



# Purchase Price Variance Solution

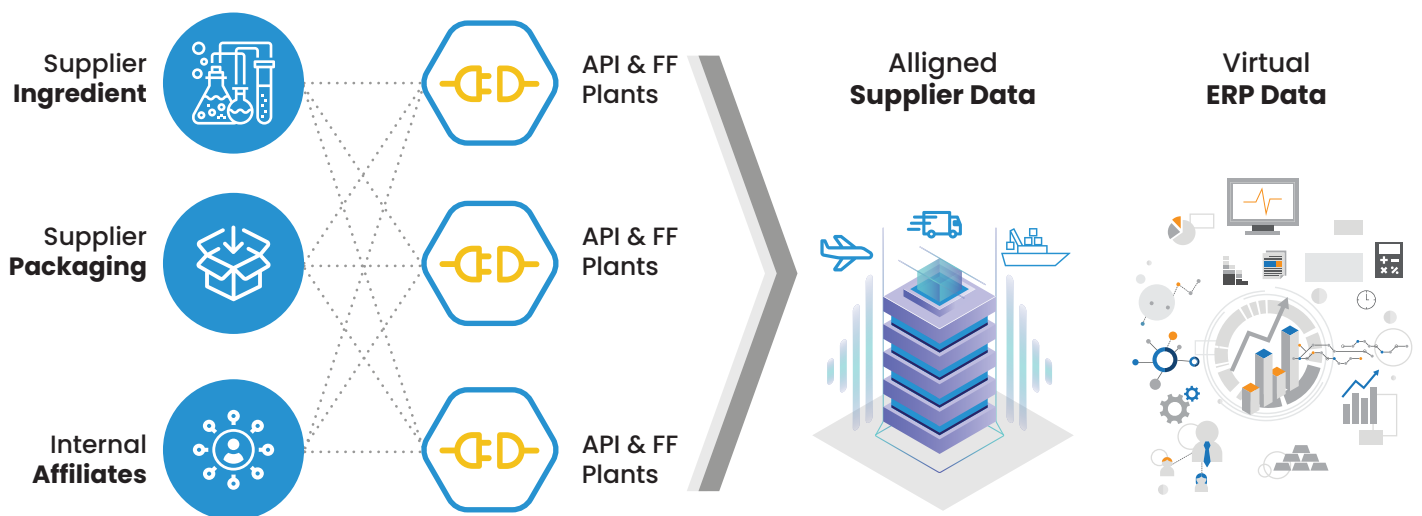
## Abstract

We helped a global pharmaceutical major in managing its global procurement contract compliance by auto-connecting ERP systems using machine learning. It helped them find leakage drivers to deliver a **savings of \$5 million annually**.

## Challenges

- Inability to measure and manage Purchase Price Variance
- Poor vendor contract spending and quality control
- Lack of contract compliance raising risk management issues
- Disparate processes, systems and data proving to be detrimental in making informed decisions with holistic data

## Approach



## Solution

- Seamlessly connected data from 5 ERPs and 6 plants using machine learning
- Created an intuitive visualization and analytics layer
- Identified major product/vendor drivers of variance
- Post the pilot phase, rolled out the end-to-end purchase price variance solution

## Outcome

- Identified the leakage drivers in the purchase price that resulted in \$5mn savings annually
- Deferred the business need for a new ERP which resulted in Capex savings of €100mn
- Unified key vendors, commodities, categories and variances with minimal human intervention, meeting the contract compliance
- Implemented simple data hygiene improvements