

Customer Story

Streamlining Procurement at SiriusXM: The Levelpath Impact

47%

Decrease in procurement cycle times

90%

of IT spend under management, and increased contract visibility

280+

Projects Managed

Key Benefits

- ✓ Achieve significant cost savings in IT procurement within the first year
- ✓ Establish auto-renewal governance and savings
- ✓ Execute data-driven decisions leveraging secured data
- ✓ Expand procurement strategically to other areas of the business
- ✓ Modernize operations with a complete overhaul of IT workflows, tech stack, and vendors

SiriusXM, North America's leading audio entertainment company, has experienced remarkable growth since its 2008 inception. With a monthly audience of 150 million listeners across its subscription service, Pandora music streaming, and extensive podcast network, SiriusXM offers exclusive content and innovative technology. The company's unique offerings include direct vehicle integrations and a revamped streaming app, ensuring seamless listening experiences.

As SiriusXM expanded to over 5,600 employees, the need for formalized structures became evident. In 2022, the Vice President of Strategic Sourcing, Partnerships, and FinOps joined with a mission to overhaul technology procurement. This initiative aligns with SiriusXM's growth trajectory, complementing recent investments in branding, pricing, product experience, and content aimed at attracting a new generation of fans. The company now faces the challenge of optimizing its procurement processes to support its ambitious growth plans.

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Levelpath has transformed our procurement process from a scattered, manual effort to a streamlined, centralized system. It's not just a tool; it's a catalyst for organizational change.”

VP of Strategic Sourcing



The Challenge

SiriusXM recognized the need for more formalized processes due to recent acquisitions and the introduction of the California Consumer Privacy Act (CCPA) and other privacy laws. These developments necessitated a consistent and legally sound approach to managing contracts.

“Our team faced two critical challenges: centralizing incoming requests and streamlining cross-functional coordination for contract completion,” VP Strategic Sourcing explains. “A \$2 million contract could require up to 15 approvals, making it an incredibly complex process. This inefficiency often led to accidental contract expirations or renewals due to system bottlenecks.”

The procurement team initially put in place a system where a Google form was used to capture requests, but it was clear this was only a temporary solution.

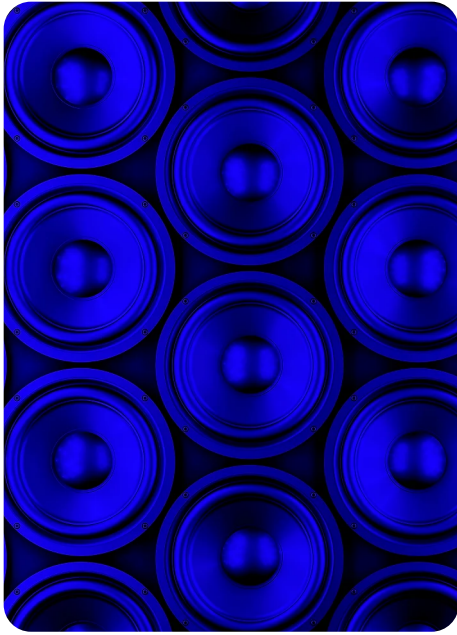
It was during this period that Procurement discovered Levelpath’s AI platform, which, though still in its nascent stages, was specifically engineered to address SiriusXM’s exact challenges. “Levelpath’s solution seemed tailor-made for the problems we were grappling with,” they recall. “Procurement proposed that our minimum viable product should replace the Google form, and we could build from there. The adoption was remarkably swift; we processed between 40 to 50 procurement requests in just a matter of weeks.”

Taking Action

What followed was a process where both parties worked to develop their processes; SiriusXM around its emerging procurement function and Levelpath its platform. “We figured out what was the least amount of information we needed to do our job without over-bloating the system and the required input from the business,” says the VP of Strategic Sourcing.

The approach taken by both parties was to start with live requests and develop the product and processes as they went. To date at SiriusXM, there have been more than 280 projects completed, and that’s expected to rise to close to 300 by the end of 2024.

