Next
● Service Excellence Always
“Evolution, not revolution”

- SSC Vision & Strategy
- The Tarmac Plan / Way
- Process Excellence
- Source to Pay
The Tarmac SSC has an integrated Vision, Strategy & Operating Model, built around the Finance Strategic Themes, with supplemental elements around “plan” and “Data and Technology”. It is expected that once best practice efficiency and effectiveness have been achieved, that the Strategy will develop to consider “full value add” (ie further progression up the SSC maturity curve - see slide 9), whilst the Vision and the construct of the Operating Model will persist.
Current Priorities

- SOx process remediation and evidencing underway, Feb evidence is being compiled as a practice run, preparing for March.
- Data cleanse for Project Unity and the new credit card solution has commenced and is well underway.
- Standardisation of Business Process efficiency report is still work in progress, with enhancements so far received positivity by the business.
- A Proactive approach has commenced to contact all internal approvers to reduce the over 60 day web cycles.
- New Bank Of America credit card implementation is 22 weeks from go live, we are progressing with tasks on the project plan and are on track.

Strategy Delivery

- 2016 P2P strategy being finalised: will be in place by the time we report for March 2016.
- We’re awaiting formal agreement from respective BUs, but in the meantime all targets have increased by 5%, compared to last year.
- Prior year targets were measured by:
  - Compliance tracking in all areas via reporting and engagement with the business, to increase card usage, match rates and adherence to the expenses policy
  - Alignment with procurement to ensure contract compliance is tracked via Purchase Requisitions
  - Track supplier payment performance against terms and forecast
  - All Excom and Slides have been standardised for across BU comparison.

Performance

<table>
<thead>
<tr>
<th>Unmatched invoices(§)</th>
<th>P_2</th>
<th>P_1</th>
<th>P_0</th>
<th>P_{+1}</th>
<th>P_{+2}</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,440</td>
<td>12,980</td>
<td>13,102</td>
<td>12,000</td>
<td>10,500</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>One time vendor (§)</th>
<th>99</th>
<th>60</th>
<th>112</th>
<th>100</th>
<th>100</th>
</tr>
</thead>
<tbody>
<tr>
<td>47%</td>
<td>42%</td>
<td>42%</td>
<td>45%</td>
<td>45%</td>
<td></td>
</tr>
</tbody>
</table>

| Invoices>60 days (%) | 15% | 17% | 17% | 15% | 15% |

- Unmatched invoices have increased, largely due to wrong PO #’s on annual spend contracts, as expected in Q1 with improvement to follow with creation of correct/new PO’s from February onwards. We are working towards a reduction in March and thereafter.
- OTV is now live in BPM and in the first month we saw a reduction in numbers as the business was getting used to the system and then a sharp increase as held requests were logged on BPM. From the 112, almost a third were rejected at either the validation or approval stage.

Projects

<table>
<thead>
<tr>
<th>Description</th>
<th>Due</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low value payment solution</td>
<td>Jul 2016</td>
<td>In progress</td>
</tr>
<tr>
<td>Auto statement recons</td>
<td>May 16</td>
<td>In progress</td>
</tr>
</tbody>
</table>

Support Costs (£'000)

<table>
<thead>
<tr>
<th>Description</th>
<th>Month</th>
<th>Year-to-Date</th>
<th>Var. Bud</th>
<th>Var. PY</th>
<th>Var. Bud</th>
<th>Var. PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>Actual</td>
<td>91</td>
<td>10</td>
<td>12</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Other People Costs</td>
<td>4</td>
<td>8</td>
<td>2</td>
<td>11</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Accommodation Costs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Other Costs</td>
<td>15</td>
<td>3</td>
<td>3</td>
<td>28</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>TOTAL ACCOUNTABLE COSTS</td>
<td>110</td>
<td>20</td>
<td>17</td>
<td>212</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>HEADCOUNT</td>
<td>42</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Projects Update

- Low value payment solution: Bank of America has been selected as the new provider. Workshops and process mapping is now underway. This will be a 22 week project. The Pilot is planned for July 2016, with a full rollout by Sept 2016.
- Auto Statement recons: There is still a strong dependency on IT to ensure the IT solution is working. We are on track with the projected completion timeline, however that said, we will operate a manual process, should the IT fix not materialise.
● SSC Performance Measures Project
Main objective:
➢ To analyse the existing Tarmac SSC performance measures and explore ways of improving them by collaborating with various stakeholders, as well as by benchmarking the existing practices of other organisations.

