

OFFERINGS FOR THE POST COVID-19 ERA: SOURCING & PROCUREMENT



The 2019–2020 Covid-19 outbreak and its subsequent impact on the world economy has resulted in unprecedented challenges to businesses. These include shrinking revenues, widening fiscal deficits, contraction in global markets, reduced consumer demand, and so on. Some experts believe that the economic disruption caused by Covid-19 could far exceed that of the 2008 recession. This

crisis is an opportunity for businesses to reset their business models and deliver newer, resilient ones for the future.

While it's undeniable that every sector will be impacted, the severity of the impact will vary. For instance, banking and financial services and global shipping and tourism sectors will be highly impacted due to factors such as shifting

fiscal dynamics and fall in consumer footfalls. The impact will be moderate on media and oil and gas sectors and less on telecom and pharma sectors as the services delivered by them are considered as essential. Moody's has provided a Covid-19 impact heat map that identifies specific industries as highly exposed, moderately exposed, and minimally exposed to the pandemic.

How are our Procurement Services supporting clients in response to the Covid-19 crisis?

Infosys BPM's Sourcing & Procurement (S&P) function offers solutions for businesses that operate in the high, moderate, and low impact sectors.

Our deep domain expertise, combined with years of widespread experience in sourcing and procurement, enables businesses in their end-to-end

procurement processes and delivers results.

Let's examine the impact on sourcing and procurement function and how we can help mitigate the challenges arising from such a crisis.

Highly impacted sectors	Nature of impact
<ul style="list-style-type: none"> • Aviation and airport operators • Automotive OEMs and tier I and II suppliers • Banking and financing • Core manufacturing • Real estate and construction • Retail (non-food) - malls • Shipping • Travel, tourism, and hospitality • White goods 	<ul style="list-style-type: none"> • Muted consumer sentiment and weakened/collapsing demand. • Supply-side shocks and sharp drop in manufacturing capacity. • Bad loan cycles, customer defaults, and asset liquidation. • Cash flow disruption, elevated interest costs, and balance sheet write-offs. • Execution risks, travel restrictions, and shortage of labour. • Sharp drop in bulk movement of dry cargo.

Source: Moody's

What Infosys BPM Can Do?

Infosys BPM can help mitigate the risks and overall impact in highly impacted sectors with the following solutions:

- Rapid risk disruption assessment and analytics.
- Duplicate payments identification.
- Payment terms rationalisation and harmonisation program.
- Category and spend analysis with a digital decision support platform.
- Augmented working capital and cash flow forecast dashboard.
- Supplier risk assessment.
- Sourcing as a service with a modular approach to staffing with flexible ramp-ups and ramp-downs.
- Emergency back-office support.



Moderately impacted sectors	Nature of impact
<ul style="list-style-type: none"> • Education • Defense • Electronics and semiconductor • Energy and commodities • Oil and gas • Base metals manufacturing • Media and entertainment • Renewables • Rentals and leasing • Textiles • Warehousing 	<ul style="list-style-type: none"> • Changes in investment priorities of governments and customers. • Supply chain disruptions, with visibility and inability to quantify risks. • Dependency on Chinese manufacturing, including batteries, components, etc. • Demand for flexibility in manufacturing, remote support, and space utilization. • Labour availability and pricing dynamics. • Challenges in quality control and logistics. • Reduction in new content generation.

Source: Moody's

What Infosys BPM Can Do?

Infosys BPM can mitigate the risks and overall impact in highly impacted sectors with the following solutions:

- Rapid risk disruption assessment and analytics.
- Duplicate payments identification.
- Payment terms rationalisation and harmonisation program.
- Augment working capital and cash flow forecast dashboard.
- War room management.
- Category and spend analysis with a digital decision support platform.
- Supplier risk assessment.
- Revisit capex investment cycle.
- Bid for direct materials management.



Minimally impacted sectors	Nature of impact
<ul style="list-style-type: none"> • Agriculture • Chemicals • E-commerce/hyperlocal marketplaces • FMCG • Healthcare • Hi-tech (3D printing, innovation, and rapid prototyping) • IT and internet economy • Insurance • Pharmaceuticals • Packaging • Telecom • Utilities 	<ul style="list-style-type: none"> • Raw material, specialty chemicals, and intermediates dependent on China. • Remote working. • Validation of the benefits of outsourcing. • Supply chain realignment (to new destinations like Vietnam and Malaysia). • Periodic spikes and troughs in demand. • Personal social distancing and contactless deliveries.

Source: Moody's

What Infosys BPM Can Do?

Infosys BPM can help businesses in the minimally impacted sectors in the following ways:

- Penetrate the direct materials management pie of existing clients.
- Reaffirm pole position in digital transformation strategies, thanks to our parent technology pedigree.
- Validate outsourcing model with remote working and build on existing client relationships to increase revenue share.
- Perform sensitivity analysis of supply chain disruptions through digital solutions.
- Implement a modular approach to staffing with flexible ramp-ups and ramp-downs via sourcing as a service.

Conclusion

The extent of the economic losses caused by Covid-19 pandemic is yet to be fully understood. Businesses across several sectors are staring at losses and revenue depletion and hope to kick-start their operations once the pandemic subsides. Infosys BPM is committed to aid global businesses in such challenging times and to enable them in emerging successfully. We have held on to our values of customer centricity through many years of impactful client engagements.



If you wish to learn about how we can make a difference in your business, please reach out to us at InfosysBPM@infosys.com.

For more information, contact infosysbpm@infosys.com

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