



# IMPLEMENTING ROBUST PROCESSES TO IMPROVE PROCUREMENT VALUE CREATION

## EXECUTIVE SUMMARY

The client had a decentralized Procurement organization with no consistent, defined processes, tools or methodologies for Category Management, Strategic Sourcing or Supplier Management. This environment caused limited savings value creation to the organization.

## KEY OUTCOMES INCLUDED:

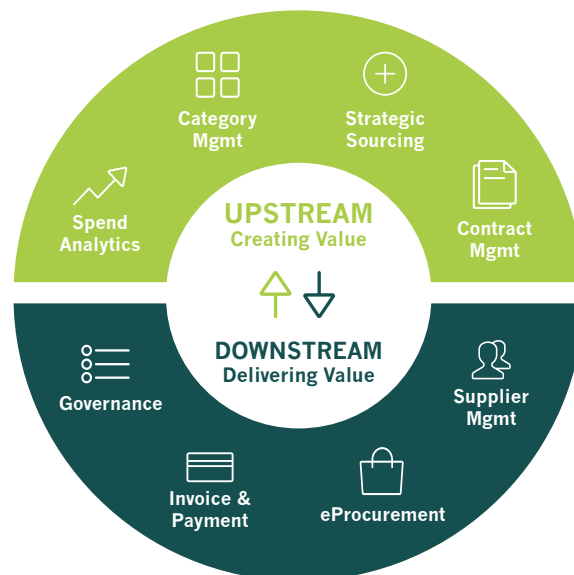
- Implemented integrated Category Management and Strategic Sourcing programs including:
  - Robust processes, tools, and guidance manuals customized to fit the client's requirements and culture
  - In-depth training to ensure consistent and sustainable delivery across the organization
- Implementation of a Supplier Management program addressing supplier segmentation and enabling effective relationship, risk, and performance management.



“Nitor became a trusted partner enabling us to develop a transformation roadmap and execute to realize our Procurement goals. They evolved our Source-to-Pay processes, implemented enabling technology, developed our skills and helped us generate savings across all our subsidiaries.”

*Fortune 500 Company*

## Delivering Value Across the Source-to-Pay Lifecycle



## CHALLENGES

The current state landscape for Category Management, Strategic Sourcing and Supplier Management had many issues at the time of engagement:

- Decentralized procurement organization with no consistent, documented processes and methodology to enable strategic decision-making on categories and suppliers.
- No segmentation of categories and suppliers into critical, strategic, preferred and transactional.
- Procurement was reactive and lacked category insight necessary to drive long-term sustainable value.
- Lack of interaction between sourcing activities and business stakeholder requirements.
- Limited cross-company leveraging of category spend and supplier relationships.
- Buying was based on demand signals and tactical buys rather than a strategic category approach.
- Lack of structured sourcing approach and/or principles to identify and reduce total cost of ownership.
- Supplier Management was limited and reactive with little focus on performance and risk management.

## HOW NITOR'S SERVICES HELPED

Through our partnership, we enabled the client to establish and drive sustainable procurement processes and methodologies:

- Built Category Management, Strategic Sourcing and Supplier Management processes and methodology.
- Developed segmentation of categories based on complexity, spend, business impact and risk.
- Established the true value proposition of procurement to the business through visible early wins.
- Aligned Procurement's goals and activities with the business needs and priorities.

- Analyzed spend, supply base, performance and market dynamics to build multi-year category plans and a portfolio of sourcing projects focused on strategic value creation.
- Delivered strategic sourcing projects that addressed business needs and provided significant savings.
- Developed a structured supplier management process through segmentation of suppliers, enabling focus on critical / strategic areas to pro-actively manage performance, risk and relationship.

## SUMMARY OF RESULTS

The key outcomes of our engagement with the client include:

- Transformed the procurement organization to utilize a **consistent, integrated, and strategic approach** to Category Management and Strategic Sourcing.
- Advisory and execution support for initial sourcing projects utilizing newly implemented process delivered over **\$6MM in savings, consolidated the supply base, and standardized agreements** across the organization.
- **Identified critical and strategic suppliers** to be included in Supplier Management program.
- **Enhanced the skills of the procurement group** to enable sustainable outcomes through strategic process development and in-depth training.
- **Improved cross-functional collaboration** between procurement and business stakeholders to drive real change in category and supplier management.
- **Established the true procurement value proposition** to the broader organization.

**Contact Nitor today for your roadmap to Procurement excellence.**

## CONTACT

1.866.663.3111  
nitorpartners.com  
info@nitorpartners.com