High-tech Company A

Generating improvement of overall procurement operations and securing cost competitiveness

Client Background and Challenges

One of the largest global consumer electronics company. The company offers a wide range of home appliances, home entertainment products, mobile phones, commercial displays, air conditioning systems, and vehicle components.

The client had issues in
- Increased procurement costs due to unnecessary items
- In-systematic collaboration ways among related stakeholders including suppliers
- Difficulties in managing procurement costs from early planning and design phase
- Manual tasks required to check and compare the unit price from the market

Solutions

Parts Similarity Analysis

Automatically identifying existing similar or duplicate items during new item registration through AI-based similarity analysis
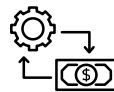
Product Cost Management

Setting & monitoring target cost for a product during the each design and development phase by configuring BOM information

Cost Estimation

Calculating manufacturing costs and recommending the right unit costs by AI-based analysis of historical & new production data

Impacts Delivered

Quantitative

-30% Purchase transaction cost with e2e digital procurement process

-3.5% of purchase cost through target cost proposed by AI

+50% Increased efficiency in sourcing with e-contract signing & management

Quantitative

- Reduced new product development period
- Qualified cost data with increased accuracy and visibility
- Enhanced collaboration between manufacturing and sales departments

Solar Cell Manufacturer B

A solar cell manufacturer has saved -3.5% of their yearly raw material procurement cost

Client Background and Challenges

Leading manufacturer of solar cells and modules, also delivers a large-scale solar power plants globally; having manufacturing facilities globally and producing over 10+ GW of solar energy each year; The client also retains leading market share in the U.S. residential & commercial solar module segments.

The client had issues in

- High volatility in raw material costs
- A heterogeneous IT structure and multiple ERP systems across global regions
- Expanding procurement objectives & opportunities with supplier collaborations
- A diverse group of stakeholders necessary for buy-in and project success
- Increasing significance of supplier management due to heightened regulations

Solutions

AI/ML-based Cost table analyzer	Global-single integrated procurement platform	Standardized vendor/ item master
Implementing AI/ML-based price information management, monitoring, and analysis features for raw materials.	Implementing a unified procurement platform for a standardized business process & management policies across different regions.	Globally standardizing the management and operational framework for materials & vendor information for unified information management.

Impacts Delivered

Quantitative

-30% Purchase transaction cost with e2e digital procurement process

-3.5% of purchase cost through target cost proposed by AI

+50% Increased efficiency in sourcing with e-contract signing & management

Quantitative

Enhanced collaboration between manufacturing/sales subsidiaries with a single-view

Increased alignment with procurement policies and standards

Facilitated collaboration with strategic suppliers through