Outcome:
➢ Upon the results of the analysis a summary slide deck will be prepared and presented to Tarmac SSC management, BU management teams (subject to confirmation) and other stakeholders (if required).
➢ The slide deck will provide the outline of research performed and its findings, as well as recommendations on ways to improve the existing scorecards/performance measures.
Overview of the findings

**Business Requirements**
To see a quick overview of performance and what needs to be done for improvement
To have a dialogue with the SSC

**SSC Requirements**
To improve process efficiency and manage customers’ expectations
To improve employee engagement

**Academic view**
The system needs to be dynamic and transparent, focus on improvement and be aligned with the SSC goals

**Expert/practitioner view**
Focus on the values of the SSC and the company overall: pick a small amount of most important measures
Communicate with the business

**Industry Practice**
Visually impacting and interactive system: boards, huddle meetings
Customers receive regular scorecards
“Evolution, not revolution”

- Version 1.0

People First, Process Next, Service Excellence Always
“Evolution, not revolution”

<table>
<thead>
<tr>
<th>Department: All</th>
<th>Business Unit: All</th>
<th>Period: December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee</strong></td>
<td><strong>Quality</strong></td>
<td><strong>Customer</strong></td>
</tr>
<tr>
<td>Objectives: Identify and resolve capability gaps, implement 360 degree feedback for “rising stars”</td>
<td>Objectives: Grow process excellence capability, develop and deliver to SLA, maintain SOX compliance</td>
<td>Objectives: Develop and implement customer service culture, collect and address customer feedback</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leavers</td>
<td>SLA compliance 2016**</td>
<td>2016**</td>
</tr>
<tr>
<td>27</td>
<td>91%</td>
<td>2.3%</td>
</tr>
<tr>
<td>New Starters</td>
<td>Call abandonment rate 2016**</td>
<td></td>
</tr>
<tr>
<td>36</td>
<td></td>
<td>24%</td>
</tr>
<tr>
<td>Job Changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initiatives: Apprenticeship scheme, usage of traineeships/internships, skills matrix</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td><strong>Customer</strong></td>
<td></td>
</tr>
<tr>
<td>Objectives: Grow process excellence capability, develop and deliver to SLA, maintain SOX compliance</td>
<td>Objectives: Develop and implement customer service culture, collect and address customer feedback</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SLA compliance</td>
<td>2016**</td>
<td></td>
</tr>
<tr>
<td>2016**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call abandonment rate 2016**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Error rate 2016**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Customer</strong></td>
<td><strong>2016 Stakeholder Engagement Survey</strong></td>
<td></td>
</tr>
<tr>
<td>Objectives: Develop and implement customer service culture, collect and address customer feedback</td>
<td>Survey response rate</td>
<td></td>
</tr>
<tr>
<td>2016 Stakeholder Engagement Survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gap</strong></td>
<td>6.4 points</td>
<td>6.4 points</td>
</tr>
<tr>
<td><strong>1:10 points</strong></td>
<td>6.4 points</td>
<td>6.4 points</td>
</tr>
<tr>
<td><strong>1:100 points</strong></td>
<td>6.4 points</td>
<td>6.4 points</td>
</tr>
<tr>
<td><strong>Value</strong></td>
<td><strong>IT/Automation</strong></td>
<td></td>
</tr>
<tr>
<td>Objectives: Provide non-transactional, expert type services and deliver greater value to the business</td>
<td>Objectives: Leverage technology: optimise ERP platforms for SSC, embed BPM</td>
<td></td>
</tr>
<tr>
<td>Cost as % of revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work in Progress for February</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initiatives: Low value P-card solution, Customer P-card, LS truck order and query logs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IT/Automation</strong></td>
<td><strong>Customer</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2016 Stakeholder Engagement Survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Survey response rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015 Stakeholders</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>2016 Stakeholders</td>
<td>37%</td>
<td>27%</td>
</tr>
<tr>
<td><strong>2016 Stakeholder Engagement Survey</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gap</strong></td>
<td>6.4 points</td>
<td>6.4 points</td>
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<td>6.4 points</td>
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<td><strong>1:100 points</strong></td>
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<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>Initiatives: Low value P-card solution, Customer P-card, LS truck order and query logs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Target</strong>: BPM pilot implementation: by the end of 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initiatives: Blackline, Getpaid, ServiceNow, SSC Automation road map with Deloitte</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- One summary page for whole of SSC
- Each Process Area has its own page(s)
- More graphics
- More storytelling
- Multiple perspective
- Following pages are examples of P2P product
### Department: Purchase to Pay [Purchasing Hub]

