COMBING THROUGH A MASS OF DATA

Abstract

Drowning in €1.2 Bn worth of spend data encoded in 40 different languages, James Walker, the General Manager of a large consumer goods company needed a simple way to analyse it. That's why he collaborated with Infosys BPM – which not only improved his visibility, but also enabled him to save €8 Mn on his spends in 12 months.

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Searching for clues in the dark

James Walker is the General Manager for procurement analytics at a large multinational consumer goods company. His responsibilities include streamlining the procure-to-pay (P2P) process across the breadth of the organisation and driving analytical initiatives to improve the bottom line. But James lacked the complete visibility he needed to efficiently analyse spend data.

After a stressful day of analysing different reports to understand how €1.2 Bn was distributed among tail end suppliers, James brainstormed with his team to come up with a simpler way to analyse data. The biggest roadblock for the team was that P2P spend data was spread across systems throughout the organisation – and in no less than 40 different languages. This data fragmentation limited their visibility into spend amount distributions leading to difficulties in devising effective negotiation strategies 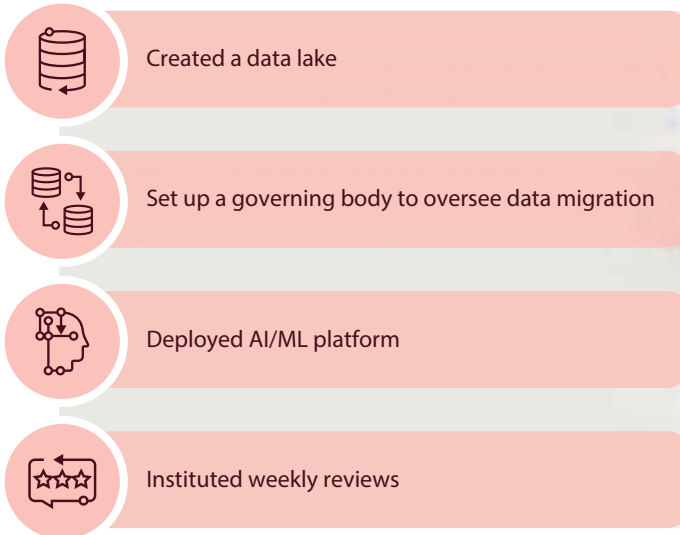and building strategic relationships with suppliers. To further complicate the situation, certain key commodities came from one-time suppliers whose performance was difficult to track – widening the information gaps.

With increasing ordering costs due to the large tail end spend – the company routinely executed a million transactions in just a year – James had to find a solution quickly. And so he began the search for a data management expert who could devise and implement an efficient way to analyse his spend data.

Powering up a data lake

James' extensive search led him to shortlist Infosys BPM as a partner and after the onboarding he was introduced to Hitesh Jha and his team of analytics experts. James tasked them with bringing visibility into one of his tail spend categories, giving them a timeframe of just three months. Hitesh was highly experienced in implementing analytical solutions for global clients in the procurement and sourcing space and knew just where to start.

Approach summary

- Created a data lake
- Set up a governing body to oversee data migration
- Deployed AI/ML platform
- Instituted weekly reviews

The team first began with migrating data from different geographies to create a data lake, even as James and Hitesh set up a governing body to oversee the migration process. Judging by the volume and diversity of data and the time factor, Hitesh decided to employ Infosys' proprietary Nia Procurement Insights platform to tackle the data management activities from end to end.

Nia, which used ML models, drastically reduced the time required to complete each phase. The AI-powered solution automatically ingested data, performed data wrangling, classified data into correct categories, and finally generated the required predictive insights. The data wrangling process was especially noteworthy – efficiently handling a large volume of over one million transactions to quickly produce a data set ready for the classification stage.

