



PUBLIC

Vestas: Scaling Quality, Sustainability, and Efficient Supplier Collaboration with Digital Procurement

The rapid growth of offshore wind energy is a transformation driver at Vestas Wind Systems A/S. To achieve decarbonization, Vestas must meet new demands as both onshore and offshore operations grow by relying on global manufacturing, advanced supply chain capabilities, and a vast network of suppliers. To **automate core source-to-pay processes and help simplify supplier relationships**, Vestas uses SAP® Ariba® solutions. The result is unified procurement, enhanced quality and compliance, lower costs, and better supplier collaboration.



Simplifying Supplier Management and Engagement with SAP® Ariba® Solutions

Before: Challenges and Opportunities

- Expand the supplier base across new and complex global markets
- Unify procurement operations to speed up product cycles and increase volume
- Simplify and standardize supplier management, engagement, and collaboration

Why SAP

- SAP® Ariba® solutions to unify procurement and offer on-the-go access from any device
- The largest global supplier network
- Capabilities to manage direct and indirect spend
- Digital document management using the SAP Signature Management application by DocuSign
- Integration with the SAP ERP application

After: Value-Driven Results

- Supplier, procurement, and supply chain data in once place
- Built-in compliance protocols and assessments
- Fewer delays with POs and parked or blocked invoices
- Automatic PO and invoice matching
- Enhanced contract management to help ensure agreements are met
- User-friendly catalogs and guided buying that helps ensure the right purchase at the best price
- E-auction functionality that saves time on price bidding
- Compliant onboarding that helps quickly scale the supplier base



“SAP Ariba solutions are powerful. They allow us to **orchestrate our full supply chain and better engage suppliers** so that we can operate and maneuver with insights, speed, and quality while optimizing cash flow.”

Troels Fleckenstein, Vice President of IT Solutions, Vestas Wind Systems A/S

Improved

Procure-to-pay management and exception handling

75%

Reduction in parked and blocked (P&B) invoice handling time

7x

Decrease in P&B invoices





Working with Suppliers to **Deliver Quality and Reduce Waste** Across the Value Chain

Wind power is clean, renewable, and cost-effective. With more than 130 gigawatts of installed wind turbines in 80 countries and over 100 gigawatts of wind turbines under service, Vestas Wind Systems A/S is a pioneer and leader in the wind energy sector.

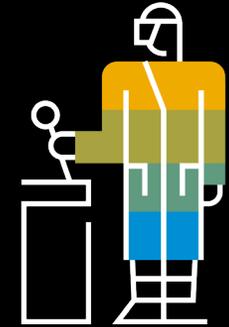
To help it deliver quality products and services and minimize waste, Vestas counts on thousands of suppliers worldwide. Troels Fleckenstein, vice president of IT solutions at Vestas, explains, “Developing our supply chain and supplier base as we penetrate new markets is critical.”

But Vestas struggled with various siloed procurement systems, which created lots of manual work. “People had to do a lot of copying and pasting to get the information in one place,” states Lene Sondergaard Hansen, director of digitalization and processes for global procurement at Vestas. “It was not efficient. **We needed a single, unified procurement platform.**”

Daniel García López, IT director for Vestas operations, goes on to explain, “The goal is to **provide total visibility and transparency** while simplifying and standardizing the way we work with suppliers, moving from communicating to sharing data and converting this data into business insights.”

Sustainability is also key to Vestas’s mission. “We have a zero-emissions goal for our products,” says Fleckenstein. “That includes our suppliers and the materials they provide. This means we need to ensure each one is complying with our standards and adhering to our code of conduct.”

To make all this possible, Sondergaard Hansen explains, “We needed a simple, user-friendly system so new suppliers could be onboarded quickly.”



50%

Of manufacturing at Vestas managed through suppliers



Giving the Business and Suppliers a **Simplified, Unified Source-to-Pay Solution**

After looking at various options, Vestas decided that **SAP® Ariba® solutions** were the right fit.

