



client results

\$3.9 Billion Global Holding Company

Global cost optimization averaging over 20% in cost savings



Challenge

A global holding company experiencing significant growth through acquisition realized that its decentralized procurement approach had become both costly and inefficient. This company engaged ISG to drive earnings improvement and to help develop a more consolidated and centralized procurement process.



Approach

In a two-phase project, ISG first performed a [Spend Analysis](#) within one of the company's acquired holdings. In partnership with a newly-added Vice President of Procurement and his team, ISG began to source over a dozen categories across more than 120 independent locations. Uncovering detailed data for sourcing activities from multiple legacy ERP systems and contract databases had proven challenging historically. ISG built a line-item level baseline of current costs (sometimes across 95 suppliers in a single category) through a collaborative and data-driven process. The thorough and logic-based process proved effective in gaining buy-in from key divisional stakeholders.

After demonstrating tremendous success at the first holding, the company engaged ISG to perform a global [Spend Analysis and Cost-Optimization Assessment](#) across each of the company's remaining holdings. The global [Spend Analysis](#) involved consolidation of over 60 expenditure data files from 23 countries with multiple currencies across the following categories:

Categories		
• Commercial Print	• Document Storage Boxes (Including a Fulfillment and Distribution Strategy)	• Office Supplies (ISG Office Supplies Consortium)
• Outsourced Statement	• Plastic Bins MRO Supplies	• Print & Mail
• Small Parcel Shipping	• Software Selection	• Telecommunications
• Temporary Labor	• Travel (Hotels, Auto, Air)	• Uniforms



Results

Delivered over \$9MM in recurring EBITDA improvement. Average project savings exceeded 20% per category, and savings generated a 10% EBITDA improvement (against a very strong bottom line). ISG engineered a world-class procurement organization and improved compliance management, resulting in compliance rates exceeding 98%. The Global CPO's team experienced tremendous knowledge transfer as a long term benefit to improve future sourcing projects.