

SAVING MONEY

IN AN INFLATIONARY ENVIRONMENT



Single Cost Category: \$3 Million in total savings realized on a \$20 Million Spend

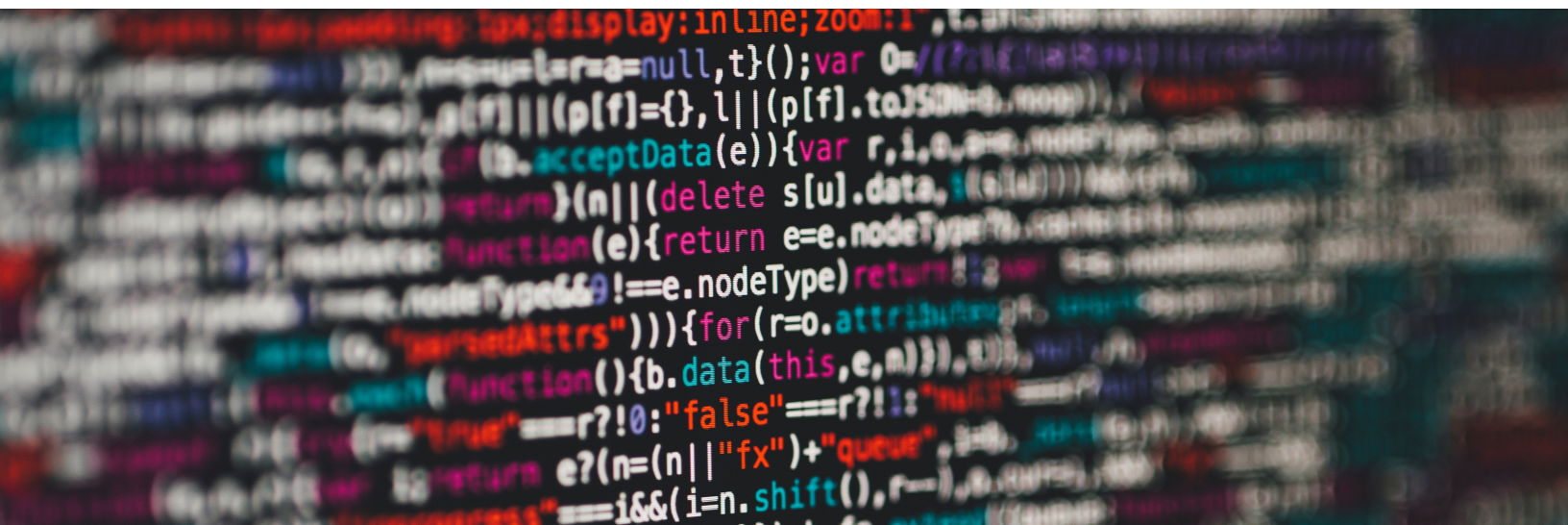
procurevue[™] 

Client Overview

This client is a \$2 billion private equity-owned global manufacturing and sourcing consumer goods organization. Spend data was disorganized and housed across multiple platforms. The data they are dealing with can be in 7 languages and currencies. Identifying areas of savings was seen as a considerable challenge due to the complexity of the data and lack of clarity.

The Situation

Our client engaged us to analyze a category with \$20 million in spend and rising. Economic pressures, inflation, and cost drivers are steadily driving industry increases despite some opposing commodity movements. These increases are compounding inflation and slowing economic progress mainly at the buyer's expense. The buyer had no way to measure or prove this until they engaged ProcureVue™.



GOALS OF ENGAGEMENT

Our goal is to supply total visibility using ProcureVue™ artificial intelligence into market movements and underlying commodities via 160 unique KPIs and how they affect cost. Our approach is to deliver the following:

Visibility

Insight on trends invisible to the naked eye in your company's data

Industry Expertise

Consult with industry professionals in areas where your team lacks expertise.

Data Harmonization

A single source of truth, identifying savings hidden in complex data.

