



**One Stop for All Your Procurement Needs with
Collaborative Sourcing and e-Procurement**

Procurement Service Offerings

Procurement Services at Synise are focused on QCDC (Quality, Cost, Delivery and Compliance) in Indirect Material Procurement area. At Synise, we provide the infrastructure and applications to dynamically assemble the right business, services and partners to serve all customer segments thereby building and strengthening business partner relationships for greater loyalty and liquidity. As India's leading Value Added Service Provider, our services are aimed at achieving customer end goal of cutting costs, reducing lead time and reducing time to market through our value based approaches.

Synise offers each of the following as a stand-alone service offering or grouped together as part of a much broader Procurement offering. Procurement Services at Synise is a blend of e-Procurement + Procurement through specialist.

Synise brings deep expertise across a wide range of categories and services, using cutting edge tools, technologies, information and well-integrated processes in executing complex engagements in Indirect Procurement. Synise combines all of the above strengths to manage, execute and deliver a complete Source to pay solution that supports all procurement related processes in indirect materials and services.

Synise offers end-to-end consultancy and domain expertise within this area to ensure world-class execution and delivery. Clearly reverse auction provides a potent negotiation tool once supplier selection is over.

Offerings

PROCUREMENT OUTSOURCING SERVICES:

Procurement Category of Indirect Material Purchase.

- Production /Non-Production Consumables.
- A, B, and C class indirect material.
- Standard and Non- standard as well as Stock & Non-stock items.
- Capital Items
- AMC's and Service Contracts.
- Import.

PROCUREMENT e-AUCTION SERVICES:

High Volume Standard Purchase –

- Direct Material
- Indirect Material
- Capital Equipment
- Services.

e-TENDER SERVICES:

- Direct Material
- Indirect Material
- Capital Items
- Services

PROCESS MANAGEMENT SERVICES:

Procurement Process for National & International supplier base.

- Sourcing
- RFI, Supplier Assessment
- RFQ, Compilation of techno-commercial proposals
- Negotiation- Offline & Online.
- Contract Awarding

PROJECT MANAGEMENT SERVICES:

- Project Purchases sourcing to finalization.
- Project Co-ordination
- Project Execution
- Project Handover

Procurement Outsourcing Services

Why companies outsource:

Corporate decision makers know that improvements in operational efficiency and significant reduction in corporate spending can be achieved only through comprehensive analysis of cross company data. If spend cannot be measured it can never be improved and many businesses end up leaving money "on the table" instead of driving it to the bottom line.

Outsourcing to Synise:

Procurement Outsourcing at Synise is the turnkey solution to the supply chain management right from the product sourcing to the delivery, it is the end solution to its customers. It is certainly not easy for the Purchase head to sign more than 200 purchase orders everyday which range right from a pin of Rs. 10 to a pump of Rs. 5 lakh. The important aspect of purchase department is to focus on bringing the cost of its strategic spend down. Most of the time is spent on clerical and non strategic activity. Purchase departments are lean and lacking manpower to cope with the increase in supply requirements. It is really not about costs as much as about the nuisance this 5% cost causes in strategic sourcing.

Synise offers the complete procurement management of "Source-to-Pay" lifecycle for indirect materials. We deliver transformational Source-to-Pay procurement

outsourcing for companies in diversified industry segments, thereby helping our clients convert their fixed costs to variable costs and improve profitability, service levels, internal client satisfaction and reach greater scales of productivity.

Synise brings deep expertise across a wide range of categories and services using cutting edge tools, technologies, information and well-integrated processes.

Synise Procurement Outsourcing services can provide significant benefits

- Operating & infrastructure Cost Reduction
- Enhanced Company Focus on Core Business
- Gain Access to World Class Capabilities, Experience and Expertise
- Shift Volatile Variable Costs to Predictable Costs
- Transfer Internal Resources to Higher Value Activities
- Shift / Share Operating Risks

At Synise, buys of indirect material are voluminous in number and therefore can be made available with best prices, which an individual customer would not get from his supplier.

