



Data Manipulation
for
Procurement Excellence

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Procurement Excellence

- Most businesses, whether Public or Private, now recognise the power of a professional Procurement Function. A good Procurement Function will maintain and often improve Customer Service, whilst minimising expenditure in the process. This increased efficiency can be translated to higher profit or turned into improved 'front line' service.
- However, like all Functions, "what comes out" is critically linked to "what goes in".
 - ***Product and Supplier Data quality is a key consideration***

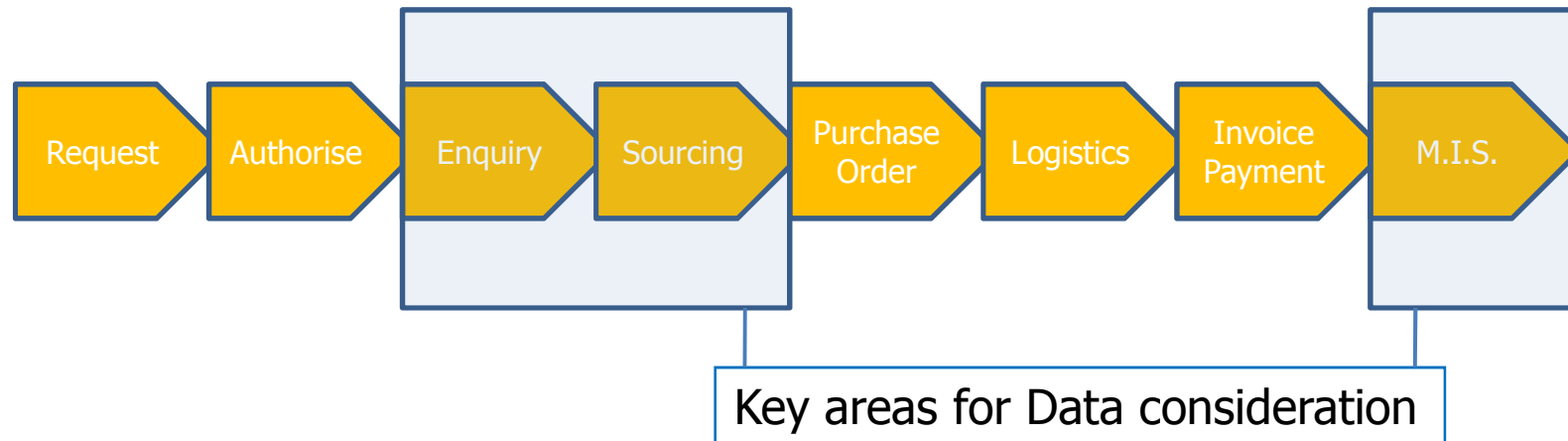


Procurement Excellence

- Core as part of Business Strategy
- Minimising (optimising) Business Costs
 - Process Costs
 - Purchase Costs
- Ensuring supply continuity
- Ensuring legal and regulatory compliance
- Ensuring Environmental best practice
 - Local consideration
 - Impact on environment



Data and Procurement Process



- Attention to data facilitates procurement efficiency and effectiveness and improved accuracy of management information



Procurement Efficiency – How?

- A simple example:
 - Most traditional 'buying' is fragmented and autonomous. There is no central control of who to use, the expected best price, or even a standardised description of the product/service to be bought.
 - Consider this applied to the purchase of a simple (or so it seems) 60W Light Bulb by 5 different users



Procurement Efficiency - How

User	Product Description	Supplier	Volume	Orders	Price (£ ea)	Spend (£)
1	Lamp 240V 60W Pearl BC	Newey & Eyre	1,500	150	0.34	510.00
2	60W BC Bulb	Alert Electrical	50	40	0.35	17.50
3	Pearl 60W Bayonet	Light Bulb Company	175	100	0.89	155.75
4	BCap 60W P	Wickes	3,000	30	0.22	660.00
5	Bulb 60W Pearl Bay.	LB Electrical	40	40	0.20	8.00

- All product descriptions, suppliers and prices are different!
 - If all purchased at best price?
 - **Savings of 30%**
 - If all purchased from one Supplier reducing invoice complexity
 - **Savings of 80%**
 - Assuming order/invoice costs of £10 per and savings can be actualised



Procurement Effectiveness – How?

- Take the previous example:
 - Newey & Eyre and Wickes may be used for other purchases
- An aggregated view of spend by cluster or commodity/category allows more strategic supplier decisions to be made and suitable tactics deployed

Risk to Organisation	H	Bottleneck	Strategic
	L	Routine	Leverage
		L	H
Cost (Value)			



A Challenge

- To fully exploit the data requires a combination of technical, commercial and facilitation skills
 - Technical, to apply rules of 'fit, form and function' to identify duplicates and to categorise. To perform analysis.
 - Commercial, to appreciate scale of opportunities and to prioritise
 - Facilitation, to engage all relevant employees in the process and gain best knowledge



A Solution

- inspire can provide such expertise and can discuss a number of appropriate Case Studies
 - Integrated Supply solution to Rolls Royce
 - Operational efficiency gains for Automotive Aftermarket business
 - 'Cross-culture' transacting web solution for Engineering Manufacturer
 - Major effectiveness gains for supply into a Public Body



An Offer

- **A DAY in your Business at NO charge**
 - » In fact, it's more than a day as we specify your requirements and report back separately, but still **FREE!**
 - Let us have access to your data and see what we can find
- ***Nothing to lose, but what might you gain!?***

Non Disclosure Agreement signed as matter of course