



A leading Indian cement manufacturer transforms procurement processes with SAP Ariba



Client background

Client: A leading Indian cement manufacturer.

Industry: Manufacturing.

Area of Operation: India.

Product: Cement.

Employees: More than 900.

Challenges

The client, with its traditional ERP system, was spending a lot of time on finalizing agreements for critical raw materials such as limestone, coal, silica, etc., required for cement manufacturing. Holding auctions for high valued items was cumbersome and costly, while finding qualified vendors was also a major challenge. Spend calculations required complex reporting with landed cost, target savings and extended price being calculated manually. Different pricing schemas were followed across material categories, leading to complex calculations for arriving at the total landed cost.

Solution

The client was looking for a cloud solution which would enable them to collaborate directly with vendors online, to reduce the turnaround time for finalizing agreements for all their critical raw materials. The client was also looking for readily available details of qualified vendors for their critical procurement. Wipro was already a preferred vendor Wipro implemented Sourcing Pro, an SAP Ariba cloud procurement solution, to overcome the hurdles of the client's traditional ERP system. Here are the highlights of the solution that was implemented:

The cement major digitized its end-to-end sourcing process and improved business process transparency with SAP Ariba Sourcing Pro solution



Custom templates were created with automated approval flows, notifications and tasks for different teams to map workflows for diverse events, including live auctions.



The integration involved direct connectivity between Ariba Sourcing and SAP ECC systems without middleware. New formulae and terms were adopted in five different sourcing templates to calculate landed cost for various types of materials automatically.



Developed a new reporting structure in accordance with the client's requirements to calculate spend based on category, commodity, supplier and region.



Adopted Ariba Discovery tool to find new and eligible suppliers.

Business impact

SAP Ariba Sourcing Pro drastically improved the turnaround time taken for the client's procurement and auction processes. The client was also able to move to the online procurement process in a very

short span of time, increasing the productivity and efficiency of their purchasing and finance departments.

10% initial cost saving on monthly spend.



Digitized the end-to-end sourcing process involving backend integration with SAP ERP.



35% decrease in manual activity of landed price calculation.



60% time savings in bidding process by using the online bidding feature of SAP Ariba.



Improved business process transparency in the procurement process.



Access to global supplier base through the Ariba Discovery tool.



“Wipro streamlined the client's strategic sourcing processes by implementing SAP Ariba's online sourcing functionality and competitive bidding with advanced bid analysis tools; this resulted in the automation of the client's manual bidding process. This freed up resources for other critical purchasing activities, saving considerable time and effort spent on manual sourcing processes. Wipro also enabled the client to identify new suppliers via Ariba Discovery, helping them to increase revenues and maximize savings.”

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