

## Coupa AI Classification

The challenges faced by Finance and Procurement teams are accelerating. Lack of visibility into spend coupled with inadequate data mean the full potential for cost savings, operational efficiencies and thriving supplier relationships is rarely realized.

Successful spend management depends on good data, structured processes and insightful analytics. Traditional approaches to establishing good quality data through ERP systems and data warehouses often fall short of delivering the classification, normalization and enrichment of spend data that's needed for insightful analytics. The sheer volume of human involvement for these approaches has made visibility across the organization's spend unattainable.

Coupa AI Classification takes a different approach to the daunting tasks of standardizing, normalizing, and enriching spend data. Using a vast trove of more than one trillion dollars of spend data across the globe and leading-edge Artificial Intelligence (AI) and Machine Learning technologies, Coupa AI Classification helps clients control costs and more effectively manage the supply chain by providing deep insight into spend: what purchases are made, from whom, where, when and why. This enables our clients to trust the data and make critical business decisions based on real financial facts and spend behavior.

### Accuracy

AI Classification delivers exceptional levels of accuracy when categorizing spend, with our AI and deep learning technology drawing from our extensive knowledge base of over \$1.3 Trillion of spend. We combine this with our team of highly specialized QA experts who rigorously check the data to further increase accuracy levels.

*“Coupa AI Classification is a powerful tool which has enabled us to rapidly analyze and categorize our supplier spend and generate quality management information to help make better informed sourcing decisions.”*

-Graham Smith, Head of Procurement, Schroders

### Client-specific context

A generic, one-size-fits-all spend analysis approach will only highlight what has been purchased, but not why and where within business itself. Coupa AI Classification rapidly creates a client-specific taxonomy to suit each client's needs. This enables spend to be assigned to the correct source, highlighting issues and allowing the business to become more agile and flexible in managing spend.

### Global scalability

Coupa AI Classification serves customers across the globe, using our unique and specialized AI technology. Our AI learns, in any language, new spend patterns and behaviors (such as naming conventions and classifications) from all of our clients, creating a mutually beneficial ecosystem. Our service is capable of analyzing millions of transactions at a time.



### Supplier compliance

Monitoring the supply chain is time and data intensive for procurement teams, who often struggle with vast data volumes, multiple inputs and incomplete supplier classification. With Coupa AI Classification, our clients review supplier compliance to ensure that contractual and regulatory obligations are being met. This not only helps to mitigate risk, but also presents opportunities to consolidate suppliers, renegotiate contracts, and check that payment terms are being met and goods received are correct.

### Internal compliance

Knowing what and from whom purchases are made is vital for spend analysis; however, knowing who inside the organization made that purchase can be just as valuable. Custom rules built on top of spend data can track buyer and supplier behavior, helping to identify and prevent fraudulent or non-compliant purchasing. AI Classification can also help to ensure internal budgets are correctly allocated, avoiding purchaser errors.

*“Associated British Foods (ABF) plc presents a number of challenges in mapping spend, because the business runs multiple ERP systems across its decentralized and diverse organization, with external expenditure running into billions, across a wide geography. What has been particularly impressive about the Coupa AI Classification approach has been both the high level of first time categorization achieved and the flexibility they have shown in dealing with multiple stakeholders, in very different operating companies.”*

-Jon Lowther, Global Head of Procurement, AB Mauri

### Our spend analysis projects have assisted global customers in tackling:

- Integration of complex multi-ERP environments
- Categorization of multi-language spend
- Purchase price variance (PPV)
- Tail spend opportunities
- Supplier normalization
- P-Card spend management
- Purchase order compliance
- Supplier performance management
- Payment term analysis
- Category manager performance
- Maintenance, repair & operations analysis (MRO)
- Supplier consolidation
- Off-contract spend
- Invoice volume reduction
- Delivery terms analysis
- Opportunity management
- Addressable spend management
- Invoice pyramiding
- Geographic spend analysis (buyer to supplier)
- Direct/indirect corrections