Much of this has been the result of a shift in focus for SiriusXM, which has led to a major technology overhaul. “Historically, new revenue and subscribers were all tied to new car sales,” explains VP Strategic Sourcing. “But after Covid hit, the supply chain disruption started,



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“With Levelpath, we’ve seen a significant reduction in cycle times and increased visibility across our procurement process. It’s enabling us to be more strategic and less reactive.”

VP of Strategic Sourcing

and that was when we realized we were too reliant on the car market.

“This realization prompted a company-wide transformation to modernize our technology infrastructure,” VP Strategic Sourcing continues. “Procurement had to rebuild SiriusXM’s entire tech stack from the ground up within a year. This wasn’t a lift-and-shift; it involved a complete overhaul, including replacing vendors, tools, and all associated contracts.

Currently, Levelpath is primarily utilized for technology procurement and products at SiriusXM. However, the VP Strategic Sourcing anticipates a significant increase in contract volume over the coming year. “Our next step is to expand into other business areas, particularly marketing,” they explain. “If we implement Levelpath for marketing, ad sales, and similar departments, we could potentially be managing thousands of contracts.”

The VP Strategic Sourcing further notes that as of March 2024, the procurement function has been tasked with overseeing purchasing for the entire enterprise. However, with a procurement team of 16 members, he acknowledges that they have only begun to address the full scope of company-wide spend. This expansion represents both a challenge and an opportunity for the procurement team to demonstrate its value across the organization.

Immediate Benefits

One major advantage of Levelpath, says the VP Strategic Sourcing, is the mobile-first nature of their AI platform. “I can be sitting on the plane, 40,000 feet in the sky, on my mobile in the Levelpath platform, reviewing the status of a project,” they say. “Then I can tag a person in finance and the business stakeholder to review a different project. It caters perfectly to SiriusXM’s on-the-go team members who need reliable access, wherever they are and whenever they need to review. The ease of use is another key benefit, he adds, as Levelpath’s platform can be implemented quickly and in a painless manner, without any need for back-end integrations.

Levelpath’s platform has significantly enhanced SiriusXM’s procurement processes, offering improved efficiency and visibility. A key advantage is the platform’s accessibility to non-procurement staff, allowing them to track request statuses

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“The AI capabilities of Levelpath are game-changing. They’re helping us automate reminders, predict timelines, and make data-driven decisions. This is the future of procurement.”

VP of Strategic Sourcing



in real-time. This feature has dual benefits: it engages internal customers more effectively and reduces the volume of follow-up inquiries to the procurement team.

“Our goal was to minimize repeated inquiries, increase process transparency, and foster greater self-reliance within the business units,” the VP Strategic Sourcing explains. “With procurement workflow information readily accessible, stakeholders can independently track their projects’ progress and identify the responsible team members. This transparency enables business stakeholders to be more self-sufficient, understand project timelines, and maintain full visibility throughout the process. Ultimately, this improved awareness and transparency will enhance our collaborative efforts over time.

The use of AI here can also help reduce the burden on procurement, he adds, for example, by sending out automated messages to let people know that a particular request has been received and manage expectations around timeframes with automated responses.

Data-Driven Decision Making

Looking ahead, the VP Strategic Sourcing sees potential in leveraging data from the system to showcase procurement’s value and support discussions about expanding the team. They explain, “With comprehensive data showing average contract processing times and the number of interactions required, we can calculate an employee’s workload capacity. By understating workload capacity is then allows us to quantify how much overall spend procurement can manage as a team with our current headcount, providing a data-driven basis for accurate resource allocation decisions.”

AI applications are proving crucial in helping organizations avoid costly auto-renewal traps. “We’re seeing a significant trend in the software industry,” says the VP Strategic Sourcing. “Legacy vendors, especially after acquisitions, are pushing customers into subscription agreements through auto-renewal contracts. When these renewals surface, costs can unexpectedly skyrocket, often leaving insufficient time to switch solutions, we faced this twice before being live on Levelpath.” The VP Strategic Sourcing. The team loves how Levelpath automates critical data, especially given staff changes. It is not just about reminders; it is about maintaining continuity in contract management regardless of personnel changes.”



