

Automating Sourcing for Industrial Manufacturing

How an AI-powered platform automated the sourcing lifecycle to drive unprecedented efficiency and savings for a leading manufacturer.

The Challenge: A Fragmented & Manual Process

Before implementing an AI solution, the procurement team at a leading industrial manufacturer was constrained by a series of manual, disconnected processes that created significant bottlenecks:

- **Manual Requisition Handling:** Material requisitions were raised independently from 20+ global plants via email and spreadsheets. Sourcing managers spent hours every week manually consolidating these requests.
- **Time-Consuming Negotiations:** Price negotiations involved endless back-and-forth emails and phone calls with each vendor, often leading to project delays and inconsistent pricing across the board.
- **Limited Vendor Discovery:** The team relied on its existing, often static, list of suppliers. Identifying new, more competitive vendors was a reactive, ad-hoc activity, leaving potential savings on the table.
- **Subjective Decision-Making:** Vendor selection was often based on long standing relationships rather than a comprehensive analysis of current market rates and performance.
- **Invoice Processing & Auditing:** The accounts payable team had to manually check each incoming invoice against its purchase order. Mismatches were common, leading to payment delays and a high risk of overpayment.

The Solution: An Autonomous Workflow

1. Automated Requisition & Sourcing

Material requisitions from all plants are automatically ingested and consolidated by the AI platform. The system intelligently groups materials and creates optimized sourcing events, freeing the Sourcing Manager from tedious work.

2. AI-Powered Autonomous Negotiations

The platform's AI engages with each vendor independently and in parallel through a chat UI and direct email, conducting real-time price negotiations to secure the best possible rates without human intervention.

3. Proactive Vendor Discovery & Intelligence

A dedicated Vendor Discovery Agent continuously scans the market for new suppliers, performs automated rate comparisons, and identifies key decision-makers, providing a pipeline of qualified, competitive vendors.

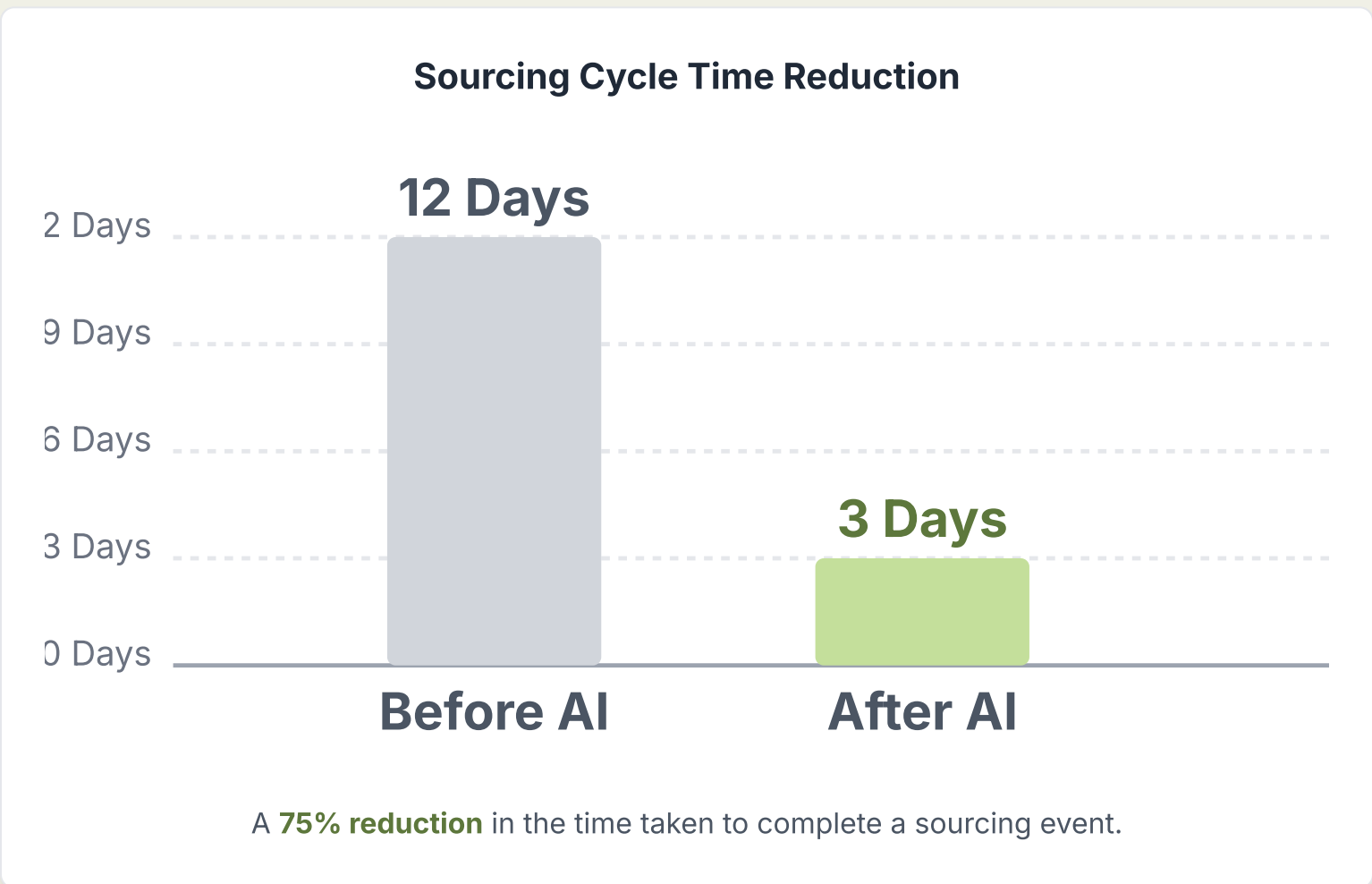
4. Data-Driven Contract Awarding

The platform's analytics engine provides a comprehensive comparison of all bids, factoring in price, lead time, and vendor performance, giving management a clear, data-backed recommendation.

5. Automated Invoice Validation

When a vendor submits an invoice, the AI performs an instantaneous three-way match against the purchase order and rate contract, highlighting any mismatches for the Accounts Payable team to review.

The Business Impact: Transformative Results



12%

Reduction in Direct Costs

Equating to over **\$18M** in annual savings.

75%

Faster Sourcing Cycle

Reduced from 10-12 days down to just **2-3 days**.

85%

Strategic Focus for Managers

Freed from tactical work, managers now focus on high-value strategic initiatives.

20%

Increase in New Vendors

Onboarded **50+ new competitive vendors** in the first year.

87%

Reduction in Invoice Errors

Invoice mismatch rate dropped from 15% to **less than 2%**.

24/7

Vendor Engagement

Autonomous AI chat and email improved vendor satisfaction and response times.

From Cost Center to Strategic Advantage

By embracing AI-driven automation, the customer has fundamentally reshaped its procurement operations. The platform provides the critical intelligence and automation needed to navigate a complex supply chain, ensuring the company remains agile, competitive, and resilient in the global marketplace.

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