

Automation of Corporate Purchase Process

Business Situation

We helped a major U.S.-based carrier automate its corporate purchase process. The client serves more than 750 cities in 120 countries across six continents, with annual revenues in excess of \$10 billion.

Challenge

The airline was making many commercial purchasing decisions in an isolated environment. Over one-third of the company's 91,000 monthly invoices and 90% of its corporate purchase transactions were manually processed on paper. This process resulted in the following issues:

- Local purchasing was often uncontrolled and lacked the benefits of aggregation, standardization and supplier management.
- Uncontrolled procurement and fragmented information resulted in excess cost on goods or services rendered.
- Cumbersome, labor-intensive processes existed for corporate purchasing and its customer base.
- Procured commercial items were not properly audited and validated, thus resulting in unwanted purchases.

The company wanted to leverage its relationship with Aeroexchange from a corporate purchasing perspective, in the same way it did from a technical purchasing perspective. Aeroexchange is a global, neutral e-commerce platform designed specifically to support the aviation supply chain. The airline was looking for a solution integrated with Aeroexchange to provide more robust, timely information and replace paper-intensive processes.

Solution

We implemented a Web-based solution, in which the airline's employees, contractors and affiliates are directed to preferred suppliers for catalog and non-catalog shopping. Enterprise application integration (EAI) components were developed using WebMethods to interact with Aeroexchange for purchase orders and invoices. The system includes a shopping cart feature whereby Aeroexchange sends complete shopping cart information to the airline after a buyer finishes shopping on the Aeroexchange site. The shopping cart undergoes a review and approval process internally, followed by purchase order generation without any dependency on Aeroexchange. All documents and payloads are OAG compliant except the shopping cart payload, which is in ATA Spec2000 format.



Benefits

- Leverage investment in Aeroxchange through aggregate and direct company spend, as well as sourcing from global markets.
- Significant reduction in cost by decreasing the number of suppliers and earning volume discounts through preferred suppliers.
- Internal review and approval process as per the airline's need, without expensive tailoring of Aeroxchange's processes.
- Better reporting and tracking with sending of purchase orders to the payment system for matching with invoices, as well as allocation of costs to the relevant departments.

About Cognizant

Cognizant (NASDAQ: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services. Cognizant's single-minded passion is to dedicate our global technology and innovation know-how, our industry expertise and worldwide resources to working together with clients to make their businesses stronger. With over 50 global delivery centers and more than 100,000 employees as of as of December 1, 2010, we combine a unique global delivery model infused with a distinct culture of customer satisfaction. A member of the NASDAQ-100 Index and S&P 500 Index, Cognizant is a Forbes Global 2000 company and a member of the Fortune 1000 and is ranked among the top information technology companies in BusinessWeek's Hot Growth and Top 50 Performers listings.

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