



TAKING THE GUESSWORK OUT OF CAPEX

Abstract

Limited spend insights were challenging for Brian Henry, the Procurement Director at a multinational consumer goods company, who was seeking to optimise spending. But everything changed when he brought in Infosys BPM. The partnership not only enabled him to enjoy 360-degree visibility into spend data, but also helped save €8 Mn of Capex and maintenance, repair, and operations (MRO) spends.



Fragmented data and blind spots

Brian Henry is the Procurement Director at a large UK-based multinational consumer goods company that deals with a broad range of personal care, health, food, and home care products. Leading procurement for a large company meant that Brian's responsibility for spending related to Capex and maintenance, repair and operations (MRO) came up to €1.2 Bn – across 70 countries. Given the size of the budget and the number of countries

that Brian was accountable for, he was constantly on the lookout for sourcing strategies to optimise savings and improve the bottom line. Simultaneously, he also needed to ensure synergies between the vast number of entities involved through a centralised sourcing management mechanism.

But achieving synergy was an uphill battle. Brian had to deal with a vast number of suppliers – more than 60K – and deal

with the complexities arising from a lack of uniformity in payment terms. With different payment terms used within the same category, spend data could not be classified accurately, limiting his visibility into the different spend categories. It was anxious to have blind spots in his view of supplier information as ideally, he needed nothing less than a 360-degree view of all supplier information relating to any spend category, accessible at any time.

Spend analytics to the rescue

Poring over multiple confusing reports one day, Brian realised that it was time to bring in an expert service provider. A partner well-versed with the industry would be able to improve his spend classification processes and address his visibility challenges. And thus, the journey with Infosys BPM began back in 2018 with a capable team of experts

headed by Anthony Nicholas, a sourcing transformation specialist.

Backed by vast experience implementing sourcing and procurement solutions for several clients, Anthony dived right in, starting with the procure-to-pay (P2P) process for a tail spend category. To smoothly execute consolidation of the

spend data spread across 70 countries, Anthony worked closely with Brian and the key stakeholders of all the countries involved. Starting from the due diligence phase, Anthony and Brian involved the stakeholders, answered concerns around integrating spend data, obtained their buy-in, and set expectations for the implementation early on.

Approach summary



Anthony and his team then began the massive task of consolidating spend data that was in 14 different languages. After a data wrangling process, the data was mapped into the correct format and was ready for the next stage. While the Infosys BPM team proposed a machine learning models to classify data, there was significant concern regarding the model's accuracy. But Anthony explained

the benefits of the model and brought in a procurement intelligence tool already integrated with artificial intelligence and machine learning (AI/ ML) capabilities that cleansed and classified data - with over 93% accuracy. Throughout the implementation of the spend analytics solution, the Brian and Anthony continued to hold bi-weekly cadence reviews with the stakeholders to provide progress updates.

Further, to simplify the process of scaling the implementation, they standardised the global processes for Capex strategy implementations and project management. They also created a knowledge management repository to maintain all category documentation, project documentation, and management information in a single place.

The making of stars

When Brian and Anthony jointly reviewed the project, it was evident that this new visibility into supplier information was making a tremendous impact. Armed with insights into spend data across 70 countries, Brian could actively monitor more than 300 suppliers and streamline spending by rationalising up to 10% of the active supplier base while deriving value from existing suppliers.

Key benefits



The team also achieved the goal of rectifying inconsistencies in payment terms. Now, by optimising payment terms, Brian was able to unlock working capital to the tune of €6.2 Mn. The spend analytics implementation also helped save 12% of Capex and MRO spend – amounting to €8 Mn – which exceeded the target of 6.5%. But the benefits of the partnership did not end there. Brian and his team of category managers were recognised for their work and received several accolades internally, making them star performers.

Fast forward to five years into the partnership, Brian has entrusted the Infosys BPM team with handling strategic sourcing, P2P, and buy-sell models for several additional spend categories. And the partnership continues to grow as the team's spend analytics implementations continue to help Brian optimise his spends.

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

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