



GOODBYE LONG NEGOTIATION CYCLES, WELCOME AUTOMATION!

Abstract

When Kyle Smith, Senior Strategic Sourcing Manager at a global tech giant, found his procurement team saddled with heavy workloads that stretched out supplier negotiation cycles, he turned to Infosys BPM for help. This case details how Infosys BPM's automation and analytics solutions reduced manual efforts by over 90% and sped up the negotiation cycle, which aided Kyle in saving an additional \$20 Mn in annual costs.



Never-ending negotiation cycles

Kyle Smith is a Senior Strategic Sourcing Manager at a leading global tech giant with multiple global delivery centres (GDCs). He is primarily responsible for sourcing projects related to these GDCs, which involves overseeing his procurement team's efficiency as they handle and negotiate with a vast network of ~50 top tier suppliers. However, as he soon discovered, the team lacked sufficient capacity for managing the tasks assigned to them.

During a weekly stand-up meeting, Kyle found that there was barely any progress in the supplier negotiation cycles. When he looked back at the trends, he noticed that the team progress rate had been sliding downwards over the past several weeks. Aware of the consequences of delays in onboarding suppliers, he immediately sat

with the team to investigate the underlying problem.

The procurement team informed Kyle that, on average, it would take them over 60 hours per project to analyse RFx prices and go through the negotiation process for all suppliers. They would first manually collect individual supplier rate information across categories (marketing, technical, and professional services). Then, they would conduct a complex historical rate analysis — a process that was prone to human errors. Finally, they would enter long drawn-out negotiation and re-negotiation cycles with the suppliers over email threads, while creating detailed addendums in tandem. This manually-intensive, complex workflow was draining their efficiency, and delaying the overall procurement process. Kyle knew

that he needed to rectify the situation before it could hamper the company's operations.

Determined to improve the procurement team's capacity, Kyle contacted Infosys BPM for support. With the company already having a successful partnership with Infosys BPM on sourcing services, he knew he could rely on their team's abilities to provide relevant, on-time assistance.

Kyle set up a series of meetings with Reece Dixon, an Infosys BPM project lead, and briefed him on the challenges his team faced. He outlined his need for support in carrying out the processes, and underscored his ultimate goal to expedite the procurement cycle.

Embracing the automation paradigm

With a firm grasp of the requirements, Reece rounded up his team of reporting and analytics experts to assess the situation. The team took a close look at the labour-intensive operations, and proposed

automation solutions for most of the routine tasks. Reece conveyed this information to Kyle, who instantly conceded and gave the go-ahead for the project.

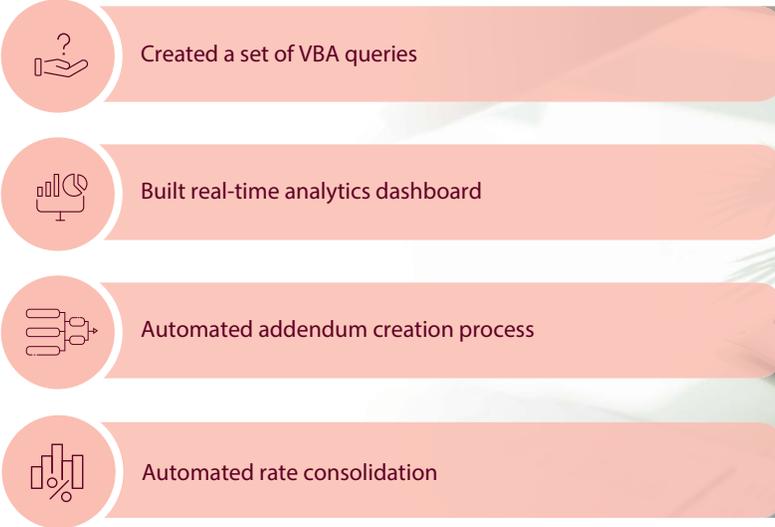
To start off, Reece and the team implemented process automation to collect and collate individual supplier rate into a master Excel file for easier

analysis. They then worked closely with Kyle's procurement team to fit in a set of Visual Basic (VBA) queries into their Excel spreadsheets, that would allow them to

directly extract supplier information and rate details from the master file. Next, they created rate and revised rate templates for all of their suppliers, and also developed

supporting VBA queries to automatically share these templates to the suppliers via mail.

Approach summary



The team also set up an automated system that would consolidate the rate details provided by the suppliers in the templates, and feed them onto the master file for further analysis. After reviewing the new process flow, Reece worked with his team to develop and add a real-time analytics

dashboard to the framework. The team used the dashboard to give detailed insights on the consolidated rate data, enabling better decision-making during negotiations.

Finally, Reece and the team also automated the addendum creation process, based on

the format Kyle had provided to them as reference. Throughout the implementation, Reece kept Kyle in the loop of the all changes made, ensuring his buy-in and support during every stage.



Quicker, simpler negotiations

The analytical and tactical automation with VBA queries eliminated most manual efforts, freeing up Kyle's resources. With the

automated workflow in place, collecting rates, pricing analysis, and the overall

negotiation process became much simpler for the procurement team.

Key benefits



The time spent in collecting supplier rate information and analysing the prices dropped from 40 hours to just an hour and 20 minutes. Additionally, the time spent in creating addendums reduced from 20 hours to 3.5 hours. Cumulatively, the procurement team reported an impressive

92% reduction in manual efforts, along with a complete elimination of manual errors.

As an added benefit, the real-time price analysis dashboard helped Kyle and his team negotiate better rates with the suppliers, which further contributed to

annual savings of \$20 Mn. Delighted with the outcomes, Kyle applauded Reece and his team's efforts and support through the process. Sourcing this partnership will definitely go down as one of Kyle's most successful deals!

**Names have been altered to preserve the identities of the people involved.*

For more information, contact infosysbpm@infosys.com

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