Synise focuses on direct cost savings to the customer by passing this price benefits.



Addressing Procurement Outsourcing Challenges Through Single Vendor Concept

Challenges

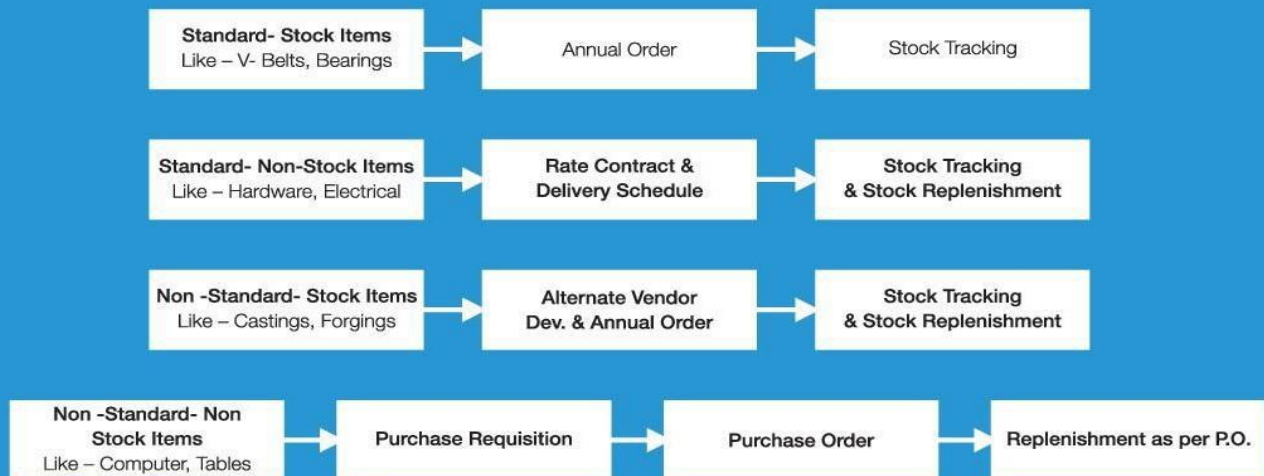
- High order cost & time.
- Too many items & vendors to track and follow up.
- Inability to locate relevant supplier in given time
- Poor tracking and control of Non-strategic spend.
- Higher product cost due to small quantities.
- Multiple payment cycle for various vendors.
- Issue of maverick buying, contract non-compliance, low volumes, disadvantage to price negotiation.

Benefits

- Reduction in order processing cost & Time.
- Streamlines ordering & accounting processes as single transaction.
- Frees up buyer to do more strategic sourcing etc.
- Lower administrative costs (like documents, telephones, fax, etc)
Price reduction due to aggregation agreements / buying.
- Payment process simplified, one payment per month.
- Ability to negotiate more favorable terms with suppliers (volume buying)

Process Simplified: Replace 1000 + Vendors By Single Vendor - Synise.

Indirect Materials Procurement Process



Some of the Categories Handled in Indirect Material

- | | | | | | |
|--|---|---|--|--|--|
| <input checked="" type="checkbox"/> Adhesives | <input checked="" type="checkbox"/> Steel Shots | <input checked="" type="checkbox"/> Electrical | <input checked="" type="checkbox"/> Switches | <input checked="" type="checkbox"/> Fasteners | <input checked="" type="checkbox"/> Machineries |
| <input checked="" type="checkbox"/> Hardware | <input checked="" type="checkbox"/> Welding | <input checked="" type="checkbox"/> Janitorial & Painting | <input checked="" type="checkbox"/> Oils | <input checked="" type="checkbox"/> Material Handling | <input checked="" type="checkbox"/> Lubes |
| <input checked="" type="checkbox"/> Motors | <input checked="" type="checkbox"/> Powders | <input checked="" type="checkbox"/> Switchgears | <input checked="" type="checkbox"/> Paints | <input checked="" type="checkbox"/> Electrical | <input checked="" type="checkbox"/> Pipes & fittings |
| <input checked="" type="checkbox"/> Electronic | <input checked="" type="checkbox"/> Pneumatics | <input checked="" type="checkbox"/> Bearings | <input checked="" type="checkbox"/> Hoses | <input checked="" type="checkbox"/> Pumps | <input checked="" type="checkbox"/> Wires |
| <input checked="" type="checkbox"/> Abrasives | <input checked="" type="checkbox"/> Hydraulics | <input checked="" type="checkbox"/> Safety items | <input checked="" type="checkbox"/> Wire Ropes | <input checked="" type="checkbox"/> Power transmission | <input checked="" type="checkbox"/> Greases |
| <input checked="" type="checkbox"/> Stationary | <input checked="" type="checkbox"/> Measuring instruments | <input checked="" type="checkbox"/> Belts | <input checked="" type="checkbox"/> Couplings | <input checked="" type="checkbox"/> Cables | <input checked="" type="checkbox"/> Chemicals & Mechanical items |
| | | | | | <input checked="" type="checkbox"/> Packaging |



