



Procurement and Supply Chain optimisation

Services offered by KPMG Caucasus and Central Asia

2023

[kpmg.kz](https://www.kpmg.kz)

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Foreword



Director,

Procurement and Supply
Chain Management

We are living in interesting times and witnessing the fundamental changes in business as resulting from the global economy transition to the next industrial breakthrough. These changes that are driven by rapid globalisation, increased consumer mobility, emergence of new technologies and accessibility of Internet, transform dramatically the philosophy of business. Demand is becoming more fragmented and volatile, while goods and services –more customer-focused. Moreover, new business models are emerging, which have been previously unknown to the world and which are able to rival with the existing business.

At the same time we have been facing new challenges such as COVID-19 pandemic that affected all spheres of life and the economy as a whole. In addition, it is necessary to mention the recent geopolitical events, which are making their own adjustments to the development plans of numerous industries and regions. These changes are most evident in such areas as procurement, transportation and warehousing that are currently considered not separately but as an interrelated supply chain management framework.

In the current environment it is absolutely necessary to have measures in place to update and revise the operating model and key elements of the supply chain. Within the main trends and areas of adaptation the following can be highlighted:

1. Development of an optimal target supply chain operating model that can adapt quickly and deliver desired results in a changing business environment;
2. Implementation of new tools and approaches to flexible planning as part of material and technical support of production processes;
3. Development of the institute of category management as an instrument of strategic management of the most essential material resources in the companies;
4. Implementation of the ESG standards and practices to improve supply chain sustainability;
5. Development of the processes and practices for Master Data Management in order to generate management reports and provide support in decision making;
6. Digitalisation that offers new opportunities to improve efficiency;
7. Risk-oriented adaptation of a logistics model and infrastructure to changing conditions and possible risks;
8. Automation of logistics operations to reduce costs while maintaining the level of service.

To respond to the emerging challenges the companies need to move from a traditional supply chain to more flexible and digitalised one. Transition involves transformation of the linear structure into a real-time interlinked network. In this case, the digital technologies serve as an interlink of the new supply chain.

This brochure describes the major offers of our practice for Supply Chain Management that can bring value in times of uncertainty and rapidly changing business environment.

02

KPMG key advantages



Our advantages

KPMG is a market leader in delivery of the procurement management services both domestically and globally.

We are sure that many years of our successful work experience and constantly growing customer base have proved the practical effectiveness and advantages of our approach to implementation of the projects of that type.

The following key factors distinguish KPMG in the market:

01

Practical experience

We have an in-depth understanding of approaches to improvement of Procurement and Supply Chain Management obtained as a result of operations in Central Asia and Caucuses.

02

Team of professionals

Our well-balanced team of experts has the best practice in providing services to improve supply chain and procurement management.

03

Understanding of country specifics

We have extensive experience of working with major state-owned and private companies.

04

Our methodology

We use KPMG's proven Procurement and Supply Chain Management methodology.

05

Integrated approach

To provide services to our clients, we form cross-functional teams of specialists with unique competences and expertise, working in sync with one another. We offer our customers an expert advice from the entire Central Asia and Caucasus market pool of experts as well as professionals with international experience, who combine a strategic vision, project management know-how and global best practices to offer a comprehensive and cross-functional approach to solve client problems.

06

Knowledge base

We possess a unique knowledge base of complex cross-functional transformation projects delivered, including practical experience in developing procurement category management strategies, implementing ERP systems at major companies, and applying innovative technology and approaches. We maintain a vast library of benchmarks for various business functions of the largest companies.

Our advantages

For the time of its operation in the Central Asia countries, KPMG has gained considerable experience in execution of Supply Chain Management and Logistics projects. In recent years, 36 projects covering various areas in Supply Chain Management and Logistics have been completed.

