



Case Study

Pharma Company for Direct & Indirect Material Sourcing

A leading, vertically integrated global pharmaceutical formulation development, manufacturing, and marketing company with annual turnover of about 2 Billion USD having 10 plants across India, UK and Mexico. The products of the company are approved by major global regulatory agencies including the USFDA, MHRA, EMA, TGA, MCC, ANVISA and more.

~USD 2 Bn

Turnover Annually

Purchases

Hybrid -Centralized and Decentralized

11 (5 – India/ 4 – UK/ 1 – Mexico)

Manufacturing Plants

SAP HANA (SAP R3 initially)

ERP

Top Challenges for Direct Material Sourcing

1. Huge challenge in regulating ordering from approved sources based on compliance requirements
2. Immense efforts in documentation pertaining to transactions
3. Non timely purchase due to delay in actions on requirements
4. Huge coordination efforts with internal and external stake holders
5. Lack of control on ordering process



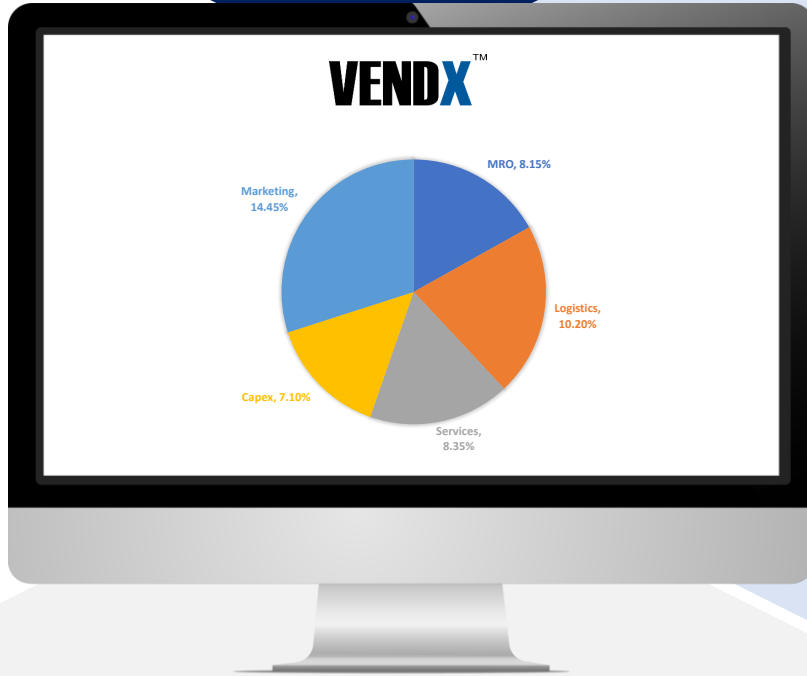
Top Challenges for Indirect Material Sourcing

(Categories: MRO/ Logistics/ Marketing Spend/ Capex/ Services)

1. Maverick Buying due to huge transactional activities involving '000s of transactions
2. Absence of effective Negotiation strategies due to absence of Spend Analysis
3. Poor Accountability of decisions
4. Delay in supplies due to non- timely approval of decisions & track of requirements
5. Tremendous coordination efforts
6. Complex variables on Logistics Price Discovery
7. Serious challenges in Audit due to absence of desired data justifying decisions

VENDX Module

VENDX Sourcing Suite with Logistics and Capex & Services Module along with integrated Auction Engine



Key Benefits to the organization

Direct Material

1. Error free ordering to compliant vendors
2. Digitization of documentations leading to huge savings of time
3. Easy accessibility to historical records
4. Timely actions on requirements
5. Simplification of audit

Indirect Material

Nearly **62.5%** reduction in the process & coordination time

1. More efficient negotiations due to automatic consolidation of vendor spend & shift to strategic buying
2. Huge savings in the resource cost
3. Quick approval of decisions due to mobile approval from anywhere 24*7*365
4. Timely supply of material due to timely action on requirements
5. Simplification of Audit

Huge Cost Savings Achieved