Special Services for MRO Items

Plants & Machinery probably outlasts the working span of maintenance professional, definitely that of the buyer who is supposed to take care of any maintenance and repair requirements. While initial years are largely maintenance free, the requirement increases with time with lower capability at the purchase to source replacements for such parts.

Imagine a buyer being asked to source a PLC, which has been outdated in a machine made 30 years back. Invariably the buyer is not ready to make good sourcing decision, leading to large and costly overhauls, even sometime scrapping a large subsystem to be replaced by a new subsystem. Large capital-intensive industries could benefit hugely from this through a specialized service provider. Maintenance budgets can be curtailed through this to the extent of 20% to 30%.

Synise as a Service Provider not just supports critical MRO sourcing activity but builds up a long term capability by tying up with appropriate

sources of such parts globally. Our success with a battery of companies on the same has typically saved customers cost over replacements in the range of 30% to 80%. The typical items can be motors, compressors, PLC's, pumps, etc. Our capability gets a boost by the presence of a parallel offering called disposals where we possess a comprehensive listing of non moving but good industrial parts which can match a buyer's requirement. A simple match can sometime fetch a price unthinkable made possible using technology.

At Bharat Forge, we were challenged to source an outdated Siemens PLC, which was critically required. We ran a search on our non-moving inventory database and found that the same module of PLC was available at Vikram Cement for disposal in a packed condition. We managed to source it at a price of Rs. 6 lakhs for 4 modules against a Siemens quote for up gradation and supply of Rs. 80 lakhs.

Procurement Auction Services

Creating operational efficiencies and managing costs is the prime goal for any business. Synise Procurement Auction Service helps enterprises reduce direct purchasing costs and streamlines the existing procurement processes. It successfully emulates established strategic sourcing practices on the web, bringing together buyers and suppliers online to reduce transaction time and improve transparency across the enterprise. It helps convert routine procurement activity into a strategic one.

A reverse auction (also called procurement auction, e-auction, sourcing event, e-sourcing or eRA) is a tool used in industrial business-to-business procurement. It is a type of auction in which the role of the buyer and seller are reversed, with the primary objective to drive purchase prices downward. In a reverse auction, sellers compete to obtain business.

In a reverse auction, a buyer contracts with a market maker to help make the necessary preparations to conduct the reverse auction. This includes: finding new suppliers, training new and incumbent suppliers, organizing the auction, managing the auction event and providing auction data to buyers to facilitate decision making.

SERVICES:

Direct Material Bidding:

Bidding has picked up as one of the strengths of Synise. We derive the best prices out of a closed and tight grouping of competing suppliers. It is not necessary to bring in new suppliers but find out who within a closed group can give the best price. This is typically useful in awarding new businesses which have no incumbent to start with.

Synise has seen an increasing trend of direct material bidding, in closed group with the objectives of getting best prices. Ultimately, it is the negotiation which happens online while all other parameters are fixed offline. Part critically and supplier selection being the key more time can be spent on that instead of negotiations.