**Author:** Lesley Travis, Christine Jervis  
**Period:** February 2017

### SSC Output

<table>
<thead>
<tr>
<th>PO Creation Feb 17</th>
<th>Total POs raised per month, 2016 and 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,336</td>
<td>Expected slight drop from Jan 17</td>
</tr>
<tr>
<td>PO Amendments</td>
<td>Remain high volume at 9,500 amendments in Feb 17 indicating multiple amendments to PO's</td>
</tr>
</tbody>
</table>

### Comments

- Automation in P2P / Lesley Travis
  - Options for system enhancements which is part of SSC Apollo project ongoing with IT.
  - Explore ME59N capabilities for Auto Convert (New and Amend) and the impact this will have on the Business continuing (delay as AT1 not available due to SAP Patching).

- Support required in the Business Units
  - None at the moment - proposal stage

### Improvement Initiatives

#### Automation in P2P / Lesley Travis
- Options for system enhancements which is part of SSC Apollo project ongoing with IT.
- Explore ME59N capabilities for Auto Convert (New and Amend) and the impact this will have on the Business continuing (delay as AT1 not available due to SAP Patching).

#### Support required in the Business Units
- None at the moment - proposal stage

### BU Input

<table>
<thead>
<tr>
<th>Total PRs amended</th>
</tr>
</thead>
<tbody>
<tr>
<td>13,000</td>
</tr>
</tbody>
</table>

### Input section

- Engagement in P2P / Lesley Travis
- Establish BU requirements for Management Information in relation to how we share and communicate information.
- Work towards a One Team, One Direction vision for P2P to allow improved communication, engagement and compliance

- Support required in the Business Units
- Feedback and suggestions on P2P/Procurement communication for the business

### On-going

#### Strategic Pillar: Business support, Compliance
- Cost and Benefit: Better knowledge of the SSC processes and procedures in the business, "one way of doing things"

### SOx Compliance

- Controls continue to be compliant with SOx requirements. Aim to make SOx controls slicker through improved reporting capabilities (automation and improvement of reports used for SOx controls)

### Outputs

- SSC Output
- Comments
- Improvement Initiatives
- BU Input
- Input section
- Output section
- Improvement section

---

**People First, Process Next, Service Excellence Always**
**Department:** PtP [Invoice Processing]  
**Author:** Lesley Travis/ Kathleen Blackman  
**Period:** February 2017

**Improvement Initiatives**

**Automatch Improvements / Kathleen Blackman**
- Work together with BU representatives and Cogent to tackle problems with automatch and improve 1st time match rates.
- **Support required in the Business Units**
  - BU’s need to be aware to GRN within 24hrs of goods/services being received. This will help with the auto match process.
  - Be aware to use their TCard / LVP Cards in line with Business rules prior to raising a requisition.

**SOx Compliance**
- Controls for February compliant with SOx requirements.
- Looking to automate control SSCB.05.07

**Controls section**

**Input section**
- Cement and Lime sites raising retrospective orders due to site maintenance.
- Purchases not being goods receipted by BU’s are the biggest issue each month.
- Price increases we had not been made aware of and migration of JDE orders to SAP has reduced the automatch rate this month.

**Output section**
- Number of unprocessed invoices has reduced in February, although there is an increase of aged webcycles within all BU’s which must be addressed by the sites.

