



Case Study

How Procol Delivered 5% Savings for a Global Tire Manufacturer

Company Background

Recognized as a world leader of tyres, this company is Japan's solution to the world's automobile problems. Globally renowned for providing safe, secure and comfortable tyres.

While commercial manufacturing forms the company's primary competency with its geographical units spread across 39 cities, and factories and plants having high installation capacities, the company is also highly focused on R&D on tyres and tyre maintenance.

Challenges Faced

As one of the world's largest automobile parts manufacturing giants, the company was concerned with tackling global issues arising due to the rising prices of fuel, and was interested in strengthening its price discovery capabilities in the market.

One of the biggest challenges that the company faced was not having access to a central repository of information and data in terms of its supplier base. In addition, the company was also keen on increasing savings and maximizing buyer output through the deployment of unique digital auction strategies.

In this respect, the company approached Procol to strategically increase its savings.

To optimally increase savings and analyse their expenses, the company was desirous of strategically determining market pricing of supply parts, and negotiating the same on the basis of buyer and seller market interaction.

The specific problem areas that it needed to be addressed were -



Limited Supplier Engagement

While the company had a strong geographical presence across India, the company was keen on improving its supplier visibility & engagement. This would help the company reduce costs in acquiring parts through exports from other cities where suppliers were located. Thus, onboarding and engaging with local suppliers would help in ensuring higher savings.



High Volume Negotiations

In the manufacturing & logistic supply chain, negotiations end up taking a lot of time, therefore more time is needed for the high volume goods. Most companies are keen on reducing expenses and negotiating lower prices by increasing purchasing power. This navigation ease comes only after significantly studying the market, increasing supplier visibility, and generating deep insights in meeting the demands.



Low Transparency in Purchase

For a large company, ensuring full disclosure in the supply chain process is both an internal and external mandate. Transparency would allow the company greater control in terms of capturing data, responding to partners and stakeholders, and meeting competing business requirements.

The company was constantly dealing with negotiations manually. Due to a large vendor base of the company, the real-time supplier buy-in was at the lower end, and a lack of a centralized repository made it difficult for the company to have strong supplier visibility. In this regard, the company reached out to Procol to improve overall savings.



Procol's Impact

₹5 Cr+

Procurement / month

100+

e-Auctions

1000+

Man hours saved

5%

Direct Cost Savings

Here's how Procol helped.

How Procol Proved Value & Delivered ROI

RFQ & Advanced E-auctions platform

Procurement in different categories of goods and services with different supplier demographics require a vast array of unique negotiation strategies. Procol's **35+ auction strategies** helped the company optimise sourcing costs in multiple categories in under 7 days, saving more than 5% cost in record time.

Higher Time Savings through Automation

By automating the quote collection and negotiation process, Procol helped the company cut out manual intervention associated with the supply chain process by over 30%. Typically, this process can be highly time consuming – many companies spend months and years trying to get their supply chain and supplier database in place.

Analyse Spend Strategically

Procol's intelligent spend analytics dashboard helped the company derive first-hand knowledge on its expenditure. Through the dashboard, the company had access to expenses associated with suppliers and distributors across all its locations, and could accordingly make strategic decisions in terms of onboarding and engaging with them.

This dashboard also allows the company to make strategic calls in terms of saving costs. Ultimately, the dashboard delivers clean data with greater visibility and transparency, giving the company high control over internal and external audits. The company is in a position to generate stronger insights associated with its suppliers, and evaluate them in a modern way.

In Summary

Procol facilitated procurements of over ₹5 Cr in the form of 100+ auctions conducted for the company and identified 12 verified suppliers across 39 cities, which helped the company improve savings by 5%.

In an economy where consumers are highly price conscious, propelled by the rising fuel prices, the company was quick to evaluate that changes were required in the way it previously functioned.

To decrease internal and external costs, reduce expenses, and ensure higher savings, the company had to adopt digital automation which allowed it to deliver real-time insight into the dynamic supplier market.

Market knowledge, clubbed with the right technology and tools, go a long way in making more informed decisions. Through RFQ and intelligent e-auctions processes, Procol was able to help the company identify dynamic price caps which ultimately helped the company gain leverage when negotiating with suppliers. Procol was able to increase savings, organise data points in a more informed manner, and reduce error-prone manual intervention in terms of both collecting quotes and negotiating with suppliers.

Procol has truly accelerated the company's journey in India.



Procol

Get a free demo.

www.procol.in/request-demo/