Synise has conducted dynamic auctions for Mudugan Mass at Hospet Steel Ltd., Steel Sheets at L&T, Brass Rivets at Rane Brake Lining Lid, Sheet Metal/Stamping component, Tooling development for Mahindra & Mahindra, EN8 bars for GE Motor India Ltd. with a reduction ranging from 5% to 15%.

Indirect Material Bidding:

The indirect material forms the ideal chunk of

spend to be through a quick and efficient bidding process, owing to it's being a commodity and fragment supply market.

It also allows for newcomers to show their strength against suppliers deep rooted in the buyers favourite list without any clear advantage.

The bidding also makes it easier for a buyer to look at a host of switching options based on the overall price performance ratio especially relevant for cutting tools, etc which are purely performance based cost as against per piece cost.

Synise has worked with over 150 companies on Indirect Spend bringing reduction ranging from 10% to 30%. Typical items like Refractories, Cutting tools, Electrodes, Grinding wheels, Oils & Lubes, Packaging, etc from ideal spend for competitive bidding.

Capital Equipment Bidding:

Capital equipment by its nature requires a thorough and functional capability study and assessment at the time of short-listing process. The purchase decision is typically between a limited three or four qualified suppliers. Negotiations between these are largely manual leading to lower negotiation efficiencies, especially if and the product is largely

interchangeable. Reverse auctions have proved that the prices are typically realized 20% lower with dynamic negotiations.

Typically high-end suppliers tend to charge a huge premium on name, which can be reduced through a transparent bidding process.

Synise has conducted online bidding for procuring 100T, 600T hydraulic press for Rane Brakes. The procurement head was amazed to see reduction of around 20% from the supplier who had denied any discounts earlier. Similarly, DC drives worth Rs. 4.5 crores was negotiated online with a manufacturer leading to reduction in prices by 15%. Clearly auction provides a patent negotiation tool once

supplier selection is over.

Logistics Bidding:

In a fragmented and ultra-competitive market like services, the dynamic negotiation tool seems to work the best. While there is a plethora of transporters, logistics provider, there are a many serious players, which have emerged in the past few years who can take end-to-end responsibilities with contracts won online. One of the most significant advantages of this is that the prices are finalized in a very short time across multiple routes covering sources and destinations.

Imagine trying to finalize over 250 destinations in 4 regions of the country in 10 types of trucks,

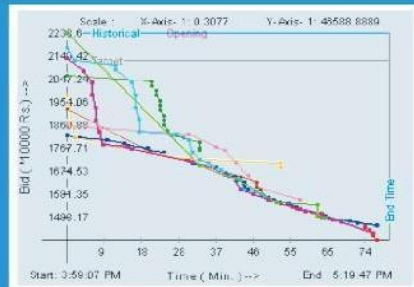
covering 37 transporters. The tool can help reduce the pain and prices drastically.

Synise has handled over two - dozen unique transportation events ranging from inbound, outbound exports with results in the range from 8% to 20 % reduction over market prices. It provides in-depth consultancy, as also assists in drafting best terms and conditions on transportation.

It has a rich database of over 200 approved logistics providers working for our customers like Whirlpool, Thermax, Tata Steel, etc. These logistics providers own large fleets serving across country and are offered large loads at volume discounts through Synise.

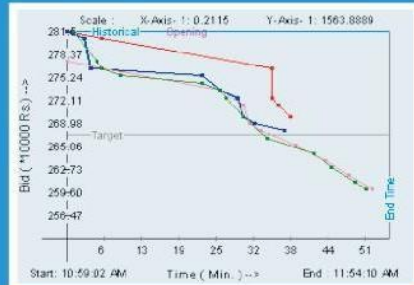
Case Studies

SKF



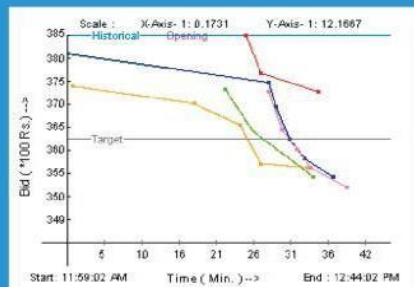
Company	SKF India Limited
Industrial Vertical	Services
Item Category	Part Load Transportation
Sourcing Solution	Procurement Auction
Historic Price	Rs. 5,00,00,000.00
Savings %	15%

RANE: BRAKE LINING LTD.



