CASE STUDY

Getting relief from growing pains
A holistic approach to achieving financial health

WHO WE WORKED WITH
A global manufacturer of healthcare products, medical devices, and supplies.

WHAT THE COMPANY NEEDED
Help dealing with the complications of rapid growth: integrating legacy systems, getting a handle on spending, blending processes, improving supplier relationships, and creating positive business impact.

HOW WE HELPED
Applied Lean Digital™ principles to get to the root of the client’s pain, helping them regain financial health through value-generating transformation.

WHAT THE COMPANY GOT
An end-to-end procure-to-pay process that really works—delivering reliable real-time data, increasing employee productivity, improving cash flow, and enhancing visibility.
With over $10 billion in annual sales and 41 manufacturing facilities in 17 countries, this global manufacturer of healthcare products, medical devices, and supplies had grown by leaps and bounds. Their mission was to make a meaningful difference in three core categories: surgical solutions, vascular therapies, and respiratory and patient care. But rapid growth through mergers and acquisitions was causing increasing pain, particularly within their procure-to-pay operations. The two main sore spots were technology—especially legacy systems and processes—and transitioning from outsourcing in Manila to centralizing operations in Hyderabad.

It was time for some drastic intervention. Time to call on the expertise of Genpact.

**CHALLENGE**

Restoring optimal health

Growing pains are inevitable—just ask the parent of any adolescent. But for a global healthcare company whose mission is alleviating pain, rapid growth was not only leading to minor aches but risking major organ shutdowns. Processes were too complex. Technology was not standardized. There were communication breakdowns between IT and other business functions. And too many “specialists,” each hyper-focused on their particular area of expertise, offered only short-term solutions, ameliorating local symptoms while hiding the larger systemic ailment.

The company’s initial treatment plan involved changing from the current outsourcing service provider in Manila to a centralized solution in Hyderabad. But in the course of the transition, bigger problems were revealed: fragmented invoicing processes, minimal spend visibility, poor reporting, inadequate data, and uncertainty about timely supplier payments. Patching up the parts would not fix the larger issue; that required a whole-body approach.

Enter Dr. Genpact and the Lean Digital℠ team, offering a treatment plan to restore the company’s optimal financial health.

**SOLUTION**

Perform Intelligent Operations℠

Sometimes a patient must tolerate a little more pain in order to achieve complete relief. And that was the case with this client. After explaining our ultimate goal—Intelligent Operations—we warned that there could be some initial glitches in data, technology, and process. Our first intervention was Cora APFlow, an automated Accounts Payable (AP) platform that connects enterprises with their suppliers around the world. Things got tense at first as we worked through a dramatic backlog of invoices. But, being flexible, we employed an agile operating model to counteract these temporary pains.

Next we established three “operating rooms” focused on various pain points:

- Room 1 solved technology-interface issues and performed flow mapping
- Room 2 manually managed backlogs and exceptions
- Room 3 coordinated with client teams to allocate resources

In-depth analysis revealed over 180 improvement areas. Using Lean principles, we crafted a roadmap, prioritizing process and IT changes to address the most severe issues first. Like physical therapy, we repeated these exercises until pain began to diminish. Over five months, operating 24/7 and training employees, we cushioned the blow to the bottom line that might have resulted from broken processes and unpaid invoices.

**IMPACT**

Lean Digital℠ alleviates pain

Lean Digital℠ was our key to exploratory surgery, revealing every aspect of the client’s end-to-end process and enabling us to design the best treatments to get this patient back to optimal health. Key ingredients in our antidote included:

- Streamlining vendor setup and maintenance in addition to automating workflow-based approvals and notifications
• Onboarding suppliers through a dedicated supplier portal, which reduced inbound call volume and inquiries

• Introducing robust reports and dashboards to enable quick decision-making, resolve process bottlenecks, and drive ongoing improvements

Follow-up visits show the continued benefits of financial health:

• High levels of controllership in invoice processing

• 17% improvement in employee productivity through automation and process standardization

• 16% improvement in discount capture (from 81% to 94%), resulting in P&L impact of $0.5 million annually

Everyone knows growing pains are tough—but once overcome, the prognosis is positive indeed!

ABOUT GENPACT

Genpact (NYSE: G) is a global professional services firm that makes business transformation real. We drive digital-led innovation and digitally-enabled intelligent operations for our clients, guided by our experience running thousands of processes for hundreds of Global Fortune 500 companies. We think with design, dream in digital, and solve problems with data and analytics. We obsess over operations and focus on the details - all 78,000+ of us. From New York to New Delhi and more than 20 countries in between, Genpact has the end-to-end expertise to connect every dot, reimagine every process, and reinvent companies’ ways of working. We know that rethinking each step from start to finish will create better business outcomes. Whatever it is, we'll be there with you - putting data and digital to work to create bold, lasting results - because transformation happens here, at Genpact.com.


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