



CASE STUDY

HOW A COMPANY STRUGGLE TO MAP COST | USE OF EXISTING RESOURCES |

POWER OF DATA & ANALYTICS | HOW SEGEATI HELP ORGANIZATION

A commercial manufacturing company started to set up its first footprint outside its domestic market and is been struggling to achieve break even after 7 years of plant set up. Situation become more critical as the company's parent office is based in a country, which is identified as Low Cost Country, for Sourcing and Procurement of Parts.

With 68% of company's funding spend on purchase of goods and services from local market where It is placed, the need for procurement to find transformative solutions to drive cost savings and supply chain efficiency has never been greater. Where will they look?

Both at a Local and International level the need to answer this question justifies the increasing demand for Spend Visibility and Analysis along with Benchmarking across organizations.

This Case Study describes the steps that one company have taken to implement a shared analytics and benchmarking solutions as well as driver collaboration and value from its results.

The initial situation:

"Big ERP software was available with huge Megabytes of data to be analyzed in detail, Spend Analysis term was knowing to buyers but they were not so adept to use and execute through data, many purchase are being done on ad hoc basis with repeated case of failure or excess spending. Login and usage were quite low". Having a strong financial background back in home country, the plant affords to buy expensive data analytic software, which again failed as data customization is not been done considering buyer's maturity and familiarity".

Soon pressure to reduce Cost started mounting on the satellite plant, as sales figures not increasing with a very limited Profit on each unit sold, they are in immense pressure to cut Cost, but the question is from where to start?

Segeti comes into Play:

For data to be useful, spend analysis solutions must be tailored to the unique challenges of the organization. This includes supporting a wide data capture, as well as manufacturing sector specific capability, such as enhanced Cost Centre's and GL Account and tools that enables category managers to share other source of information, knowledge and experience in additional to Raw Analysis.



Stakeholders Engagement

With unique features of Category Management at 3 different level for a manufacturing unit, along with sub-divisional level and sections levels, the data gives clear visibility of company's actual spend with respect to plan.

Segeati's unique feature – "Aurum" helps Buyers to benchmarks Raw Material prices, Operation Cost, Manpower Cost for different countries and push them to think beyond tactical sourcing.

"HawkEye" helps the buyers in identifying the inherent risk which complex supply chain carries, A unique 2X2 matrix that makes blind spot visible to the Procurement team and with digital detective's risk mitigation at right time help them to address and resolve all possibilities

The power of Deep Data analysis

We started helping the team with Data Analysis for Spends done in past and present, with clear and cogent bifurcation into categories, which helps them to understand in which area they are spending more against actual.

Category bifurcation provide at later stage helps them identifying parts, narrowed down to 10 items from 500 + Line items, which they have when we start.

Report is being generated and sent concern person for price variations on Part level, cost Center level and GL Account level.

With the data and reports, the procurement team gain more confidence and started identifying areas of Cost Reductions.

Operating Working Capital, Inventory & Delivery Management

With 1000 line items data, Segeati team develop a unique 3X3 matrix which help procurement team to identify low, medium and high risk items, help them to plan procurement in efficient manner, which have positive impact on the company's operating working capital.

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