



Manufacturing case study

Transformed procurement experiences enables \$7.5M in benefits

Digital transformation empowers proactive spend management and real-time reporting capabilities.

The challenge

Our client is one of the largest construction equipment manufacturers in the world. The company designs, develops and manufactures machines and engines. Our client also provides financial and insurance products to customers through a worldwide dealer network.

Prior to our engagement with the company, its in-house legacy procurement system was spread across several countries by region and was not centralized. Using outdated legacy procurement systems made it difficult to keep track of approval and invoice systems. In addition, the cost of maintenance for a decentralized system was too high.

Other business challenges included:

- Minimal intelligence on the source-to-pay cycle due to lack of real-time dashboards and reports
- Difficult buying experiences for users, leading to spend leakage to non-preferred suppliers and resulting in lost spend reduction opportunities
- Low standard procurement practices benchmarks compared to the rest of the industry
- High volume of hours spent annually within indirect procurement systems, equivalent to 260 full-time employees
- Lack of technical skills and expertise needed to redefine processes and create a solution

At a glance

Industry

Manufacturing

Location

US

Challenge

- Decentralized procurement system
- High maintenance costs
- Difficult buying experiences for users leading to spend leakage

Products and services

- Coupa

Success highlights

- Accelerated implementation cycle by 60%
- Reduced development effort by 80% with script automation
- Enhanced experiences for more than 80,000 global users
- Gained \$7.5 million in transformation benefits

If the company didn't address its challenges, it would experience higher spend leakage, fraud and noncompliance to purchasing practices, and enterprise users spending too much time on procurement tasks. The company needed a partner to help reengineer procure-to-pay processes as well as replace and retire the current legacy tools and systems. This would be achieved by transforming the entire procure-to-pay process lifecycle for non-inventoried indirect goods and services, excluding travel and third-party labor services. Our client chose Coupa as its preferred enterprise resource planning (ERP) solution for indirect spend and procurement. However, the company was unsure how to perform the complex migration process and package implementation while making the best use of Coupa's features.

Cognizant was chosen as the preferred partner for the project because of our:

- Step-by-step approach to supply chain transformation, from practical limitations to incremental improvements that minimize risk and associated costs
- Strong [supply chain consulting](#), design and implementation capabilities
- Specialized practice on procurement with design, development experience and techno-functional expertise
- Industrialized migration processes, tools and frameworks, which would help the client understand the value and cost benefits of migration
- Highly evolving partnership and go-to-market strategy with Coupa as well as willingness to collaborate with the client as one team

The approach

Cognizant helped the company design a global architecture for its supply chain landscape and defined the roadmap for global rollout. In addition, we were responsible for the global implementation and rollout of Coupa, a cloud-based leading procurement platform, that catered to the requirements of individual markets. We also customized Coupa's configuration according to the client's business requirements while enabling its integration to multiple ERP systems.

With these solutions, we aimed to:

- Drive enterprise-wide adoption of standard processes by providing superior catalogue search capabilities
- Improve compliance for purchasing practices and enterprise procedures
- Deliver a platform that was scalable for dealers

We deployed a new indirect procurement process with the Coupa tool. The new interface involved multiple middleware and ERP that needed customizations such as upgrades and patches to many of its applications. We coordinated with different middleware teams, proposed an enhancement on the interface that would fix subsequent dependent incidents and enabled extended weekend and hourly support for critical incidents. In addition, we:

- Accelerated the onboarding supplier process and enabled quick ticket resolution per service level agreements (SLAs)
- Integrated Coupa with the company's ERP system and supplier information tool



- Enabled technical support on all interfaces
- Identified business gaps on the supplier interface and deployed enhancement changes
- Implemented proactive monitoring and reporting capabilities for integration issues, enabling early detection and quick fixes that ensured minimal downtime
- Developed a ticket management process within ServiceNow for better reporting and transparency
- Enabled daily invoice reconciliation for all ERPs
- Set up a monthly invoice auditing process
- Created a dashboard to ensure easy ticket creation processes

We drove digital transformation for the client and developed a repository of properly documented standard operating procedures (SOPs). These step-by-step actions were provided to resolve due diligence issues in audit-related processes that needed to be followed. We also helped the company create a single view of indirect spend across the entire enterprise, which led to better spend leverage and ecommerce user experiences.

Business outcomes

The enterprise-wide adoption of Coupa provided intuitive user experiences across more than 200 facilities/regions implemented so far. These experiences included services offered in multiple languages as well as guided buying services. Enhanced user experiences drove business reporting and performance for the company. Our solutions also provided better insights into

buying behavior and procurement trends. This enabled more proactive spend management for the company through real-time reporting from dashboards available in Coupa. With these streamlined capabilities, the client could connect enterprise customers with the supplier community and facilitate collaboration through negotiated pricing and preferred suppliers.

Other business benefits included:

- 60% reduction in implementation timeline due to new SOPs, migration toolkits and delivery accelerators
- 60% reduction of support tickets due to improved user training and automated classification and assignment processes
- 80% decrease in development cycle due to the automation of scripts

The transformation program also helped the company lower supply fees and gain \$7.5 million in benefits. The client's previous first pass invoice match of 46% increased to 90% after we implemented our solutions. This helped reduce rework and period costs for the company. We drove change management with our understanding of the client's aspirations, which came from our previous relationship working with the company. With these solutions and benefits, the company enhanced experiences for a user base of more than 80,000 employees and customers across America, Asia and the Europe, Middle East and Africa (EMEA) region. Now, our client can empower its employees—and customers—with faster, smarter experiences that drive better business outcomes.



Cognizant (Nasdaq-100: CTSI) engineers modern businesses. We help our clients modernize technology, reimagine processes and transform experiences so they can stay ahead in our fast-changing world. Together, we're improving everyday life. See how at www.cognizant.com or [@Cognizant](https://twitter.com/Cognizant).

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