



# How a 10,000 Crore FMCG Giant Reduced Purchase Cycle Time, Saved Money and Achieved their Purchase Goals - In a Single FY!

## Abstract

India's No. 1 Refined Oil Enterprise Kaleesuware Refinery logged savings in costs, and reductions in procurement cycle lengths when they got on to the Proctek platform.

## The Client

The client, Kaleesuware Refinery, is a giant in the FMCG industry. Established in 1973 with a vision to promote wellness among Indian families with a range of healthy edible oils, Kaleesuware has grown into a trusted producer of edible food products with multiple brands under its banner, including edible oils, pulses, hair oils, and lamp oils. The company's Gold Winner edible oil ensured that Kaleesuware became a family name in Indian households. The company has increased its footprint to international markets such as Oman, Kuwait, the UAE, Sri Lanka, Malaysia, Seychelles, Australia and the USA.

## The Challenge

The client was looking for a platform to resolve complex procurement negotiation requirements. The platform needed to provide an automated, easy-to-use procurement process where they could reduce their purchase cycle time and optimize procurement at an economical cost.

For their procurement needs, they required a wide range of products and services, including:

- Industrial Supplies:** Chemicals, coal, plastic products
- Paper & Printing:** Paper and board, packaging items, printing equipment
- Office & Facilities:** Office equipment, shop equipment
- Construction Materials:** Metal constructions for buildings, metal pipework, valves, and containers
- Building Services:** Electrical contract works, plumbing and sanitary work contracts
- Mechanical Equipment:** Engines and mechanical parts

Procurement of these goods and services was happening manually, through email, physical tender and ERP. Costs were escalating, as was purchase cycle time.

## The Solution – Proctek’s Digital Platform:

Kaleesuware signed up with the Proctek platform to focus their procurement activities at a single-stop shop. They decided to try the platform as a one-time initiative and began slowly with three categories.

The initiative rapidly gained traction over FY 22-23 into twelve categories for their procurement.

## Categories procured

Chemical products	Coal	Plastic products	Paper and board	Packaging items	Printing equipment
Office and shop equipment	Electrical contract works	Engines and mechanical parts	Metal constructions for the building industry	Metal pipe work, valves and containers	Plumbing and sanitary work contracts

## The impact

Kaleesuware achieved the desired results for their purchases, in addition to gaining reductions in cycle time and savings. Across 92 procurement events on the platform in a single financial year, Kaleesuware undertook transactions of INR 164 crores across 11 categories and saved 5.5% on their procurement budgets. This was a major saving on purchases to the tune of INR 8 crores in a single financial year, against the initial estimate of 2%.

Kaleesuware introduced 80 vendors to the Proctek platform, who participated in tenders and RFPs floated by Kaleesuware.

### Client Success Metrics

This initiative significantly contributed to the client's bottom line, generating savings of 5.5%

<b>164Cr</b> Total transaction value	<b>92</b> Events in total	<b>80</b> Participating vendors	<b>11</b> Product categories
---	------------------------------	------------------------------------	---------------------------------

## Client Satisfaction & Future Plans:

The client is extremely happy with the automated procurement process and savings in purchases. Kaleesuware is continuing to leverage the platform after three years, and has expanded the scope of procurement activity on Proctek to four factories. Kaleesuware is planning to integrate their ERP system with the Proctek platform.

## Supplier Benefits

Access To A FMCG Giant

## Client Benefits

Cost Savings: 5.5% In A Single FY, To The Tune Of INR 8 Crores	Reduced Purchase Cycle Time To 3 Days	Enhanced Efficiency In Procurements
--	---------------------------------------	-------------------------------------

## Client Testimonial:



From a small POC for three categories to 12 categories across 4 factories, our confidence in Proctek as an easy-to-use procurement platform has grown by the day! We are now integrating our ERP system into the platform