

## Case Study of a Chemical Company

A Chemical Company located in the west zone in India with a turnover of approx. 3000 Crores/ Per annum.



### CLIENT LANDSCAPE

ERP

- SAP r3 as ERP

PLANTS

- 18 Plants located across India

LINE ITEMS

- Daily approx. 25 PRs with average of 10 line items per PR totaling requirements of approx. 75000 line items yearly

SPEND

- 225 crores of MRO spend

TRANSACTIONS

- Over 20000 transactions per year

TIME CONSUMPTION

- Typically a transaction was taking 220 minutes

## Challenges:

- Focus on Transactions leading very limited strategic buying
- Maverick buying due to urgency leading to unknown indirect costs
- Huge manpower requirements to handle sourcing (close to 25 people)
- Possibilities of erroneous calculations and orders due to manual calculations and data entries
- Delays due to missing out on requirements leading to at times even plant shut downs
- Absence of knowledge redundancy leading to highly risky human centric system
- Poor Accountability of decisions due to lack of visibility on transactional process & audit challenges

## Solution opted by the Client:

Fully integrated PR to Order Advance version of VENDX with analytics & Q+

- Automatic transfer of PR / Line item & Master data from SAP to VENDX
- Automatic consolidation of PR on line item, category, destination & vendor
- Mass RFQs for multiple line items to multiple vendors and destinations
- Auto alerts to suppliers for submission of quote
- Well structured formats of RFQ and Quotes with desired validations
- Automatic calculations of landed cost & comparison on techno – commercials aspects
- One click access to analytics like Negotiation behavior of suppliers, spend, input trends of critical relevant material & many others
- Workflow based online approval
- Central repository of all buying decisions
- Multiple filters to sieve out transactions
- Instant view of complete transaction thread and justifications of the buyer

## Business benefits to the client:

- Over 60% reduction in transaction time
- More focus on strategic buying & superior negotiations
- Timely decisions leading to timely supplies
- Error free orders
- Superior compliance due to manual intervention free handling of supplier data
- Complete knowledge redundancy of the buyers leading lower human risk
- High Accountability of decisions due to ease of Audit