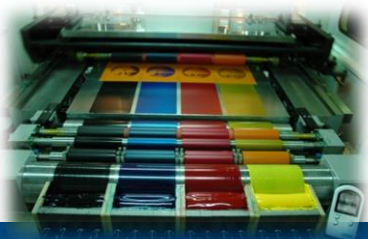


THE CHALLENGE

Our Client is a print franchise business with the largest, most widely spread network in the Southern Hemisphere and services over 400,000 businesses in Australia.

- The business had previously contracted nationally with a preferred supplier of merchant paper. Over the years, contract compliance became harder to manage as the group's purchasing became fragmented with franchisees looking to alternative suppliers.
- A fairer system for all franchised stores was needed as the alternative suppliers offered significant discounts to the larger centres only, as the average cost of servicing them was lower than the cost of servicing every centre - large and small - nationally.
- The new contract was expected to harness the buying power of the whole group, without disadvantaging the bigger buyers within the group.



OUR APPROACH

- We set up a procurement committee that represented the franchisees to ensure that there was clear, communicated sponsorship of the project from the board and the CEO.
- We engaged with each of the franchisees and worked closely with the committee members to understand their key requirements and why they chose to buy from whomever they were buying from.
- We conducted a very detailed and accurate data collection process, ensuring that there was little ambiguity across the Group over what types of merchant paper were being purchased, by whom, in what states and in what quantities.
- In a two-step selection process we identified the most competitive, innovative and service-oriented provider with the network to service the group nationally, and then we facilitated an intensive round of client-supplier collaboration workshops to build a "partnering" relationship between the client and supplier.

CLIENT BENEFITS

- Savings in excess of 20% were achieved.
- This was the second paper tender to be run by the group. The initial tender was conducted internally and took 14 months to complete. Adroit managed to fully complete this process in 9 months, with larger savings, more supplier interest and more value adds than that achieved 4 years prior to that.
- Significantly, there was also greater take-up of the new contract amongst the franchisees.
- As the emphasis was given to the human elements of the project, rather than just about buying merchant paper, it ensured that there was deep commitment from all parties to the outcomes achieved. It was also instrumental in ensuring that the suppliers knew accurately what they were bidding for, allowing for more competitive responses from the market.

