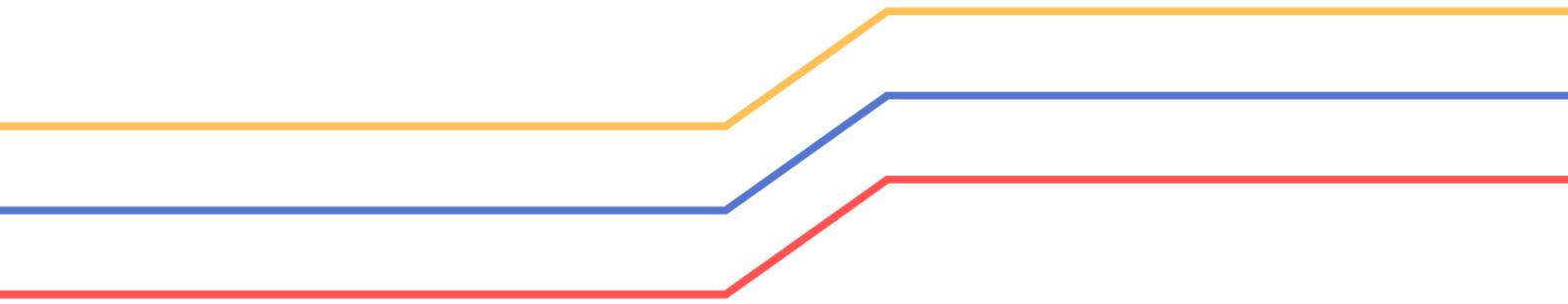




CASE STUDY

Using Forward Auctions to Increase and Improve Internal Cost Savings by 10%–35%

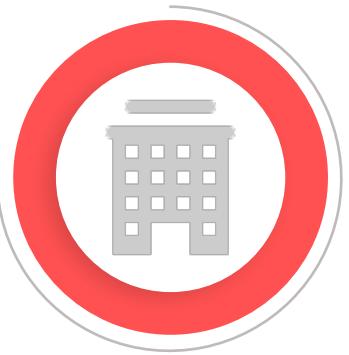


Company Background

When it comes to electricals and manufacturing consumer and industrial switches, appliances, gears, cables, fans, lighting, and other such products, India has several huge players in the market. The engineering, procurement, and construction (EPC) market has some domestic and internationally acclaimed fast-moving electrical goods companies, which have created a strong domestic and global presence for themselves over the years.

Procol Technologies joined hands with one such company whose products span home appliances, kitchen gear, lighting for commercial and domestic use, and other cable and wiring accessories and parts. The company has multiple brands under its aegis and has branched out as a trusted consumer brand.

With over 5000+ employees spread out across India and a net turnover of 10.4 crores, the company continues to innovate and provide electrical and lighting solutions in line with the latest transformations in technology to its consumers.



Challenges Faced

Established as a large conglomerate, the company that Procol Technologies has associated with has had its operations rapidly evolve over time, but continues to be traditional in some ways. For example, the company regularly raises purchase orders of large volumes and amounts without a properly defined central repository to capture the request for quote (RFQ) process.

Additionally, the company has been manually delivering purchase orders to suppliers—a process that is bound to face errors and be time-consuming, owing to manual intervention. Another large challenge faced by it was that the company continued to negotiate with suppliers manually. This has resulted in more expenditures.



Keen to increase saving margins and switch from manual to digital processes, the company approached Procol Technologies.

The specific problem areas that it needed to address were:

Conducting Manual Negotiations

Issue: Supply chains involve high negotiations, and when this is carried out manually, there is a lot of time and costs at stake. This would lead to the company's savings margins increasing.

Requirement: Companies needed to increase savings by reducing resource costs owing to manual negotiations.

Increase Profits

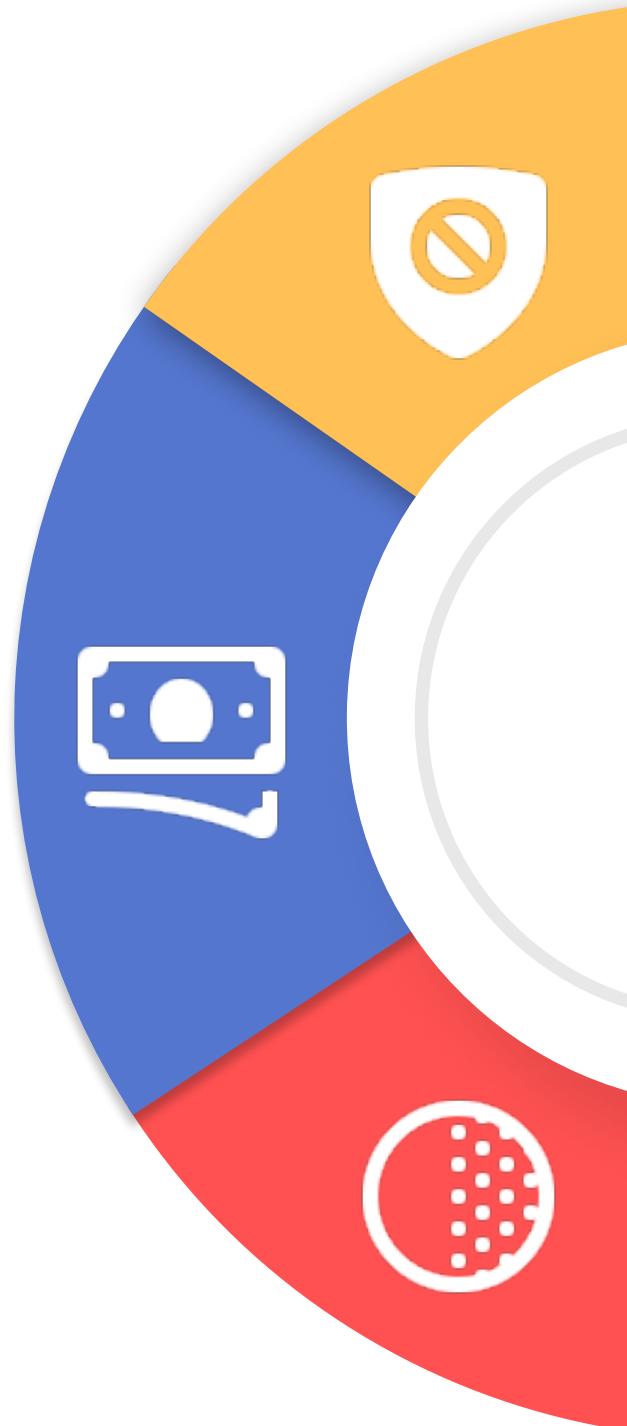
Issue: While the company has a strong profit margin, it was desirous of deploying strategies to increase profits further. Conducting forward auctions would help the company identify and manage its supply chain in a more improved manner across product usages such as copper, aluminum, ball bearings, and other factory scraps.

