



UPL's Strategic Partnership with Ivalua for Enhanced Global Procurement Operations

UPL needed a global platform to centralize procurement management, gain better visibility and control, and benefit from economies of scale.

Ivalua was chosen for its openness to flexibility for global operations and its stronger strategic sourcing capabilities compared to market competitors.

“ The biggest benefit is having a single source of truth in one centralized platform. With strategic sourcing and transactional procurement on one platform globally, we benefitted from scale and efficiency. ”



Sylesh Gopan
Global ERP Head



The Company

UPL is committed to promoting sustainable agriculture by empowering farmers and ensuring food security while addressing environmental challenges. Through implementing innovative solutions and technologies, the company aims to transform global food chains and enhance agricultural productivity.

Headquartered in Mumbai, Maharashtra and founded in 1969, UPL has established itself as a significant player in the agribusiness sector, specializing in the research and development, manufacture, packaging, and marketing of agrochemicals, including pesticides, herbicides, and fungicides.

- ✓ The company operates globally, with its products available in over 150 countries and a workforce of more than 10,000 employees.
- ✓ UPL has a strong focus on research and development, boasting 18 R&D facilities and 43 manufacturing sites worldwide.
- ✓ UPL also produces industrial and specialty chemicals. With acquisition of Arysta LifeScience in 2019, UPL is positioned as the fifth-largest generic agrochemical company globally.

Their Challenge



Fragmented Spend, Pressured Margins, and the Need for Control

- ✓ Before implementing Ivalua solutions, UPL faced significant challenges including competitive pressures, increased focus on quality, and fragmented procurement management processes. Even prior to the pandemic, aggressive pricing and dumping practices were occurring in the chemical industry that created a turbulent market environment which UPL knew could **impact profitability and spend transparency**.
- ✓ They chose to implement a strategy to improve bottom-line performance by improving vendor managed inventory, working capital, and cash flow. However, to do this effectively and gain control over spend management, UPL needed to **centralize strategies, daily operations, and supply chain transparency** across regions that were segmented. Their proposal was to move from an existing system that lacked data transparency and cohesion to a more flexible platform to track all spend and suppliers, supplier relationship management, and improve compliance as well as leverage supplier negotiations.
- ✓ Improve management and control of direct spend transactions.

The Journey

Global Standardization Fueled by Flexibility and Strategic Alignment

- ✓ Transitioning to a new procurement platform required overcoming resistance to change, particularly in international regions where local control over procurement management was a concern. UPL needed a more standardized approach to **streamline operations and a robust solution like Ivalua** would enhance operational efficiency while addressing the complexities of their market environment.
- ✓ UPL implemented Ivalua in 2020 with the objective of establishing a global procurement platform across all spend, and the main factors for selection were Ivalua's **flexibility and openness** to configurability as well as its market-leading strategic sourcing capabilities compared to other vendors.
- ✓ The decision was an agreement in alignment between the business, procurement, and IT departments within UPL, and the transition brought immediate benefits.



UPL's initial implementation of Ivalua across source-to-order for all spend in India took about 9 months due to uniqueness and a focus on direct materials as a starting point. Following the successful implementation in India, UPL began its global rollout of Ivalua, starting at the end of 2022, and by the end of 2023 UPL had completed implementations for all 43 manufacturing locations which include direct materials.

The Value

From Tactical Tasks to Strategic Impact at Scale

UPL's transformation with Ivalua has redefined its procurement operations by driving efficiency, standardization, and data-driven decision-making. Key value drivers include:

Financial & Operational Efficiency

- ✓ **Margin Improvement:** Automated pricing compliance on direct materials has significantly boosted margins.
- ✓ **End-to-End Process Adoption:** Achieved 100% PR-PO adoption in India through a top-down leadership approach, enabling the combination of multiple PRs into a single sourcing event for better outcomes.
- ✓ **Centralized Procurement:** Established a global shared services unit in India to streamline operations, improve visibility, and increase overall efficiency.
- ✓ **Robust SAP Integrations:**
 - ✓ Scalable integration with SAP's Pricing Condition Engine
 - ✓ On-demand real-time budget checks
 - ✓ Multi-tenant connectivity across SAP systems

Data-Driven Decision Making & Regulatory Compliance

- ✓ **Analytics:** Utilized dashboards and analytics to gain insights into procurement activities, enabling better negotiation and strategic supplier management.
- ✓ **Automated Supplier Selection:** Enabled auto-selection of suppliers based on qualification criteria (item/site or commodity/site combinations).
- ✓ **Regulatory Compliance:** Integrated Europe REACH requirements by maintaining flags at the item level to ensure PO creation meets specific conditions (Material Code, Plant Code, and Supplier Code).

Process Innovations & Enhanced Workflow

- ✓ **Retail Process Optimization:** Implemented a more efficient and guided procurement process for purchasing chemicals in Mexico, ensuring that only the correct chemicals are purchased to manufacture fertilizer.
- ✓ **Intercompany Collaboration:** Developed a process where buyers in Mexico and China collaboratively manage sourcing events and supplier awards.
- ✓ **Invoicing & Supplier Engagement:** Integrated the Mexican e-invoicing validation and compliance process to facilitate seamless invoice submission, approvals, and payment updates.

Scale & Impact Metrics

95%

of spend in India is managed through Ivalua (covering indirect, direct, and capex)

100K+

Suppliers

200K+

Sourcing events annually

800K+

Catalog items

1.2M+

Requisitions annually

400K

Deliveries per quarter

Outsized Value

Automated Price Compliance that Protects Margins and Boosts Efficiency

For direct materials purchases where prices can fluctuate frequently due to raw materials, Ivalua enforces pricing compliance dynamically. Once a "requisition" or planned order comes from the MRP, prices are automatically recalculated based on real-time indices and formulae established in the contractual agreement and a PO is then automatically created and sent to the supplier. Such dynamic price management has significant impact on margin improvement as well as efficiency improvement as it eliminates the tactical work required to correct POs/Invoices and ensures contract compliance.

Solutions Selected



Supplier Management



Sourcing



Contract Management



eProcurement



Planned Order Collaboration



Spend Analysis

Lessons Learned

Balancing Standardization and Localization to Drive Maturity and Insight

- ✓ The company's leadership identified the need to balance standardization with the desire for localization to improve adoption of the platform. UPL's implementation of Ivalua led to increased efficiency by migrating the PR/PO back-office work to a global shared services unit in India. This consolidation reduced the administrative burden on employees across different regions. UPL noticed the RFX processes and workflows were well-received by the business, which made a positive impact on productivity. Standardizing and centralizing processes led to better risk management and monitoring, and overall increased control bringing high levels of maturity driving improvement plans throughout the organization.
- ✓ By consolidating all spend management data into a unified platform, UPL established a single source of truth - streamlining operations, driving cost reductions, and unlocking access to more competitive pricing models. Leveraging newly attained levels of data transparency, they streamlined their network of suppliers, optimizing margins and driving more strategic, effective spending. With better visibility and control over procurement management, Ivalua analytics is helping UPL make better informed decisions that mitigate risk as well as negotiate spend.