



Inside Newmont Corporation and KPMG LLP's Digital Transformation of Procurement with SAP Ariba

The Background

As the world's largest gold mining company, Newmont Corporation extracts roughly 6 million ounces of precious metal each year from its network of operational sites spanning Africa, Australia, Latin America & Caribbean, North America, and Papua New Guinea. The company faces unique supply chain challenges.

"Mining is a very specific niche," explained KPMG Director Udit Bhateja, who worked closely with Newmont on its procurement transformation. "It's not oil and gas. It's not industrial manufacturing. It's gold, copper, zinc, lead, and silver mining. To fully appreciate this area, one must delve beneath the surface — the complexities and intricacies of mining are unparalleled."

This uniqueness extends to Newmont's supplier ecosystem, which ranges from highly developed regions to remote locations where vendors might deliver handwritten invoices to the front gate. Newmont's acquisition of Newcrest created the world's leading gold company with robust copper production, further complexifying this supplier ecosystem by expanding operations into Papua New Guinea while adding sites in Australia and Canada.



A turning point arrived once SAP announced it would discontinue support for two critical procurement systems Newmont relied upon: Contract Lifecycle Management (CLM) and Supply Self Service (SUS). With approximately 2,000 vendors on SUS across the globe, Newmont faced significant disruption without a replacement solution.

“We were looking for a source-to-contract system, supplier enablement system, and electronic invoicing,” said Darren Schmidt, Newmont’s Senior Manager of Supply Chain Systems and Business Integration. “We went out through a request-for-proposal (RFP) process and looked at other systems, but the ultimate decision came down to us being an SAP shop. We figured out integration would be the best way forward.”

Facing such complex challenges, Newmont sought a provider with deep mining industry expertise to guide its procurement transformation. Ultimately, the company engaged KPMG, a professional services firm whose global mining experience encompassed specialized knowledge across the mining asset lifecycle, to collaborate on implementing SAP Ariba as a comprehensive solution.

Newmont had already achieved about 30% electronic invoicing through Supply Self Service and existing Ariba connections in the Asia-Pacific region, including full B2B integration with punch-out catalogs, invoices in ASN, and order confirmations. Yet the company sought a more comprehensive and future-proof solution to standardize processes across its disparate operations and accommodate regional complexities.

The decision to proceed with SAP Ariba wasn’t simply about replacing soon-to-be-unsupported systems. It represented an opportunity to transform Newmont’s entire procurement ecosystem — from sourcing and contracting to supplier enablement and invoice management — addressing longstanding inefficiencies while setting a foundation for future growth.



The Situation

When Newmont began examining the gaps in its procurement infrastructure, several key challenges emerged beyond just the discontinuation of SAP support for its legacy systems.

Geographical and regulatory complexities created significant barriers to full automation. One country’s governmental invoice validation requirements fell outside SAP’s capabilities at that time, pushing Newmont to craft solutions for regulatory compliance. Across developing regions like Ghana and Suriname, varying levels of vendor sophistication and limited technical infrastructure complicated the rollout even further.

Schmidt noted that Newmont became “probably the biggest user base of Ariba outside of Europe and North America,” even while maintaining operations in countries where local enabling issues and costs have hindered Ariba adoption. “For those certain vendors, it can actually be more complicated and time-consuming to use Ariba,” said Schmidt. “When they issue those invoices, they’ve got to print it out, log on to Ariba, type it in, and then submit it.”

The company's manual non-PO invoice process represented another area ripe for improvement. The existing workflow required filling in forms, routing them to managers via email, waiting for signatures, scanning, returning completed forms, and then manually verifying approval authorities — a convoluted and time-consuming process.

Migration complexities presented additional challenges, particularly with open purchase orders. With thousands of active orders to major vendors, any migration strategy needed to account for documents at various stages of completion without disrupting ongoing operations. According to Schmidt, closing and recreating these orders wasn't feasible because they were fully integrated, which would require significant effort on both sides.

Newmont's deep reliance on SAP brought another layer of complexity. Every purchase order had to flow through SAP first, even when teams used Ariba to source products. Years of integration work in the Asia-Pacific region had yielded specialized B2B connections, linking eight vendors through punch-out catalogs. The looming shift from CML 4 Max to the Cloud Integration Gateway (CIG) meant these carefully crafted connections would need a complete overhaul.

Supplier adoption emerged as perhaps the most significant challenge. While Newmont had already onboarded approximately 2,000 vendors to SUS globally, migrating them to a new platform would require considerable change management. KPMG emerged as an ideal collaborator due to its well-established track record serving some of the world's largest mining companies and its global network of 14 dedicated mining centers spanning 11 countries.

