CASE STUDY

Powering procurement into a digital future for an energy giant

A new global target operating model realized the full benefits of a major acquisition

WHO WE WORKED WITH
One of the world’s leading power companies.

WHAT THE COMPANY NEEDED
To harmonize procurement roles, processes, and technologies after a major acquisition.

HOW WE HELPED
We delivered a standardized global procurement target operating model (TOM) backed up by a governance board to ensure adoption. With access to a single source of procurement data and better metrics for decision-making, procurement could become a strategic business partner.

WHAT THE COMPANY GOT
A dramatic 40% increase in overall efficiency. E-sourcing adoption was up by 25%. And e-request-for-quotation (eRFQ) volume declined by 7%.
### Challenge

Turn procurement disorder into a sleek, unified function

Buying a global industrial power provider was a big step forward for this organization but amalgamating the two procurement operations was a complex task. The new entity’s diffuse and disparate technology architecture had to serve seven core lines of business in 45 countries. More than a dozen enterprise resource planning (ERP) systems were in play, each with dozens more applications deployed in different locations. As a result, there was no single source of truth for procurement data and almost no visibility into key business metrics.

The company’s procurement processes, which had gaps, disconnected systems, and a proliferation of tools, were literally all over the map. This lack of standardization made it difficult to consolidate work and created too many manual touch points. Roles and responsibilities differed from one location to the next, which made it difficult to track orders and material deliveries or to prioritize critical requests, and these inefficiencies often resulted in late payments.

### Solution

Take a granular look at operations to create a customized TOM

Our nine-country deep dive into procurement operations involved conducting workshops with key business (as well as geographic) leaders. That helped us create as-is process maps and identify local variations in roles, as well as in processes and technologies. We worked out the ideal TOM in three stages:

- First, we mapped out the end-to-end procurement process. The goal was to reduce errors by cutting the number of handoffs between user groups and technology platforms.
- Next up, we held a design thinking session to crystalize what the firm was trying to achieve, how to get there, and what was preventing execution. And we assessed the existing technology platforms to make sure we kept the ones that worked well.
- Finally, we helped define the procurement strategy and establish a governance process to manage not only how procurement supports the business today, but also how it will evolve to support future growth.

We developed a unified helpdesk automation tool that aggregated data from multiple ERP and platforms to deliver a single point of truth. That meant the firm could quickly address and resolve user and supplier inquiries.

We also identified more than 30 opportunities for improvement from digital automation, process changes, and new technologies after we benchmarked the company against best-in-class industrial performers. We created detailed project charters and roadmaps to turn these opportunities into realities and designed a future state for the firm that included standardized procurement roles and global processes and would put technology to the best possible use.

### Impact

A 40% improvement in procurement

That improvement was the result of many factors, including the 25% increase in the use of e-sourcing and the 7% decline in eRFQ volume. But we also helped the firm achieve other efficiencies by using digital tools to automate material expedites to plants, eliminating the entirely manual processes it had previously relied on. And because we’d established a governance control board, we made it easy to monitor and ensure compliance with the standardized systems and processes we’d introduced.

Procurement at this energy giant has transformed into a streamlined powerhouse.

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**About Genpact**

Genpact (NYSE: G) is a global professional services firm that makes business transformation real, driving digital-led innovation and digitally-enabled intelligent operations for our clients.

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