



Driving Best in Class Supply Chain Performance

Many organizations have been struggling with inaccurate demand forecasts, huge inventory build up, high material acquisition and logistics costs and customer dissatisfaction. These supply chain issues have a significant effect on the organizations' cash flow and costs and ultimately its competitiveness and profitability.

Companies aiming for best-in-class performance should take an end-to-end view to transforming their supply chain processes. This requires addressing all the segments of the supply chain:

- Forecasting and Inventory Planning
- Sourcing and Procurement
- Fulfillment and Logistics
- After-Market Services

The improvements are focused on looking at root causes to ensure a "one-time fix" rather a succession of "quick fixes." This eliminates small incremental gains and helps realize the maximum possible improvements in a company's working capital position and costs.

Genpact streamlines a company's supply chain to realize increased short and long-term cash flows and cost savings – prime objectives for senior executives in today's economy. It allows companies to implement

more efficient and effective supply chain processes, free up working capital and cash and create a roadmap for future growth.

Genpact looks at an organization's supply chain end-to-end and apply Six Sigma and Lean methodologies coupled with robust process execution, best-in-class technologies, analytics and reengineering to significantly improve supply chain performance (see Figure 1). Genpact's end-to-end supply chain offerings include Forecasting & Planning, Sourcing & Procurement, Logistics & Fulfillment and After Market Services/Service Operations.

Genpact's Smart Enterprise Processes (SEPSM) is a ground-breaking, rigorously scientific methodology for managing business processes. This methodology focuses on improving the effectiveness (and not just the efficiency) of the processes.

SEP drives best-in-class performance by:

- Identifying the key business outcomes for the company
- Mapping core business processes at a granular level
- Linking business outcomes and benchmarks to key performance measures and drivers



Fig 1 - Optimizing end-to-end supply chain leads to 2-5X higher impact

- Identifying drivers of performance variability and providing a roadmap for improvement by leveraging insights and best practices
- Offering solutions including process, analytics, reengineering and focused IT

Genpact has applied this approach to 'Source to Pay' (S2P) and 'After Market Services' business processes through which it has the potential to deliver 2-5 times business impact than traditional process improvement programs.

Achieve 2-5 times increase in Sourcing and Procurement Performance

While many sourcing and procurement organizations pursue strategic transformation and continual performance improvement, the majority might never achieve the best possible performance because they:

- **Fail to set enterprise-level strategies for identifying and systematically working toward desired business outcomes**
- **Follow siloed approach across geographies, functions and processes**
- **Over-emphasize process efficiency measures – for example, cycle time and productivity – while under-emphasizing measures of real S2P process effectiveness such as cutting costs and optimizing working capital**
- **Over-emphasize technology, while under-emphasizing process**

Both empirical research and qualitative evidence show that best-in-class sourcing and procurement organizations achieve performance levels that are – at a minimum – two to five times higher than average organizations.

Genpact leverages Smart Enterprise Processes (SEPSM) methodology for S2P to enable organizations deliver best-in-class performance across sourcing, procurement and supplier payment processes. It addresses the challenges by looking at source to pay processes at an enterprise wide level while focusing on process effectiveness and key business outcomes –

- Reduction in total cost of ownership (TCO)
- Optimizing working capital
- Higher availability of material and services

Business impact

By applying the S2P SEPSM methodology correctly and completely, it is possible for a company to achieve:

- A 30 to 40% increase in addressable spend visibility
- A 20 to 40% reduction in maverick spending
- A 5 to 10% reduction in working capital requirements

All this can lead to a 2 to 3% increase in year-over-year cost savings – can translate into billions of dollars to be either banked or strategically reinvested.

Key Facts on Genpact's Supply Chain Services:

- 3000+ procurement and supply chain experts
- Over 10 years experience in working with global companies
- Manages over \$2 Billion in inventory and forecasting for over 500,000 SKUs across industries
- Over \$15 Billion in spend managed
- Implemented over 12,000 supplier contracts
- Manages over 2.5 Million purchasing transactions and over 8 Million invoices annually
- Over \$1 Billion in freight managed across 200,000 assets
- Relationships with over 1500 freight carriers across North America, Mexico, and Europe
- Implemented 1000+ Lean Six Sigma projects delivering over \$400 Million cash impact to clients

For more information please visit:

www.genpact.com/procurementandsupplychain.

Genpact Recognized Among Top 100 Global Supply Chain Service Providers:

2010 Supply and Demand Chain Executive 100

Navanit Samaiyar (Senior VP, Genpact) Selected Amongst Top Supply Chain Thought-Leaders

2010 Supply and Demand Chain Executive Pros to Know

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