

CASE STUDY

 **Client:**
Large building materials company

 **Sector:**
Industrials

 **Solution:**
Business Analytics

Summary:

- ▶ We were challenged by the CPO to bring together a disparate range of data sources as a result of a recent acquisition
- ▶ We used our visualisation and analytics expertise to provide clarity across a range of categories, totalling more than £1 billion in spend
- ▶ The result was a holistic picture of the buying behaviour, presented in Tableau, within the context of the organisation's KPIs - the first time this had been achieved

Providing procurement intelligence for a large building materials company post merger

Business challenge

As part of our longstanding relationship with a large construction and building materials company the Chief Procurement Officer asked The Smart Cube to assist in overcoming challenges arising from a recent acquisition.

The CPO needed to align the new business' procurement strategy with the parent entity as well as delivering cost savings as a result of the merger.

Drawing upon our Business Analytics solution we were tasked with delivering a rapid consolidation, visualisation and analysis of supplier information across all categories to provide clarity on the existing supply chain and spend, as well as insights into the procurement operations and processes.

The Smart Cube solution

The first challenge was sourcing the required information: spend and contract details resided with individual category managers and were not available on a single system. With information stored across multiple formats, from email accounts to Excel spreadsheets, it had previously proved impossible to identify critical factors such as areas of highest spend, contracted/non-contracted spend, contract compliance etc.

The company's internal Purchase Order system was used as a starting point and we used our proprietary algorithms, to clean and harmonise the data set. With everything consolidated the data set totalled over 1 million lines covering more than £1 billion of spend.

Spend line items and suppliers were categorised and mapped to the spend tree, then information was revalidated with category managers, before being analysed to create a detailed view of data by spend, category and category manager. Commodity inflation forecasts were presented through an online dashboard and mobile app for ease of use by the finance team and category managers.



Value delivered

- ▶ We generated a holistic picture of the company's buying activities – the first time this information had been available to the procurement team
- ▶ But in order to provide clear intelligence and insight we distilled the information and aligned this against the CPO's objectives and KPIs. Tableau visualisation software was used to present the key findings, including spend by transaction value, commodities, suppliers and sourcing managers
- ▶ The CPO was delighted with the results, which identified where efforts should be focused to make an immediate difference to sourcing and buying practices, supplier management and procurement operations. The commodity spend heat map was highlighted as being of particular value in terms of illustrating quick wins to deliver cost savings
- ▶ Other decisions enabled by having visibility of spend data included changes to the procurement team structure, reassigning spend categories and the development of a new category management strategy

Learn more about how our Business Analytics solution can help you unlock the full potential of your business data by delivering actionable intelligence with effective visualisations

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