

SRM system enhancement project

Industry	Manufacturing of automotive door moving parts
No. of Employees	About 650
Revenue	KRW 1.15 trillion (as of 2024)

Customer Comments

An automotive-focused procurement system cut cost-estimation and unit-price management lead time by over 50%.

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Project Overview

Challenges

Reduced efficiency and accuracy due to manual procurement processes

Errors and increased lead time in cost estimation and validation

Limited data sharing and weakened workflow continuity

Insufficient supplier management and difficulty in real-time communication

Solutions

Digitalizing supplier registration & management and automating the cost estimation process

Standardizing cost-estimation criteria and management frameworks, with process automation

Centralized procurement history DB and dashboard-based status/performance analytics

Implementing a digital supplier registration and management system

Results

Over 50% reduction in unit-price management lead time, strengthened procurement compliance

Improved usability and data integrity in cost-management activities

Enhanced transparency through system-based unit price & history management

Reduced time required for supplier agreements and contract signing

Implemented Software Coverage

Supplier Selection

e-Contract

Supplier Reg./Eval.

Raw Material Consignment

Cost Mgmt.

Supplier Mgmt.

Early-Stage Procurement

Technical Information Request

Export & Import Mgmt.

Statistics & Analysis Mgmt.

Challenges

Reduced efficiency and accuracy due to manual procurement processes

PHA had been conducting the procurement operations based on its existing cost-management system and SRM system, but key tasks—such as supplier registration and management, supplier selection, and cost estimation—were still handled manually through Excel or email. In the automotive industry, frequent changes in part-level procurement costs occur due to fluctuations in raw-material prices. However, because cost calculations were handled manually, errors occurred often, and significant amount of time were required to share and negotiate related information with suppliers.

In addition, important procurement data—such as the supplier pool, past purchase records, various contracts, and agreements—were managed individually, resulting in difficulties in information sharing and maintaining continuity in procurement operations.

Our Solution

Digitalizing supplier registration & management and automating the cost estimation process

Emro strengthened PHA's procurement capabilities by enhancing functions such as supplier selection, evaluation, and performance analysis, while developing new features including cost management, electronic contract creation, and supplier evaluation and management, all tailored to the automotive industry.

The SRM system enhancement project was carried out in two phases. In Phase 1, the entire process—from supplier registration to contract creation, evaluation, and management—was digitized, enabling transparent and efficient handling of supplier profiles, contracts, transactions, and evaluation records in one system.

In Phase 2, cost-estimation criteria and management frameworks were standardized, and cost-calculation processes were automated by item and mold type, allowing more systematic cost management. The system was also designed for flexible unit-based operation and easy scalability to overseas subsidiaries as PHA's business expands.

Results

Over 50% reduction in unit-price management lead time, strengthened procurement compliance

With the new SRM system, PHA significantly improved efficiency, transparency, and accuracy across its procurement operations.

In cost management, both convenience and data accuracy increased. Buyers now enter only the required values for cost calculation, procurement costs are automatically generated by the system. After verifying the results, approvals and unit-price updates can now be processed in a single workflow through the SRM system. Previously, when raw material prices fluctuated, buyers had to compile data in Excel, negotiate each price changes with suppliers, obtain internal approvals, and then update the final unit price in the system. This took more than a week, but the process now takes only two to three days.

Moreover, since part-level pricing directly affects supplier revenue, transparent management is critical. With the SRM system managing all records accurately, PHA has also improved compliance. The company plans to add a delivery-price linkage feature to help buyers process related tasks more quickly and efficiently, further strengthening collaboration with suppliers.