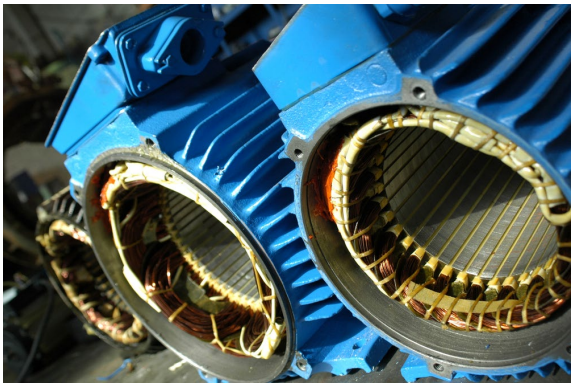
BOSTON STRATEGIES INTERNATIONAL
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CASE STUDY



PROCUREMENT DATABASE CENTRALIZATION AND SUPPLIER CONSOLIDATION



ABOUT THE CLIENT

Industry	Chemicals
Revenues	$3 billion+
Employees	5,000
Location	US-Based, Worldwide Plants
BSI Service or Solution	Supply Base Rationalization

Key Challenges

- Supplier prices varied by plant and supplier because supply management was handled at the plant level
- Category management was not understood or implemented
- Purchasing data was fragmented, incomplete, and unreliable

Why BSI was Selected

- Roadmap and vision for supply excellence
- Range of skills and capabilities from data cleansing to organizational design
- Deep experience with process industry (dry and liquid bulk manufacturing) clients

Project Scope

- Data cleanup
- Data enrichment
- Supplier concentration analysis
- Price history analysis
- Price verification
- Strategic sourcing
- Lab Supplies
- Electrical & Instrumentation
- Power Transfer (Bearings, Belts, Bushings, Conveyors)
- Hoses, Hardware, Filters
- Packaging
- Instrumentation/ Gauges
- Reactor Parts
- Conveyor
- Fans
- Pipes, Valves & Fittings

Project Approach

- Cleansed data
- Enriched missing components of purchasing database
- Consolidated multiple and divergent instances
- Analyzed trends and characteristics (pareto)
- Analyzed standardization opportunities
- Developed RFQ templates
- Supported sourcing efforts (focused on current suppliers)

Financial Benefits Realized

- Immediate cost reductions averaging 14%

Operational Benefits Realized

- Platform for more detailed savings and opportunity assessment
- On-the-job training and skills upgrade through daily interaction with consulting team

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