**BU/SSC Input**
- Retrospective orders - Feb 2017
- Automatch Rate %
- Open Webcycle volume by aging, Feb. 2017

**SSC Output**
- Open Aged Webcycle value(Exm) by aging, Feb. 2017
- Volume of Outstanding Invoices

**Strategic Pillar:** Process improvement

**Cost and Benefit:** Improved Automatch rate (PO matching the invoice for key criteria), which means the processing of an invoice will be more automated and this, in turn, will increase the 1st time match.
**Department:** Purchase to Pay [Expenses]  
**Author:** Lesley Travis, Lesley Coyle  
**Period:** February 2017

### BU Input

<table>
<thead>
<tr>
<th>Month</th>
<th>Volume of Aged Outstanding Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-16</td>
<td>8119</td>
</tr>
<tr>
<td>Nov-16</td>
<td>7648</td>
</tr>
<tr>
<td>Dec-16</td>
<td>7286</td>
</tr>
<tr>
<td>Jan-17</td>
<td>10817</td>
</tr>
<tr>
<td>Feb-17</td>
<td>14250</td>
</tr>
<tr>
<td>Mar-17</td>
<td>13261</td>
</tr>
</tbody>
</table>

### SSC Output

<table>
<thead>
<tr>
<th>Status of Aged Outstanding Transactions in February 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved by Cardholder: 133262</td>
</tr>
<tr>
<td>Waiting Line Manager Approval: 271</td>
</tr>
<tr>
<td>Unallocated by Cardholder: 13252</td>
</tr>
</tbody>
</table>

### Comments:
There is currently a high volume of aged outstanding transactions, in which we are trying to drive down with the help of the Procurement Roadshows and P2P BU Champions, by understanding what the issues are and advising.

### Improvement Initiatives

**Low Value P-Card Solution / Lesley Coyle**

- Issuance of three payment cards to be used for low value expenses / T&E/ Nominated Suppliers.
- Now in post go live support phase and transferring all processes from the Project Team to business as usual.

**Process is facing challenges due to:**
1. Issues with data feeds from suppliers, via BoAML preventing development of SAP upload interface.
2. Significant backlog of unprocessed transactions.
3. Adoption of new card programmes across BUs not consistent.

**Support required in the Business Units**

Working with the sites to educate the requisitioners on the LVPC process; analyse and address root causes of non-usage of LVPS for under £500 spend (joint work with the SSC P2P team, Procurement and BU Champions).

P2P/Procurement to develop a purchasing guide that will include all appropriate ways of arranging a purchase.

### March 2017

**Strategic pillar:** Business support, Compliance, Innovation

**Cost and benefit:** Standard process for all P-card types and BU’s; process fully SOx compliant; improved quality reporting; more control over spend; Rebates of: Tarmac £1.8m, CRH Group: £0.2m

### SOx Compliance

- Controls for February compliant with SOx requirements.
**Department:** Purchase to Pay [Payments]  
**Author:** Lesley Travis, David Higgs  
**Period:** February 2017

**BU Input**

**One Time Vendor requests - volume**

**Comments**
OTV requests reduced compared to 2016; looking at reasons for using OTV to reduce the use of OTV vs normal vendor request

**Improvement Initiatives**

Looking at Blackline reconciliations to automate in AP team - working with Angela Foxon; a detailed requirement document completed

Support required in the Business Units
None at the moment

**Strategic pillar:** Automation  
**Cost and benefit:** Reduced FTE time spent on manual reconciliations

**SOx Compliance**
Controls for February compliant with SOx requirements.
People First, Process Next, Service Excellence Always

“Evolution, not revolution”

- Today’s scorecard
"To partner with our stakeholders to consistently deliver high quality value added customer service"

<table>
<thead>
<tr>
<th>Collections</th>
<th>P2P</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSO (Tarmac) Target - Tbc</td>
<td>% Overdue Debt no dispute/stop action (Materials*) Target - Tbc</td>
</tr>
<tr>
<td>% Aged debt (60+ days) (Tarmac) Target - 5%</td>
<td>% of Overdue Debt no dispute/stop action (Materials*) Target - Tbc</td>
</tr>
<tr>
<td>% Aged debt (60+ days) (Tarmac) Target - 5%</td>
<td>% of Overdue Debt no dispute/stop action (Materials*) Target - Tbc</td>
</tr>
</tbody>
</table>

**Collections**

<table>
<thead>
<tr>
<th>LS</th>
<th>MDM</th>
<th>R2R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance debt &gt;30 days (Materials) Ave Days to Get the Haulier Signed (Materials) Target - 5 DAYS</td>
<td>% Rework (Tarmac) Target - 1%</td>
<td>% Rejected Balance Sheet Recs (Tarmac) Target - 0%</td>
</tr>
<tr>
<td>£0</td>
<td>11</td>
<td>1.05%</td>
</tr>
</tbody>
</table>

