



**Managing
Indirect Spend?
Slash costs
and Save up to 20%
of your indirect cost**

Win in the flat world



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Frequently Asked Questions

How do you ensure better spend data to optimize strategic sourcing decisions?

Spend data is one of the primary inputs that help to form strategic sourcing decisions. Companies today face the challenge of gathering and analyzing spend data to arrive at requisite strategic sourcing decisions. The key issues are related to categorization of the spend and ensuring that the spend data is captured adequately during the Procure to Pay process so that it is made available for analysis for a later point in time.

The Infosys Indirect Procurement Solution focuses on streamlining the entire Procure to Pay process to ensure that spend is categorized into the appropriate commodity/ service categories. Spend data is then captured accurately through the process and delivered through various reports and downloads for use in strategic sourcing decisions.

Overall, a company can ensure savings from sourcing and can better negotiate supplier with better spend data management.

How do you prevent Contract Leakage and Maverick Purchases especially when you have a huge amount of Services and Indirect Material Spend?

Due to the significant amount of services spend; visibility for multiple categories and contracts across the organization becomes a major issue. This results in reduced usage of pre-negotiated contracts, leading to many informal methods of procurement (Maverick Purchases) that sub-optimize potential total life-cycle cost savings.

Infosys' solution aims at maximizing the use of contracts by use of catalogs. It also provides dashboards which use the purchasing intelligence module of Oracle, in order to provide information related to contract leakage and usage of contracts in general.

The solution brings about the key change of simplifying and automating formal Purchase Order processes (except in emergency cases). It does the same for Services Procurement and Indirect Material Procurement thus enabling timely data capture and quality of information for managing the purchasing processes.

Improved controls in the re-designed processes for Purchasing and Payment ensure reduction in maverick spend, which in turn leads to savings in the form of reduced overcharges, better use of negotiated contracts, improved payment discounts, etc. All these savings add up to 10-15% of the indirect spend in typical client situations.

How can a company reduce cycle times and thus achieve savings in the area of Indirect Procurement?

Indirect Procurement (Materials and Services) is a substantial area of spend for asset intensive industries such as Energy and Utilities, as well as service organizations such as Financial Services. The solution has demonstrated savings of 50-70% in cycle time, resulting in a much more customer friendly environment, while also affording significant savings in areas like payment discounts due to the reengineered matching process.

The Services Procurement processes of the solution ensure accurate data capture in terms of rate cards and milestone billing information. These processes also help reduce the invoice and payment cycle times by reducing errors in billing and overcharges. Time approvals that automate invoice creation based on billing frequency enable a win-win situation for the supplier and the company.

Also based on rules, a lot of PO Generation is automated leading to significant savings in terms of cycle time from Requisition to Purchase Order.

The Evaluated Receipt Settlement (ERS) process is predominantly used for Services Procurement based on the Approved Time Cards and Milestone payments enabling an automated invoicing generation process and alignment of the invoicing process to the billing frequency as per the contract.

Savings are also earned due to early pay discounts on these automated invoices that get paid within the payment due date. This helps in earning discounts as per the contract.

Hence the entire end-to-end process streamlining eventually helps drive a lot of savings in indirect procurement.

How can you ensure better supplier collaboration and performance?

Infosys Services Procurement is an end-to-end solution enabling collaborations with suppliers using the Oracle iSupplier architecture. Sourcing and Purchasing collaborations ensure timely response from the integrated supply chain extending from suppliers to internal company customers. This helps in quicker response times to queries and also reduces erroneous billing from the supplier.

This creates a win-win situation for the suppliers as their cycle time for payments is reduced due to increased accuracy in the process. It streamlines the processes for managing their pricing and delivery data like Purchase Orders, Blanket Agreements, Rate Cards and Time cards.

What are some of the key metrics that can have a positive impact with this solution

Some of the metrics that have been measured and have seen improvements are:

1. Increase in Early Pay Discounts
2. Requisition to Purchase Order Cycle Time
3. Number of POs processed per buyer
4. Sourcing cycle time reductions
5. Increase in utilization of pre-negotiated contracts
6. Number of POs sent electronically
7. Percentage of payments within payment terms



About Infosys

Infosys Technologies Ltd. (NASDAQ: INFY) defines, designs and delivers IT-enabled business solutions that help Global 2000 companies win in a flat world. These solutions focus on providing strategic differentiation and operational superiority to clients. Infosys creates these solutions for its clients by leveraging its domain and business expertise along with a complete range of services.

With Infosys, clients are assured of a transparent business partner, world-class processes, speed of execution and the power to stretch their IT budget by leveraging the Global Delivery Model that Infosys pioneered.

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