



PROCURING SAVINGS, TIME, AND A LOT MORE!

Abstract

When Martha Sandow, Procurement Engagement Manager at a global technology giant, was left with scarcely any time for strategic thinking due to an overflowing operational schedule, she banked for support on Infosys BPM's procurement specialists. As an outcome, not only did she overshoot her targets by saving \$7 Mn, but also procured what was perhaps even more important – time.



As busy as a beaver

Martha Sandow is a Procurement Engagement Manager (PEM) for a global technology giant, with over 181k employees in 119 countries across the globe. The company's procurement program team has one or more PEMs assigned to each country it operates in, depending on its size. Martha along with one other PEM has charge of the company's sourcing and procurement activities in a few regions in and around China.

Martha's team of procurement professionals carried out sourcing activities in several languages including English, Mandarin, Cantonese, Japanese, and Korean. Managing thousands of suppliers, their work involved servicing procurement requests from internal business stakeholders, spanning all categories. This meant Martha's team was responsible for

everything from new supplier verifications and onboarding approvals, to bidding request forecasts, submissions, compliance, and evaluations, as well as Statements of Work (SOW), Non-Disclosure and Master Service agreements (NDA & MSA), and contract signatures.

With all these responsibilities, Martha had a complex, busy routine. Her daily interactions with business owner teams across the company consumed most of her day as she guided them through all the necessary processes related to their procurement needs.

In addition, competition was fierce in the Chinese marketplace. Suppliers, facing heightened customer expectations, were utilising their resources and infrastructure to the hilt, in a bid to reduce costs while still meeting service level agreements. This had led to a situation where Martha's

business stakeholders had serious concerns about the quality of any new vendor's service or offering. Martha, mandated to drive hard savings through bidding requests, was finding it increasingly difficult to find good suppliers with the right capabilities and compliance factors.

Looking at her challenging and growing task list, Martha realised she needed external support for operational activities so that she could have time for more strategic tasks. With the other PEMs facing similar challenges as well, the company's senior management decided to look out for a suitable partner for procurement. Being well aware of Infosys BPM's robust experience across sourcing and procurement, the company brought them on board in 2019.



Bringing in change

The mandate given to Infosys BPM was to understand the challenges well, leverage the company's buying power via the sourcing process, and to drive awareness and amplify change across the supply chain on matters of racial equity, accessibility, and sustainability. And so it was, that Martha was soon introduced to Infosys BPM's procurement transformation expert Alex Jianhong who would, with his team of specialists, support Martha in tackling her chief challenges.

Alex first scheduled a series of meetings

with Martha, for him and the team to understand her challenges in detail. Martha explained how with over 100,000 suppliers globally, the responses to her various RFX's would often not be aligned with each other. Further, she needed support with maintaining and renewing rate cards, and a global price book for strategic suppliers. She also explained how she wanted Alex's team to take over the responsibility for handling routine sourcing processes which would free up both her and her team's most precious resource – time – for

strategy and creative decision making.

Once he had a good grasp on the situation, Alex assigned various members of his team to handle clarifications and questions from suppliers in response to an RFX, understand new supplier discovery requirements by interacting with different internal business teams, as well as to provide detailed feedback to suppliers, who had often complained that they were not winning bids even once despite going through several RFP rounds.

Approach summary



Alex worked closely with Martha to allocate others in the team to negotiate with all the suppliers, utilising inputs provided by Infosys BPM's market intelligence team, press sources, and Martha's existing databases and dashboards. This yielded an overview of the market as well as insights into supplier diversity and categories, all of which helped to find the best matched suppliers. Another benefit of the extensive market research was that it enabled the team to carry out deep and meaningful communications with these suppliers, to obtain double confirmation on product formats and payment terms, and carry out close co-ordination on NDA, MSA, SOW,

onboarding, and prepay processes.

Next, Martha and Alex collaborated closely with the business teams to define and gather project requirements, streamline the sourcing processes, and to globally align and document the US/EMEA/APAC purchases. The identified market-savvy suppliers were then selected to participate in the RFP process, after successful completion of which, the team scored the awarded suppliers using various parameters, while also documenting an RACI matrix for each sourcing event.

Alex's teams were located out of five different Infosys BPM global delivery

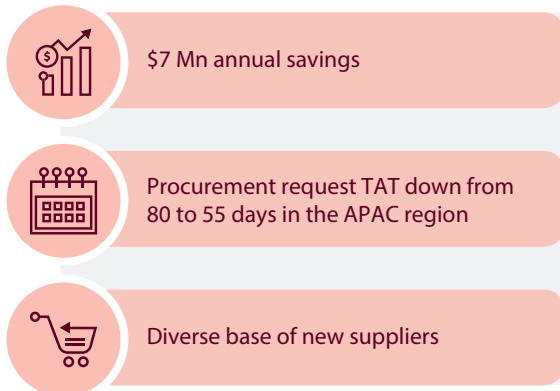
centers. Despite of being dispersed across different geographies, Alex ensured that the teams were able to provide multiple language support based on the supplier's or stakeholder's location. The teams held regular operation management meetings, supporting Martha and her team with activities including supplier verification and compliance, pricing templates, RFx briefs, responses to bidder questions, pricing analysis, and calculations of awards and savings. During this phase, there were also a lot of COVID-related impacts to the suppliers which were concerning to Martha which further expanded the scope and complexity of the partnership's efforts.



Delivering 'big time' savings

The work done by Alex and Martha delivered great value to the PEMs, bringing in technology advancements and resourcing synergies through their cutting-edge procurement processes. While the savings Martha was targeting for the year was only 12%, the final savings tally for FY21 amounted to an impressive \$7 Mn. Further, the turnaround time for procurement RFX reduced from 80 days to an average of only 55 days. Alex also provided Martha with detailed data analysis based on a customised pricing template, and thus the ability to better negotiate with awarded suppliers to optimise budgets and manage efficiencies.

Key benefits



Recognising Infosys BPM's impressive process skills and delivery excellence, Martha additionally transitioned the company's responsible recycling program to Alex's team for support. She was also happy to report to her senior management

how the team was seamlessly collaborating and communicating with all the PEMs to help achieve their targets, with business stakeholders too appreciating the highly professional levels of procurement support they were now experiencing.

Recently, with Martha freed from her operational tasks and now more involved in strategic activities, she was promoted as the PEM head for 5 APAC countries, as well as the head PEM for the China marketing categories.

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

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