

STRATEGIC SOURCING - SPEND ANALYSIS

CGN's Global Manufacturing Practice provided our client with the tools needed to understand their worldwide spending.

Business Problem

Our client's Purchasing Department did not have clear visibility into its worldwide spend and was looking to reduce costs across the enterprise through strategic sourcing initiatives.

CGN Solution

CGN provided an improved understanding of spend information and a clear implementation plan with categorized and prioritized savings opportunities. Data analysis and reporting techniques to collect, analyze, and present management information is utilized to support strategy sourcing initiatives.

Customer Benefit

Our client realized the following important benefits from our services:

- Categorized Spend Data - cleansed database of enterprise-wide corporate spend data which can be sorted by Segments/Family, Process, Weight, and Finish Type
- Enhanced visibility of the total corporate spend of \$470 M
- Raised the visibility and value of procurement
- Improved spend leverage and direct material cost reductions across business units

Consolidated the supply base which resulted in a potential supplier reduction of 18%

SCOPE

Identify parts purchased by client worldwide to be categorized into segment/family, process, weights, and finish type; develop an enterprise sourcing plan to support strategy sourcing initiatives.

BUSINESS DRIVERS

Supplier rationalization; need to organize and analyze data of spend visibility; direct material cost across business units reduction; communicate the findings into management information.



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