



## Leverage Business Benefits Using SAP SRM

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SAP's Supplier Relationship Management (SRM) component has been, and will continue to be, a key facilitator for WNS' customers to realise business benefits. Possible business benefits range from the obvious quantifiable benefit of cost savings to more qualitative benefits such as improved user acceptance of the processes and perception of the system. This article is intended to show, with examples, how WNS have achieved business benefits through SRM system deployments over the past year.

### Business Benefits:

WNS have SRM experts with experience in various industries, but there are some benefits which an SRM implementation should always bring irrespective of the customer's industry. The following benefits are those which WNS consultants ensure apply to all SRM implementations undertaken:

#### 1. Reduced purchasing costs due to:

- a. Ability to view entire purchasing history with suppliers and negotiate future discounts
- b. Channelling all spend through preferred vendors, thus increasing contract compliance to leverage discounts



- c. Elimination of maverick or non-compliant requisitioning amongst the user base
  - d. Greatly reduced procurement team intervention in the purchase order creation function.
  - e. Improved productivity through the utilisation of simple and user-friendly screens built on internet best-practises
2. **Instil purchasing process compliance by deploying a small set of requisitioning processes applicable to all types of spend**
  3. **Reduce maverick buying by having a centralised requisitioning system with built in controls and an efficient but all-encompassing approval process**
  4. **Process efficiency without losing the necessary control due to:**
    - a. Deploying best practise requisitioning, approval, purchase order creation and output processes which have been tried and tested at various customers for nearly 10 years
    - b. A fully integrated and auditable approval process, which allows all requisitions to be approved by the necessary people in the quickest possible time
  5. **A high user acceptance as a result of:**
    - a. Easy to use screens and logical processes
    - b. Reduced transactional times
    - c. Full transparency of errors and warnings when needed
    - d. Planning and carrying out the necessary change management and training tasks
  6. **Complete audit trail is available for any and all transactions**

## Case Study 1: Global Retail Company

WNS advised a global retail company based in the UK how business benefits can be realised through the adoption of a common set of procurement processes enabled through SRM. The retail company needed the processes to be applicable for head office users as well as their users located around the world in various stores.

The following highlights the key benefits which the new SRM system, designed by WNS consultants, will realise and how they will be achieved:

- **Promote contract compliance to maximise discount possibilities amongst suppliers**

A huge improvement brought about by the system design was to introduce contract management and the proposal of preferred vendors for certain types of spend. Not only will this ease the requisitioning process for users by having the correct vendor be proposed, but future negotiations with vendors should enable price discounts to be realised once spend figures are collated, as the business will be able to see what they are spending with their suppliers.

- **Improved user productivity and acceptance through easy and intuitive purchasing processes**

The adoption of a common set of intuitive requisitioning channels was designed to ensure all types of operational spend would be possible with minimal training. The number and nature of the requisitioning channels needed to ensure the users would be able to quickly and easily know how to raise every type of request. This is a key factor to ensure users adopt the system quickly and effortlessly, and should enable a one-stop shop for all types of indirect requisitioning in the future.

- **Enforce necessary control for purchasing spend without compromising efficiency**

All requisitions generated were to undergo an approval process which will allow procurement intervention only when non-preferred vendors are



involved, the managers of the assigned cost centres to approve the spend allocation and finally the right senior managers to approve the value of spend. A simple process was designed to ensure this occurred with the minimal number of approval steps, thus reducing the time taken to approve requisitions without compromising the necessary control requirements.

- **Minimise the operational burden within a new procurement function**

A key challenge was to design a procurement function within the organisation so key users would only need to get involved in checking purchase requisitions which were not directed to preferred vendors. The design needed to ensure that these procurement users were not inundated and had visibility only when necessary. The outcome was a design which minimised enhancements, was easily switched on or off for specific types of spend and was future-proofed for organisational growth. This will allow the organisation to maintain its focus on strategic sourcing activities while ensuring involvement in the purchasing process when necessary.

