How Can a Centralized Sourcing Process Deliver Savings and Efficiencies?

Connecting more than 1,000 vendors across 12 product categories with 5,000 SKUs

V-Guard Industries Limited, a leading electrical appliances manufacturer in India, is committed to enriching customers’ lives with thoughtfully designed and engineered products. Operating with a decentralized procurement process, V-Guard identified an opportunity to standardize and better control spend to improve operational and decision-making processes. Through a partnership with SAP and IBM, V-Guard was able to transform its sourcing, enable collaborative buying, and embed digital innovations in new business areas.
V-Guard streamlined collaborative buying, improved productivity, and improved price point elasticity.

With the SAP® Ariba® Sourcing solution and deployment services from IBM, V-Guard was able to:

- Consolidate sourcing activity from six different divisions to a centralized sourcing hub
- Achieve standardization in sourcing projects running across business units
- Achieve an early return on investment within six months of implementation
- Achieve an average cost savings of roughly 6% in certain categories by using reverse auction capabilities
- Enable collaborative buying and seamless collaboration with new product development, R&D, and quality teams
- Improve productivity with a repeatable sourcing process to improve turnaround time
- Reduce risks through Ariba Network, which connects V-Guard to a global pool of relevant suppliers
- Establish a sourcing transformation road map to address key problem areas

“The SAP Ariba Sourcing solution, with its custom-made techno-commercial-administrative workflow, facilitates formalization and centralization and reduces the transactional cost and time.”

Gautham T., Head of Strategic Sourcing, V-Guard Industries Limited

V-Guard Industries Limited
Kochi, India

Industry: Consumer products
Employees: 2,100
Revenue: Rs 21.5 billion (US$295 million)

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