

## Case Study

***Digitizing procurement realised 1.2% direct cost savings for a CPG giant.***

### Company Background

The client is one of the largest industrial biscuit manufacturers in India with an annual turnover of over \$120 million, 50+ retail format stores, 5+ plants across different geographies.



### Problem Statements

Procol collaborated with the business stakeholders of the company to identify 3 critical problem areas that needed to be addressed—



### Lack of Transparency in Purchase

The management felt a strong need to bring transparency to the procurement process, to be able to measure the performance and efficiency of the purchase teams.



### Manual Processes for Sourcing

Company wanted a solution that could automate sourcing tasks—reducing manual work of requesting quotations, negotiations and following up with vendors.



### Lack of Trusted Vendors

Due to higher dependency on limited number of vendors in various categories, the company could not gain leverage for negotiations and had high supplier risk.

## Procol's Impact in a Glance

**₹ 48 Cr**

transacted through procol

**33%**

increased vendor base

**1.2%**

total realised savings

## How Procol Helped

Procol deployed a strategic sourcing platform at the company in multiple raw material categories. The success plan included a 3 month roadmap, during which the company would have a dedicated customer success manager and support to train both buyers and suppliers.

Results of Procol's Platform deployment—



### Real-time Mobile Visibility

Procol brought the entire purchase process online. The usage of mobile apps brought transparency into vendor quotations and interactions. It also had the added benefit of bringing about a verifiable and clear audit trail to all transactions conducted by the purchase department, creating traceability and accountability.



### Realised Cost Savings of 1.2%

The process efficiency and better price discovery enabled by the usage of Procol's Platform optimized spend significantly.

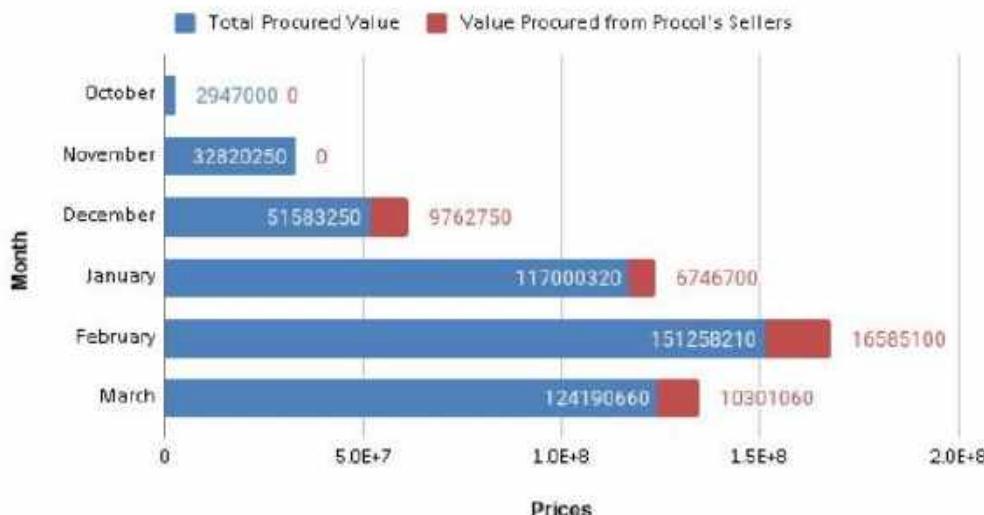
- The company did a cumulative procurement of ~₹48 Cr. through Procol's Platform in 3 months.
- The total realized saving achieved was ₹54.32 Lakhs, saving ~1.13% on the entire procurement through Procol.
- The total value procured through Procol's vendors was ₹4.34 Cr i.e. approximately 9% of their procurement.



### Built New Vendors Relationships

- Procol sourced, verified and built relationships with 9 strategic suppliers for the company.
- 6 new vendors were added for tail spend categories where earlier they had only 1 vendor for all items.
- The realized savings that came through dealing with Procol vendors stand at ₹5,94,670.
- For categories such as cereals and pulses, the purchase orders bagged by Procol suppliers were close to 100%.

### Total Value Procured vs Procol's Sellers Procured Value



*Building New Vendor Relationships*

## In Summary

Procol helped the company solve the problems they had been struggling with. Higher transparency and visibility led to better buying decisions and compliance. The Procol Platform created better price discovery by automating the negotiation process. Critically under-realized savings opportunities were identified and prioritised by Procol, resulting in real and substantial savings.