

A low-angle photograph of a high-voltage power transmission tower against a clear blue sky. Two workers in safety gear are visible on a platform, working on the tower's structure. The image is partially overlaid by a yellow-to-white gradient bar on the right side.

How Can Streamlining Procurement Processes Benefit Local Communities?

How Can Streamlining Procurement Processes Benefit Local Communities?

India-based air conditioning manufacturer Fedders Group believes that it can make a fundamental contribution to society by being financially successful while helping local communities. To this end, it donates a significant proportion of its profits to projects that promote the education and welfare of vulnerable sections of the Indian population. To improve efficiency and drive value creation within its procurement operations, the company decided to centralize its supplier sourcing activities.

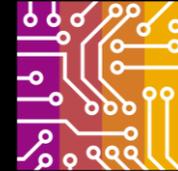
With implementation partner Cloudway Consulting, the manufacturer deployed the SAP® Ariba® Sourcing solution, standardizing and streamlining processes while improving the transparency of sourcing across the organization. As a result, sourcing personnel have increased insights for strategic planning, and the business has realized significant cost savings. Supported by centralized procurement, Fedders Group is now in an even better position to support philanthropic initiatives that transform people's lives.



“We are committed to supporting our communities. By contributing to our business success, our new sourcing solution is helping us to achieve our mission to **change people’s lives for the better.**”

Anoop Verma, Executive Vice President, Fedders Group

To improve the efficiency of its procurement operations, Fedders Group deployed the SAP® Ariba® Sourcing solution. By enabling the manufacturer to centralize its sourcing processes, the software helped the company to improve visibility of procurement activities and save money that can be donated to philanthropic projects to support local communities.



14

Business divisions within the group’s companies



7

Countries with manufacturing sites or subsidiary operations



27%

Year-on-year growth in revenue

Centralizing Procurement Processes with SAP® Ariba® Sourcing



Fedders Group

New Delhi, India

www.fedders.com

www.leelectric.com

Industry

Consumer products

Products and Services

Manufacture of equipment for air conditioning, radiators, and scaffolding

Employees

2,200

Revenue

Rs 3,000 crore (US\$30 billion)

SAP® Solutions

SAP® Ariba® Sourcing solution

To improve the efficiency of its procurement operations, Fedders Group wanted to centralize and standardize sourcing activities across all of its business divisions. With the help of Cloudway Consulting, the air-conditioning manufacturer deployed the SAP Ariba Sourcing solution. Now, streamlined processes are resulting in improved visibility and reduced costs.

Before: Challenges and Opportunities

- Centralize groupwide sourcing activities
- Improve efficiency by supporting end-to-end sourcing processes and reducing manual input
- Reduce the proportion of indirect spend

Why SAP Ariba and Cloudway Consulting

- Comprehensive features for supporting sourcing processes, including advanced functionality for running reverse auctions
- Robust business rules to help ensure workflows are followed effectively
- Excellent worldwide reputation of SAP software
- Support for multiple languages and currencies
- Leadership in operational, procurement, and e-sourcing consulting provided by Cloudway Consulting

After: Value-Driven Results

- More-efficient sourcing operations as a result of standardized processes
- Better spend visibility, with improved access to reporting to support decision-making
- Lower indirect sourcing costs due to centralized purchasing for all divisions, and functionality to support online negotiations
- Reduced buyer effort thanks to increased automation in sourcing workflows

“With SAP Ariba Sourcing, we can analyze the performance of suppliers to inform future sourcing decisions.”

Anoop Verma, Executive Vice President, Fedders Group



Featured Partner



9.5%

Average savings from the spend route through SAP Ariba Sourcing (total spend of RS 170 crore)

100%

Transparency across groupwide procurement processes

© 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.