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The implementation of IBX Purchase-to-Pay has made it possible for us to improve cost and efficiency by over 31% in less than three years.”

Deutsche Post DHL



Transforming Operational Procurement with Deutsche Post DHL

Deutsche Post DHL advances purchasing organization and lowers operating cost per PO line by 31%

The Situation

In 2011, Deutsche Post DHL (DP DHL) made it a priority to reduce its cost per purchasing transaction by 20% within three years. The organization had purchasing staff located in 35 locations worldwide, multiple purchasing systems and no clear separation between sourcing and operational procurement. Unsurprisingly, this lack of standardization and harmonization resulted in underperformance.

In response, DP DHL came up with a new vision – to centralize a few service centers that would carry out a highly standardized and efficient requisition-to-PO process throughout the 220 countries where DP DHL operates.

The Solution

DP DHL has chosen IBX Purchase-to-Pay as the single global procurement channel and connected it to two internal eProcurement systems: SAP SRM and Oracle iProcurement. IBX Purchase-to-Pay provides an intuitive user interface similar to consumer web shops, which helps users find what they need while at the same time helpfully guiding them to preferred products and suppliers. This easy-to-use solution (together with efficient supplier activation and the continued improvement of catalog content) have maximized commodity coverage and created the best possible user experience. High user adoption has been a key criterion of success, with a purchasing compliance of close to 90% achieved globally within the addressed categories.

The solution enables no-touch processing for low-value purchase orders and an efficient spot-buying process for medium-value requisitions. High compliance has driven automation levels up to 87% globally, with Germany having a no-touch rate of over 98%.

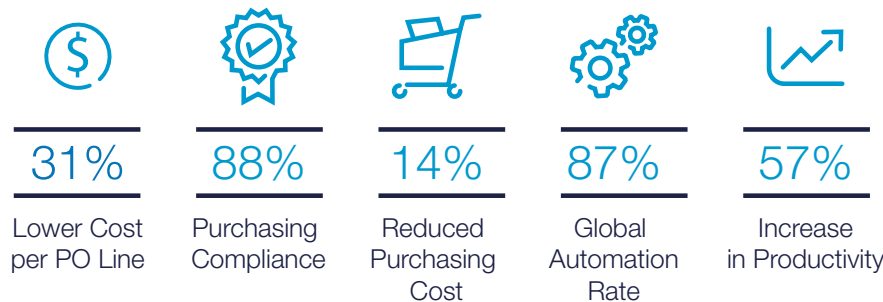
DP DHL has leveraged the new technology by implementing global standard operating procedures, with step-by-step work instructions for purchasing centers and six aligned performance indicators across all global purchasing operations. The operational procurement and sourcing activities have been separated in order to streamline the process with repeated tasks to develop specialization and efficiency. Purchasing and support have been centralized in a smaller set of global locations.

Operational procurement in the Asia Pacific region is outsourced to Capgemini's BPO Delivery Center in the Guangzhou region of China, which covers five different time zones and six languages in order to ensure appropriate interaction and communication with DP DHL personnel and external vendors. The features of the Capgemini solution include SLA-based delivery of PO processing, spot buying, buyer-maintained catalog management and procurement user help desk and first-level support including query management.

The Result

The high level of contract compliance has reduced the leakage of sourced savings, which has in turn reduced the total cost of purchasing by 14% over the last three years and led to an improved overall bottom line.

At the same time, operational procurement's productivity has increased by 57%, going from processing 12,000 PO lines per FTE to almost 20,000. The operational procurement head count has been reduced by 19% globally while volumes have increased. The average cost per PO line (including the cost of purchasing systems and staff) has been reduced by 31% from 2011 to 2014.



For more information on this project, please contact:
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About Capgemini

With almost 140,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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In collaboration with

Deutsche Post DHL

Deutsche Post DHL is the world's leading postal and logistics services group. The Deutsche Post and DHL corporate brands represent a one-of-a-kind portfolio of logistics (DHL) and communications (Deutsche Post) services. The Group provides its customers with both easy-to-use standardized products as well as innovative and tailored solutions ranging from dialog marketing to industrial supply chains. About 480,000 employees in more than 220 countries and territories form a global network focused on service, quality and sustainability. With programs in the areas of environmental protection, disaster management and education, the Group is committed to social responsibility. In 2013, Deutsche Post DHL generated revenues of more than EUR 55 billion.