



# DELIVERING PROCUREMENT VALUE FOR A FORTUNE 500 TRANSPORTATION LOGISTICS COMPANY

## EXECUTIVE SUMMARY

The client had limited source-to-pay technology and no defined procurement team or processes. The value proposition of procurement was not established, visibility into spend was limited and supplier selection / management was decentralized.

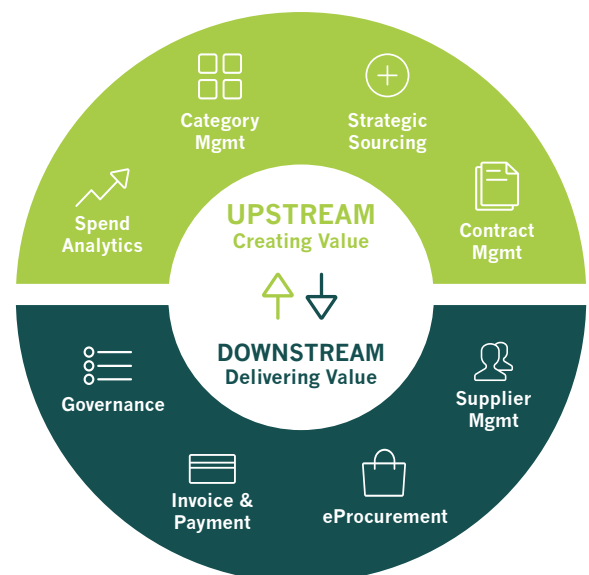
## KEY OUTCOMES INCLUDED:

- Benchmarked and assessed procurement gaps across the source-to-pay spectrum covering people, process and technology aspects. Implementation and execution roadmap for transforming the source-to-pay environment.
- Delivered a company-wide spend analysis to establish a two-year pipeline of projects to deliver savings.
- Conducted 15 strategic sourcing projects across indirect and direct categories providing \$15MM in measurable savings.

“ We needed to assess our procurement practices and deliver bottom line savings. The Nitor team was fundamental in enabling this and became a trusted advisor and partner.”

*Fortune 500 Transportation  
Logistics Company*

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



## CHALLENGES

The current state landscape had many issues:

- Procurement practices varied by business unit - lack of robust supplier selection and management.
- No processes, technology or training to enable spend analysis, strategic sourcing, contracts or supplier management.
- Many suppliers were being used for the same good /service causing buying leverage to be lowered.
- Most decisions were based on perceived unit cost rather than TCO approach.
- Spend data visibility was poor - difficult to see what was being purchased at line level.
- Mostly tactical / reactive environment to categories -no vision and strategy on category management.
- Manual approach to contract compliance - multiple issues of incorrect price being paid.

## HOW NITOR'S SERVICES HELPED

Through our collaborative approach, we enabled the client to progress on their Procurement journey:

- Identified key procurement gaps across the S2P spectrum covering people, process and technology aspects. Created an actionable roadmap to transform procurement.
- Spend analysis enabled insight into categories and identification of savings opportunities.
- Demonstrated the value of a more strategic approach to spend and supplier management.
- Developed cross-functional teams to assess and

drive change in categories.

- Highlighted how sourcing project strategies vary based on category and market dynamics.
- Delivered savings in key categories that enabled a self-funded model to drive sustainable procurement change

## SUMMARY OF RESULTS

The key outcomes of our partnership with the client include:

- Delivered over **\$15MM of measurable savings** across direct and indirect spend categories.
- Established a holistic and **TCO approach to supplier selection and consolidated the spend.**
- Demonstrated how **critical spend areas such as tires and fuel benefit** from a six-sigma approach.
- **Improved contract structure and terms** to capture business requirements, KPI's and pricing.
- **Implementation plan to transform procurement** and address technology and process gaps.
- Repositioned the understanding around the **value proposition and role of procurement.**

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

## CONTACT

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