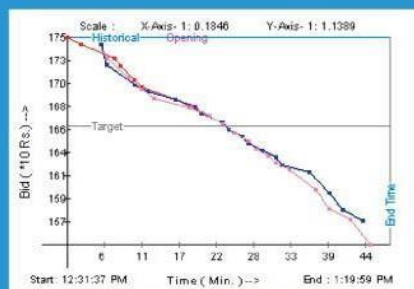
Company	Rane Brake Linings Ltd
Industrial Vertical	Capital Equipment
Item Category	Hydraulic Press
Sourcing Solution	Procurement Solution
Historic Price	Rs. 1,00,00,000
Savings %	15.0%

LAKSHMI MACHINE WORKS



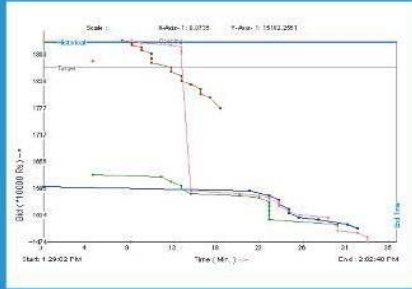
Company	Lakshmi Machine Works
Industrial Vertical	Computers
Item Category	Desktops
Sourcing Solution	Procurement Solution
Historic Price	Rs. 57,75,000
Savings %	9.35%

DGP HINODAY



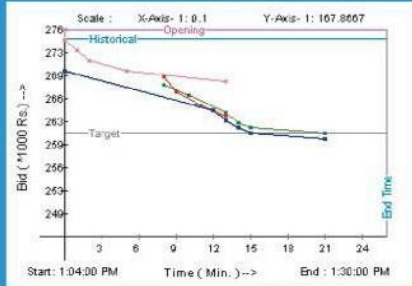
Company	DGP Hinoday Industries Ltd
Industrial Vertical	Industrial MRO
Item Category	Logistics
Sourcing Solution	Procurement Solution
Historic Price	Rs. 14,900.00
Savings %	25%

**KALYANI
CARPENTER**



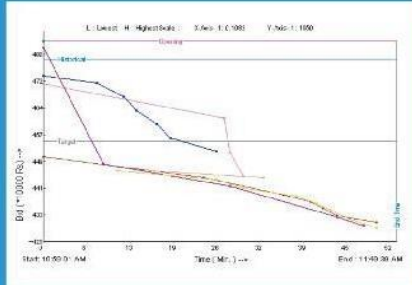
Company	Kalyani Carpenter
Industrial Vertical	Industrial MRO
Item Category	Graphite Electrodes
Sourcing Solution	Procurement Solution
Historic Price	Rs. 27 million
Savings %	25%

L & T



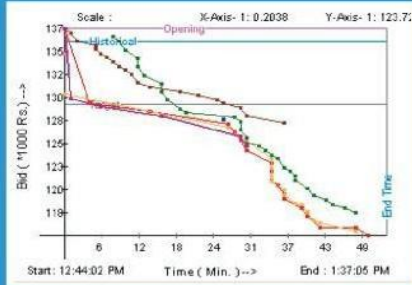
Company	Larsen & Tourbo Ltd.
Industrial Vertical	Packaging Material
Item Category	Packing Items
Sourcing Solution	Procurement Solution
Historic Price	Rs. 33,43,200.00
Savings %	16%

TRUMAC



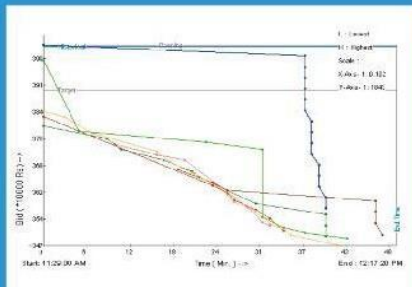
Company	Trumac Engineering
Industrial Vertical	Metals
Item Category	CRCA Sheets
Sourcing Solution	Procurement Auction
Historic Price	Rs. 7.8 million
Savings %	13%