Accountability

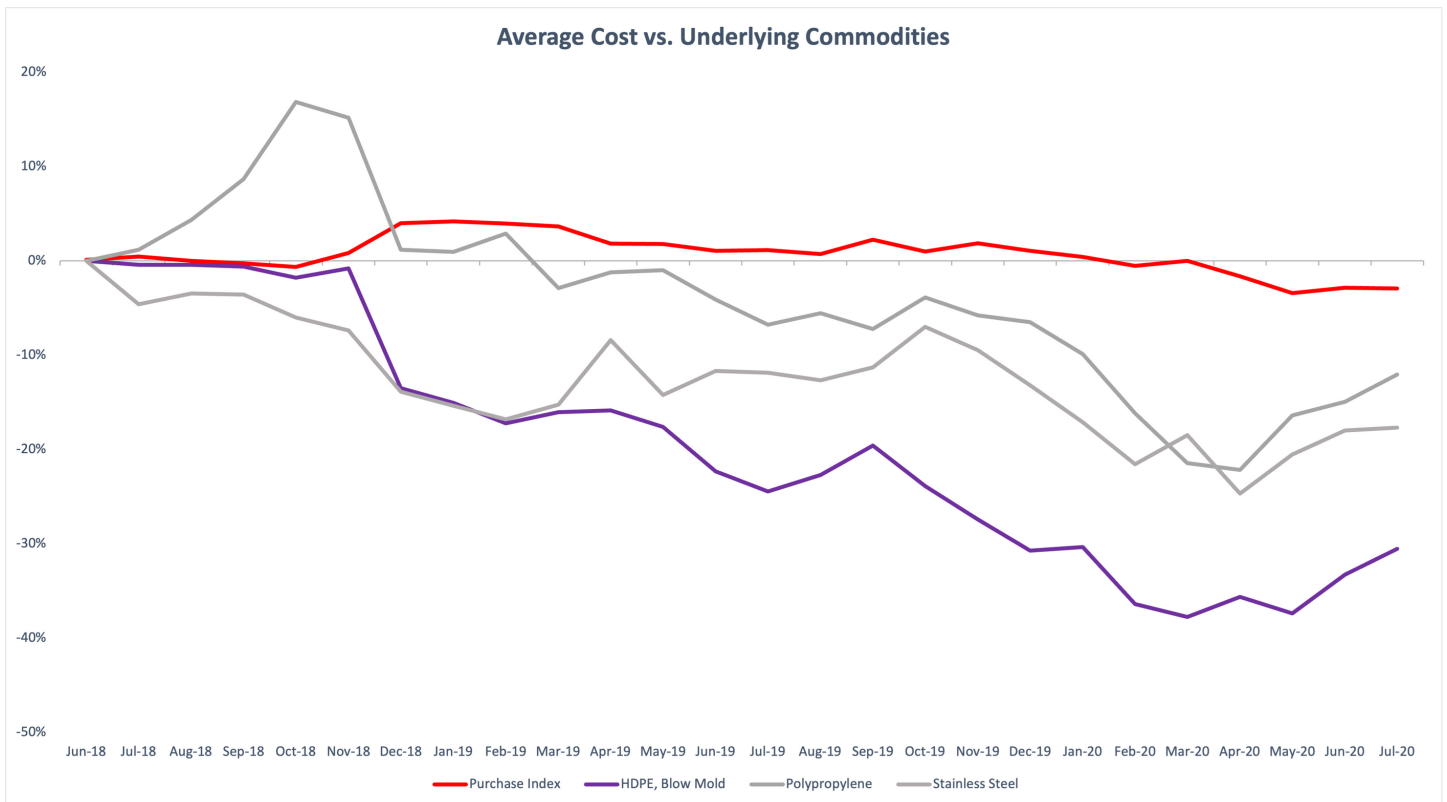
How can your team continually watch supply chain performance based on these insights to ensure performance and compliance?