## Case Study 2: Global Electronics Company

WNS were involved in the design and implementation of a pan-European rollout of a SRM system for a global electronics company. The design and implementation focused on creating a common set of procurement processes which would be applicable across Europe for all types of indirect procurement, and enabling a fast and intuitive requisitioning process. The company spends 1.2 billion Euros each year on indirect procurement, and historically visibility of purchasing spend was incredibly difficult.

The SRM system was rolled out successfully and within budget for 35 countries across Europe in 12 months by means of a 4 wave rollout strategy.

The following highlights the key benefits realised and how they were achieved:

- **Implement pan-European system processes to enforce purchasing compliance**  
A key challenge facing the business was the migration from disparate localised procurement processes and systems where enforcing required controls and maintaining visibility of purchasing was problematic, to a centralised IT system accessed by every requisitioner in Europe with control mechanisms to prevent poor or incorrect purchasing taking place. WNS designed, implemented and tested a set of purchasing processes fit for purpose for the entire European region. The organisation has now successfully managed to implement a 'No PO No Pay' policy across Europe, which has 80-90 percent adherence today.
- **Leverage future price discounts by being able to track purchasing spend**  
The system design needed to ensure that purchases were channelled into contracts with preferred vendors and a mechanism to flag when target amounts have been spent with a supplier were required to prompt purchasers to consider



contract renegotiations. These steps have maximised spend with the preferred supplier base and provided the tools needed to negotiate improved pricing agreements.

- **Reduce training costs and improve user acceptance through the implementation of a 'Buying Channel Framework'**  
A significant business issue was the perceived difficulty in training all requisitioning users to ensure they all understood the correct method to request each distinct type of good or service. A web-based 'Buying Channel Framework' component was created to allow requisitioners a user-friendly entry portal to directly take them into the correct requisitioning template when needed and to provide help and contact details for issues.
- **Onboard all vendors through global and local catalogues and contracts**  
The design for the system required the organisation to use both local and global contracts and access internal and punch-out catalogues containing items from vendors which applied to some or all regions. WNS designed and implemented the procurement system so all vendors used for indirect procurement across Europe could have contracts or catalogues setup to be used by the necessary countries or regions. System communications to vendors was made flexible enough to cater for all languages required amongst the vendor community, so all vendors could be supported in the new system, whether they were local vendors, SME's or large corporations.
- **Minimise disruption to the business and enable a smooth transition**  
The electronics company needed each rollout phase to cause minimum disruption to the daily jobs of the users and support staff. This was achieved by detailed planning of the necessary communications, workshops, training courses and data gathering required in each country or locality prior to their proposed go-live date.

WNS staff were instrumental in advising, planning and carrying out many change management and data migration tasks required to ensure a swift and painless transition for each of the 35 countries. The rollouts all took place on budget and within the designated timescales.



## A Sample SRM Benefits Realisation Plan

A leading University are deploying SRM with WNS and they undertook a benefits realisation planning exercise for SRM and P2P.

The table below shows examples of the quantifiable benefits SRM can realise:

Benefits	KPI's	Realisation Plan	Timescales
Increased spend under management	Increase contract coverage by XX to yield a Y% saving	<ol style="list-style-type: none"> <li>1. Identify non-contract suppliers used</li> <li>2. Make items readily available from current contract suppliers</li> <li>3. Let short term contracts (1 year minimum) with suppliers to give access to suppliers on P2P</li> <li>4. Use Marketplace to demonstrate lower price contract alternative suppliers</li> <li>5. If suppliers still required, continue as contract supplier</li> </ol>	Contracts with XX suppliers let. Other contracts to be commenced.
Contract and supplier rationalisation	Reduce number of contracts and contract suppliers to achieve up to X% saving	<ol style="list-style-type: none"> <li>1. To be conducted in parallel with increased spend under management</li> <li>2. Data to be identified using SRM</li> <li>3. Benefits to be implemented in co-operation with users</li> </ol>	To be reviewed at end of 1st year of implementation.
Delivery costs	Reduce number of deliveries to achieve X% saving	<ol style="list-style-type: none"> <li>1. Use of SRM to place fewer larger orders</li> <li>2. Improve contract coverage to reduce number of suppliers required</li> <li>3. Reduce the number of suppliers available to ensure large orders</li> <li>4. Implement 'Delivery Windows' through improved supplier management</li> </ol>	To be implemented after go live and implementation of SAP Analytics.
Requisition to order times	Reduce requisition to order times to achieve XX fte or XX saving	<ol style="list-style-type: none"> <li>1. Saving to be achieved by implementation P2P SRM and punch-out catalogues</li> </ol>	Early indications show that use of SRM and the catalogues is reducing requisition to order times.
Early payment discounts	Negotiate early payment discounts into new contracts	<ol style="list-style-type: none"> <li>1. Include request for early payment discounts in tender documents</li> <li>2. Load discounts into SAP</li> </ol>	To be implemented for existing contracts over 1 year. New contracts as let.

