

How Is Better Data Supporting the Wholesale Transformation of a Top Distributor's Indirect Spend?

An average Russian shopping basket might contain beer from Denmark, batteries from South Korea, and coffee from Brazil. Wholesale distributor Megapolis has always run a tight operation to ensure goods such as these are always on the shelves at the right price. The company wanted to apply the same rigor to its spend on indirect goods and services.

By managing every part of the indirect-spend cycle, from market analysis to contract award, with the SAP® Ariba® Sourcing solution, Megapolis gained greater control of its business, boosted its cost-efficiency, and improved its decision-making. A simplified, unified sourcing cycle is now supporting the company's drive for procurement transformation across its indirect spend.



“Transforming the sourcing cycle for our indirect spend was an easy sell for us. It helps us **protect our leading position in the distribution** of tobacco products and **fast-moving consumer goods.**”

Yulia Sotnikova, Head of Procurement, TC Megapolis

Thanks to the SAP® Ariba® Sourcing solution, leading Russian distributor Megapolis has streamlined its sourcing operation for indirect goods and services and has cut costs. Actionable insights help it manage its procurement function more effectively and ensure visibility on spend.



160,000

Points of sale located across Russia



4,000

Vehicles in the logistics fleet



300

Offices in strategic Russian locations



TC Megapolis
Moscow, Russia
www.gkm.ru/en

Industry
Wholesale distribution

Products and Services
Tobacco and fast-moving consumer goods (FMCG)

Employees
15,000

Revenue
US\$12 billion

SAP® Solutions
SAP® Ariba® Sourcing solution

Delivering the Goods with an **Industry-Leading Sourcing Solution**

Megapolis, one of the largest FMCG distributors in Russia, consolidated its sourcing cycle for indirect spend with the SAP Ariba Sourcing solution. With a better handle on its spend and procurement data, the group is now better placed to centrally manage its operations.

Before: Challenges and Opportunities

- No centralized procurement team
- Inefficient spreadsheet-based processes lowering spend visibility
- Manual processes unable to keep pace with the efficiency of other departments
- Opportunity to refine internal processes

Why SAP

- Excellent Russian-language capability
- Ability to integrate fully with SAP software already used elsewhere in the group
- Single source of truth across the indirect-spend sourcing cycle to support decision-making
- Easy and effective supplier selection process

After: Value-Driven Results

- More-productive employees due to the elimination of time-consuming, manual spreadsheet work
- Enhanced transparency with improved spend and procurement data
- Greater cost-efficiency, with buyers able to source indirect goods and services at lower prices
- Improved control over procurement compliance
- Higher business stakeholder engagement thanks to a centralized process

“We have gained a single source of truth with the SAP Ariba Sourcing solution, which empowers us to identify and replicate the **smartest possible purchasing decisions.”**

Yulia Sotnikova, Head of Procurement, TC Megapolis



SAP Ariba

14%

Average reduction in e-auctioning costs

1,000

New suppliers identified

500

New sourcing projects created

330

New supply agreements established

60

Auctions executed

© 2017 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.

The information contained herein may be changed without prior notice. 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 or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP 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, and they should not be relied upon in making purchasing decisions.

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. All other product and service names mentioned are the trademarks of their respective companies.

See <http://global.sap.com/corporate-en/legal/copyright/index.epx> for additional trademark information and notices.