

Case Study

Leveraging eSourcing and strategic sourcing to build a world-class procurement organization

Business Challenge

The world's largest non-alcoholic beverage company decided to build a world-class procurement organization. It wished to manage spending more effectively by standardizing and streamlining its strategic sourcing process. The company also wished to implement strategic sourcing and eSourcing best practices to increase its spending visibility.

In doing so, however, the soft drink company faced several challenges such as:

- Disparate sourcing processes across plants and categories
- Sourcing and negotiation strategy changes with each category
- Minimal standardization and reusability of sourcing processes among plants
- Unclear and last-minute changes to sourcing requirements
- Low utilization of strategic sourcing and eSourcing capabilities



Mahindra Satyam Solution

The company engaged Mahindra Satyam to help it overcome these challenges and to achieve its aforementioned goals. Mahindra Satyam developed specific sourcing strategies for a large set of "direct" and "indirect" categories. The team also helped streamline and standardize strategic sourcing processes and manage complete "RFX"/"Events" using eSourcing applications such as Mindflow and SAP SRM. Additionally, the team embarked on a Supply Market Analysis to determine optimal negotiation strategies. Category managers and suppliers were also trained to increase awareness and adoption of eSourcing applications. Furthermore, Mahindra Satyam helped the client analyze spending and publish periodic reports.

Benefits

As a result of its work with Mahindra Satyam, the soft drink company sourced US\$1.5 billion worth of goods and services through eSourcing per year, leading to an average savings of three to five percent across categories. It has also benefited from an improvement in spending visibility, analysis and reporting, as well as a 20 to 30 percent reduction in sourcing cycle time for critical categories. Additional benefits include reusability of category-specific sourcing and TCO templates, as well as increased user adoption of eSourcing technologies.

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Mahindra Satyam's Supplier Relationship Management Practice

Mahindra Satyam's Supplier Relationship Management Practice provides end-to-end solutions that keep purchasing costs down and enhance the value of supplier relationships. Our solutions include Strategic Sourcing, Spend Analysis, Sourcing Support and Analytics, Procurement Operations, Package Evaluation, Supplier Enablement, eTendering, Contract Management and EIPP. We also feature a powerful combination of deep domain knowledge, process expertise and cutting-edge technology to help companies realize savings and streamline operations.