**P2P**

<table>
<thead>
<tr>
<th>Webcycles (Tarmac)</th>
<th>Automatch Rate (Tarmac) Target - 50%</th>
<th>POs Could Have Been on LVPC (Tarmac)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,479</td>
<td>47%</td>
<td>1,971</td>
</tr>
</tbody>
</table>

**SLA Compliance - SSC - Target - 90%**

<table>
<thead>
<tr>
<th>LS</th>
<th>MDM</th>
</tr>
</thead>
<tbody>
<tr>
<td>98%</td>
<td>99.51%</td>
</tr>
</tbody>
</table>

**Abandoned Calls - SSC - Target - 5%**

<table>
<thead>
<tr>
<th>LS</th>
<th>Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.20%</td>
<td>2.40%</td>
</tr>
</tbody>
</table>

*See Slide 4 for comments*
Department: Purchase to Pay [Purchasing Hub]  
Author: Lesley Travis / Christine Jervis  
Period: Feb 2018

**BU Input**

**Total PRs amended**

<table>
<thead>
<tr>
<th>Month</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>5236</td>
<td>6618</td>
<td>7590</td>
</tr>
<tr>
<td>Feb</td>
<td>6561</td>
<td>7024</td>
<td>8576</td>
</tr>
<tr>
<td>Mar</td>
<td>7800</td>
<td>8101</td>
<td>8800</td>
</tr>
<tr>
<td>Apr</td>
<td>7284</td>
<td>7489</td>
<td>8277</td>
</tr>
<tr>
<td>May</td>
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**Number of PR amendments by BU - Feb 2018**

- Materials: 7,590
- CALL: 7,256
- CTG: 6,872
- Functions: 4,292

**Total Queries in Webcycle**

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</table>

**Queries in Webcycle - Feb 2018**

- Materials: 2,795
- CALL: 4,480
- CTG: 3,135
- Functions: 1,427

**Improvment Initiatives**

**Automation in P2P / Lesley Travis**

Work continues towards automation for PR/PO Amendments commenced 12 Jan 2018

Click here for [project overview](#)

**Support required in the Business Units**

Feedback on the new process, report any issues occurring

**Engagement in P2P / Lesley Travis**

Establish BU requirements for Management Information in relation to how we share and communicate information.

Work towards a One Team, One Direction vision for P2P to allow improved communication, engagement and compliance. P2P Roadshows are now complete for Materials & CALL. Roadshows continue for Contracting Quarter 1 2018

**Support required in the Business Units**

Buying team have commenced work on ZM06 and will be contacting the business in some instances requesting confirmation on whether certain POs can be closed.

**SOx Compliance**

Controls continue to be compliant with SOx requirements. Confirmation Sox Controls B.01.01 and B.01.05 B.01.06 have now been downgraded to significant.
People First, Process Next, Service Excellence Always
**Department:** Purchase to Pay [Cards & Expenses]  **Author:** Lesley Travis / Lesley Coyle  **Period:** Feb 2018

<table>
<thead>
<tr>
<th>BU Input</th>
<th>SSC Output</th>
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<tr>
<td><img src="image1" alt="Volume of Aged Outstanding Transactions" /></td>
<td><img src="image2" alt="Status of Aged Outstanding Transactions - Feb 2018" /></td>
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<tr>
<td><img src="image3" alt="Unprocessed Transactions" /></td>
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### Comments:
- Internal audit have almost completed the their audit of the P-CARD processes.
- We are participating in the current P2P How To Buy Roadshows, in order to promote the usage of cards.

### Improvement Initiatives

#### Low Value P-Card Solution / Lesley Coyle
**Process is facing challenges due to:**
1. The significant backlog of unprocessed transactions for 2016 which is now down to below 1,000. We are continuing to focus on clearing these.
2. A number of aged outstanding transactions relate to Tcard transactions (now less than 100 for 2016) that do not have Level 3 data. This process currently has a dedicated resource allocated to it, although we have seen a great improvement recently for new transactions.

