



Business Challenge

Compass Group India was looking for new ways to improve how it managed purchase orders, goods and vendors. How could it boost insight and efficiency, and cut costs?

Transformation

Compass Group India has moved to an integrated, standardized approach to the entire procure-to-pay process. This is helping the company make smarter sourcing decisions and reduce costs.



Rahul Yadav
Senior General
Manager of IT
Compass Group India

Business benefits:

Lower

procurement spend thanks to more efficient processes

Reduced

working capital requirements with improved invoice management

Sharpened

decision-making with near-real-time access to accurate, consistent data

Compass Group India

Unlocking big savings and driving smarter decisions by unifying procure-to-pay

A wholly owned subsidiary of Compass Group PLC, Compass Group India provides food and support services in more than 45 cities across India. The company currently employs more than 14,500 people.

“IBM Global Business Services understood our vision and had the right resources to support it.”

Rahul Yadav, Senior General Manager of IT,
Compass Group India

Share this



Challenge in detail

With its business growing fast, Compass Group India wanted to adopt a more unified and standardized way of managing group-wide activity, particularly when it came to the procure-to-pay process.

Solution delivery

Compass Group India worked with IBM Global Business Services to unify operations on an integrated suite of SAP ERP applications, and accelerate information delivery with SAP HANA running on cloud.

Bringing a booming business closer together

Every day, Compass Group India serves more than a million meals, cleans thousands of square feet and provides business services to hundreds of clients. To make it all happen, the company relies on a vast network of business units, spread across the country.

To better support this combination of regional scale and local flexibility, Compass Group wanted to drive a more standardized and integrated way of managing operations—particularly when it came to the procure-to-pay process.

Rahul Yadav, Senior General Manager of IT at Compass Group India, elaborates: “We wanted to make sure that we understood and managed our total procurement spend as effectively as possible, across all of our different business units and functional areas. This would give us a faster, more reliable view of activity at the group level.”

With its business growing at double digit rates year over year, Compass Group India looked for a way to enable its expanding business to manage resources as effectively as possible, and deliver the most responsive service to customers.

Standardizing on SAP solutions

Compass Group India embarked on an ambitious effort to integrate group-wide operations on a standardized, automated set of systems and processes. The company selected SAP® ERP as the key enabler of this transformation, including applications for Financials and Controlling, Inventory Management, Materials Management and Sales.

Rahul Yadav explains the reasons behind the choice: “SAP ERP was already in use at a number of other Compass Group companies, and it made sense to standardize with the wider group by moving to a common SAP platform. This would allow us to align our local processes to a global standard, driving greater integration and efficiency.”

Recognizing that fast information access would be key to driving greater efficiencies and sharper decision-making, Compass Group India decided to supercharge application performance with SAP ERP powered by SAP HANA® in the cloud.

“To help our business grow in the most efficient way, we knew we needed the latest and greatest technology, and we believe that SAP HANA offers just that,” says Rahul Yadav. “With SAP ERP powered by SAP HANA, we can gain near-instant insight into data from across the business, available from a single, simplified platform.”

“We established a very good working relationship with IBM Global Business Services; their consultants engaged with Compass Group business leaders in India to understand our objectives and design processes that best suited our needs.”

Rahul Yadav

Senior General Manager of IT
Compass Group India

Joining forces with IBM

The next step for Compass Group India was to find a partner that could help it guide a successful implementation, and manage the business change.

The company chose IBM® Global Business Services® to act as overall project manager and to shape a change management strategy.

“IBM Global Business Services understood our vision and had the right resources to support it,” notes Rahul Yadav. “We liked that IBM had a strong local presence in the different regions where we are located, as well as broader regional scope, and could bring expertise and close collaboration to make the implementation a success.”

Compass Group India established a tight schedule for the implementation, working with IBM Global Business Services to roll out the SAP solutions to all company locations in India over the course of just six months.

Rahul Yadav comments: “We established a very good working relationship with IBM Global Business Services; their consultants engaged with Compass Group business leaders in India to understand our objectives and design processes that best suited our needs. Thanks to this close collaboration and great dedication from both companies, we were able to achieve our goals and bring the implementation in on schedule.”

Getting users on board

In partnership with IBM Global Business Services, Compass Group India has dedicated significant effort to shaping a comprehensive change management strategy, helping ensure a smooth transition to the new processes and ways of working.

“This was a big project for Compass Group India, and we wanted to be sure that it was done right. We established a dedicated team, led by a full-time change management consultant from IBM, that worked continuously to support users as we moved to the new system, and to keep them updated at every stage of the project. We organized training sessions for all end users to familiarize them with the new applications before the go-live, and then assigned dedicated trainers to each business unit for a period of two months following the go-live.”

Initial feedback from business users has been positive, as Rahul Yadav comments: “We conducted a post-implementation survey about a month after the go-live. 90 percent of respondents said the new system had met their expectations. We are planning regular follow-up surveys to track employee sentiment and identify areas for improvement.”