“To start with,” says García López, “Ariba Network is the largest supplier network worldwide, so it can cover our global footprint and allow our people and suppliers to work as a team across the source-to-pay process.”

“SAP Ariba solutions,” he continues, “will allow us to improve lead times not only in procurement but also in supply chain, planning, logistics, and more by boosting collaboration across lines of business. It’s a holistic supply chain suite. Especially since it integrates with our SAP ERP application.”

“With SAP Ariba solutions, we have the capabilities to manage all of our spend – direct and indirect,” comments Fleckenstein. “That is really what made it stand out from the other solutions we looked at.”

In addition to SAP Ariba solutions, Vestas deployed the SAP Signature Management application by DocuSign to enable electronic signing and online management of documents from any device, further improving transparency and processing time.

When it comes to getting employees and suppliers up and running on its new solutions, Vestas has had significant success. “We have a team to help with change management and communication internally and with suppliers,” explains García López, “and mobile access has made adoption easier. We have roughly 2,000 users with SAP Ariba solutions installed on their devices, and **thousands of new and existing suppliers have been onboarded.**”



30%

Of indirect spend routed through guided buying so far, with 85% buying compliance targeted



Delivering Faster with Better Contracts, Pricing, and Compliance

Since deploying SAP Ariba solutions, Vestas is seeing better supplier compliance, more advantageous contracts, and streamlined buying.

“With qualification questionnaires built right into the solutions, compliance is automatically enabled in the onboarding process,” states Sondergaard Hansen. “And with everything on the same platform, people have to follow the process. POs and invoices are automatically matched, and there are fewer delays with POs and parked or blocked invoices. In terms of sustainability, digitalized processes, such as the use of digital signatures, are reducing our paper use.”

“Keeping track of costs and getting the best price is critical,” says Fleckenstein. “SAP Ariba solutions help us deliver through our contracts so we can scale while continuing to ensure quality.” Sondergaard Hansen also notes that recently implemented e-auction functionality saves time on price bidding.

Vestas is also improving its catalogs and has introduced the guided buying capability, adds García López. “Now our people can be sure they are buying the right products from the right suppliers at the right price in line with our global priorities and agreements.”

“Currently, we have 9,000 colleagues working remotely around the globe,” says Fleckenstein, “so having a single, cloud-based procurement solution is a big advantage. All in all, SAP Ariba solutions are dramatically reducing our time to market and helping us keep pace with the push for new products and new suppliers.”



7%

Savings delivered through e-auctions across categories



Increasing Supply Chain Visibility and Enabling End-to-End Supplier Collaboration

Moving forward, Vestas plans on continued expansion, with a particular focus on entering new markets and promoting aftermarket services. As Fleckenstein explains, “We are the number-one player in the wind energy sector by almost any measure. And now we are looking for new digital revenue streams and new ways to engage with customers on things like energy management, storage, and even trading.”

As the company continues to roll out its SAP Ariba solution portfolio, says Sondergaard Hansen, “Our immediate focus is on increasing control over indirect spend and continuing to expand catalogs. But overall, increasing **supply chain collaboration is the next big step.**”

García López states that, “To a large extent, our manufacturing happens in partnership with our suppliers. We are looking to SAP Ariba solutions to

help us build a single platform to share data and insights with our outsourced manufacturing footprint so that we can **achieve total supply chain transparency and supplier engagement** from engineering through production. This means full traceability of our components and complete stock visibility for suppliers so that we can improve planning, optimize spend, and ensure we have the materials we need right when we need them – all in the same platform where we manage our supplier contracts.”

“Ultimately, it’s about supply chain collaboration,” he concludes. “The automation and integration we get with SAP Ariba solutions are going to help lower costs and increase efficiency. This will help us operate in more-complex markets and mitigate trade barriers so we can produce faster while ensuring quality products.”



>€20 million

Estimated savings over the next 5 years, through supply chain collaboration and enablement of end-to-end transparency

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