Of the projects implemented, the following can be mentioned:

01

Category management

- Eleven projects implemented
- Clients: major banks, the biggest metals and mining companies, investment institutions, leading fertilizer producers, railway companies, container freight exporters

02

Warehousing and transportation logistics

- Five projects implemented
- Clients: a baking factory, the largest gold mining company, a railway company, private investment group, vaccine distribution operator

03

Procurement function transformation

- Twenty-six projects implemented
- Clients: an oil company, insurance and finance companies, gold mining companies, mining and smelting companies, the largest international tyre manufacturer, EBRD, the UN Development Programme

04

Deep automation of procurement function

- Five projects implemented
- Clients: a leading manufacturer of phosphatic fertilizers, gold mining company, oil company, petrochemical company

05

Enhanced performance and cost optimisation

- Four projects implemented
- Clients: a major mining and metals company, container freight exporter, private investment group, large agricultural holding

06

IT Sourcing

- Four projects implemented
- Clients: major insurance company, large financial services company, a major petrochemical corporation, and investment holding company in Kazakhstan

Examples of benefits from the projects implemented in the past

10%

As a result of the procurement procedure conducted jointly by the Client and KPMG project team, the Client's savings totaled 10%, or USD 800,000 compared to the previous tender held without KPMG participation.

17%

Inventory turnover grew 17% in the first year. According to preliminary estimates, inventory is expected to reduce by 20%.

Examples of benefits from the projects implemented in the past

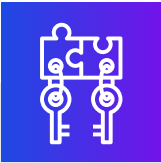
1-2.5%

A category management strategy in procurement of multimodal freight transportation services has been developed. The expected effect of implementation is saving 1-2.5% of expenses on the purchase of multimodal services per year.

+4 months

The demand forecast horizon has been significantly extended (up to 4 months). It enabled the client to influence the scenario planning process over a 4 months plus horizon.

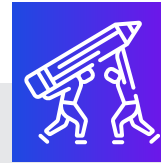
Key success factors



We have implemented a number of turn-key projects to transform the largest supply systems in Central Asia and Caucasus: from developing a concept to delivering a project.



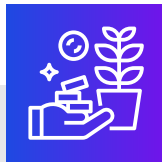
We are the largest team of procurement practitioners in Central Asia and Caucasus, comprising reform professionals, functional experts, IT specialists, and category managers.



We have a sophisticated knowledge of procurement: we don't just follow the trends, we set them.



We promote digital business. We feel proud that we led ambitious digital projects for the major companies in Central Asia and Caucasus.



