



How a pharma major
transformed its
procurement function



Client background

Client: A leading Indian pharmaceutical company.

Industry: Healthcare and pharmaceuticals.

Area of operation: Worldwide.

Products: Pharmaceuticals, personal care, animal health, nutrition and wellness, and baby care products.

Customers: Over 300 million.

Employees: Over 9000.

Challenges

Procurement of materials was carried out from a small set of suppliers, leading to a monopoly-like situation and higher costs to the client, impacting product profitability. Evaluation of suppliers was done manually, which was inefficient. The client was also losing money due to noncompliance of contracts as there was no automated system in place to ensure contract compliance.

Solution

The client chose to implement the SAP Ariba Procurement upstream solution since it was comprehensive, user friendly and easy to implement with minimal upfront investment, and could be seamlessly integrated with their existing SAP system.

After a comprehensive evaluation of multiple system integrators, the client chose Wipro as their partner for SAP Ariba implementation. The key factors differentiating Wipro were the solution design, implementation approach and the competency of the team. Wipro implemented three modules of SAP Ariba (sourcing, contract management and supplier information, and performance management) in a short span of 12 weeks, and the key highlights of the solution included:

A leading pharmaceutical company implemented SAP's comprehensive Ariba upstream procurement solution and achieved significant improvement in product profitability and 100% contract compliance.



Streamlining the client's sourcing and contract authoring process with auto-notifications for expiring contracts.



Capturing of the sourcing process as per client requirements, which involved delegation to different departments, automated approval flows and online sourcing via sourcing events.



Opening up a new line of suppliers via the Ariba Discovery tool.



Auto scheduling of supplier performance on an annual, half-yearly or quarterly basis.



Availability of consolidated scorecard of supplier performance with predefined scoring and grading of survey responses.



Developing 360-degree supplier and spend visibility reports.

Business impact

Successful implementation of SAP Ariba enabled the client to unlock access to multiple suppliers at a lower cost, resulting in substantial savings and improved product profitability. The key benefits achieved were:



INR 4.4cr. total savings achieved in the first three months after implementation.



100% contract compliance and accountability.



100% paper and ink-free sourcing and supplier on-boarding .



Automation of the entire supplier evaluation process.



Improved business process transparency in procurement processes.



Access to global supplier base through the Ariba Discovery tool.



“Wipro enabled the organization to transform its supply chain processes by implementing SAP Ariba, resulting in the improvement of product profitability through a significant reduction in raw material cost. Wipro’s excellent domain, solution and project management skills played a key role in fulfilling our client’s strategic goals.”

R. Mohan,
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