



DELIVERING SAVINGS VALUE IN THE GENERAL EQUIPMENT RENTAL CATEGORY

EXECUTIVE SUMMARY

The client lacked a holistic approach to Procurement practices due to stakeholders that were more regional / local in approach and had a limited view into their global business. The technology and processes utilized varied by country and supplier selection / management was decentralized.

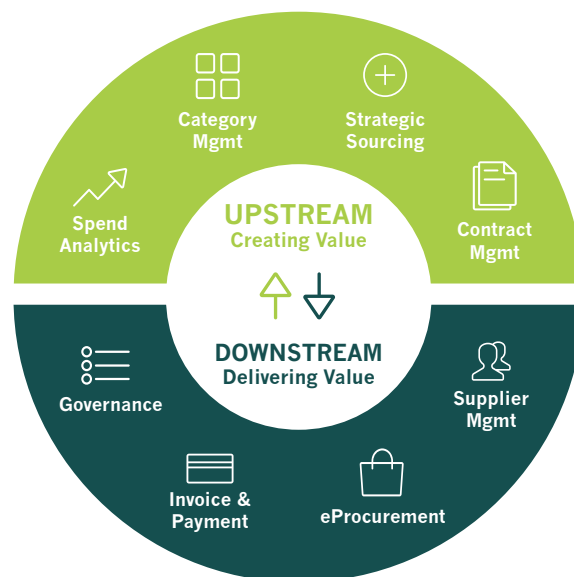
KEY OUTCOMES INCLUDED:

- Assessed the global Source-to-Pay landscape and identified key gaps in strategic sourcing, category management and supplier performance, risk and relationship management.
- Sourced, selected and implemented a technology solution streamlining the Procurement processes globally and driving efficiencies.
- Centralized contracts and spend data providing a single repository with greater transparency to the entire organization.

“With Nitor’s guidance and leadership, we built key processes, improved our sourcing skills, and developed an effective go-to-market strategy that delivered significant savings value for our organization.”

Leading Oil & Gas Company

Delivering Value Across the Source-to-Pay Lifecycle



CHALLENGES

The current state equipment rental procurement landscape presented many issues at the time of engagement:

- Fragmented regional spend across multiple suppliers provided limited volume leverage.
- Lack of spend visibility and reporting to identify and address pricing inconsistencies.
- Variation in rate structures, rental period definitions, and billing cycles.
- No centralized contract management prohibited negotiation leverage and standardized terms.
- Inconsistent approach to defining internal business requirements.
- Lack of proactive supplier management - supplier performance minimally measured.

HOW NITOR'S SERVICES HELPED

Through collaborative efforts, Nitor enabled clients to develop strategic equipment rental category plans and sourcing initiatives to maximize value:

- Mapped category and established a clearly defined project scope and stakeholder engagement plan.
- Gathered and analyzed data from internal (data reports, stakeholder interviews) and external sources (RFIs) to develop a detailed / line level baseline spend and total cost of ownership assessment.
- Developed clear business requirements using a strategic model capturing needs across key areas.
- Assessed best fit sourcing strategy based on requirements, market dynamics, and stakeholder input.

- Execution of national RFP of all associated costs with selected new and incumbent suppliers.
- Detailed proposal analysis of various pricing, alternative supply chain, and value incentive options.
- Standardized contracts with clearly defined terms, rate and billing structures.
- Established implementation plan to operationalize new agreements and mitigate business risks.
- Developed key performance indicators for ongoing supplier management

SUMMARY OF RESULTS

Key outcomes of the strategic sourcing initiatives include:

- Delivered **8-21% savings value** across multiple client projects.
- Identified **incremental savings** achievable through volume growth and inclusion of 3rd party contracts.
- **Consolidated supply base** while introducing new market players to drive competition.
- Established fixed rate cards clearly addressing **total cost of ownership components**.
- **Reduced freight costs** through new supply chain configuration to improve delivery times.
- Developed **standardized pricing structure and commercial terms** across all sites.
- Established a reporting structure and National Account Management to **monitor and manage performance**.

Contact Nitor today for your roadmap to Procurement excellence.



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