



CLIENT STORY | SETTING UP AND MANAGING THE PROCUREMENT PROGRAM FROM INDIA FOR A LEADING AUTO COMPONENT PLAYER IN EUROPE

Region :
 INDIA

Consulting Services :
 STRATEGIC PROCUREMENT

CLIENT SITUATION

- A leading European auto component manufacturer, a leading supplier of sunroofs, convertible roofs and parking systems for most of the European OEM's like Daimler, Audi, VW etc. wanted to explore sourcing from India
- Avalon Consulting assisted the client by working as it's "true partner" helping it establish and manage its procurement by functioning as its IPO in India.

OUR APPROACH

- **Component Prioritization:**
 - Prioritizing the components and sub-assemblies to be sourced from India. This was done based on volumes, the supply base available in India, logistics cost as a % of total costs etc.
 - Based on Avalon's experience in the Indian Auto Component Space and the inputs from the client, we identified a set of 5 component categories to start the sourcing activity
- **Vendor Selection**
 - Narrowing down on the list of potential vendors in a scientific manner to identify the capable vendors in the selected categories
 - This stage also included a well defined filtering process to be conducted in order to arrive at a shortlist of most appropriate vendors to source from
- **Program Management**
 - Releasing purchase orders to suppliers
 - Co-ordination with all the key stakeholders like engineering, plant, etc.
 - PPAP process upon selection of suppliers

OUR RECOMMENDATION/ IMPACT

- Across the five selected categories, 70 suppliers were identified, out of which 3 suppliers were selected for PO raising
- 3 categories which gave the first set of savings (of the order of ~21%) across 3 suppliers
- The company has started sourcing from India and has subsequently set up a plant as well