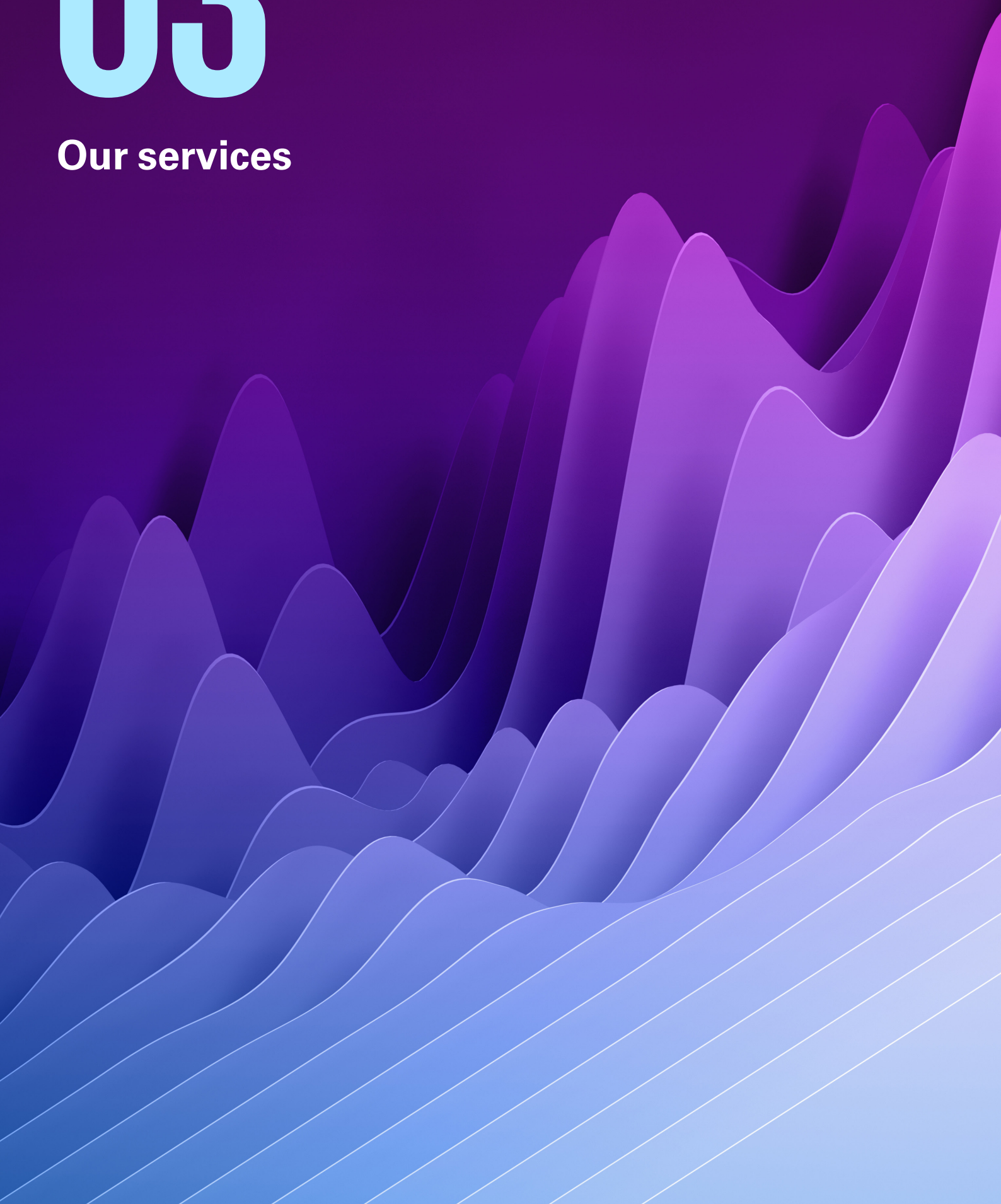
We are the client-oriented company bringing real benefits to, and creating additional value for, our customers.



We possess an unrivalled expertise in delivering projects to streamline procurement processes with further automation thereof.

03

Our services



Procurement and supply chain optimisation

Key service lines:



01

Comprehensive diagnostic of Procurement and Supply Chain Management function



02

Materials Master Data Management



03

Development of Target Operating Model for Procurement and Supply Chain Management



