

PROJECT OVERVIEW

CHALLENGES:

- Very small central purchasing group; each area purchased direct and indirect categories independently

OBJECTIVES:

- To capture opportunities in purchasing through a series of waves
- Create an organization and supporting infrastructure to ensure implementation and continuous improvement
- Enlarge sourcing base

OUR SOLUTION

ASSIGNMENT STRUCTURE:

- Program lasting 15 months

ANALYSES APPLIED:

- Aggregated utility spend, negotiated competitive rates; purchased more energy efficient equipment
- Reduced utility prices paid and amount used
- Outsourced travel management function
- Target costing used systematically during negotiation rounds

APPROACH / TOOLS:

- TCO (Total Cost of Ownership)
- Target costing
- Organizational Redesign:
 - Helped client build central purchasing organization
 - Identified internal candidates, created roles and responsibilities
 - Designed performance metrics and provided training

RESULTS

17% OVERALL SAVINGS



% SAVINGS BY CATEGORY:

