proKarma

BPO

SPEND ANALYSIS

ABSTRACT

This white paper explores Spend Analysis within the railroad industry. ProKarma solutions are based on business intelligence, report distribution and measured savings. Our method utilizes ProAdmin business intelligence suite which delivers recommendations on optimal spending. We have over 7 years of spend analysis and reporting and continue to provide saving for Class 1 railroads globally.

SAVE AT SOURCE

Enterprises have started focusing on savings at source. A better procurement process with goods/services at industry benchmarked rates with optimal terms and conditions built into the language saves on future costs by up to 15-20% on annual spend. Savings made are incremental and sustain over a longer period.

While most enterprises have a great way of procuring operational essentials, tactical goods/services are often neglected.

ProKarma's expertise and value offering is centered around just that.

We offer procurement life cycle management across 7 categories and 232 sub categories

1. Operations

2. Direct Services including Engineering, Environmental & Mechanical

3. Indirect Services including Facilities

4. Human Resources

5. IT services

6. Telecom Services

7. Materials including Fuel

We serve US, Canadian and Mexican markets.

PROKARMA METHOD

ProKarma's ProAdmin has a business intelligence suite which can deliver recommendations on optimal spend.

Central to any valuable spend analysis efforts are:

• Domain knowledge
• Data cleansing & interpretation
• Data modeling expertise
• Mapping spend to business & operational dimensions
• Process to monitor, track and optimize in a progressive, self learning manner

ProKarma has over 7 years of experience in spend analysis & reporting on tactical spend, utility/energy spend and telecom spend for over 90 customers globally.

INTRODUCTION

ProKarma has been providing end-to-end tactical procurement lifecycle management services to fortune 1000 companies in USA since 2005.

The procurement lifecycle management services offered by us cover an entire spectrum of major areas including –

Sourcing services

• Request Management
• Rfx Management
• Sourcing Events
• Auctions
• Bid Analysis, Supplier Selection
• Category Management

Contract life cycle management

• Contract Initiation
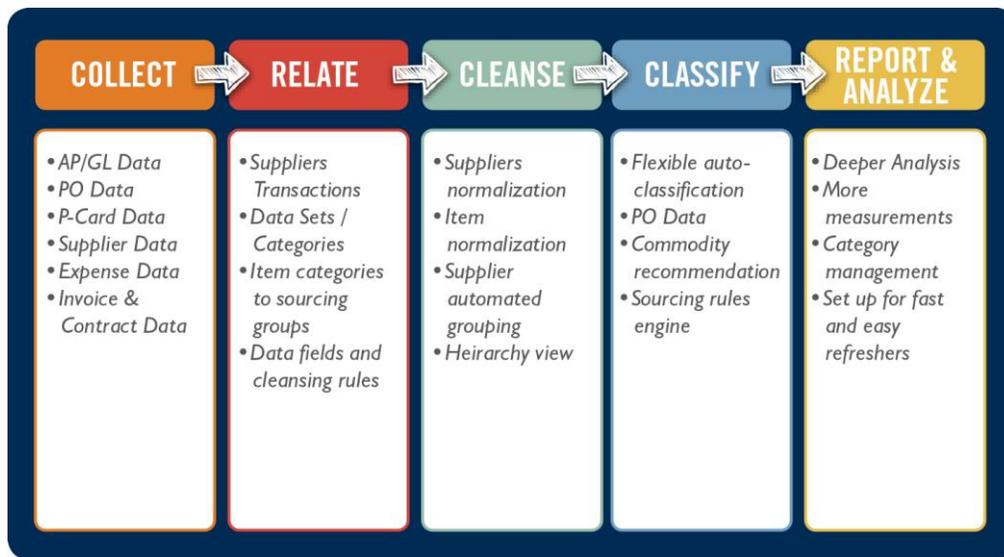• Contract Administration
• Contract Modifications
• Invoice Validation

Spend Analysis

• Data Collection & Dimension Management
• Data Cleansing
• Data Classification
• Reporting & Analysis
• Recommendations & Tracking

Specialized services

• Enterprise help desk & tech support services
• Vendor Sourcing & Supplier Negotiations
• Catalog Building & Administration
• Invoice matching for purchase orders
• Industry Benchmarking & Best Practice Consultancy
• Strategic Sourcing: Subject Matter Expertise

ProKarma's procurement services are offered in both an À la carte model as well as individually packaged services.

TOOL SET

ProKarma has IT experience in designing an end-to-end contract ad-ministration system for a major Class I Railroad company in USA.

However, as most of our customers have homegrown, licensed soft-ware to manage procurement lifecycle including Ariba, SAP among others. Over the past several years, ProKarma's expertise has been honed in working on customer systems in conjunction with our own proprietary software. In case the customer's systems do not have necessary advanced tool kits, we bring our proprietary software to the table to augment and complement customer software –

1. ProAdmin: A ProKarma owned & hosted ERP used to manage request Queues, procurement workflows, configuration parameters & catalog management,
Pan-American supplier databases, street prices, industry intelligence among others.

2. ProIssue Manager: A ProKarma owned and hosted ticketing system for request management, help desk ticketing, performance tracking, KPI reports among others.

3. ProInvoice: A ProKarma owned and hosted tool kit for Purchase order workflow management, 3-way matching of invoices among others.

METHODOLOGY

Collection:

Spend points like descriptions, categories and values [rates, quantity, amounts] by charge groups [taxes, usage, fixed/variable costs] are imported from the system of record maintained at ProKarma or the customer.

Relate:

Spend Analysis at ProKarma is central around customer operational & business dimensions—like Department, Category, Cost/Profit centers, square footage, number of employees, revenue dollars et cetera. ProKarma team first conducts a discovery of the enterprise business needs and works on a suitable dimension model. The dimensions can be hierarchical, relational or discrete. ProKarma's ProAdmin can import business & operational dimensions values/attributes periodically either on an "on demand basis" or "auto schedule basis" from customer software/systems. Cost allocations of all spend either manually or electronically imported are done as per the dimensions imported.

Cleanse:

ProKarma can systematically identify & cleanse outliners from the data available by using configuration parameters to achieve a normalized distribution for analysis.

Classify:

Cost allocation of collected & staged spend points between various dimension attributes imported is accomplished. The allocation algorithms can be for a fixed or percentage basis & can be configured by authorized users.

Report & Analyze:

ProKarma's team of analysts build modeled reports to meet customer requirements and executive reporting needs. The data modeling and mapping is changed as per business domain and operational experience gained through constant customer interaction & collaboration.

BUSINESS INTELLIGENCE

ProAdmin has inbuilt BI capabilities in it to allow rapid deployment of data models and splicing of data in multiple ways.

ProKarma team constantly interacts with customer stakeholders to understand the changing business, operational and reporting needs.

The analysis is an ongoing process so that once data models are ready, real time analysis and reporting is possible.

ProKarma can store multiple data models per each customer user to provide greatest visibility to enterprise decision makers.

REPORT DISTRIBUTION

ProKarma can schedule key selected reports for distribution to customer stakeholders.

Alternatively, the capability to provide on-demand reports is also available.

ProAdmin maintains a versioned document trial of models & reports built so that regression analysis can be done easily.

MEASURE SAVINGS

ProAdmin can store data reports, recommendations made and period-end results in a linked manner to track the efficacy of decisions taken.

This allows enterprise decision makers to monitor the budget allocations set for savings & cost reduction effectively.

ProAdmin can store multiple savings categories like Energy savings, Policy changes et cetera and provide period-end savings reporting by savings category defined.