



client results

Cross-portfolio Spend Aggregation

Private Equity – Multi-billion Dollar Portfolio

\$15 million in annual EBITDA improvement through cross-portfolio spend aggregation



Challenge

A private equity firm with fourteen U.S. holdings and several billion dollars in revenue sought to leverage its combined purchasing power and improve earnings. Many of its portfolio companies purchased similar products and services, often from the same vendors, yet each company performed independent sourcing activities without leveraging aggregated spend across the portfolio.



Approach

The private equity firm engaged ISG to lead cross-portfolio sourcing efforts for common indirect expenditures. ISG performed a [Spend Analysis](#) across all 14 holdings to identify areas of highest opportunity, gaining buy-in from key executives and stakeholders in the process. ISG led all steps of a comprehensive sourcing campaign including detailed data analysis and direct negotiations.

ISG worked closely with portfolio CEOs, CFOs, and procurement executives to understand their needs and ensure each holding received real savings. ISG supported the implementation of any new suppliers and performed over 95% of the work, enabling the private equity executives to provide oversight with minimal time investment.

As new holdings are acquired, ISG rolls out any appropriate, transferrable contracts, and regularly updates purchase data through its [Insight SV managed service](#). ISG acts as the private equity firm's sourcing group, performing audits, recovering overcharges, and ensuring compliance within their current purchasing contracts.

Categories		
• Commercial Print	• Direct Mail	• IT Hardware
• IT Software	• LTL Freight	• Office Supplies (ISG Consortium)
• Small Parcel Shipping	• Telecommunications	• Temp Labor
• Travel – Auto	• Travel Agency	• Truckload Freight
• Uniforms	• Video Conferencing	• Wireless
• Plus many company specific areas from raw materials to dental supplies		



Results

Delivered over \$15MM in annual and recurring savings – a 19% cross-portfolio cost reduction.

Savings remain with each holding upon exit to create significant valuation improvements. ISG continues to provide knowledge transfer to the portfolios, enhancing their internal sourcing capabilities. Many of the holdings retain ISG to continue to optimize costs in company-specific areas not originally addressed.