



# Simplifying Procure to Pay process



## Client

The client is a 130+-year-old leading beverage company with more than 200 master brands which are sold in more than 200 countries & territories. It has about 900 bottling plants and more than 220 bottling partners. With net revenues of more than \$35 billion USD its one of the largest businesses in the world.



## Problem/ Challenge

The average cycle time for invoice processing over the last 12 months was found to be > 120 days, leading to a large number of vendor queries; productivity loss, and dissatisfaction. Payment delays lead to service disruption. Two subprocesses: PR to PO approval & Invoice date to Posting date contribute to about 65% of the delay .



## Result achieved

Phase 1 : The PR to PO approval time was reduced from 48 days to 35 days & for the Invoice date to the Posting date process from 31 days to 20 days. The future target is 8 days and 17 days respectively.



## Background/ Business Case

The client wanted to simplify & improve the P2P process which currently is > 120 days and was leading to a large number of supplier queries, which consumed productive hours of the client team members. In some cases, it led to delayed deliveries of supplies which in turn impacted plant production. Also, the process being manual led to wasteful handoffs and multiple rework loops leading to increased turnaround time.

## Problem/ Challenge

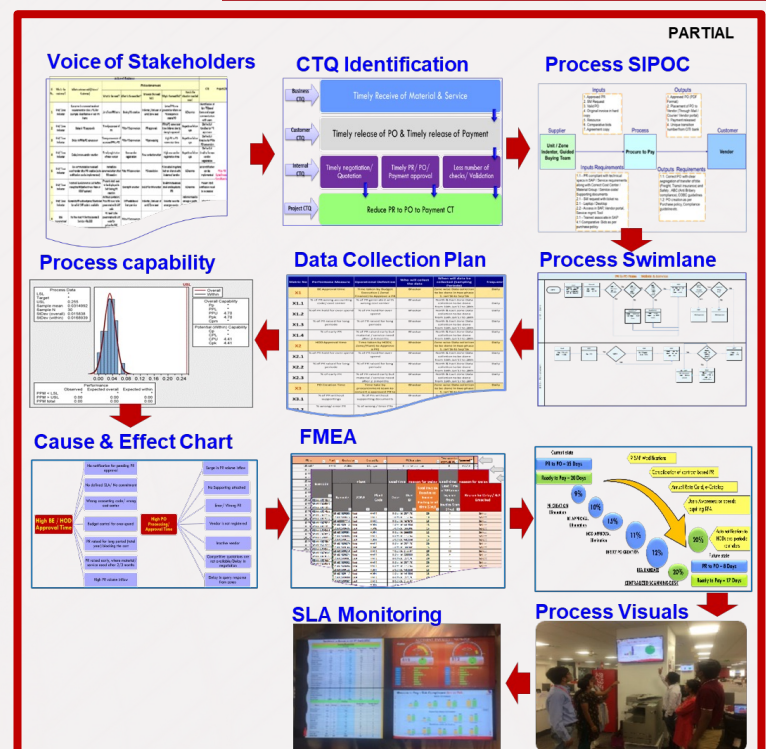


A swimlane process map assessment and diagnosis indicated that two sub-processes: PR to PO approval & Invoice to posting date contributed to about 65% of turnaround time. The primary goal was to simplify the process and cut down on handoffs and unnecessary approvals and also eliminate or automate manual tasks/activities.

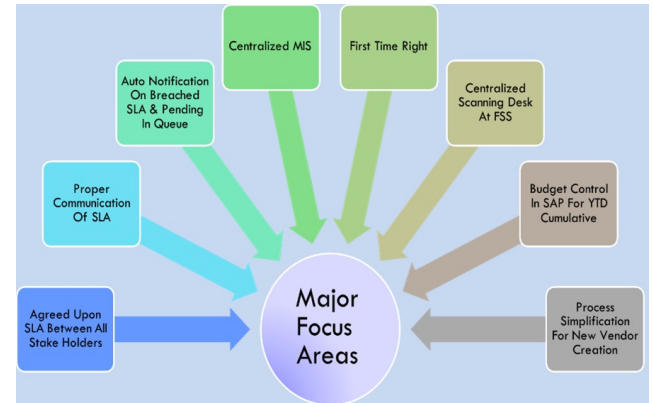
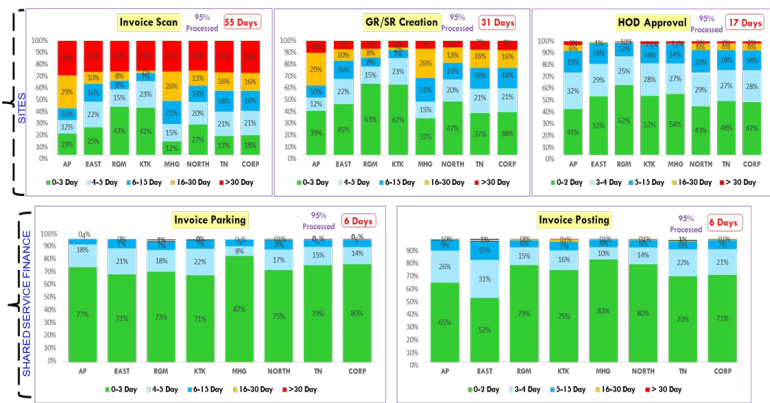


## Approach & solution

BMGI planned and designed a five-step structured process to map the current process, assess current capability, identify opportunities, identify root causes & brainstorm potential solutions and pilot the ideas and roll out finally. Customers, stakeholders and process owners were part of the entire problem-solving process while arriving at the future state process.



The focus was to capture the stage-wise good quality data and slice and dice the same to reach the root cause, followed by team sessions to arrive at potential solutions



All 5 zones in India covered  
under this program

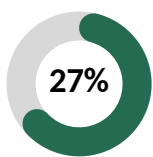


20+ plant locations  
connected

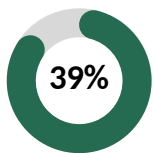


80+ members trained across  
zones

## Results



Days reduction in PR to PO Approval  
subprocess



Days reduction in Invoice to Posting  
subprocess

PR to PO approval (95% Compliance)		
Baseline (20XX)	We are here (Mar 20XX)	Target by Oct' XX
48 Days (before centralization)	35 Days	8 Days

Invoice Date to Ready to Pay		
Avg Days In 20XX	We are here (Mar 20XX)	Target by Oct' XX
31 Days	20 Days	17 Days

## About BMGI

**Breakthrough Management Group International (BMGI)**, a global consulting firm with a strong focus on **delivering results** and has **delivered cumulative benefits to its clients worth several billion dollars** with an **engagement ROI of 5:1 to 20:1**. BMGI specialises in enabling organisations drive profitable growth and innovate. Solutions include building innovation opportunities portfolio for driving growth, breaking optimization barriers to multiply profits and transform customer experience. We have developed several methodology & framework-based assets to enable client success.

BMGI's clients include leading Fortune 1000 Global companies and other Indian companies from diverse industries such as financial services, IT/ITES, airlines, chemicals, FMCG, discrete manufacturing, telecommunications, petrochemical, textiles, healthcare & energy. **Some our Consumer Business clients are – Coca Cola, ITC, HUL, Jyothi Laboratories, Dabur, Britannia, Marico, Huhtamaki-PPL, Reliance Retail**

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