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Ongoing Journey

Changing SiriusXM's procurement processes and the desire to utilize Levelpath across other business areas is an ongoing journey. “My team's biggest pain has been just how much work it takes to get the actual contracts done using the legacy solutions,” says the VP Strategic Sourcing, SiriusXM's procurement lead. “We still have a lot of challenges with moving all our spend and contracts under management across the business. Part of our vision for Levelpath is to expand and help us with all of procurement.”

“Phase one of implementing Levelpath was in the IT technology area, and our goal was to capture in a platformed system all the processes behind sourcing, collaborating, and procuring something for the business,” they add. “Now, with Levelpath, we are on the way to a bigger vision. Our idea is to capture the full scope of work across the business, including the process of working with the business on selecting and working with suppliers.”

“Our focus now is to use Levelpath to make improvements to our overall contracting process internally, with better workflows, greater transparency, and enriched supplier data. This way, we are supporting the whole transformation of SiriusXM with the underlying internal process transformation as well.”

A core focus will be to enable the finance team to complete the finance summary step in Levelpath, rather than having to rely on legacy software. “We need to make this change because the average cycle time for each of our procurement steps is roughly a day, but the finance summary step is currently a two-week process,” the VP Strategic Sourcing adds. “By pulling the finance process into Levelpath and aligning it with the next logical step in the contracting process, we will have a forum where procurement and finance can collaborate with other teams.”

Procurement is keen to be able to pull together a full view of its interactions with any supplier; something that is not possible due to the data's current reliance on multiple systems. “Consolidating the full lifecycle of procurement and supplier records into one platform will be incredibly powerful,” they say.

“For example, it would be amazing to see that we have 10 contracts with a supplier and have spent \$10 million with them. Currently, someone manually gathers these insights. Integrating AI to enhance workflow and productivity is a key reason we are enthusiastic about Levelpath.” Levelpath balance of trade will help procurement and the business understand spend across different teams and systems, they add.

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Levelpath isn't just helping us manage contracts; it's helping us build a 360-degree view of our supplier relationships. This comprehensive approach is invaluable for strategic decision-making.”

VP of Strategic Sourcing

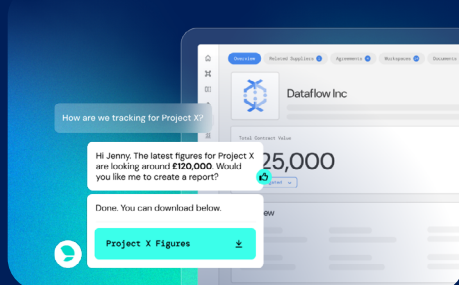


Future Vision

The ongoing development of Levelpath is not only transforming SiriusXM's operations but also challenging industry perceptions about procurement. "The most impressive aspect of Levelpath is the rapid pace of innovation and evolution," they note. "Levelpath's user interface just keeps getting better and better and better and the platform's mobile-first approach allows us increase efficiency, we love it!"

The VP Strategic Sourcing emphasizes the importance of proper investment in procurement tools, a challenge faced throughout their career. "Procurement saves the company money, yet it's often given very little trust or resources to modernize processes," they explain. The success at SiriusXM, they believe, stems partly from the organizational structure that places procurement under product technology, reporting to SiriusXM's innovative CIO.

Looking ahead, Procurement is excited about Levelpath's potential to consolidate the full lifecycle of procurement and supplier records into one platform. "From the beginning, we were impressed by Levelpath's approach to designing a data model that works effectively, leveraging key insights to achieve this," they said. As Levelpath continues to evolve, it is not just improving procurement processes, it is helping to elevate the perception and value of procurement within organizations like SiriusXM.



Discover how Levelpath could help your business improve its procurement processes.

levelpath.com