Requirement: Have a real-time supplier dashboard to analyze spends, make strategic and informed decisions associated with the supply chain, and increase significant cost savings.

Low End-to-End Visibility

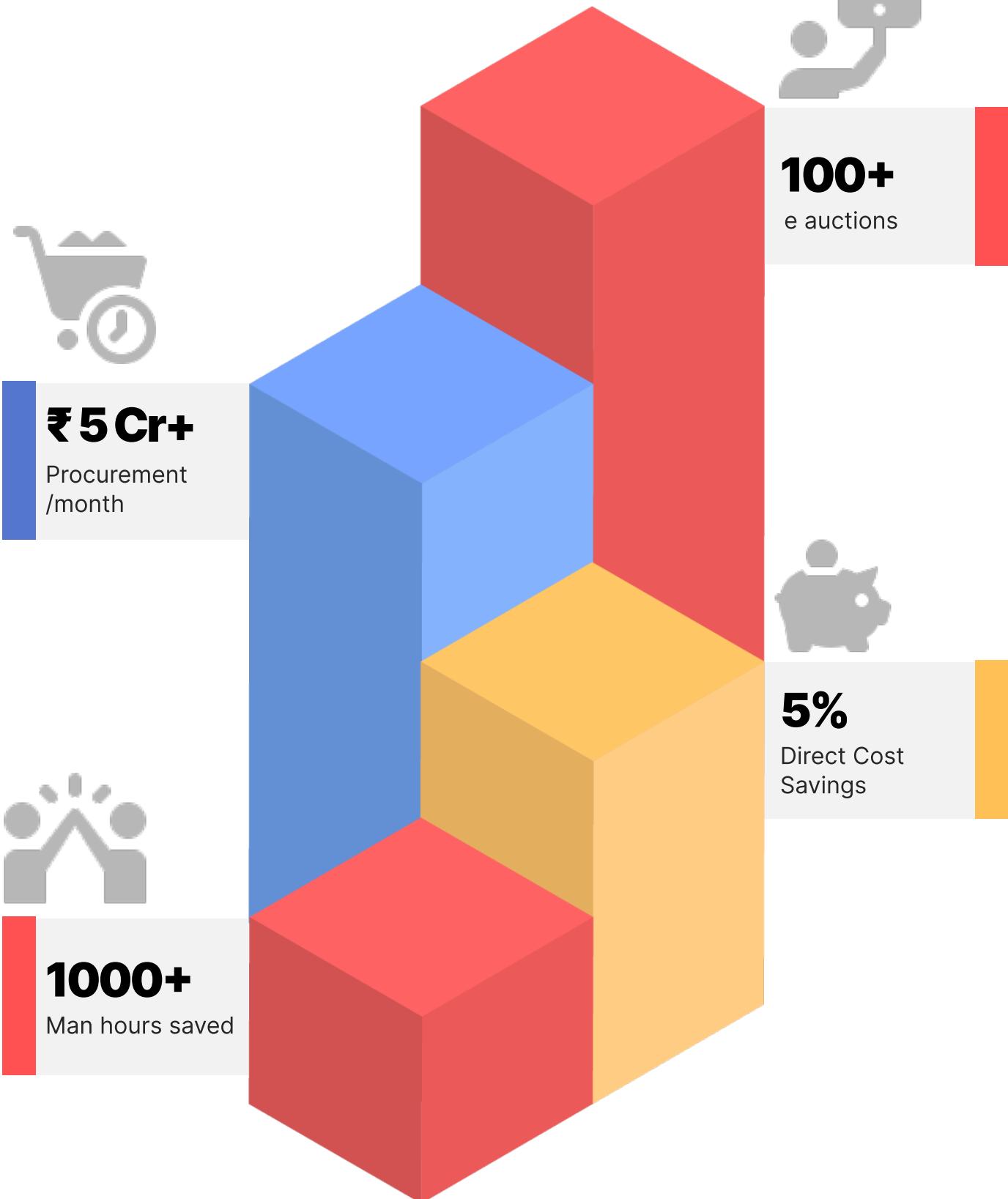
Issue: EPC companies' processes are conducted using a mix of strategies. To enhance its internal flexibility and capability, the company needed to ensure that its supply chain quote management was undertaken in a single, central platform. Without a central repository, the company had low visibility on its end-to-end purchases.

Requirement: Provide a central repository system for RFQ spends.





Procol's Impact



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.

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In Summary



Procol facilitated procurements of over Rs 5 Cr in the form 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

<https://www.procol.io/request-demo/>