



# How a Fortune 500 company saved 8% in costs on key spend categories

## Abstract

The India subsidiary of one of the world's global powerhouses partnered with Proctek for strategic sourcing and e-negotiation. The partnership helped the client make a whopping 8% savings in its procurement cost in various categories.

## The Client

The client is a multinational conglomerate. It has a strong global presence and operates in more than 70 countries worldwide. The company's product reach extends across various sectors including transportation, consumer goods, safety and security, healthcare, and electronics and communications markets. Notably, the company's India subsidiary primarily focuses on industrial equipment.

## Proctek's Digital Negotiation Platform To The Rescue



## The Client's Woes

**Manual process**

**Missing Information**

**Unscalable**

Procurement – the process of acquiring goods or services from an external source can be conducted either manually or digitally. Companies follow the process of requesting bids from vendors, selecting the best available options, and finally negotiating terms and conditions.

Traditional manual negotiation for the purchase of supplies is often accompanied by myriad problems and has been the bane of many organizations! Missing critical information, passing of selective information and higher probabilities of human errors creeping in, are some of the issues faced by the companies that still choose to tread the traditional manual path for negotiations. Apart from that, manual negotiations are often fraught with risks, since any mistakes or missing information could lead to huge losses. What's more – manual negotiations are time consuming and not sustainable when a large number of negotiations or purchases need to be conducted. The client too faced these challenges and decided to tackle them head-on!

**Automated process**

**User Friendly**

**High Participation**

The client used Proctek's multi-model RFQ (Request for Quote) negotiation module to enable strategic sourcing. It was Proctek's e-negotiation platform that provided both the configurability and advanced capabilities needed to enable the world-leading enterprise to run sourcing events which garnered several participants and vendors. The online platform allowed for quick and easy communication and information exchange. The user-friendliness of the Proctek platform led to high participation from vendors who benefited from the much-needed access to large buyers.

## Savings Aplenty

The organization has consistently saved 8-10 % in its e-negotiation contracts for the past 4 years using the Proctek platform.

The benefits of using the platform have been two-pronged. It has allowed the clients' suppliers to compete for contracts and get access to one of the largest companies in the world. Secondly, it allowed the client to easily connect with several sellers without the need to be restrained by any geographical boundaries.

The e-negotiation environment ensured that the client was able to gain from savings in direct material costs and procure its supplies and services at genuine market rates. Increased transparency between the client and suppliers was also an added advantage.

The Proctek solution paved the way for the megacorporation's India subsidiary to automate its sourcing process, improve process efficiency, augment vendor participation and increase transaction volume contributing to business growth.

The company was able to obtain savings in the following four categories which enabled revenue growth and an improved P&L.

**Electrical, Electronics**

**Chemicals products**

**Transport and Logistics contracts**

**Construction contracts**

**8% savings**

**13 e-negotiation events**

**₹ 90Cr Transaction value**

**3 days Reduction in cycle time**

**100% Transparency**



## Benefits To Clients

**Savings in e-negotiations**

**Reduction in Cycle time**

**Better Quality Suppliers**

**Process Efficiency / Transparency**

**System Documentation / Traceability**

## Benefits To Suppliers

**Opportunity to connect with big clients across geographies**

**Visibility / Volume of biz**