

## Portland Group worked with a major industrial business to develop a procurement strategy that delivered in excess of \$100M in cost savings

### Procurement Project Scope

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

### Industry Segments

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

### Business Challenge

- Our client is a large Australian company with a number of operating divisions and a global footprint
- Portland had worked with the client on a number of specific projects to generate cost savings (e.g. freight, raw materials, engineering consumables)
- The client CEO was seeking to develop a procurement model that would sustain and grow cost savings across the business into the future

### Our Solution

- A procurement transformation steering team was established with senior level representatives from each operating business as well as the central procurement function
- An “As-Is” baseline was developed for each operating business as well as the group function, covering all procurement capabilities, including processes (e.g. strategic sourcing, opportunity assessment), systems and people
- A global benchmarking exercise was undertaken, engaging with comparable companies around the world to identify best practice approaches
- Through a series of workshops the current state and best practices were used to develop a desired state procurement organisation and accompanying strategic objectives. This included an implementation road map on how the new organisation and strategy could be embedded
- The proposed organisation and strategy was accepted by the client’s Group Executive and fully implemented

### Outcomes

- Global Procurement organisation established, applying an innovative organisation structure and increased investment in procurement by the client
- The procurement organisation was provided with a clear development road map and has delivered in excess of \$100M in savings with recognition from the CEO down of the strategic role the function plays in the business