Newmont saw more than just obstacles in its path; the business identified a significant opportunity. Moving to SAP Ariba would allow the company to update its procurement operations for today's digital environment. The painful transition process seemed worthwhile when weighed against the gains: automated workflows, globally consistent processes, and instant visibility across all its mines worldwide.

The Initiative

When Newmont and KPMG tackled SAP Ariba together, their collaboration went beyond swapping out software and ultimately involved rebuilding the entire procurement approach. The project went far beyond essential system replacement to include several interconnected components:

- Ariba Network for purchase orders, order confirmations, service entry sheets, and electronic invoicing
- Ariba Invoice Management for exception monitoring and handling invoice discrepancies
- Ariba Source-to-Contract for managing contracts, master agreements, RFPs, and RFQs
- Ariba Procurement Content (APC) for managing internal inventory catalogs
- Guided Buying to simplify the procurement process for end-users

Rather than attempt a high-risk “big bang” approach, KPMG advised Newmont to take a phased rollout strategy, beginning with its corporate office in Denver. “We did corporate first, which was easier because it was a smaller spend and mainly service-based with some goods,” explained Schmidt. This gave the team time to “refine our approach before scaling to larger, more complex operations,” added Bhateja. The sequence continued with a mine in Colorado, followed by simultaneous deployment in Suriname, then Ghana, with the larger and more complex regions of Australia and Peru coming later.

KPMG, with its extensive experience guiding mining companies through digital transformations, helped design this strategic implementation approach to help minimize disruption while maximizing adoption. Its methodology proved especially valuable as the team confronted the unique challenges of implementing in regions where Ariba had never been deployed before.

Supplier enablement emerged as one of the most critical aspects of the implementation. The effort began with early outreach to Newmont's existing vendor base, explaining the upcoming changes. As deployments approached for each region, the team conducted workshops and training sessions to prepare suppliers. When issues arose, the Newmont team engaged directly with vendors, conducting hands-on, one-to-one training sessions to help suppliers submit invoices and navigate the new system.

The team quickly discovered that their initial supplier enablement approach was insufficient. "We started with a really small team and realized that that was never going to work," recounted Schmidt. The enablement team eventually expanded to approximately ten offshore resources, handling supplier onboarding, transaction issues, and general support.



The expertise of KPMG proved critical when the project faced early challenges. "When things weren't heading in the right direction, KPMG's team came in and straightened the ship," noted Schmidt. Bhateja, who worked with Newmont for three years, quickly developed a deep understanding of mining's unique industry requirements and helped develop a tailored solution that addressed Newmont's specific needs.

Regional responses to Ariba adoption varied considerably and often in unexpected ways. Vendors in developing nations like Ghana and Suriname readily embraced the new platform with virtually no resistance, while suppliers in developed countries like Australia and North America showed significant resistance. Many of these resistant vendors had established automated processes for sending invoices via email and viewed the new requirements as disruptive.

Open purchase orders proved especially problematic during data conversion. It took Newmont and KPMG a couple of iterations to emerge with a consistent solution for handling order confirmations and ASNs for migrated purchase orders.

For the eight fully integrated vendors in APAC with punch-out catalogs and B2B transactions, Newmont needed to run a parallel integration effort. While SAP representatives suggested each vendor integration should take only six weeks, Schmidt had found that in his experience a much longer timeline, of 22-36 weeks per vendor, was more typical for Newmont.

In one case, government validation requirements for invoicing created unique challenges. Without native Ariba support for these regulatory requirements, Newmont and KPMG developed an innovative solution with an external provider. This approach allowed suppliers to create invoices and service entry sheets through the Ariba Network while meeting local regulatory requirements.

The implementation also addressed inefficiencies in non-PO invoicing by creating automated approval workflows. Under the new system, end-users complete a digital form that automatically routes to the appropriate

authority level. Once approved, the system creates an invoice for accounts payable, eliminating the previously manual email-based approval process.

For maintenance users, Newmont undertook uploading its entire inventory of 1.5 million parts into Ariba APC as a searchable catalog. This far exceeded the initial expectation that catalogs would contain only a few hundred items, requiring significant customizations to accommodate Newmont's extensive inventory.

A firm stance against accepting manual vendors or invoices, even when facing short-term challenges, provided clear direction for the project.



The Results

Through their collaborative efforts, Newmont and KPMG achieved substantial improvements across the procurement ecosystem, with the most dramatic gains in electronic invoicing and streamlined processing.

