

# Cognizant's BPO Solution for World's Leading Supplier of Timber and Building Products

## Situation

Client is a leading supplier of timber & building products to the trade & the general public. Client followed a centralized Accounts Payable (AP) process that lacked efficiency and superiority in payment settlement thus hampering supplier satisfaction. This was caused by inadequate control mechanisms, an insufficient monitoring system, and a people-dependant style of operations. It all resulted in the accumulation of a large backlog of unsettled files which added to the pressure on the existing system.

With over 45,000 suppliers, the client considered supplier satisfaction as a key area of concern. To address this, the client wanted a partner that could streamline its accounts payable process, drive productivity, increase accuracy, move to a paperless process and ultimately elevate supplier satisfaction.

## Challenge

- Highly Paper intensive process
- Large backlog of unsettled invoices due to requirement of additional information from supplier
- No defined Key Performance Metrics
- Lack of Quality and Feedback mechanism
- Overly customized, people dependent processes

## Solution

Cognizant studied and then automated the AS-IS processes with to remove redundancies and put in place quality control. To do this, we relied on effective deployment IT tools which enabled process changes that led to in reduction in turnaround time as well as required documentation, thereby improving overall process efficiency. This resulted in a one-time cost saving of US \$4 million due to a more efficient operational structure and labor arbitrage of outsourcing the work. Key aspects of the project were:

- **Implementation of a Workflow Management tool:** To fueled the move to a paperless environment that minimized human errors and made data storage easier. The tool was required to facilitate document processing.
- **Sharing of Industry best practices:** To improve process delivery /documentation and to enable SOPs for all processes.
- **Implementation of a supplier Management tool:** To document supplier queries.
- **Provision of Virtual Project Management Office (PMO):** To enable real-time project tracking by the client.
- **Implementation of Process Changes:** In the form of offline data entry and offline purchase invoice matching (PIM), leading to improved turnaround time.



## Benefits

- One-time cost saving of \$ 4 million.
- Reduction in unsettled credit notes/ information Documents by 30%.
- Provision of transparent metrics based reporting
- Zero backlog of unsettled invoices.
- Reduction in turnaround time for back office processing of invoices from 5 days to 1 day, resulting in faster settlement and fewer grievances.
- Reduced invoice aging from 14 days to 5 days, resulting in quicker payment processing and greater supplier satisfaction.

## 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 63,700 employees as of March 31, 2009, we combine a unique onsite/offshore delivery model infused by 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. Visit us online at [www.cognizant.com](http://www.cognizant.com).

## Start Today

For more information on how to drive your business results with Cognizant, contact us at [inquiry@cognizant.com](mailto:inquiry@cognizant.com) or visit our website at [www.cognizant.com](http://www.cognizant.com).



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