# Jai Balaji Industries: Increasing Revenue by Sourcing Wisely with SAP® Ariba® Sourcing

Steel is not just steel. There is finished steel. Direct reduced iron (DRI). Thermex TMT bars. Ductile iron pipes. And each form is expertly refined to fulfill a very specific purpose for today's sophisticated construction industry. Jai Balaji Industries Limited (BIL), part of Jai Balaji Group, manufactures steel in all these forms in its five manufacturing plants in the Eastern India provinces of West Bengal and Chhattisgarh. Although it started up in 1999, it is already one of the largest manufacturers of DRI in the region. It has since progressed to the manufacture of intermediaries and finished steel.

Tough industries need software too. And BIL sought to standardize, centralize, automate, and speed up its procurement processes company-wide by deploying the SAP® Ariba® Sourcing solution. With expert guidance from Cloudway Consulting Pvt. Ltd., BIL used the software to identify opportunities to reduce costs, which effectively increased its revenues. By streamlining its sourcing processes, it reduced overall costs. In short order, SAP Ariba Sourcing helped BIL extend strategic sourcing coverage across the company for a more cost-effective business.
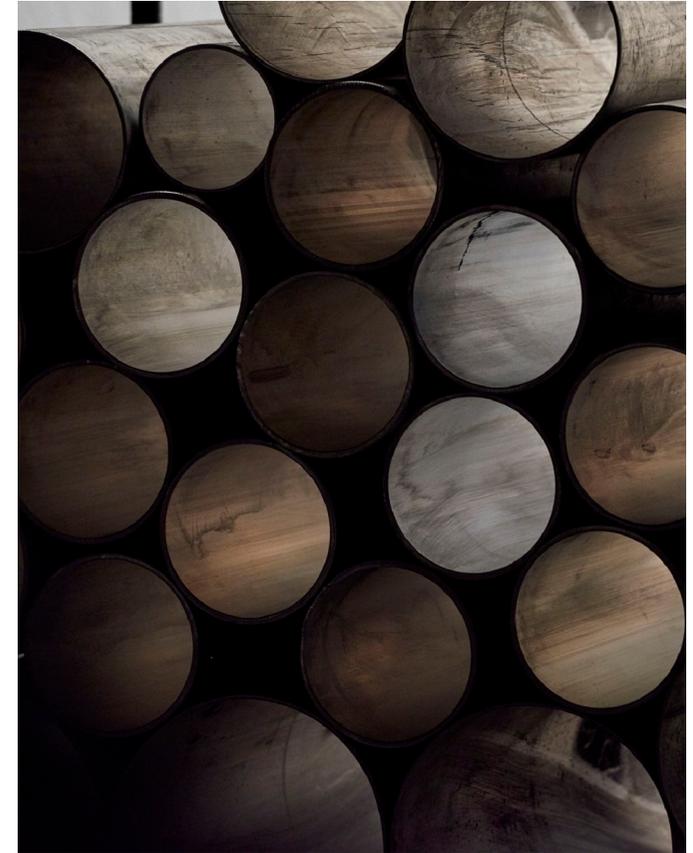
Accessing a vast supplier network transparently

Company
Jai Balaji Industries Limited

Location
Kolkata, India

Industry
Mill products

Products and Services
Direct reduced iron (DRI), alloy and mild steel billets, TMT bars, ductile iron pipes

Employees
7,100

Revenue
US$228 million

Web Site
www.jaibalajigroup.com

Partner
Cloudway Consulting Pvt. Ltd.
www.cloudwayconsulting.com

Objectives
- Accelerate the sourcing cycle through a standardized procurement process to keep pace with fluctuating market conditions
- Create transparency in the sourcing process
- Increase the number of overall e-procurement transactions
- Accelerate supplier identification
- Simplify commerce and lower costs through improved communication

Why SAP® Ariba® solutions
- Enriched supplier database
- Support for increased sourcing activity
- Capture of 100% of potential customer opportunities thanks to the SAP® Ariba® Discovery solution
- Support for automating all strategic sourcing processes

Resolution
- Engaged with 70 to 100 suppliers for multiple sourcing events through the SAP Ariba Sourcing solution
- Streamlined the sourcing and tendering processes
- Broadened sourcing contacts and sourcing activity through expert use of SAP Ariba Sourcing with guidance from Cloudway Consulting

Benefits
- Cost-effective sourcing through a broader supplier base and supplier network
- Acceleration of the sourcing cycle
- Lower costs and better service through highly strategic sourcing

"With SAP Ariba Sourcing, we used an e-sourcing platform to access the widest possible supplier network. This enabled us to get the best prices for items and achieve a cost savings of about 12% in just six months. That is a fantastic ROI."
Ravindra Meharwal, Assistant General Manager, Procurement, Jai Balaji Industries Limited

12%
Savings achieved across all categories in just 6 months

100
Suppliers engaged in multiple sourcing events

Safer
Negotiating processes with SAP Ariba Sourcing

SAP Ariba

SAP