**L & T
METALS**



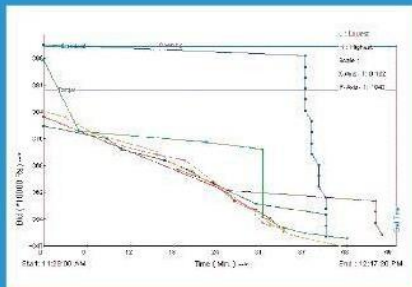
Company	Larsen & Tourbo Ltd.
Industrial Vertical	Metals
Item Category	Steel Sheets
Sourcing Solution	Procurement Auction
Historic Price	Rs. 61 million
Savings %	16%

**THERMAX
CHEMICALS –
PACKING
MATERIAL**



Company	Thermax Chemicals
Industrial Vertical	Industrial MRO
Item Category	Packaging Materials
Sourcing Solution	Procurement Auction
Historic Price	Rs. 2.7 Million
Savings %	12%

**ANAND
GROUP**



Company	Anand Group
Industrial Vertical	Packaging Materials
Item Category	Packaging Materials
Sourcing Solution	Procurement Auction
Historic Price	Rs. 4 Million
Savings %	13%

Why Outsource Procurement to Synise?

Pedigree:

- A part of US \$ 2.4 Billion Kalyani Group, Pune
- Over 10 years of successful operations in Procurement & Selling Services.
- An ISO 9001: 2000 certified company.

Synise Benefits:

Cost Reductions –

Synise as Procurement service provider delivers cost savings through deep category domain expertise and market knowledge proven procurement processes and purchase volume aggregation across multiple clients.

- Reduction in average unit price by 5 % to 20 %
- Reduction in average sourcing cycle by 25% to 30 %
- Reduction in average time to market cycle by 10% to 15 %.

Focus on core competencies –

Outsourcing procurement frees companies to focus resources on their core competencies designing new products or winning and servicing new customers.

Improved Processes –

Synise offers market leading procurement technologies as well as the methodologies for effectively deploying world-class procurement processes.

Global Supplier Database –

Synise provides the most comprehensive global supplier database. This helps buyers in identifying, qualifying and negotiating with an increased number of global suppliers thus creating more competitive bidding environments.

Process and Domain Expertise –

We have the potential to streamline implementation costs and cycles further by leveraging experience and methodologies

from previous procurement automation deployments. While offering programs and strategies for improved negotiations user and supplier adoption, contract compliance, we also offer services to electronically enable i.e. (onboard) an enterprises existing suppliers. Such supplier's enablement capabilities are critical to e-Procurement success.

Industry Leading Technology –

Synise provides best in class technology platform to enable better procurement with features like landed price bidding, multi currency bidding and 24x7 support.

Synise Benefits:

It comprises of software, services and knowledge that provide business with visibility and control of SPEND across all categories, systems and divisions throughout their entire Source to Pay Cycle.

Whether it's a service only offering or an entirely outsourced procurement staff, we deliver.

Spend management results tailored to your business needs. Our solutions can help you manage cost inflation, source globally, manage regulatory compliance risk and improve spend visibility across the enterprise and global supply network.

Delivers the full power of spend management to large enterprise with knowledge of resources and expertise for the most control.

We Can Offer –

- 24 x 7 client base / office base service
- Interactive training, expert services and extensive atomization and control capabilities.
- Good domain knowledge.

Our Other Services

- Supply Chain Management • Asset Management Services • IT Services

We have a national presence with branches in
Mumbai, Chennai, Bangalore, Mysore, Coimbatore, Rajkot, Delhi, Jalgaon, Nashik.

For more details contact:

Synise Technologies Ltd.

(An ISO 9001:2008 Certified Company)

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