



Case study

Success story summary

Towers Perrin

Situation:

One of the world's largest management and human resources consulting firms moves procurement of goods and services online via an e-business on demand™ utility computing option.

Business objective:

With 10,000 employees working out of 74 cities across 23 countries, office supplies alone represent nearly 60 percent of the Towers Perrin operating budget. The firm wanted to automate its purchasing process and move it to the Web.

Key business challenges:

The manual purchasing process in place was not only complex and difficult to control, but provided no management of spend and vendor relationships on a day-to-day basis.

Key technical challenges:

The firm wanted to migrate a large percentage of procurement transactions to the Web in 2002, but without incurring large up-front investments in skills and technology.

Solutions:

For a low monthly fee, Towers Perrin is automating its purchasing process, from requisition to payment, over the Internet with IBM's Quick Start e-procurement service. Quick Start service combines the Ariba® Buyer™ software application with management expertise from IBM Global Services. The solution at Towers Perrin features IBM's DB2® software running on IBM xSeries systems in an IBM hosted environment. Tivoli Storage Manager 4.2 is utilized as part of the Quick Start service for routine backup of customers' business critical data.

Results:

In a matter of weeks, IBM's Quick Start e-procurement service consolidated thousands of the firm's vendor contracts to less than 100. Towers Perrin expects to have 60 percent of its procurement spending online in 2002, saving the company as much as several million dollars in the first year alone.

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According to the company, more effective control of inefficiencies, procurement costs and spending could result in additional savings of \$80 million by 2007, as Towers Perrin adds procurement for marketing materials and temporary help to the system.

Company report card:

"The IBM-hosted Quick Start service offers flexibility, security and support for our fast-growing procurement needs," says John Hays, Towers Perrin director of global sourcing and procurement. "We gained speed and efficiencies from IBM Global Services management expertise and Quick Start's easy pay-as-you-go pricing."

Significance:

Almost immediately after it was deployed, Towers Perrin Quick Start e-procurement service provided value by helping the company consolidate its thousands of vendor contracts. And with the help of IBM Global Services' hosting management expertise, the management and human resources consulting firm stands to gain several million dollars in speed and efficiency, through 2002.