



Leading Chemical Company Transforms its MRO Procurement and Achieves Significant Cost Savings

Consolidated fragmented vendor base leading to direct cost savings, and streamlined the procurement process

Impact

- » 350+ vendor base reduced
- » 10-12% substantial cost savings
- » 2-3% price standardization across plants
- » 1.5% reduction in freight terms
- » 66% purchase orders lowered, and 64% reduced rejection rate



The Client

The company is a leading color and effect pigment manufacturer in India with experience of over 60 years. With an annual turnover of INR 1600+ crores, it offers an extensive range of products which includes organic and inorganic pigments, mica-based effect pigments, chemical intermediates, and pesticides. Spread across 85+ countries, the company has a wide range of 170+ channel partners globally.

Business Challenge

- » **Fragmented Supplier Base:**
Apart from multiple suppliers, the company sourced from many unauthorized third-party vendors
- » **Un-optimized Inventory:**
100+ cases of corrupt codes resulted in multiple items bought against the same item code
- » **Sub-standard Data Quality:**
Discrepancies in data offered a limited view of purchase patterns of plants, both category and plant wise
- » **Hybrid Pricing Structure:**
Varied freight and credit terms across different MRO categories led to high procurement costs

Moglix Solutions

» One-stop Solution:

Identified 3200+ unique SKUs and consolidated 350+ vendors resulting in monthly MRO spend management of INR 2.5 crores

» Vendor Management Inventory (VMI):

Introduced VMI that helped in re-order level reduction to INR 1.4 crores through better lead time

» Uniform Freight and Credit Terms:

Established uniform freight and credit terms for all MRO supplies replacing the earlier hybrid structure

» Elimination of Third-party Vendors:

Changed procurement for 15+ cases from third-party vendors to direct brand/tier 1 distributors resulting in reduced rejection cases from 1.1% to 0.4%

» Clean Master Data:

Cleaned data for 100+ earlier mismatched and un-optimized item codes followed by CPN to MSN mapping of 3200+ cases with complete categorization

Testimonial

'Thankful to Moglix team for their immense support in reducing our fragmented and third-party vendors to a large extent. Also, would like to thank the entire team for establishing uniform freight and credit terms which not only led to cost savings but also optimized inventory in our warehouse. Our supply chain has become more efficient and transparent now.'


Head Purchase,
Leading Chemical Company


About Moglix


Moglix is Asia's largest and fastest growing B2B commerce company specializing in MRO procurement. We extend our expertise in the digitization of the supply chain as well as making it GST compliant. We are 500+ strong, spread across 14+ locations, and headquartered in Singapore. We have India's largest supplier base with 5000+ partner suppliers spread across 25+ states in India.



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