**Support required in the Business Units**
- Working with the sites to educate the requisitioners on the LVPC process; analyse and address root causes of non-usage of LVPS for under £500 spend (joint work with the SSC P2P team, Procurement and BU Champions)
- The rewrite of the Card Policy is at first draft stage.
- Our VAT Tax Manager is going to support us with regard to obtaining copies of invoices for Tcard transactions that have not come through with Level 3 data and are tied up in the workflow.

**March 2018**

**Strategic pillar:** Business support, Compliance, Innovation

**Cost and benefit:** Standard process for all P-card types and BU's; process fully SOx compliant; improved quality reporting; more control over spend; Rebates of: Tarmac £1.8m, CRH Group: £0.2m

#### Project Apollo (Automation) / Paula Hughes
**We are not planning any further initiatives for the P-card processes during 2018 as the focus for Apollo will be in the PR Amendments, Payment requests and One Time Vendor processes.**

**Strategic pillar:** Automation

**Cost and benefit:** Significant time and cost savings through automation of the routine tasks/transactions

#### SOx Compliance
The SOX controls for the Bank Of America credit cards have now been amended where applicable to either monthly controls or downgraded to significant controls.

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*People First, Process Next, Service Excellence Always*
**Department:** Purchase to Pay [Payments]  
**Author:** Lesley Travis / David Higgs  
**Period:** Feb 2018

### Comments

OTV requests reduced compared to 2016; looking at reasons for using OTV to reduce the use of OTV vs normal vendor request  
Monthly target for OTV’s to be agreed with BU’s  
Duty to report on Payment Practices and Performance, in house solution selected, Data design completed meeting Alun Griffiths end of Feb.

### BU Input

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<th>Month</th>
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<th>2018</th>
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### Improvement Initiatives

**Strategic pillar:** Automation  
**Cost and benefit:** Reduced FTE time spent on manual reconciliations

- Looking at Blackline & SAP reconciliations to automate supplier statement reconciliations - AP team - working with Angela Foxon
- IT making good progress in relation to email remittances this will reduce costs for postage, printing & envelopes

**Support required in the Business Units**

None at the moment

**SOx Compliance**

Controls for February compliant with SOx requirements
Some closing thoughts ...

- Did we start with why?
- What would we do differently?
- Will what we have today stand the test of time?
People First, Process Next, Service Excellence Always
## Career History:

<table>
<thead>
<tr>
<th>Date</th>
<th>Role</th>
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</table>
| Mar 14 – present| **Tarmac**  
Director, Shared Services                                           |
| Sep 07 – Feb 14 | **National Grid**  
Financial Controller & Head of Finance roles, UK Transmission, UK Gas Distribution, Grain LNG & National Grid Wireless |
| Mar 02 – Apr 04 | **GridCom (subsidiary of National Grid)**  
Assistant Financial Controller                                         |
| Jul 00 – Mar 02 | **PricewaterhouseCoopers**  
Executive, Corporate Finance (TMT)                                     |
| Jan 99 – Jul 00 | **PricewaterhouseCoopers**  
Audit Manager, Assurance (TMT)                                          |
| Jan 95 – Dec 98 | **BDO Spencer Steward**  
Audit Manager, Cape Town                                                  |

**@ Tarmac:**

### Responsibilities:
- Finance Shared Service Centre, Process Excellence & Finance Transformation, with 10 direct and c180 indirect reports.

### Achievements (incl):
- Stabilisation of SSC
- Establishment of Finance Transformation Programme
- SOx Implementation
- Systems migration & Automation
- Establishment of Process Excellence

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## Contact details:

**Andrew Parris**

- [LinkedIn](https://uk.linkedin.com/in/andrewjparris)
- [Google+](https://www.google.com/+AndrewParrisAJP)
- [@AndrewJParris](https://twitter.com/AndrewJParris)
- andrew.parris@tarmac.com
- +44(0)7702933600

*Birmingham and Midlands Shared Services Forum*
How Change Management is key to unlocking ROI
30% of Change Management Programmes are successful.
This means 70% fail to deliver the expected return on investment.
Your workshop
Three Challenges to unlocking ROI
Finding Time
Finding Budget
Finding Support
Divide into groups

Share experience, knowledge and expertise

Write each suggestion onto a separate card

Later share your ‘golden nuggets’
Share your suggestions and hear those of others
Please help yourself to any of the material on the tables.

Please do get in touch if you wish to have an informal discussion on your current or planned change programme.

