

## Case Study

***Digitizing & centralizing sourcing to realise 2.18% direct savings for a multi-location retail giant.***

### Company Background

The client is one of the five largest modern retailers in India with an annual revenue of over \$500 million, 600+ retail stores and sourcing at more than 6 locations spread across the country.



## Problem Statements

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



### Lack of Transparency in Purchase

With sourcing team spread over 6 locations procuring more than 300 products, 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.



### Limited Suppliers led to Higher Cost

Due to higher dependency on limited number of suppliers in various categories, the company could not gain leverage for negotiations and had high supplier risks involving material rejections.

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## Procol's Impact

**₹68 Cr**

purchased through Procol

**47%**

increase in productivity

**2.18%**

total realised savings

## How Procol Helped

Procol deployed a strategic sourcing platform at the company in multiple categories. The success plan included a 12 months roadmap, consisting of data sharing, product deployment, enterprise training and strategic execution.

### Results of Procol's Platform deployment—



#### Real-time Sourcing 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.



#### Workflow Automation

Procol helped increasing efficiency of purchasers by reducing the time taken to collect, negotiate and complete a transaction by upto **27%**. Moreover, the usage of digital dashboards reduced the follow ups from vendors, saving **20%** time of the buyer.

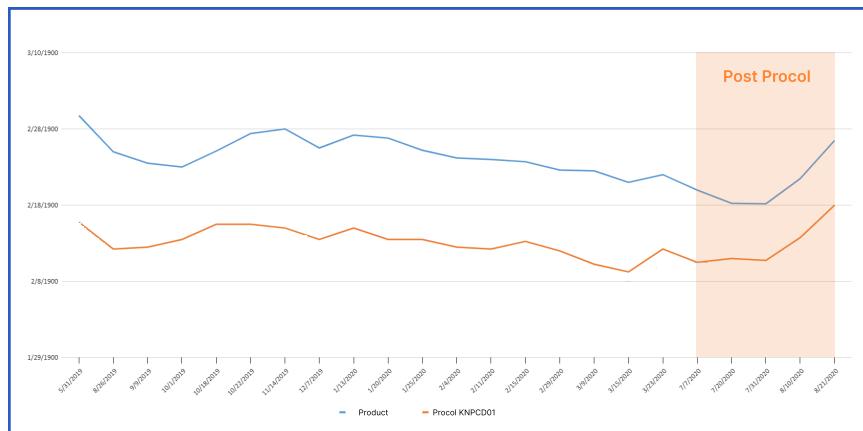


#### Direct Cost Savings

- Discovering new suppliers led to direct cost savings of **2.18%** by creating competition and mitigating risks of limited supplier dependency.
- Procol sourced, verified and built relationships with **25+** strategic suppliers for the company.
- Transactions awarded to Procol discovered suppliers were more than **₹50,00,000**.

## Price Benchmarks

Procol gathered, cleaned and processed 2 year historical purchase data of the client, setting benchmarks for more than 160 product-location combinations. It was able to effectively show convergence in graphs reflecting overall real savings of **2.4%** in the **benchmarked products**.

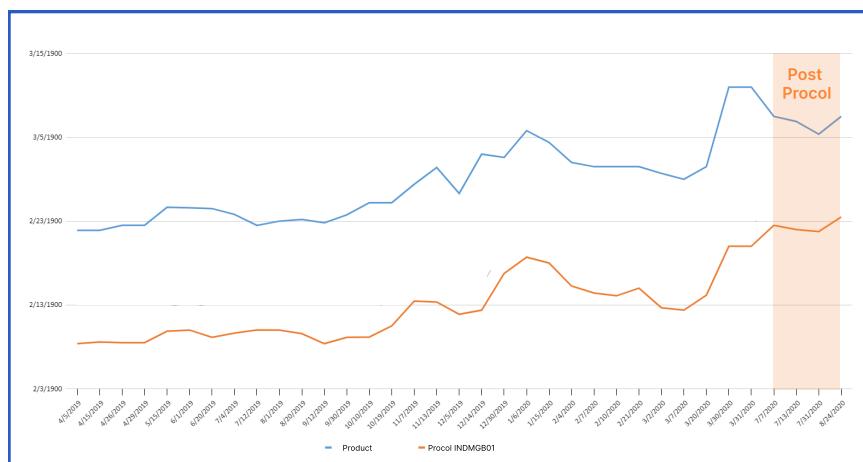


### Product A

#### Average Difference

Pre Procol 11.62

Post Procol 8.07

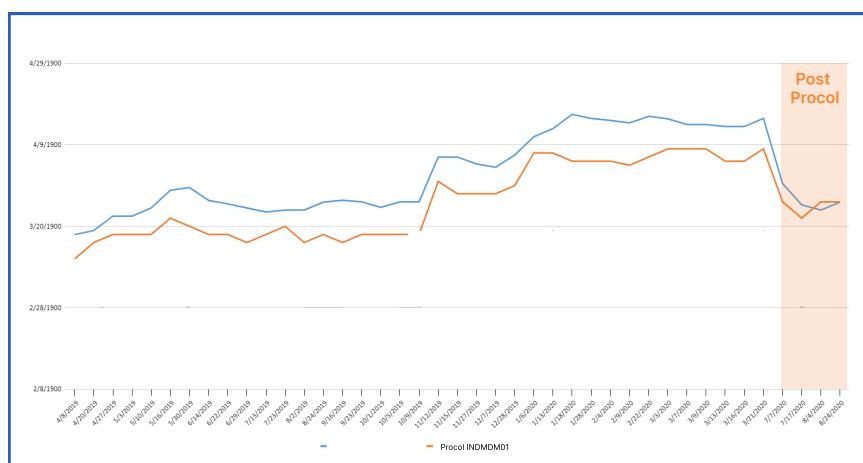


### Product B

#### Average Difference

Pre Procol 14.96

Post Procol 12.38



### Product C

#### Average Difference

Pre Procol 7.41

Post Procol 1.41

## 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. Workflow automation ensured that buyers spent their time in strategical tasks increasing overall efficiency. 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.



Get a free demo online.

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