The strategic implementation approach designed by KPMG helped ensure that Newmont could realize significant benefits without disrupting ongoing operations. Following full deployment, electronic invoicing increased from 30% to 92% of all invoices coming through the Ariba Network. Even more impressive, of these electronic invoices, only 8% required exceptions or manual intervention. In practical terms, out of more than 200,000 invoices processed annually, fewer than 16,000 needed human attention.

The 92% touchless invoice rate significantly transformed accounts payable operations. "Now we can redirect our accounts payable team to focus on managing exceptions and the GR/IR and vendor statements," noted Schmidt. Rather than processing routine transactions, the team now focuses on higher-value reconciliation activities.

One country's implementation stands as a particularly notable achievement given its regulatory complexity. Despite government validation requirements for invoicing that SAP didn't directly support, KPMG helped Newmont create a solution allowing suppliers to submit invoices and service entry sheets through the Ariba Network. While not fully touchless due to government requirements, the solution still dramatically improved efficiency compared to previous manual processes.

On the supplier side, the team successfully onboarded over 7,000 suppliers to the Ariba Network across all regions, representing approximately 85% of its transactional supplier base. Beyond basic connectivity, more than 2,400 suppliers completed full registration through the Supplier Lifecycle Performance (SLP) process.

The automated non-PO invoice process eliminated significant manual effort by streamlining approval routing. Under the new workflow, payment

requests are automatically routed to the appropriate approval authority based on Newmont's financial hierarchy, and an invoice is generated once approved. KPMG's Bhateja describes the change as "a huge time saver for the accounts payable team" by eliminating the need to manually track emails, attachments, and approvals.

While still in implementation, the Ariba Procurement Content (APC) system promised substantial efficiencies for maintenance users. By making Newmont's 1.5 million inventory parts searchable through a catalog interface, users would gain a more intuitive way to find parts instead of navigating complex SAP queries. Schmidt anticipated this could reduce parts search time from minutes to seconds.

All these changes took Newmont from disjointed, manual procurement processes to a unified, automated system running the same way at every mine site worldwide. With 90% electronic invoices, 92% touchless processing, and over 7,000 suppliers on the platform, they've set themselves up for continued efficiency improvements and lower operating costs in the years ahead.



Lessons Learned

Newmont and KPMG's collaborative undertaking revealed several key insights for any large-scale procurement transformation. Initially, the team faced significant challenges with supplier enablement resources. After the first deployment, Newmont and KPMG expanded to about ten offshore resources to handle the volume of supplier onboarding and support needs.

Data conversion similarly proved much more complex than anticipated. When dealing with thousands of open purchase orders to vendors, it wasn't feasible to close and recreate all the documents. For integrated suppliers with items in transit, this approach would have caused major disruptions. Mock data conversion for a single site required 18 consecutive days of work.

The collaboration between Newmont and KPMG demonstrated that successful transformation requires both industry expertise and implementation experience. KPMG's understanding of mining operations combined with their SAP Ariba knowledge provided the foundation for addressing complex challenges like vendor integration in remote regions.

Together, KPMG and Newmont recognized early that vendor integration work for Newmont would require more time than initial estimates had accounted for, lasting between 22-36 weeks. Newmont avoided more significant project delays by getting integration work started much earlier than originally planned.

Throughout the implementation, Newmont's leadership remained committed to the transformation. As Bhateja observed, "Newmont's leadership and willingness to accept the change" was critical to the project's success. "When things didn't go well, they didn't shift the course. That long-term view was one of the major, if not the major, factors in this," he said.

Newmont found unexpected success by viewing suppliers more as partners than vendors. Its investment in personalized training and dedicated support teams built better relationships with suppliers, which led to higher adoption rates.

Regional responses defied expectations. Vendors in Ghana and Suriname embraced Ariba with minimal resistance, while suppliers in Australia and North America often met the change with resistance. This pattern suggests that change management approaches should be tailored to specific contexts rather than assuming technological readiness based on regional development.

Industry-specific knowledge emerged as crucial. Mining operations, with an emphasis on maintenance and remote sites, have distinct requirements that differ from other sectors. Both Newmont and KPMG noted challenges in educating software providers about these unique needs.

Implementing in developing countries highlighted vendor support gaps. Despite pioneering Ariba in markets where it had never been used, Newmont received limited accommodations for these environments, emphasizing the need for self-sufficiency when deploying enterprise solutions in emerging regions.

Transformation requires more than technology to succeed. Throughout their joint implementation initiative, Newmont and KPMG identified that success also depends on realistic resource planning, industry-specific adaptations, effective change management, and external partners who are active participants in the process, rather than merely supporting players.

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