04

Digitalisation of the Procurement and Supply Chain Management process



05

Procurement category management



06

Inventory management



07

Logistics



08

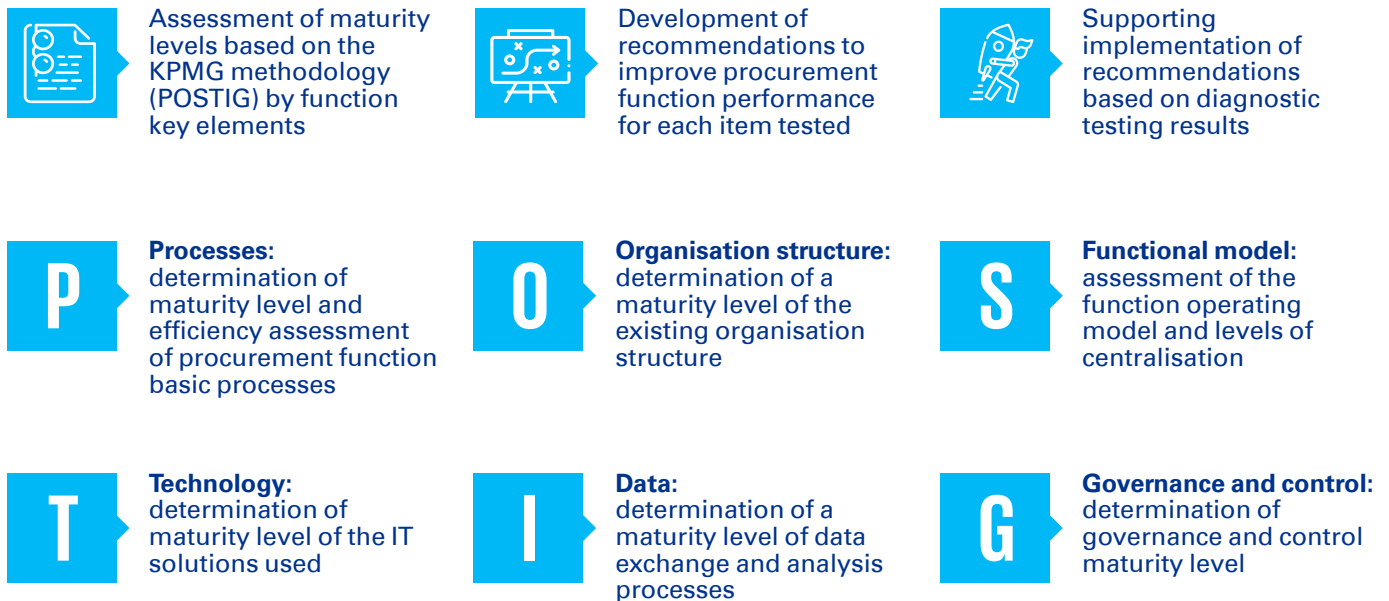
Design of end-to-end supply/logistics process

Comprehensive diagnostic of Procurement and Supply Chain Management function

Key effects for your business:



A scope of services of the service line:



