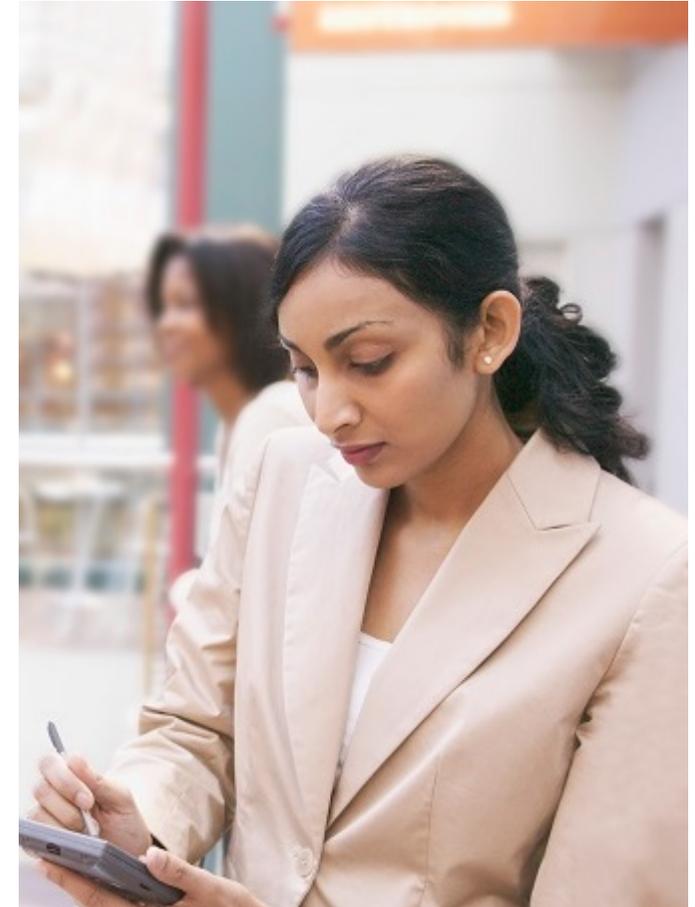


HDFC ERGO: Realizing Savings and Efficient Supplier Negotiations with SAP® Ariba® Sourcing

Since 2002, consumers and companies across India have relied on insurance from HDFC ERGO. The company provides a wide range of coverage, from health insurance to travel, home, property, marine, and liability insurance. HDFC ERGO works hard to provide its customers with insurance that caters to their needs at the best price. For the company to increase efficiency in order to continue to grow, it knew it needed a sourcing platform that would integrate all of its sourcing processes and be automated.

HDFC ERGO turned to the SAP® Ariba® Sourcing solution. Now the sourcing process is fair and clear for suppliers. The company has also realized strategic savings of between 15% and 20% across all of its sourcing categories. HDFC ERGO can use the increased efficiency and savings to provide more and better services for its customers across India.



Picture Credit | SAP SE, Walldorf, Germany. Used with permission.

Increased efficiency with SAP® Ariba® Sourcing

Company

HDFC ERGO General
Insurance Company Limited

Headquarters

Mumbai, India

Industry

Insurance

Products and Services

Health insurance, private car insurance, two-wheeler insurance, home insurance, travel insurance, personal accident insurance, critical illness insurance, commercial insurance

Employees

2,000

Budget

Rs 1.04 billion
(US\$15.7 million)

Web Site

www.hdfcergo.com

Objectives

- Improve sourcing visibility, validation, and cost savings
- Migrate to a centralized sourcing program to add value to the company by securing the best cost through online sourcing
- Enhance the transparency of agreements made with suppliers and negotiated terms

Why SAP® Ariba® solutions

SAP® Ariba® Sourcing, an efficient solution that fulfills the needs of the company

Resolution

- Deployed SAP Ariba Sourcing to execute online supplier negotiations and manage forward and reverse auctions for all major categories
- Improved the sourcing of a wide array of direct and indirect categories
- Trained new suppliers for online negotiations

Benefits

- Greater credibility and fairness for suppliers through consistent and clear online negotiations
- Improved cost optimization and supplier management
- More-efficient documentation and record keeping
- Increased efficiency from reusing and tweaking RFPs

15%–20%

Sourcing savings*

>100

New and qualified suppliers onboarded*

1,200

Transactions through auctions*

“When I think about SAP Ariba Sourcing, what comes to my mind is transparency in procurement, both internal and external. It is a solid tool to get the right price through fair competition. It gives a complete view of the sourcing lifecycle from outreach to selection, RFQ, negotiation, and contract authoring.”

Anil Mendonca, Senior Manager of Cost Management, HDFC ERGO General Insurance Company Limited

*Data for fiscal year 2015

© 2016 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. Please see <http://www.sap.com/corporate-en/legal/copyright/index.epx#trademark> for additional trademark information and notices. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors.

National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP SE or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP SE or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platform directions and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.