

# Case study: procurement savings at a F500 industrial company



## The challenge

A global Fortune 500 company needed to quickly reduce indirect spend as part of a larger turnaround effort to increase earnings.

The initiative was spearheaded by C-level executives despite reluctance at lower levels of the organization.



## The approach



Identify vendors in the supply chain using explicit criteria



Craft communication to vendors based on circumstances and objectives



Align with buyers to ensure unified strategy



Execute streamlined process to capture savings and rapidly update pricing in system



## The outcome

**Captured \$13.4M in savings throughout the global supply chain in 4 months from thousands of vendors.**

Developed robust vendor data set that identified \$10-\$20M in additional savings with strategic negotiations

Generated tailored negotiation tactics to capture value from service-based and product-based providers