



CASE STUDY

PROCUREMENT

GLOBAL MANUFACTURER OF SPECIALTY CHEMICALS GAINS \$200 MILLION VALUE BY TRANSFORMING ITS SOURCE-TO-PAY MODEL

A Fortune 500 manufacturer of specialty chemicals was focused on transforming its Source-to-Pay (S2P) model by integrating operations across the entire S2P value chain. WNS deployed a Center of Excellence model, and helped standardize, automate and digitize the client's procurement operations. A category enablement program comprising coaching and training was also designed. WNS helped the client drive USD 200 Million in value in two years.

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The Opportunity

The sourcing and procurement functions of a global specialty chemicals manufacturer were fragmented and decentralized. With operations spread across 26 countries and 50 entities thereon, the client was keen on building a centralized and consolidated procurement delivery model. This required integrating the end-to-end Source-to-Pay (S2P) operations comprising sourcing, tactical and transactional procurement, and accounts payable processes. While cost savings was a business lever, the company was also looking at category management to develop, document and maintain procurement strategies and project portfolios.

How WNS Enabled the Client in the Transformation

WNS conducted a strategic assessment to capture the regional variances and nuances of

50 entities in four continents. Based on the findings of the assessment, we helped build a centralized procurement Center of Excellence (CoE) to standardize all procurement operations. This was enabled by the deployment of our proprietary automated workflow tool. The CoE was also complemented by a one-stop procurement service desk that helped manage differential work-loads.

For optimal running of the CoE, a spend analytics module was designed to track every spend and capture savings. The transactional processes were designed to meet compliance requirements, curb maverick spend and enable savings. Compliance to buy channels was enforced through policy-driven operations. A global master data management solution was developed to reduce duplicates and standardize classifications.

WNS also designed an enterprise-wide category management methodology and toolkit to meet the chemical company's specific business requirements. We coached and trained the client's category managers, and helped manage peak loads through additional support from procurement specialists.

These specialized resources supported source-to-contract operations in direct categories (such as chemicals, raw materials and packaging) and in indirect categories (such as capital, general services and supplies, IT, telecom, logistics, marketing, professional services, and engineered goods and services).

The Outcome

WNS delivered a world-class, high-performing S2P organization in just nine months. Some of the



specific benefits were as following:

- The transformation enabled USD 200 Million value within two years; additional estimated savings of USD 20 Million through the implementation of the 'No PO, No Pay' policy
- Category managers could now focus 70 percent of their efforts

(previously 30 percent) on strategic activities

- The centralized transactional procurement function increased the overall organization productivity by 11 percent
- Spend under management improved by 75 percent

through efficient category portfolio development

- On-time payments showed a 30 percent spike

WNS standardized the company's procurement operations and eased the process of doing business with its clients.

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