



THE  
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## CASE STUDY

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Category knowledge drives commercial momentum.



## Case Study | Category knowledge drives commercial momentum.

### The Organisation

Our client provides services to businesses, institutions and governments globally. It employs more than 27,000 people worldwide and has over 20,000 private and public sector clients throughout Australia and New Zealand.

### The Challenge

The procurement team manages a multitude of categories, principally in the highly competitive sector of fast-moving consumer goods. Knowledge of market dynamics is crucial to ensure the needs of consumers are met.

The client had a team of category managers applying business strategies that produced effective results.

A new strategy supported by the appointment of a new Chief Procurement Officer was to “lift the bar” and review existing processes to uncover unidentified opportunities to deliver value.

One of the stated commercial objectives was to seek cost saving opportunities.

### Our Approach

Having facilitated more than 100 category workshops and developed category strategy frameworks for leading global organisations, we were able to assist our client in its category review.

In collaboration with the procurement team, we implemented a framework to uncover potential cost-saving opportunities.

Experts in their field, the client’s category managers’ knowledge was crucial to the success of the project. With this knowledge, and expertise in managing categories in all sectors, we delivered a summary of 40 different categories, which included:

#### Current supply arrangements

- Expenditure profile
- Market dynamics
- Supplier profiles
- Risks
- Short-term actions
- Long-term strategic focus

Using the consolidated data, we facilitated a two-day workshop with the client’s category management team to discuss and agree priorities and strategies.

### The Results

Knowledge gained from this sustained category focus revealed potential multi-million dollar cost savings. Significant momentum was created during this project which further delivered:

- A consolidated view of the client’s category management processes.
- Communication and engagement benefits as the team moved outside their individual category boundaries to a more collegiate approach.
- Clear cost saving targets identified within the category portfolio, supported by specific action plans.



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## CASE STUDY

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Adoption of a global category management model fast tracks savings delivery.



## Case Study | Adoption of a global category management model fast tracks savings delivery.

### The Organisation

Our client is one of Asia Pacific's leading financial services organisations with a strong global growth agenda and annual revenue and spend in the multiple billions.

### The Challenge

The client had regionally based procurement teams in Australia and Asia and was implementing a strategy of rapid business growth in Asia and more globally. In support of this growth strategy, the opportunity was identified to restructure the existing regional procurement teams and implement a global procurement function that would utilise a structured category management process to identify global synergies, leverage the organisation's global scale and deliver significant savings.

The newly appointed head of global procurement identified the need to significantly up-skill the current procurement team and to quickly develop category strategies that would establish the credibility of the global procurement function within the business.

The client therefore engaged us to provide a seasoned team of category leads to fast track the development of global category strategies, identify and deliver savings opportunities, and lead the engagement with senior business stakeholders.

### Our Approach

Leveraging our significant network of category professionals, we were able to quickly identify the best interim/contract category personnel with the requisite category experience and the leadership skills necessary to work with senior stakeholders, and develop the capability of the clients current category team members.

The project commenced with our contractors assessing the status of the global spend categories and undertaking early engagement with business stakeholders to identify opportunities and build support for the new global category management process.

A program management office was implemented to coordinate the development of the category strategies and the delivery of specific savings initiatives, and a category management training program was delivered across the client's global procurement organisation.

### The Results

- Category lead roles were implemented and global category strategies were developed across the client's portfolio of spend which included People and Professional Services, Business Services and Information Technology.
- Savings opportunities of more than five percent of spend were identified for implementation within the first 12 months.
- A category management process toolkit was developed and a training program delivered to embed the tool kit across the global team.
- The capability of the procurement team and reputation with business stakeholders was significantly enhanced.



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## CASE STUDY

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Categorisation – the key to success.



## Case Study | Categorisation – the key to success.

### The Organisation

Our client is one of the world's leading medical device and service providers for the healthcare market – with customers including hospitals, clinics, image centres and healthcare centres. The client's business involves providing their own devices and services coupled with third party products and services with proper planning, timely delivery and installation to their customers.

### The Challenge

The client had to respond rapidly to meet the market demand for diagnostics devices and equipment. There were a number of third party suppliers who provided additional products or services as part of our client's service offerings.

The issues the client faced were two-fold. Firstly, there was no system in place to provide standardised agreed pricing from the third parties, requiring numerous Requests for Quotations in an inefficient manner that did not deliver the best commercial outcomes. Secondly, the client did not have contracts with all of the OEMs (Original Equipment Manufacturers) which subjected the business to a number of operating risks. We were engaged to design and to roll out a set of standard contracts and pricing agreements with the client to deliver an efficient and effective set of third party suppliers.

### Our Approach

Our approach was to analyse, categorise, source and build.

We met with the client's Business Development Managers to understand the complex product mix, profiles of the OEM suppliers and competitors in the market. We further analysed the client's spend on medical devices, their operating model and the commercial usage of OEM suppliers.

Categorisation was the key to the success of this project.

The suppliers were classified into four main streams to identify the dynamics and complexity of the market, including Accessories, Diagnostic Devices, Printing Solutions and Logistics Services.

We developed a go-to-market strategy and recommended this to the client. Request for Proposal templates were designed to increase the visibility of the suppliers' pricing structure. A discount matrix was further introduced to optimise future business opportunities. The suppliers' responses were analysed and selected OEMs were contracted for future business.

### The Results

We delivered a succinct third party supplier price register which provided essential information on product descriptions, pricing, installation and maintenance fees, freight costs and discount structures. The register was easy for the Business Development Managers to use when preparing a response to customer requests. This created a competitive advantage for our client in responding to the market and greatly improved their service performance to their customers.

Through this unique sourcing project, our client was able to put commercial contracts in place with most of their OEMs, providing a critical risk management service to their business.



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