# SRM Accelerators from WNS

**Packaged Services:**

WNS offer some fixed price and fixed scope packaged services for SRM, where you can pick your required functionality and this can be delivered in a set number of days\*. This is to remove the stress and ensure projects run to budget and to agreed timescales.

SRM Package Name	Number of Man Days
Pluto	75
Venus	100
Saturn	150

**Upgrades:**

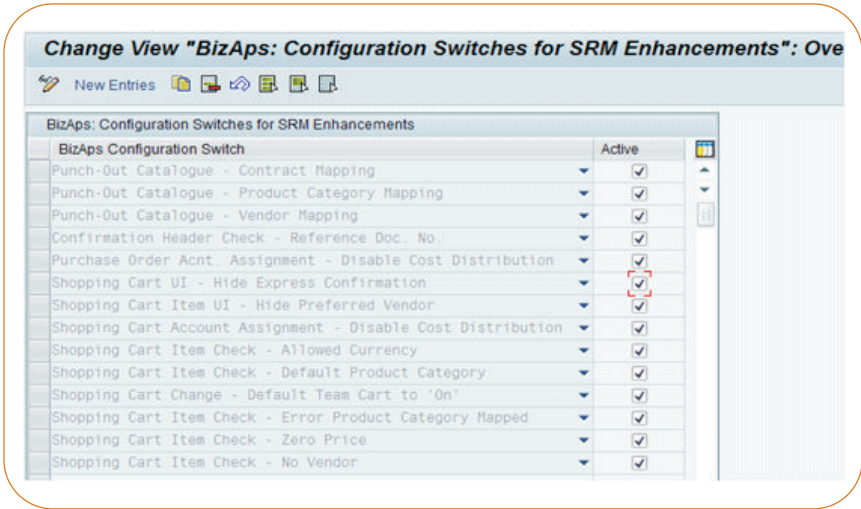
For customers wishing to upgrade their SRM system to SRM version 7.0, there is the Apollo package available for us to spend approximately a

week analysing your requirements and existing system to produce a report recommending an approach and listing high level configuration settings and all technical changes needed during the upgrade to achieve the required functionality.

SRM Package Name	Number of Man Days
Apollo	5

**Pre-delivered Enhancements:**

For customers wishing to engage WNS to assist in an SRM implementation, we can offer for an extremely competitive price some pre-delivered common SRM enhancements to minimise implementation time and costs and which will be supported by WNS. See below the 14 SRM enhancements which can be switched on via system configuration:



Please talk to your sales contact if you require more information on any of these topics.

\* This would always be pending a blueprint phase having been completed to verify the requirements

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## About WNS

WNS is a leading global **Business Process Outsourcing (BPO)** company. A front-runner in the outsourcing space, WNS has over **200 clients**, serviced by **21,000+ employees** globally from **21 centers**. WNS delivers over **600 processes** to clients across industries. The company is the recipient of many prestigious global outsourcing awards. WNS has deep industry knowledge and expertise, a partnership approach, comprehensive service offerings and a proven track record that enables the company to deliver business value to many of the world's leading companies. We are passionate about building an organization that is valued by our clients, employees, business partners, investors and the community at large. Our management team comprises accomplished professionals from leading global organizations. Each member brings deep business acumen and outsourcing domain expertise, ensuring a strong growth curve.

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To learn how we can help extend your enterprise visit [wns.com](http://wns.com) or write to us at [marketing@wns.com](mailto:marketing@wns.com)

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