

Case Study

E-SOURCING CHARTS STRATEGIC SOURCING TRANSFORMATION JOURNEY FOR MALAYSIA'S LEADING HOTEL CHAIN

YTL HOTELS

CUSTOMER

YTL Hotels

INDUSTRY

Hospitality

TURNOVER

USD 5 Billion (YTL Group)

HEADQUARTERS

Kuala Lumpur, Malaysia

YTL Hotels is the hospitality arm of the Malaysian multinational - YTL Corporation. YTL Corporation is currently one of the largest companies listed on the Bursa Malaysia. YTL Group's core businesses are ownership and management of regulated utilities and other infrastructural assets, serving 12 million customers in three continents.

YTL Hotels recognized the fact that its efforts to reduce costs through conventional practices had

partial impact on actual price reductions. Leveraging the E-Sourcing solution, YTL Hotels embarked on a journey to stream line its sourcing processes with the objective of driving down overall costs. Within a short span of time, E-Solutions helped YTL increase its strategic sourcing coverage across multiple categories. As a result, savings soon surpassed the projected numbers and YTL today continues to reap the benefits of collaborative commerce.

THE COMPANY'S TOP OBJECTIVES

- Create an agile sourcing and procurement ecosystem that could keep pace with fluctuating market conditions
- Identify savings opportunities across spend management processes that could positively impact the bottom line in the long term
- Consolidate disparate sourcing processes on to a single platform to enable process consistency and compliance adherence

THE RESOLUTION

- Implemented E-Sourcing on demand to manage a wide range of sourcing events and projects in the organization
- Automated all strategic sourcing processes and engaged with over 400 suppliers for multiple sourcing events through E-Sourcing
- Blended cutting-edge sourcing technology with domain consulting expertise to create best-in-class sourcing strategies for multiple categories

THE KEY BENEFITS

- Routed over 55% of the annual spend through E-Sourcing within six months of go-live
- Realized sourcing cost savings of 17% across categories
- Exceeded strategic sourcing savings targets by 25% by improving sourcing coverage across direct materials and indirect goods and services

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