MARKETPLACE How we're disrupting traditional procurement in the corporation









## Eurasian Resources Group

Report

ERG

Procurement

How it was

Solution

Purpose

Lessons



**60k+** employees in Kazakhstan

囗 16

enterprises in Kazakhstan

S 15
countries worldwide





### ERG

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# ERG occupies a third of the mining and metallurgical complex of the Republic of Kazakhstan





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# WHAT WILL THE **REPORT BE ABOUT?**

01 Market solutions can be used in corporations

02

How delivery time have been reduced by tenfold

## 03

Lessons Learned and recommendations



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# **PROCUREMENT PROCESS** HOW DID THE PROCESS WORK BEFORE?

Delivery time: 90 working days

Creating of a demand

Verification in a warehouse

Application for a purchase

Tender procedures **Contract with** the supplier

Delivery

**Payment** 





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# **PROCUREMENT PROCESS**

Group procurement volume: \$4 billion

consumables, tools, spare parts, etc.

### 90%

Labor cost for 'tail-end' categories

10% 'Tail-end' expenses

# 'Tail-end' expenses are the amounts an organization spends on





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# HOW IT WAS BEFORE



## $\mathbf{O1}$ A long time

Long and tedious procurement process, about **90 working days**  02

### Bureaucracy

Material creation - demand reservation - write-off

## 03 **Poor quality**

Ends up with a low-quality analogue or does not receive it at all



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# **SOLUTION-CORPORATE MARKETPLACE**

Goal – to reduce delivery time

Fast Weekly deliveries 02

### No papers needed Employees sign the invoice only

## 03 Quality

Employees will receive exactly what they have ordered





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# TASK -TO DEVELOP A MOBILE AND WEB VERSIONS IN 3 MONTHS

The pilot: Tools category, 2 factories



Team was understaffed



Development technology was not determined



The countdown is ON

- albmoprizaiguor (MyERG, Web-AD) - Zakungmob & kopzing - Bugun aumon (Obigin aumit & garmon - Buspamb iz kopzintor, Imo Sygen zanazerbato IZ MVP: Yga aumi iz Kopzina - Сохранение корзимы - Заказ - Отспетивать Статуся - Уверомпеше о нов. Статуся - Уверомпеше о нов. Статуся - Установить статус "Прижосл" - Отзав о товаре (в картогке товара) - Отзав о товаре (в картогке товара)





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# LESSONS LEARNED AND RECOMMENDATIONS

It is worth taking time to choose a technology so that later you don't have to rewrite

 The first meeting offline to get to know each other and to brainstorm together

Assemble a team of stars who believe in the product :)

 $\checkmark$ 

Accept that there will be overtime



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### Restructuring



## **RESTRUCTURING OF** THE PROCESS

### No need for an ERP system, no tenders, framework agreement

### Who was affected by the product:

- Accountants
- Buyers •

- Warehouse workers
- Security Service



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Restructuring

Cust-dev



# **IT'S BETTER TO** SEE IT ONCE

### Results of CustDevs

- A user portrait has been compiled
- The web version will not be in demand
- There are marketplaces to which our users are already accustomed











### Procurement

How it was

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## TECHNOLOGY APPROVED

Django, Django Rest Framework, Celery,  $\checkmark$ PostgreSQL, RabbitMQ, Redis

Mobile version as a service in corporate  $\checkmark$ Super-App

**V** To Create web version using Django Oscar framework



Azhar Product Manager



Aibek Lead Backend dev



Ainura Business analyst



Tair Backend dev





Yerassyl UX/UI Designer



Askar Frontend dev



How it was

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### Result



## RESULT

## We made it in 3 months and



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How it was

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Result



## RESULT

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Отследить заказ	>







How it was

Solution

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Result



## RESULT

### in numbers

Icategory

1 supplier

2 enterprises in Aktobe region

 $\checkmark$ 

 $\checkmark$ 

 $\checkmark$ 

The minimum delivery time – 1 day, the median time – 7 days



Solution

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Team

Result

Before/now

### $\leftrightarrow$

# **PROCUREMENT PROCESS**

### as it was before

Creating of a demand

Verification in a warehouse



## How it is now

Order D

## Delivery





Solution

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Result

Before/now

### Lessons



## **LESSONS LEARNED**

- ٠ any idea)
- Daily meetings with the Customer during the development
- Clear division of responsibilities •

Business is a part of the team (lack of involvement, bad communications kill

Even the coolest product will not work without the process being ready for it



Purpose

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Result

Before/now

 $( \rightarrow)$ 

Nowadays

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# HOW IS IT NOW

large categories

4 suppliers accross the country

## 10

2

enterprises in 4 regions

## 9000+

goods worth \$1.6 million were ordered through the market





Lessons

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Result

Before/now

Nowadays

### Future



## WHERE ARE WE GOING NEXT?

- 1. Expand the range of goods
- 2. Competition add new suppliers
- 3. Cover the following "tail-end" categories as much as possible: household goods, lightings

### Main metric- Estimated delivery time