

### THE CHALLENGE

Our client is a multi-national organisation with offices throughout Australia.

- As a result of recent acquisitions our Client was dealing with more than 20 suppliers of printer toner, stationery, janitorial and pantry supplies throughout Australia.
- Each office was paying different prices for the same products and there was no leverage of their combined volumes to obtain competitive pricing.
- Management of suppliers and invoices processing for this cost category alone was administratively cumbersome and time-consuming.
- There was no visibility of monthly purchases and only little use of technology for managing orders, approvals and reporting.
- A contract, with agreed service levels and managed supplier performance, did not exist.



### OUR APPROACH

- We identified stakeholder needs, performed a detailed spend analysis, built a national basket of goods that was representative of the combined needs for all offices, benchmarked their current prices and prepared the tender document.
- Our tender specifically addressed service levels that needed to be met and incorporated requirements in line with industry best practices, as well as those defined by the stakeholders.
- Through our 2-step selection process, we shortlisted then selected suppliers that were capable of supplying a single-source solution, with the technology to support ordering, billing and reporting requirements.
- The client accepted our recommendation of a dual-supplier strategy and we project-managed the transition to the two successful suppliers - both of whom were already incumbent to some of the branches.
- The new purchasing policies along with the Contract Management System were implemented.

### CLIENT BENEFITS

- Tangible savings of 27% and 42% per annum were achieved for print consumables and other office supplies respectively thanks to leveraging the client's combined national purchasing power, utilising our market benchmarks for negotiations, and using a strategy of selective substitution of premium products.
- Administrative efficiencies and greater visibility were attained, through harnessing of technology.
- Contract prices were maintained, and in some cases, further reduced through pro-active Category Management.
- A National contract was implemented, with a centralised, disciplined approach towards managing the contract and the supplier.
- Our Category Management approach brought this area on to the radar screen of management and through this, greater focus on internal compliance, consumption patterns and supplier KPIs were achieved.

