

Air France-KLM: Helping a Strategic Sourcing Initiative Take Flight with SAP® Ariba® Solutions

Every month, millions of travelers rely on Air France and KLM to get them around the world safely and on time. To deliver the best, most affordable travel experience, Air France-KLM constantly seeks operational efficiencies. One way to do this was to simplify and standardize strategic sourcing across the organization.

Air France-KLM Procurement implemented SAP® Ariba® solutions to increase spend coverage under sourcing, gain transparency into contracts, and manage suppliers efficiently. Using the SAP Ariba Sourcing, SAP Ariba Contracts, and SAP Ariba Supplier Information and Performance Management solutions, the company consolidated disparate processes for over 3,000 suppliers and 7,500 contracts, representing over €6 billion in annual spend. Now Air France-KLM is increasing productivity and visibility while lowering costs.



Gaining new altitude with SAP® Ariba® solutions

Company

Air France-KLM

Headquarters

Paris-CDG Airport, France

Industry

Travel and transportation

Products and Services

Passenger flights, cargo transport, and aircraft maintenance

Employees

95,000

Revenue

€25 billion

Web Site

www.airfranceklm.com

Objectives

- Expand category coverage and sourcing competition to save money
- Speed supplier onboarding, data capture, and approvals
- Centralize storage of procurement contracts for efficient access and contract management
- Make strategic buying transparent for internal stakeholders

Why SAP® Ariba® solutions

- Clear view into contracted spend and supplier base
- Consistent and standardized setup

Resolution

- Manage all suppliers and capture key data on corporate social responsibility, quality, and certifications with the SAP Ariba Supplier Information and Performance Management solution
- Shortlist suppliers based on competitive and project-based sourcing events with the SAP Ariba Sourcing solution
- Centralize contract summary data supporting internal contract approvals with the SAP Ariba Contracts solution

Future plans

- Improve efficiency by optimizing standard contract clauses and approvals
- Structure maverick spend tracking by linking contracted spend to accounts payable
- Sync supplier data between back-end SAP software and SAP Ariba Supplier Information and Performance Management

"SAP Ariba solutions provide a crystal-clear view into our contracted spend and supplier base. With the consistent and standardized setup, our strategic buying processes have become more efficient and transparent. Not having these solutions in place is not an option anymore."

Dolf Mesland, Manager, Procurement Processes and Systems, Air France-KLM

€6 billion

In annual contracted spend facilitated transparently through a closed-loop process

300

Sourcing events executed annually

3,000

Suppliers onboarded, including tracking and assessment for key supplier performance metrics

7,500

Contracts with reduced management costs and cycle times

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