

Procurement Transaction Process Improvement for a Food and Beverage Manufacturer

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Capgemini helps develop a procurement organization and internal transaction processing system that will allow the client a more proactive role with its supply and value chain

The Situation

Through a shared service center, the client's strategic sourcing organization negotiated pricing and contract terms for multiple independently owned beverage companies. The lack of transaction ownership created limitations to execute advanced sourcing methodologies, process improvements, and proactive risk-mitigation strategies. To address this, the chief procurement officer wanted to identify the costs and benefits associated with taking a greater role in the procurement process by building an internal transaction processing capability. The client chose Capgemini based on prior project work. Capgemini resources had been extensively involved with the client for over five years. During this time, the team had become a trusted partner for the client through many successful collaborative experiences.

The Solution

The Capgemini team assessed the client's operations and identified potential transaction processing solution alternatives. To develop a recommended solution, alternatives were compared based on required investment, benefit to the organization, and fit with business requirements. The team also developed the business case which was presented to the group's board of directors for approval. The key enablers used to assess the merits of this initiative included: business-case development, process analysis of the client's current and future processes, and vendor assessment. Each component was critical for identifying the appropriate solution for the client.

The Results

The Capgemini solution provided the client with a plan for the development of a procurement organization and supporting infrastructure. As part of the project, the team identified \$10 million in annual procurement benefits. The team also created detailed process flows, business requirements, and assisted with the initiation of solution implementation. The project also allowed the client to mitigate risks associated with using other organizations for procurement activities. Additionally, the shared services model gave the client greater procurement capabilities and enabled the success of their overall vision.