



GENERATING PROCUREMENT IMPACT

Reducing operating costs through procurement transformation and strategic sourcing



Client

A surgical and orthopaedic products manufacturer with presence in nearly 100 countries

Business need addressed

To reduce operating costs and improve supplier management processes

Genpact solution

Procurement transformation across 15 indirect categories

Business impact

\$80 million in savings in 12 months, introduction of best practice supplier management and procurement policies, and supplier consolidation

The procurement function at a global surgical products company was challenged by the need to cut operating costs, and introduce structured governance and supplier management. Genpact professionals led a transformation program across 15 indirect procurement categories with a cost base of \$800 million. As a result, the manufacturer achieved \$80 million in savings within 12 months.

Business challenge

The procurement function faced challenges from:

- A business imperative to reduce **operating costs**
- **Too many suppliers** across each indirect category providing similar services
- A need to increase **internal control** and improve governance
- A lack of **cost transparency**
- Too many **buying channels**
- Failing to leverage **global scale** to achieve cost savings

Genpact solution

Genpact professionals led transformation activities across 15 indirect categories with a cost base of \$800 million:

- Identified **cost saving** initiatives
- Managed **strategic sourcing** activities
- Refined procurement **policies**
- Introduced **structured governance and supplier management** processes
- Optimized **demand management**
- Leveraged **technology to streamline buying channels** and improve data quality

Genpact supported the following 15 categories

- Bank fees
- Consulting
- Credit cards
- Digital marketing
- Facilities
- Freight and logistics
- IT
- Janitorial
- Legal
- Meetings and events
- Maintenance, repair and operations
- Permanent recruitment
- Specialist cleaning
- Temporary labor
- Travel

Business impact

The procurement transformation and strategic sourcing activities delivered:

- **\$80 million in savings** within 12 months
- **A roadmap to generate additional savings** over the next 24 months
- Best practice **procurement policies, and governance processes** supported by facts and data
- Significant **supplier consolidation, and an improvement in service levels and performance**

About Genpact

Genpact (NYSE: G) is a global professional services firm focused on delivering digital transformation for our clients, putting digital and data to work to create competitive advantage. We do this by integrating lean principles, design thinking, analytics, and digital technologies with domain and industry expertise to deliver disruptive business outcomes – an approach called Lean DigitalSM. We deliver value to our clients through digital-led, domain-enabled solutions that drive innovation, and digital-enabled intelligent operations that design, transform, and run clients' operations. For two decades we have been generating impact for clients including the Fortune Global 500, employing 77,000+ people in 20+ countries, with key offices in New York City, Palo Alto, London, and Delhi.

For additional information, contact, procurement.services@genpact.com and visit, <http://www.genpact.com/what-we-do/business-services/procurement>

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