Thank you.
Fraud

Secret Growth Industry in P2P
Why Proservartner – 6 Reasons

1. **Specialists not generalists**: Our people are specialists in shared services, outsourcing, finance transformation and gamification.

2. **Full lifecycle support**: We do not just design and transition, but provide full lifecycle support to ensure that the capability developed is highly successful.

3. **Practitioner approach**: Our people are seasoned practitioners who partner with you to assess what is right for you. We do not throw graduates at problems as we recognise that the context and desired outcome for each client is different, and there is no substitute for experience.

4. **Focus**: Our size allows us to provide significant focus on your needs to ensure that solutions we develop are “fit for purpose”. Each client is critically important to us building a reputation based on high quality advice.

5. **Award winning**: We were awarded European Advisory Company of the Year. We have been voted one of the six leaders in shared services and outsourcing in multiple years. We are recognised thought leaders.

6. **Delivering the outcome**: We will challenge when necessary with facts and evidence, to ensure that you
Key Clients

Willis
UBS
TATI
Russell Investments
HSBC
Sainsbury’s
informa
DFDS
xerox
EDF
AVIVA
Ernst & Young
Quality In Everything We Do
DFDS
BAA
JLL
Siemens
Guidewire
Bridgestone
AstraZeneca
Camelot
Swarovski
Holcim
CGI
Novanta
Stryker
Zurich
Software One
Novanta
Wise Energy
proservartner
Have You Experienced Fraud?

Raise your hand if you have experienced any form of personal or company fraud

Keep your hand raised if you feel that the fraud could have been avoided

Keep your hand raised if this resulted in a change in the way you do things
What Types Of Fraud Can Occur?

Emails from your CEO or CFO – we have had this in our organisation

Pricing collusion with suppliers

Supplier selection – personal ‘kick backs’

Having access to multiple subledger and GL

Sharing login details
What Types Of Fraud Can Occur?

Receipt of goods that are not delivered

Retrospective Purchase Orders

Collusion with colleagues

Diverting supplier payments

Amending banking upload files

Expense claim or corporate cards

Petty Cash
You Are Not Alone!

Oxfam's anti-fraud officer in £65,000 accounting scam

Dublin Zoo victim of €500,000 internet-based fraud by organised gang

Former secretary uses duplicate invoices to con Airbus out of £130,000

VP Finance arrested for £1.3m fraud at Altus Intervention
What Are The Drivers For Fraud?

“We do not need segregation of duties because I can trust the members of the finance team / CFO”

Lack of clear direction from senior management e.g. adjusting their expense claims upwards, others will follow

Our on-boarding vetting is quite comprehensive so we know we can trust our staff

We are not always aware of our employees personal situations and trust-worthy people may to do the unthinkable

We are a small business and see our employees like our family
What Are The Drivers For Fraud?

“Controls slow down our business. We need to work quickly to meet the demands of the customers”

Complacency – it is not uncommon for people to take advantage of trust

Exceptions to the process can bypass the standard process because the business will stop if we don’t meet customer expectations

Request to pay on manual pro-forma invoice or the supplier will put us ‘on stop’ and we can’t deliver to our customer

Manual consolidated invoices produced outside of the system and with out review from management
What Are The Drivers For Fraud

“We don’t worry about IDs and passwords, we are one team”

Full access to system subledgers and GL open to opportunity to create, pay and hide fraudulent activity

Knowledge that a fraudulent act is untraceable to an individual

Over Confidence - some people believe that they are better than ‘the system’, and that they can get away with anything

The cost of extra licences is significantly lower than the cultural and financial impact of fraud
Does Robotic Process Automation (RPA) Reduce Fraud?

Consider the blockers that prevent fraud:
• Control points in processes
• Segregation of duties
• Ability to detect (manually or automatically)
• Regular testing and reviews

Unless the above are in place RPA can enable quicker, more efficient and accurate fraudulent activity!
So What Is The Solution?

1. Avoid complacency
2. Design and execute effective controls within your processes
3. Regularly review and test the process controls, with internal, external audits, sporadic spot checks and system access review
4. Train your people to manage risks. Introduce education games of fraud to change thinking and behaviours
5. Be careful of automation its not a quick win resolution to fraud
Thank you for your time today, I hope you’ve enjoyed the session!