

Hyundai Engineering

CUSTOMER CASE STUDY

P-Space(Procurement-Space) implementation project

Industry Plant engineering & construction, Infrastructure, Energy

No. of Employees About 7,405

Revenue KRW 14.8 trillion(as of 2024)

📅 2020.05 ~ 2021.02

Customer Comments

The new procurement system **reduced lead times by 30%** while securing work-life balance.

Hoyeol Lee, Senior Manager, Plant Procurement 1 Team, Hyundai Engineering

Project Overview

Challenges

Limited functionality and data fragmentation **hindering response to dynamic procurement variables**

Difficulties in managing variables, such as information updates and permission constraints

Lack of flexibility due to rigid 1:1 mapping between PR and contracts

Fragmentation of procurement data, including supplier information and unit prices

Solutions

Implementation of a tailored procurement system reflecting EPC industry specifics and prioritizing operational flexibility and user convenience

Unification of procurement processes based on a single, integrated system

Development of EPC-specific features and user-friendly functionalities

Integrated management of procurement data, incl. unit price DB and supplier information

Results

30% reduction in procurement lead time through improved bidding and reporting efficiency, with **enhanced negotiation power based on unit price DB**

30% reduction in total lead time from MR receipt and E&I to GR and settlement

Increased enterprise-wide supplier utilization through the digitalization of supplier lifecycle

Stronger procurement negotiation power during contract amendments based on the unit price DB

Implemented Software Coverage

Plant outsourcing/procurement mgmt.

Engineering

MSR

Logistics Mgmt.

Procurement

ESR

E&I

ISR

Supplier Mgmt.

e-Bidding

SSR

e-Record Mgmt./ e-Invoicing

PSR

Overall Status

Mobile

Unit Price DB

Challenges

Limited functionality and data fragmentation hindering response to dynamic procurement variables

Hyundai Engineering had been managing procurement on SAP, but frequent errors, along with difficulties in modifying data and setting permissions, limited its ability to respond flexibly to the many variables in the bidding process. The system also imposed constraints—such as a strict 1:1 mapping between purchase requests and contracts—and adding new features to address these issues was not easy, leading to significant user inconvenience.

Moreover, since SAP could not cover the entire procurement process, a separate portal accessible to external partners had to be used. As a result, critical data such as supplier and pricing information was scattered across multiple systems, making integrated management and effective data utilization challenging.

Our Solution

Implementation of a tailored procurement system reflecting EPC industry specifics and prioritizing operational flexibility and user convenience

In 2020, Hyundai Engineering launched a company-wide “Business Innovation” initiative to build six core business systems—known as 6-Space—covering procurement, document management, engineering, and construction. EMRO was selected to develop P-Space (Procurement Space), the new procurement system.

The key priority in designing and building P-Space was flexibility. From the early stages, the system was designed to respond quickly to changes and issues arising in procurement, with extensive simulations of various scenarios and continuous enhancement of functionalities. In addition to core bidding capabilities, a range of supporting features—such as project vendor list management, unit price database development, and reporting—were implemented to improve user convenience. In particular, EMRO’s customization capabilities, which set it apart from global solutions, played a critical role. Leveraging its best practices and procurement expertise accumulated in the EPC industry, EMRO developed and implemented features tailored to Hyundai Engineering’s specific requirements.

Results

30% reduction in procurement lead time through improved bidding and reporting efficiency, with enhanced negotiation power based on unit price DB

With the newly built P-Space developed in collaboration with EMRO, Hyundai Engineering now manages the entire procurement process—from MR (Material Request) to E&I (Expediting & Inspection), as well as goods receipt and settlement—within a single system, significantly improving efficiency and user convenience. Notably, time spent on bidding and reporting has been greatly reduced. By replacing manual reporting with electronic reporting through integration with the internal approval system, lead time has been cut by over 30%.

In addition, integrating previously fragmented procurement data into P-Space has strengthened data utilization. New vendor pools can now be centrally registered, managed, and evaluated, increasing company-wide use of new suppliers, while shared visibility into vendor performance issues has improved transparency in selection. A unified unit price database also enhances negotiation power by leveraging historical pricing data.

Among the six systems in 6-Space, P-Space now shows the highest utilization and is widely used not only by procurement teams but also by engineering and estimating staffs. Hyundai Engineering plans to further advance procurement innovation through continued enhancements to P-Space.