

## Portland Group was successful in sourcing several categories of industrial inputs traditionally regarded as too hard to tackle

### Procurement Project Scope

|  |                      |
|--|----------------------|
| Procurement Diagnostic                               | Procurement Strategy |
| <b>Strategic Sourcing</b>                            | Category Management  |
| Low Cost Country Sourcing / International Purchasing |                      |
| Organisation and Skills                              | Policies and Systems |

### Industry Segments

|                   |                 |
|-------------------|-----------------|
| <b>Industrial</b> | Construction    |
| <b>Mining</b>     | Utilities       |
| Consumer Goods    | Food & Beverage |
| Retail            | Services        |
| Financial         | Transport       |
| Healthcare        | Government      |

### Business Challenge

- Portland's client operates large primary and secondary metals processing plants in several states
- With complex technical requirements and a history of independence among the sites many industrial categories like repair parts, fork lifts, electric motors and lubricants were regarded as "too hard" to source nationally
- Portland was engaged to tackle sourcing of these difficult categories after most other easier targets had already been addressed

### Our Solution

- Portland provided experienced procurement resources for two waves – Wave 1 for Manufactured repair parts and Marine Freight (incl. Freight forwarding and Customers clearance) and Wave 2 for Lubricants, Hose fittings & Hydraulics, Electric motors and Fork lift trucks
- An important driver of success in these categories was Portland's ability to assign staff with specialised technical and industry background and category knowledge and the ability to rapidly engage and work with technical stakeholders
- For each category the Portland teams meticulously reviewed spend across multiple sites, developed a sourcing and category management approach and identified value drivers and savings opportunities against each cost element
- For each category Portland then developed and issued RFPs, negotiated with suppliers, recommended the optimum supplier model to the client team, proposed an implementation plan and recommended contract management roles and responsibilities

### Outcomes

- **Cost savings as high as 20% in some categories, with the typical savings range 5 - 10%**
- **Sophisticated supply solutions and category management approaches developed to deliver both cost reductions and additional value added services in complex and fragmented categories**