Timur Akhmetov

Director,
Procurement and Supply Chain Management

T.: +7 777 078 65 70

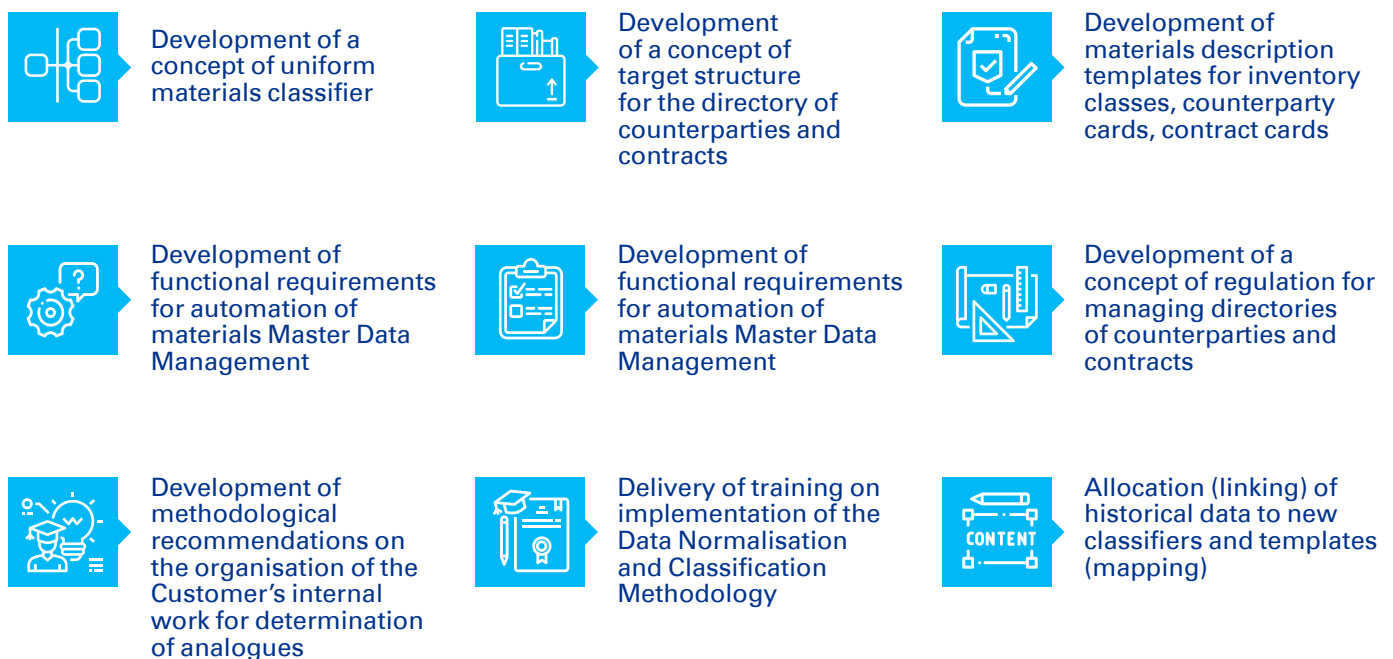
E.: takhmetov@kpmg.kz

Materials Data Management

Key effects for your business:



A scope of services of the service line:



Timur Akhmetov

Director,
Procurement and Supply Chain Management

T.: +7 777 078 65 70

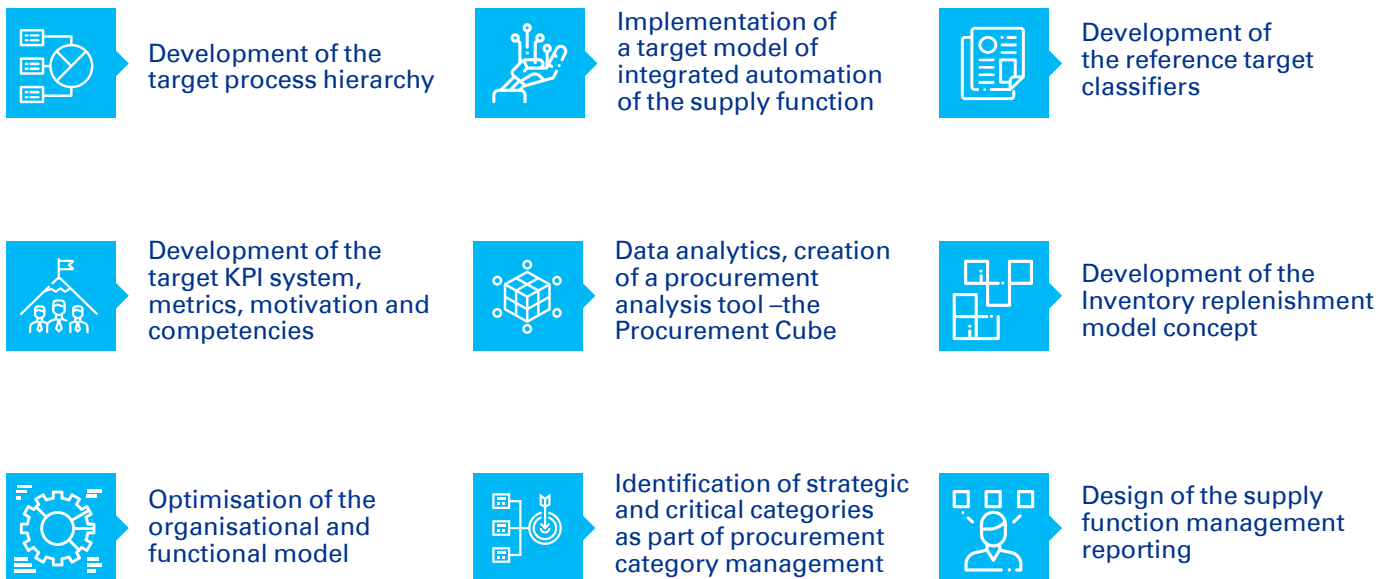
E.: takhmetov@kpmg.kz

Development of a Procurement and Supply Chain Management target operating model

Key effects for your business:



A scope of services of the service line:



Timur Kozhakhmetov

Senior Consultant,
Development of Target Operating Model for Supply Chain and Procurement Management

