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Capgemini has been our partner during the extensive transformation journey. Not only have they delivered the tools, but their consultants have also contributed on a strategic level.”

Sandra Petersson,
Project Manager for Skanska's
Effect program

Taking control of purchasing in the construction industry

Skanska has increased purchasing control and usage of frame agreements in the project-centric construction industry, with more than 50% of all coordinated purchases run through IBX Purchase-to-Pay.

The Situation

Skanska wanted to create conditions for an automated purchasing process, from sourcing to paid invoice. At the time, only 15 percent of the purchasing volume was coordinated (partially due to the project focus of the construction industry) and most of the purchasing process was managed manually. The business strategy was crystal clear – increase productivity by acting as one company and benefit from the company's size. The goal of the purchasing department was to coordinate 50 percent of all purchasing as well as introducing new, more modern purchasing procedures that would reduce cost in the long run.

“Purchasing is Skanska's largest cost, so our contribution to the organization is very important. We began by formulating a purchasing strategy and a communicative vision” says Sandra Petersson, project manager for the Effect program, one of Skanska's purchasing initiatives.

The Solution

In the fall of 2003, Skanska selected Capgemini's IBX Business Network for the complete delivery of Cloud-based eProcurement and eSourcing as well as supplier network and professional services. Skanska wanted to spend their energy on change management, so their criteria was based on functionality, proven delivery capability and on-demand delivery, to ensure rapid ROI.

"It was valuable for us that Capgemini had a complete solution and extensive experience with the rollout of purchasing solutions. This meant that we got a quick start and didn't have to take on large development costs."

Sandra Petersson
Project Manager for Skanska's Effect program

Apart from being easy to use, IBX Purchase-to-Pay acts as a virtual warehouse. Capgemini is responsible for content management, activating and connecting Skanska's suppliers. One major hurdle for the construction industry is the substantial need for spot-and project sourcing. IBX Purchase-to-Pay delivers an efficient spot-buying process, with which Skanska can capture spend that otherwise would have been lost. Buyers create online requests that can be sent to both contracted and non-contracted suppliers. The requests are iterated between buyers and suppliers to ensure market price as well as quality.

Capgemini has experts who know what is important in order to have the best possible result. Not only do they know IT, but they also see the business opportunities in the procurement process, Sandra Petersson adds.

The Result

With IBX Purchase-to-Pay, Skanska can cooperate with sub-contractors, providing a standardized and limited assortment of goods and services that meet Skanska's high standards and requirements. It has been crucial to have close cooperation with suppliers in order to succeed with cost reductions. Together, the parties involved found new ways of cooperation, which also enabled streamlining on the side of the supplier.

Compliance has increased and costs have been reduced throughout the entire purchasing process. More than 50 percent of all purchases are now coordinated through IBX Purchase-to-Pay, which increases control and transparency. The procurement volume from frame agreement suppliers increased to 25 percent (from 15 percent) – unparalleled in the construction industry.

About Capgemini

With almost 145,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 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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SKANSKA

Skanska is one of the world's leading project development and construction groups, concentrated on selected home markets in the Nordic region, other European countries and in the U.S. With a focus on green construction, ethics, occupational health and safety, Skanska offers competitive solutions – not least for the most complex assignments.

Founded in 1887 and with more than 57,000 employees, in 2013 Skanska generated revenues of more than SEK 136 billion.

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