Using weekly cadence reviews, James and Hitesh worked closely with the governing body to identify and overcome potential roadblocks early on. Within the stipulated time, the Infosys BPM team delivered an insights dashboard that helped James quickly analyse the health of the tail spend program using data from 80 countries and four categories.
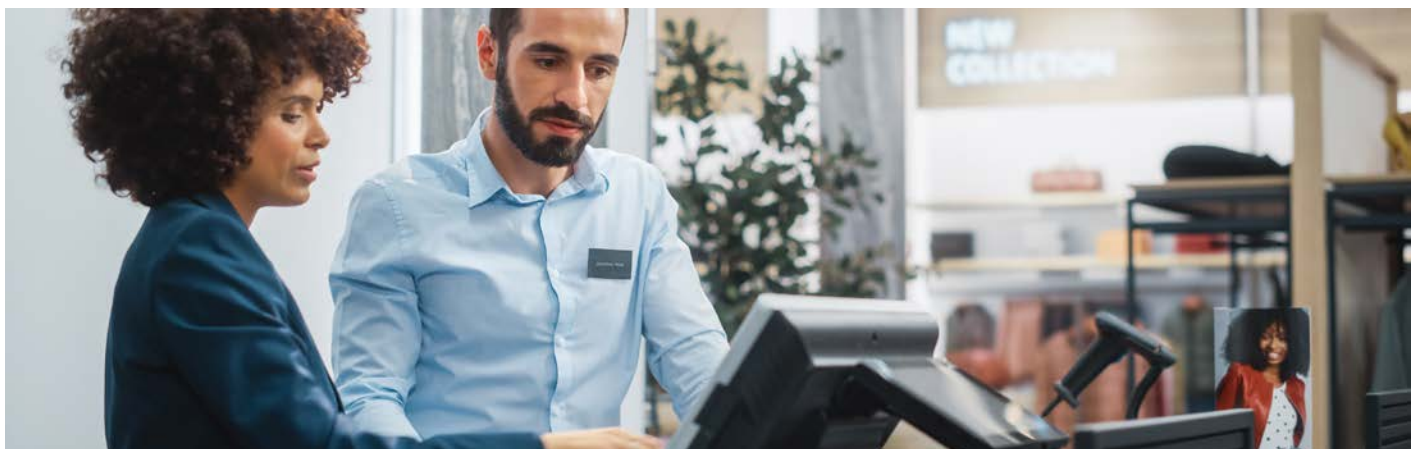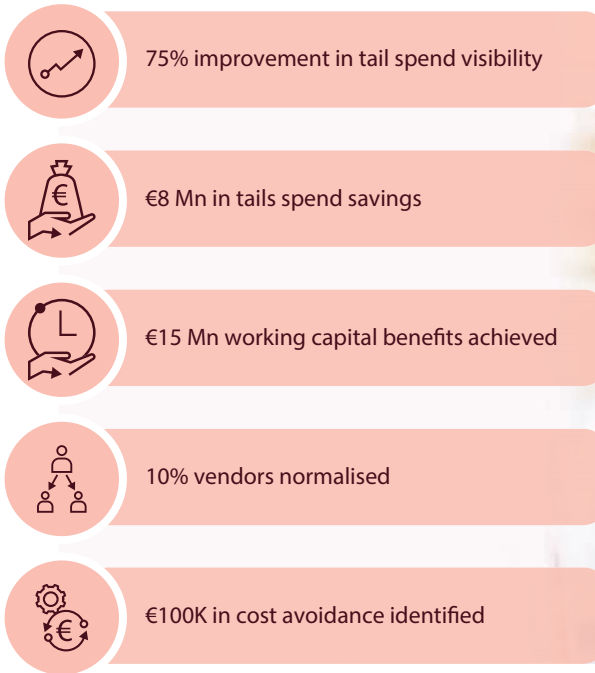
Following the data trail

A little while after deploying the dashboard, Hitesh caught up with James to review whether his newly gained visibility drove the desired efficiency. James was delighted to share the benefits he had unearthed through Nia's insights.

To begin with, L3 level visibility into tail spend was improved by 75%, bringing about €8 Mn in savings in 12 months. By optimising payment terms, James was also able to realise a benefit of €15 Mn in working capital. As the performance of

suppliers, even one-time suppliers, could now be tracked, it helped normalise 10% of the vendors and identify cost avoidance of €100K.

Key benefits

- 75% improvement in tail spend visibility
- €8 Mn in tails spend savings
- €15 Mn working capital benefits achieved
- 10% vendors normalised
- €100K in cost avoidance identified

Encouraged by these results, Hitesh rapidly deployed about another 90 of Nia's prebuilt dashboards to provide further insights into James' different spend categories. Soon James began receiving several internal accolades recognising his initiative to eliminate silos and centralise data through the data lake. The data lake went on to be

used by other teams as well, analysing data across the company's procurement value chain.

The senior management team, impressed by the results that James and the Infosys BPM team delivered, decided to expand the scope of the partnership. Five years on,

apart from P2P, Infosys BPM also started handling sourcing, and buy-sale models for capex and maintenance, repair and operations (MRO) categories for the entire procurement spend – and continues to deliver deep insights that helps James optimise his costs.

Names have been altered to preserve the identities of the individuals involved.

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