T.: +7 775 401 26 90

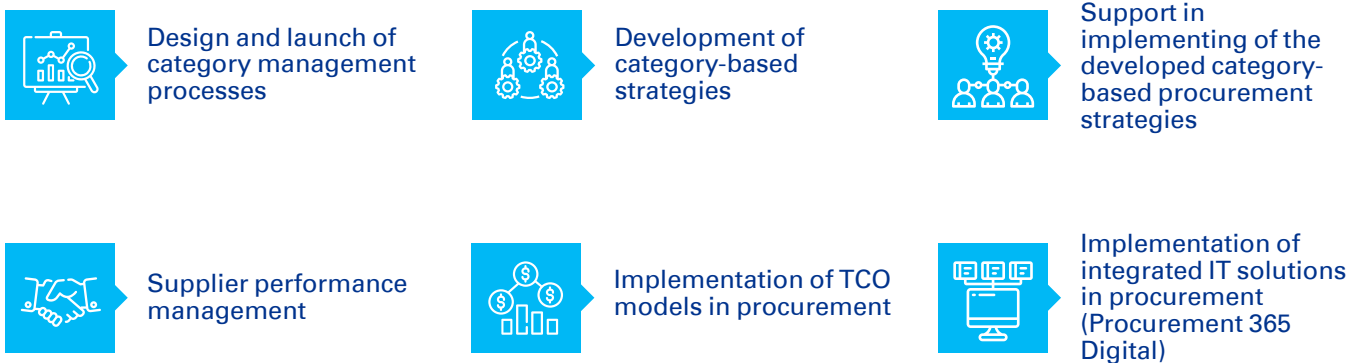
E.: tkozkhmetov@kpmg.kz

Procurement Category Management

Key effects for your business:



A scope of services of the service line:



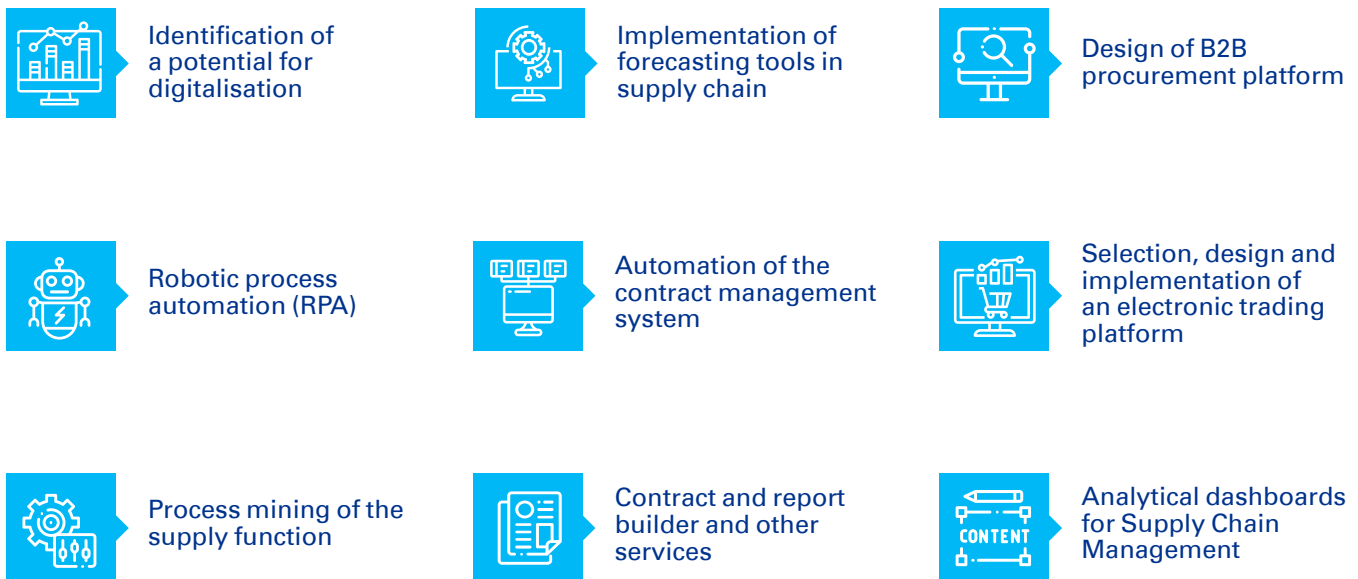
Nuriden Mukashev
Senior Consultant,
Procurement Category Management
T.: +7 701 065 88 77
E.: nmukashev@kpmg.kz