End-to-end management

The project included a “big-bang” deployment at more than 70 of the company’s food service units, where Compass Group India worked to roll out SAP applications for Financials and Controlling, Materials Management and Sales and Distribution. The company has also created a web-based portal, providing business users with a customized, easy-to-use interface for accessing the new SAP applications and data at the food service units.

Compass Group India has assigned the unit manager and storekeeper for each of its food service units with access to the web portal. From here, they can control the end-to-end procurement and inventory management process.

New purchase requests are entered into the SAP system and approved by the unit manager; when a store receives goods, the storekeeper generates a receipt and then issues the goods to the kitchen at the food service unit. All this is followed by a full physical inventory at month end. Unit managers also capture daily cash sales in the portal.

Rahul Yadav states: “With this system, teams at our food service units have all the information they need to manage orders and inventory in a single, easily accessible location. With SAP applications, everything is integrated; we benefit from a more structured process and improved information flow, and there is much better collaboration at all levels of the business. As a result, procurement can ensure that orders are processed on time. The system also provides better support to operations teams at units with timely delivery of goods.

Faster information delivery

With SAP HANA powering lightning-fast reporting, Compass Group India can access the information it needs to make informed decisions—faster than ever before.

Benefits in detail

- Cut procurement spend thanks to more efficient processes.
- Reduced working capital requirements with improved invoice management.
- Sharpened decision-making with near-real-time access to accurate, consistent data.

Key components

Applications: SAP® ERP powered by SAP HANA®, SAP ERP Financials and Controlling (FICO), SAP ERP Inventory Management (IM), SAP ERP Materials Management (MM), SAP ERP Sales and Distribution (SD), SAP Portal

Services: IBM® Global Business Services®

According to Rahul Yadav: “We use a common management information system based on standardized, consistent underlying data. And using SAP HANA, we can access this information quickly and easily.

“We have created management reports in HANA, which provide a high-level view of the business, and the ability to drill down into data to gain a better understanding of key performance indicators across all functional areas. We are expanding reporting in the coming months, and are in the process of rolling out SAP Business Warehouse powered by SAP HANA to further enhance our business intelligence capabilities, especially in the procurement area.”

Greater automation

Introducing SAP applications has enabled Compass Group India to automate many aspects of the financial and procurement processes, shortening cycle times and improving operational efficiency.

Rahul Yadav remarks: “Today, 95 percent of purchase orders are generated automatically through SAP, and vendors are notified by email as soon as the order is created in our system. This means that the central procurement team spends less time and effort processing purchase orders, and that operations teams can receive supplies much faster. What’s more, the improved back office efficiencies have helped to reduce operating costs significantly.”

Improved visibility

With all key areas of the business unified on a single set of SAP applications, expertly deployed by IBM Global Business Services, Compass Group India benefits from greater operational visibility. This is helping to strengthen accounts management and reduce working capital.

“There is now complete integration between accounts receivable and billing, and much better visibility throughout the entire system,” says Rahul Yadav. “We have also established a three-way match functionality, which allows us to ensure that the amount on each purchase order is equal to the corresponding goods receipt and vendor invoice.”

Boosting efficiency

Thanks to the improved insight enabled by integrated SAP applications and data, executives can make more informed sourcing decisions and identify opportunities to drive greater efficiencies across the procure-to-pay process.

Rahul Yadav concludes: “With the new system, procurement executives are able to easily analyze and compare purchasing costs of goods and services. This makes it easier for Compass Group India to identify opportunities to reduce expenses and negotiate better deals with vendors.

“Perhaps an even more important benefit is the fact that we can act as a more unified organization. The improved transparency and consistency gives us an excellent foundation from which we can drive even greater efficiencies and keep Compass Group India on track for success as the business continues to grow.”

Learn more, connect with IBM   and SAP  



© 2016 IBM Corp. IBM Deutschland GmbH D-71137 Ehningen ibm.com/solutions/sap IBM, the IBM logo, ibm.com, and Global Business Services are trademarks of International Business Machines Corporation, registered in many jurisdictions worldwide. A current list of other IBM trademarks is available on the Web at “Copyright and trademark information” at <http://www.ibm.com/legal/copytrade.shtml>. Other company, product or service names may be trademarks, or service marks of others. This case study illustrates how one IBM customer uses IBM and/or IBM Business Partner technologies/services. Many factors have contributed to the results and benefits described. IBM does not guarantee comparable results. All information contained herein was provided by the featured customer and/or IBM Business Partner. IBM does not attest to its accuracy. All customer examples cited represent how some customers have used IBM products and the results they may have achieved. Actual environmental costs and performance characteristics will vary depending on individual customer configurations and conditions. This publication is for general guidance only. Photographs may show design models.



© 2016 SAP SE. All rights reserved. SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP BusinessObjects Explorer, StreamWork, SAP HANA, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE in Germany and other countries. These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP SE or its affiliated companies shall not be liable for errors or omissions with respect to the materials. This document, or any related presentation, and SAP SE’s or its affiliated companies’ strategy and possible future developments, products, and/or platform directions and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice.