



Crown Resorts

Shifting the dial: Moving from cost to value



Ben Briggs
Group General Manager Procurement & Supply, Crown Resorts

OVERVIEW

- **Introduction**
- **The Crown Procurement Journey**
- **Source to Pay diagnostic – where can technology be implemented**
- **Setting Goals**
- **Building the roadmap – 5 Year Vision**
- **Outcome of Technology**
- **Where are we today – what has technology enabled?**
- **Where to next – define what value is**
- **Develop a Value Map – Is this the role of a Chief Value Officer?**
- **Where to from here?**

INTRODUCTION

BEN BRIGGS
GROUP GENERAL MANAGER
PROCUREMENT & SUPPLY - CROWN
RESORTS

- **18 Years + experience**
- **Toyota Motor Corporation**
- **GM Motors**
- **US, China, Korea, Australia**
- **Ruffling feathers in businesses all over the world**



WHO ARE CROWN RESORTS



6 star luxury resort
2015 voted Australian
Employer of the year



6 star luxury resort
6 star Green star design
5 Star NABERS energy rating
100% LED lighting throughout

10,000 employees and contractors
17 Million Visitors per annum
1604 rooms combined
3 years in a row Voted Employer of
Choice by ABA



FUN FACTS ABOUT CROWN

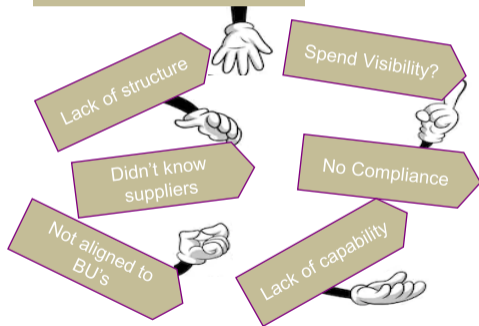
- **Staff restaurant, largest 24 hour restaurant in the southern hemisphere (1million meals p.a.)**
- **Crown are largest single site employer in both Western Australia (6k) and Victoria (10k)**
- **In total 3229 hotel rooms, suites, villas and luxury apartments once Sydney is completed**
- **In FY18, Crown's Australian Resorts attracted over 31 million visitors making them amongst Australia's most visited tourist attractions**
- **In 2018 approx. 70% of waste was diverted from landfill**
- **900 solar panels installed on the roof of the Crown Melbourne casino, generating over 400,000kWh of renewable energy annually**

WALKING INTO A MESS



ALIGNMENT – WHERE WERE WE AT

Where we were...



Where we needed to be...

.... ALIGNED

WHAT DID EVERYONE VALUE

Top 3 most important benefit types for Crown Procurement & Supply

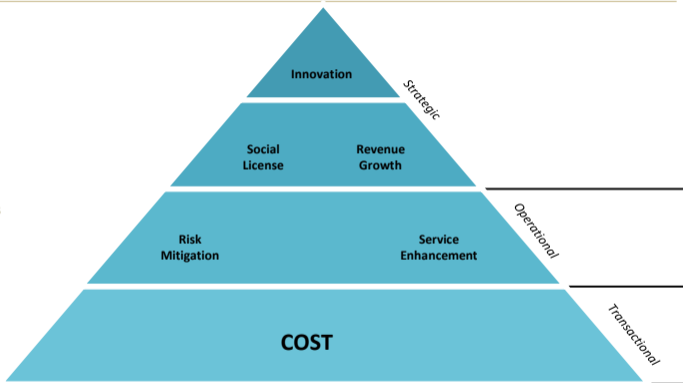
1. Cost
2. Process Compliance
3. Contracts

Top 3 most important benefit types for suppliers

1. Margin enhancement
2. Contract compliance
3. Innovation

Top 3 most important benefit types for BU's

1. Quality
2. Service
3. Cost





SOURCE TO PAY DIAGNOSTIC – WHERE CAN TECHNOLOGY BE IMPLEMENTED

Crown S2P Process

Spend Analysis

- Hard to obtain
- Inconsistent
- Inability to get to level 2/3/4 quickly
- Addressable spend non-existent
- Multi-year view lacking

E-Sourcing

- Using ARIBA
- Partial use of system
- Workflow approvals
- Lack of business planning
- Supplier challenges quoting on the system due to limitations

Compliance (CLM/P2P/VMS)

- Supplier Visibility Poor
- Lack of policy prevention
- Maverick spend
- Unclear procurement process
- Internal audit results poor

Supplier Relationship

- Adhoc Supplier meetings with no scorecards
- No innovation
- No reward
- One-way
- Not aligned to Crown's objectives

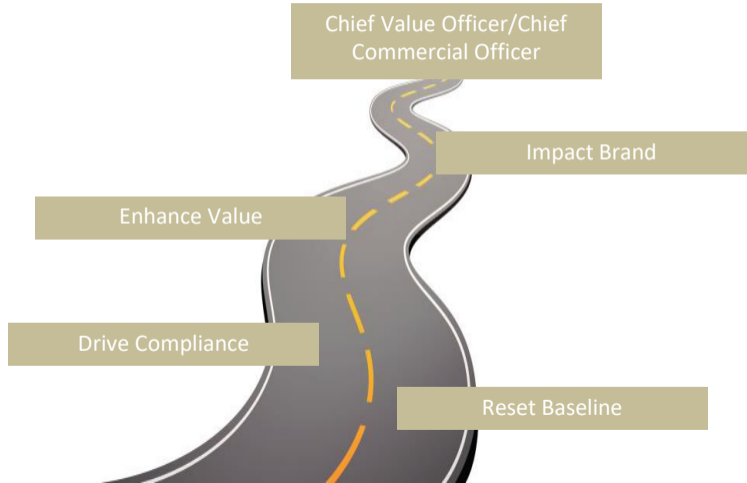
Before

SETTING GOALS

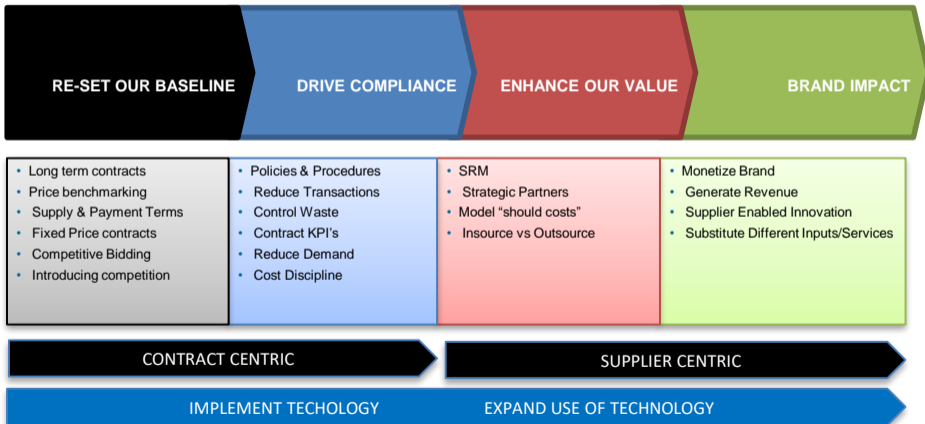
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- Increase catalogue spend
 - Know our suppliers
 - SRM for all key vendors
 - Increase compliance & controls
 - Drive Efficiency
 - Enable a group function
 - Time for risk management
 - Time for social procurement

- Catalogue Spend to 90%
- Contract 70% of spend
- SRM top 20 suppliers
- Compliance
- Impact Cost/Revenue
- Risk Management

BUILDING THE ROADMAP – 5 YEAR VISION



BREAKING DOWN THE LONGER TERM STRATEGY



WHERE ARE WE TODAY – WHAT HAS TECHNOLOGY ENABLED?

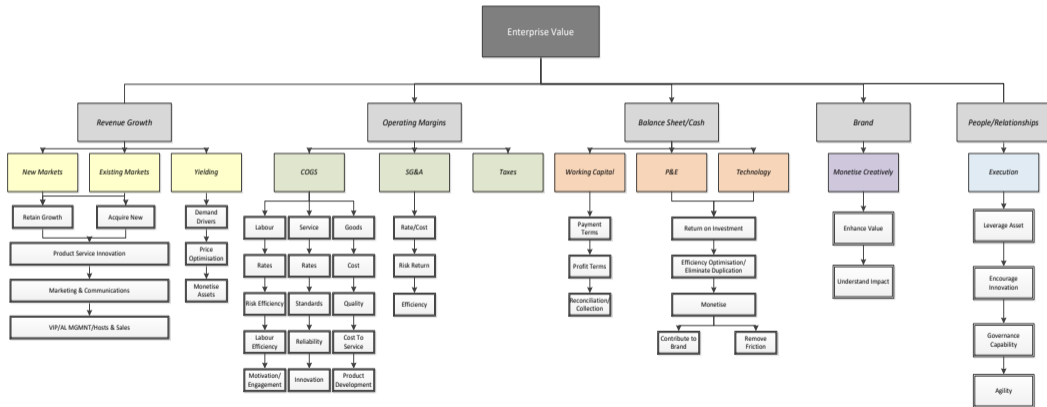
- Procure approx. \$1bn of goods and services across 6000 suppliers annually
- Taken 10% out of the cost base
- 95% transactions catalogued
- 5 Year pipeline visibility
- Multi- Year category plans
- 75% suppliers – rich data (Risk rating, CSR data, Insurance etc)
- 60% spend is contracted
- 50 key suppliers on SRM's . SRM performance warrants contract extensions
- Contributing \$4m+ in revenue
- Lead in Social Procurement Initiatives such as CROWNability, Indigenous Procurement and research projects, Sustainability programs and modern slavery
- Role created Head of Procurement Strategy & Operations – Innovation focus

WHERE TO NEXT – DEFINE WHAT VALUE IS



- **Improve Revenue**
- **Improve Operating Margins**
- **Improve the Balance Sheet/Technology**
- **Monetize Brand**
- **Relationships**

DEVELOP A VALUE MAP – IS THIS THE ROLE OF A CHIEF VALUE OFFICER?



WHERE TO FROM HERE

- **Broaden Leadership into new departments**
- **Re-map processes (do this every two years) and determine where technology can eliminate manual tasks, speed up process, integrate suppliers, create a market place for pre approved vendors to trade, improve the customer experience.**
- **Automate negotiations**
- **Crown buying group (Cost centre to a profit centre)**





THANK YOU