ERP-based automation of Procurement and Supply Chain Management processes

Key effects for your business:



A scope of services of the service line:



Anissa Turanova

Manager,
Automation of Procurement and Supply
Chain Management

T.: +7 778 330 07 73

E.: aturanova@kpmg.kz

Design of an end-to-end supply / logistics process

Key effects for your business:



A scope of services of the service line:



Pulat Mirzaev

Manager,
End-to-End Supply Process Design

T.: +998 90 977 06 85

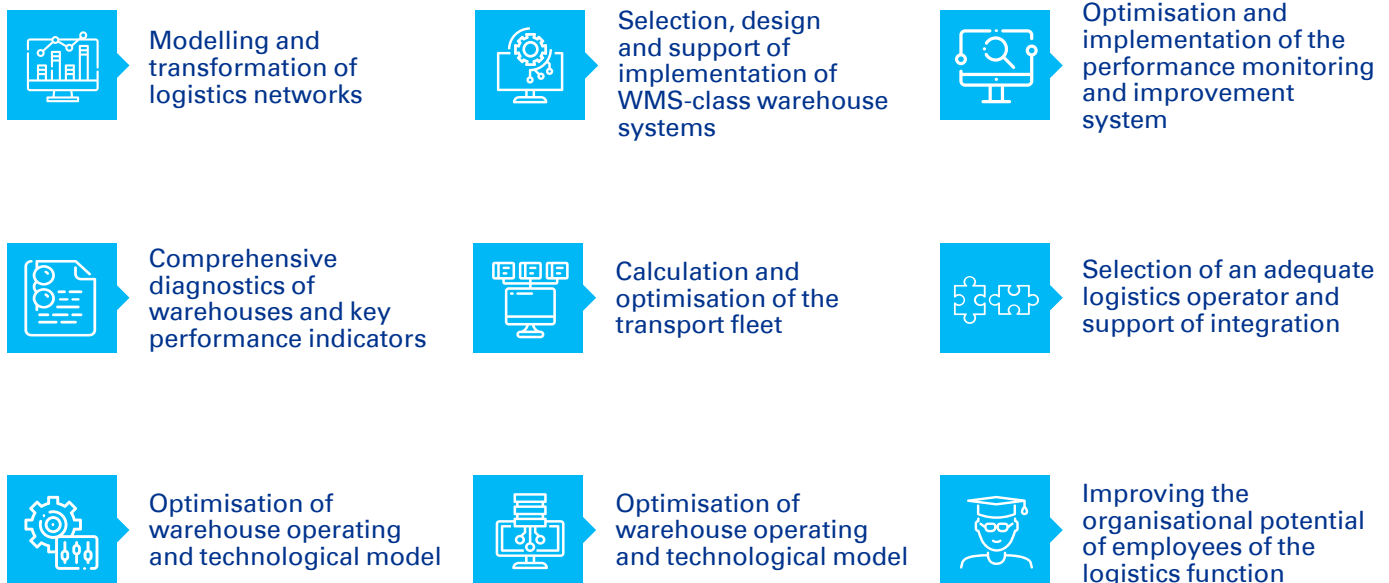
E.: pmirzaev@kpmg.co.uz

Logistics management

Key effects for your business:



A scope of services of the service line:



Pulat Mirzaev

Manager,
Logistics Management

T.: +998 90 977 06 85

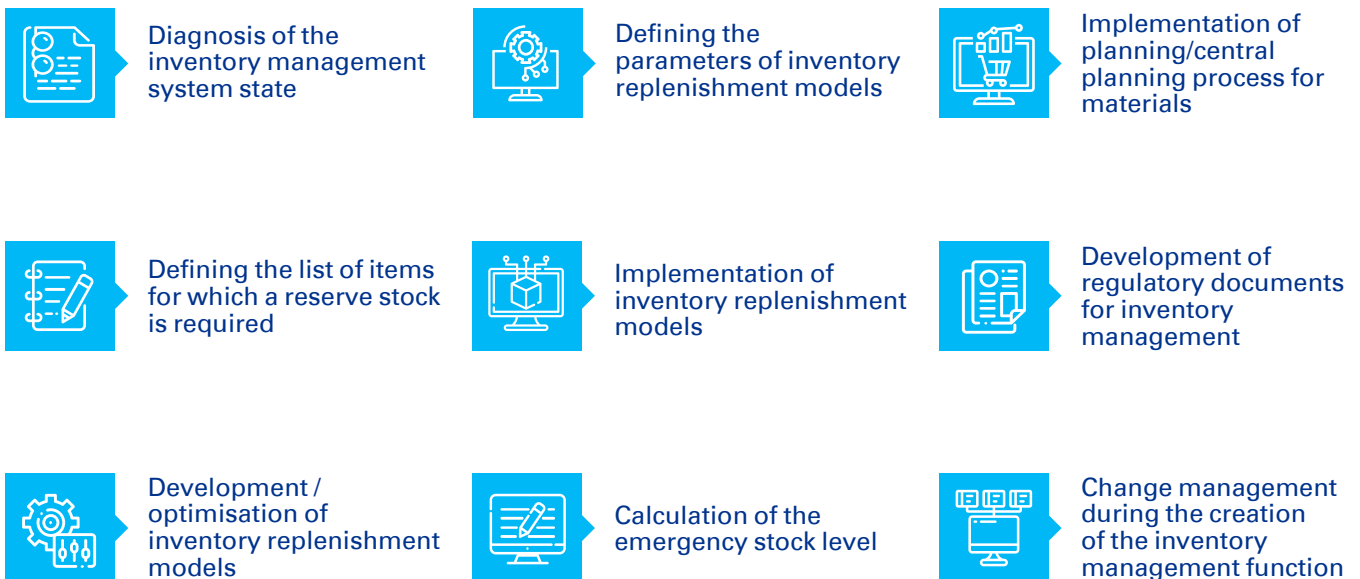
E.: pmirzaev@kpmg.co.uz

Inventory management

Key effects for your business:



A scope of services of the service line:



Anissa Turanova

Manager,
Inventory Management

T.: +7 778 330 07 73

E.: aturanova@kpmg.kz

Who we are and our strengths

01

Members of the our team are professional transformers, functional experts, business architects, IT specialists, category managers, and each of them is ready to bring benefits and add value to our clients.

02

By working closely with our clients, we help to optimise processes, reduce costs and improve efficiency of Procurement and Supply Chain Management functions.

03

We select a set of solutions taking into account the specifics, geography and line of business where the company operates.

Our team



Timur Akhmetov

Director,
Head of Procurement
and Supply Chain
Management



Anissa Turanova

Manager,
Inventory Management



Nuriden Mukashev

Senior Consultant,
Procurement Category
Management



Timur Kozhakhmetov

Senior Consultant,
Development of Supply Chain
Management and Procurement
Target Operating Model



Pulat Mirzaev

Manager,
End-to-End Supply
Process Design



Sanzhar Amanzholov

Consultant,
Logistics

Industry-specific publications

Beyond this challenge (in Russian)

Medium-to-long term actions

[Open publication](#)

On a Risk-Oriented Approach to Inventory Management in the Post-Covid Era

[Open publication](#)

How has COVID-19 impacted Logistics? (in Russian)

[Open publication](#)

COVID-19: Applying scenario forecasting (in Russian)

How to quickly make forecasts for key business indicators of effective management?

[Open publication](#)

Vaccine Logistics. Relevance of the issue (in Russian)

[Open publication](#)

How to build an effective procurement process (in Russian)

[Open publication](#)

Third Party Logistics and COVID-19

[Open publication](#)

COVID-19: Transformation of the Supply Function (in Russian)

[Open publication](#)

Why is Blockchain technology important to Central Asia prosperity? (in Russian)

[Open publication](#)

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