Findings

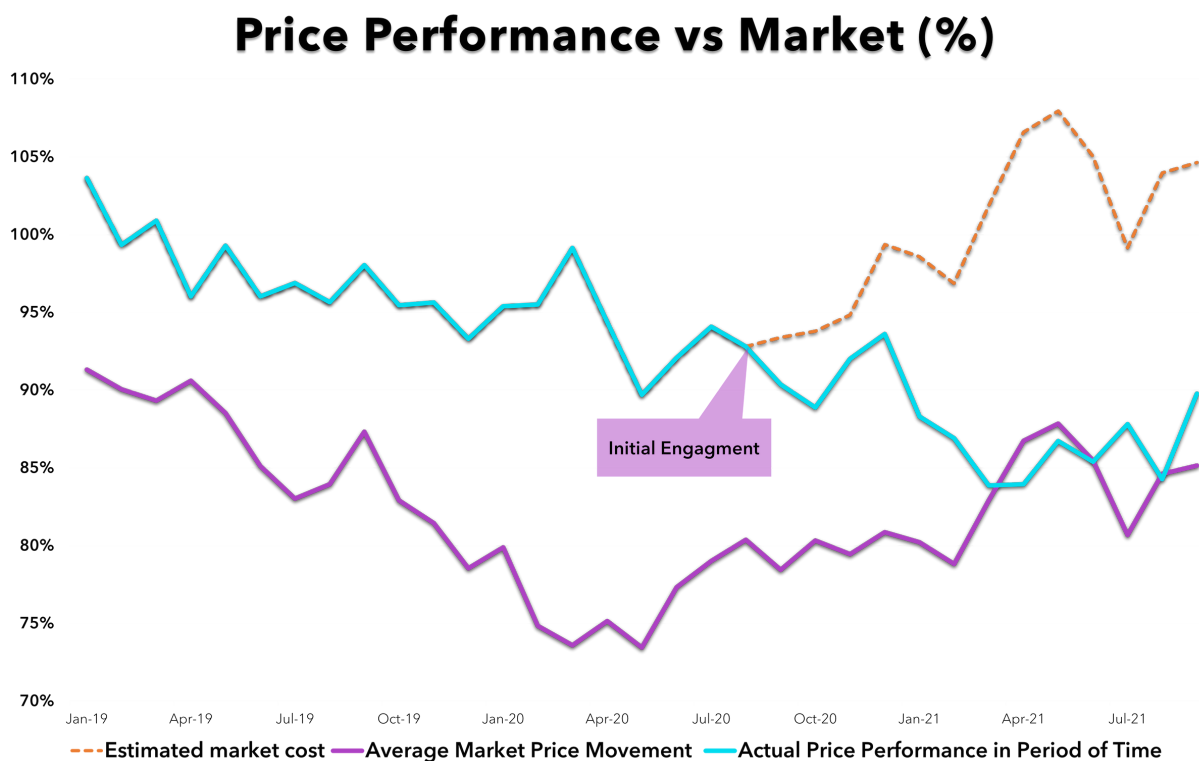
Very quickly, it was clear that both current pricing and the requested cost increases did not reflect the underlying commodity movements of the category. It was also clear that actual pricing was inconsistent with cost negotiations and pricing agreements, and a significant portion of the spending was out-of-contract compliance.

We believe that based on these and several other indicators, the inflationary impact can be measured and mitigated based on a comprehensive market view and understanding. We found that with this information, existing suppliers were more eager to meet market needs based on volume commitments. Negotiations were straightforward and produced noteworthy results.



Key Deliverables

- In a \$20 million category, we realized \$1 million in annualized direct savings opportunities, which were immediately available to the buyer through a simple behavioral change
- \$2 million in direct cost increase avoidance delivered in 60 days based on a thorough understanding of the inflationary impact, underlying commodity movements, and previous cost movements based on these pressures
- With inflation soaring, we delivered savings based on actual cost improvements representing 15% of total spend
- We guided their negotiations based on best practice identification volume increases and results by providing a clear picture of market conditions and commodity movements
- Ongoing and dynamic visibility into actual cost change compared to inflation, market challenges, and commodity movement
- Our solutions delivered \$3 million in total gross savings in 90 days



ABOUT

ProcureVue™

ProcureVue™ is a spend intelligence and data analytics platform that provides rapid, accurate, and detailed VUEs with total visibility into your spend data and can provide clarity into quickly delivering meaningful and impactful outcomes. Our full-service SaaS spend VUE solution, combined with our data optimization services and direct consultative approach, gives clear insight into your spending so you can confidently deliver on identified opportunities in real-time and on an ongoing basis. Our global team of sourcing professionals will perform data cleanup, spend categorization, spend analysis, and benefits identification using our artificial intelligence to provide unprecedented VUE and insights into your data through our cloud-based solution. ProcureVue™ was created by accomplished procurement leaders with diverse industry expertise focused exclusively on strategic sourcing, spend analytics, and procurement process transformation.

We empower our clients to realize impactful outcomes utilizing innovative and dynamic software technology. We combine our best-in-class software with our industry expertise and consultative approach to provide a true VUE of enriched insights into your business that help you attain a competitive advantage.

www.procurevue.com