



A BETTER PLAN TO PROCURE BETTER

How Infosys BPM helped a mining giant redefine its propane sourcing strategy

Abstract

Natalie Johnson, Sourcing and Procurement Supervisor at a leading global mining corporation, was grappling with rising cost pressures and operational risks tied to an incumbent propane supply contract supporting her mill operations. Troubled with pricing misalignment issues, limited responsiveness, and heavy dependency on a single vendor, she turned to long-standing partners Infosys BPM for support. This case details how Infosys BPM transformed the sourcing strategy, developed a pricing model, and onboarded a new supplier, resulting in 28% cost optimisation, \$1.5 million in savings, and improved supply chain efficiency.



Stuck in a toxic contract

Natalie Johnson is the Sourcing and Procurement Supervisor at a leading global mining corporation. In this role, she is primarily responsible for managing all activities linked to the acquisition of goods and services required for business operations. This involves identifying suppliers, planning procurement, managing vendor contracts, and overseeing compliance while ensuring cost, quality, and delivery timelines.

Supporting large-scale mill operations, Natalie's decisions carried direct implications for operational continuity and cost control. Any disruption in supply, pricing misalignment, or contractual ambiguity could quickly ripple into production delays and unplanned expenditure. And as the mining environment grew increasingly volatile, this balancing act only became more complex.

During a routine review of her ongoing

contracts, Natalie began noticing early warning signs around an incumbent propane supply arrangement supporting the firm's mill operations. The contract had been in place for some time and was operating without a structured price review mechanism. Upon her review, Natalie noticed a growing disconnect between what the company was paying and the prevailing market rates.

What concerned Natalie further was the supplier's limited responsiveness. Despite communicating revised operational requirements and consumption patterns, their pricing remained static and non-reflective of the ground realities.

Beyond the cost implications, Natalie saw a deeper operational risk taking shape. The mill operations were heavily dependent solely on this supplier, without sufficient contractual flexibility. Realising that she had little room to manoeuvre in the event of a supply disruption or pricing

disputes, she knew she needed a change in structure.

Soon, she began looking out for options to re-evaluate and redefine her propane sourcing strategy and related procurement operations. Fortunately, she didn't have to do this alone. The organisation had a long-standing partnership with Infosys BPM, which had been supporting its procurement operations across sourcing, supplier onboarding, and contract management. Eyeing to move beyond incremental fixes, Natalie contacted Kapil Soni, the Infosys BPM Team Lead, enlisting his support for an overhaul of their propane sourcing strategy. After a detailed meeting on the same, Kapil recommended initiating a formal review of the propane contract while exploring alternative sourcing options to ensure cost competitiveness, supply reliability, and operational transparency.

Breaking free through smarter sourcing

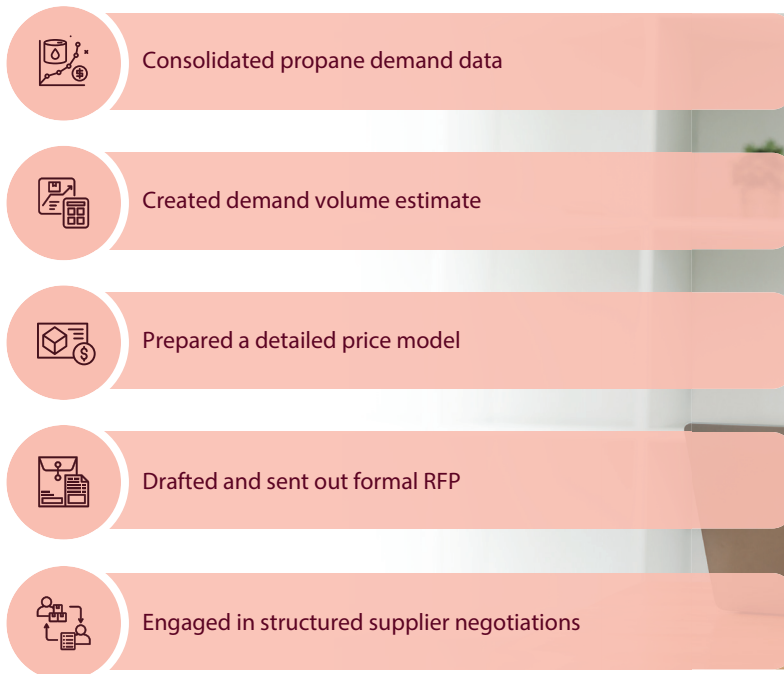
Upon receiving the nod from Natalie, Kapil sat with his team to get started on the project and reassess the mining giant's propane sourcing strategy for mill operations. The team pulled in propane consumption data from current and future mill operations, and stitched together a consolidated view of volume requirements for appropriate pricing.

The team used this information and CPI index data to develop a detailed price model tailored to the mining giant's site requirements, factoring in logistics, consumption patterns, and prevailing market benchmarks.

With the price model developed, Kapil sat with Natalie and sent out a detailed RFP

for suppliers, carefully outlining the scope, volumes, and pricing expectations. As the proposals began to come in, the team evaluated each submission against the price model and operational needs of the mill, and shortlisted suppliers based on their capability, reliability, and market presence.

Approach Summary



After this, Kapil engaged in structured negotiations with the final five shortlisted suppliers, discussing potential contractual deviations, pricing inconsistencies, and service-level expectations. Upon completing the detailed negotiations, Kapil collaborated with Natalie to identify the supplier that offered the best balance of cost efficiency, responsiveness, and operational reliability.

However, moving away from a long-standing supplier was not without its concerns around transition risk and operational continuity. Natalie also had internal discussions around price volatility and contractual commitments, with stakeholders wary of exposing budgets to fluctuating market-linked pricing. Kapil addressed these concerns by anchoring negotiations around transparent price

review mechanisms and clearly defined contractual safeguards, ensuring overall predictability.

Once the internal approvals were secured, Kapil supported Natalie through the final onboarding, operational readiness checks, and legal and commercial reviews. Soon, they formally signed off the new contract to initiate supply and avoid any logistical delays.

Locking into a supply of savings

The new and improved contract became a gift for the mining giant that kept on giving. Just weeks into operating under the

contract, Natalie could see visible impact across her procurement and mill operations ecosystem.

The first, and the most obvious benefit, was the immediate cost optimisation.

Through Kapil and the team's volume consolidation and competitive supplier

negotiations, Natalie ended up with an impressive cost optimisation of 28%,

bringing her savings of approximately \$1.5 million.

Key benefits



28% cost optimisation achieved



\$1.5 million in savings



Supplier performance improved



Operational efficiency enhanced



Next, Kapil and his team's efforts also eliminated fragmented purchasing practices that previously impacted procurement. The structured RFP process introduced consistency into supplier evaluation and selection, allowing Natalie's team to follow a clearly defined sourcing framework. The new contract also removed long-existing ambiguities and introduced performance-based benchmarks, clearly outlining service expectations, escalation pathways, and accountability measures.

Finally, the newly introduced pricing review mechanism and cost model helped Natalie effortlessly align procurement decisions with evolving market trends. As supplier accountability and pricing governance improved, supplier performance began reflecting these changes. The newly onboarded vendor demonstrated higher responsiveness, improved delivery consistency, and stronger service-level adherence.

Encouraged by these outcomes, Natalie recognised the initiative as a significant step toward building a more resilient and intelligence-driven procurement function. She formally acknowledged Kapil and his team for their consultative approach and structured execution, applauding their consistent efforts throughout the project. It's safe to say that Natalie's new sourcing strategy had become a trusted source of efficiency.

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

For more information, contact infosysbpm@infosys.com

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