

Optimizing procurement and category management

Snapshot

Client

Large power generation company, Japan

Challenge

The client wanted to leverage our ideas and solutions to help develop a best-in-class approach to procurement during an organizational merger. To optimize stakeholder management and drive positive cooperation between procurement and the wider business.

Solution

We provided expertise, knowledge and experience by sharing our best procurement practices including lessons learned and recommendations – bespoke to the client's specific, defined strategic activities and objectives.

Benefits

Our clear, consistent consultation and recommendations enabled the client to identify the right decisions and actions to help optimize procurement now and in the future, and support ongoing stakeholder management.

An organizational and cultural shift

Before 2012, our procurement approach was fully decentralized, with procurement colleagues working on individual sites without central steering. In 2012, procurement became centralized, with international category management teams responsible for strategic procurement activities, and regional procurement teams leading on operational tasks. For the first time, company-wide savings targets were introduced.

The client was also keen to leverage the benefits we realized by separating operational procurement tasks from strategic activities. On one hand, the strategic procurement function performed by international, category-specific teams can get closer to the business and deliver greater added value. Whilst on the other, the cross-category Spot Buy Desk teams running transactional procurement, provide more efficiency.

Sharing knowledge and experience

We shared a detailed overview of the activities performed by our category managers, including preparing and implementing category strategies, tactical procurement and supplier management to help the client optimize procurement and recognize the value that can be created across the business.

By sharing our own transformation journey and lessons learned, we gave the client an in-depth understanding of the organizational and cultural changes needed to drive their re-organization, along with the key success factors.

Measuring performance

We demonstrated that using a KPI dashboard ensures clear visibility of procurement performance against the objectives and targets set. They were also inspired by the open performance dialogue format we use within our procurement leadership team, based on honesty and trust. The approach has proved key to supporting stakeholder management during a time of organizational change.

Driving company-wide involvement and collaboration

We shared examples of collaborative activities led by our procurement team, from joint initiatives/KPIs and executive surveys, to our business partner initiative and supplier development programmes, to pro-actively engage the client's procurement teams, help them overcome barriers and support them to become a true, trusted business partner.

Benefit from our support

- Leverage our extensive experience across major transformation projects and all procurement categories.
- Identify opportunities to optimize procurement, introduce state-of-the-art practices and maximize value.
- Promote procurement activities internally and suggest actions to become a true, trusted business partner.
- Benefit from our expertise via flexible, bespoke workshops tailored to your needs and priorities.
- Drive involvement to implement recommended optimization measures.

The client has been so impressed with the quality and value of our knowledge exchange and recommendations, that they have asked us to continue working with them to dive even deeper into the essential core aspects driving their procurement performance and optimization.