



PROCUREMENT AND STRATEGIC SOURCING PROGRAM MANAGEMENT



ABOUT THE CLIENT

Industry	Mining & Mineral Processing
Revenues	\$2 billion
Employees	3,000
Location	US, EMEA
BSI Service or Solution	Procurement and Sourcing

Key Challenges

- Corporate growth had reached a level that required professional procurement and supply chain management
- All purchasing operations were decentralized, resulting in redundancy
- Limited experience negotiating and contracting

Why Boston Strategies was Selected

- Familiarity with how procurement (tendering strategies, RFI, RFP, RFQ cycles, contract templates, and negotiation techniques) is conducted at world-class companies
- 16-step strategic sourcing process
- Track record of achieving savings

Project Scope

- Procurement organization design
- Staff review
- Sourced and contracted multiple large spend categories, including for example:
 - Industrial chemicals
 - Electrical equipment
 - Parts
 - Rail transport
 - Ocean shipping
 - Etc.

Project Approach

- Set procurement vision & mission including internal alignment
- Designed procurement organization
- Evaluated procurement staff
- Set MBOs and KPIs
- Trained procurement staff
- Strategic sourcing
- Network design & optimization
- Rolled out program to Europe after North America success

Financial Benefits Realized

- 13% savings on chemicals while chemicals prices were rising 3.5% in the general market
- 12% on overall logistics costs, including some breakthrough changes
- 23% potential reduction in inventory levels

Operational Benefits Realized

- Strategic flexibility and agility
- Competitive cost structure
- Rationalized parts base for streamlined operation