AUTHORITY ASSET 03 · P2P/S2P GOVERNANCE

System capability does not translate into control.

Most P2P and S2P governance failures are misdiagnosed as technology gaps. The system is implemented, the workflows exist, the agreement structures are available — and control still does not materialize. The reason is structural: **technology creates capability, not discipline.** *Control appears only when usage is governed: when owner, rule, threshold, data responsibility and escalation are explicit enough that the system's capability is actually exercised.*

The failure pattern

The pattern repeats across environments. A capable platform goes live. Adoption is uneven. Regions build workarounds. Agreements exist but purchasing flows bypass them. Governance forums track activity — configuration progress, ticket volumes, training completion — while the control question stays unanswered: *is the organization actually buying through the structures it built?*

At that point most programs add more: more training, more reporting, more configuration. The correction runs the other way — less ambiguity, not more activity.

Evidence 1 — governed usage creates control (Class B)

An S/4HANA procurement environment required stronger control through better use of Outline Agreements and system-enabled procurement structures. The technology existed, but governed usage did not. The move: strengthen agreement usage, system-enabled structures and governed execution logic. **Approximately USD 450K in cost avoidance was reported through Outline Agreements** (Class B — implemented outcome; anonymized, not externally audited; period, calculation method and validating role not public; **cost avoidance is not cash savings**).

The executive lesson: S/4HANA creates capability, not automatic discipline. Agreement structures must be connected to behavior; system design and ownership must work together.

Evidence 2 — a shared execution language before scale (Class D)

A multi-entity S2P environment showed uneven adoption, regional workarounds and unclear escalation across procurement, finance and operations. The organization lacked a shared process taxonomy, an explicit ownership map and a common decision path — rollout activity was running ahead of the operating model. The move: build and validate an L4 process taxonomy, RASCI/ownership logic, handoff map, governance rhythm and a phased 12-month harmonization route.

The **public working sample** shows the standardized taxonomy route, clearer handoffs and ownership, governance checkpoints and an SLA-linked operating-model path (Class D — method/control evidence; no financial or adoption result is publicly validated; this proves method depth and implementation logic, not a financial result): `kulicadvisory.com/insights/s2p-process-taxonomy/`

The governance test

Take one purchasing flow and trace it from agreement availability to actual user behavior and leakage. Then ask four questions. Who owns the flow's outcome — not the process document, the outcome? Which rule decides when the standard may be bypassed, and who may decide it? Which control threshold is enforced by the system rather than by hope? Where does a deviation escalate, and how fast?

If those answers are political rather than structural, the gap is not in the platform. It is in the governance architecture the platform was supposed to serve.

One next step

Name the control gap before funding the next system phase. For a complex ownership or governance issue, the entry route is an **Executive Diagnosis**; for a cross-functional operating-model break, request a **System Review**: `kulicadvisory.com/executive-diagnosis/` · `kulicadvisory.com/contact/`

Evidence discipline: both cases carry evidence class, validation status and boundary on the live pages: `kulicadvisory.com/use-cases/` *and* `kulicadvisory.com/proof/s4hana-outline-agreement-control/`*.*
Discussion prompt: Is your organization buying through the structures it built — and how do you know?