



Strategic Sourcing of Office Supply Products

Company Profile

Client: Global Specialty Chemical Manufacturer

The client is a European-based corporation who manufactures an array of chemicals, from soda ash, hydrogen peroxide, specialty polymers and polyimide intermediates products, to polyvinyl chloride (PVC) and consumer chemicals used in shampoo and shower gel.

Business Challenge

The client was experiencing rapid growth and was unable to focus on non-core, centralized, indirect procurement services such as office supplies. The challenge faced by the client included highly fragmented spend data across all business units with no spend traceability and no data on consumption patterns. The procurement was strictly core products focused, leaving non-core products to run unsupervised. The client needed to engage with a business partner who could consolidate and aggregate the spend across all plant and office locations. The client needed a business partner who could provide end-to-end visibility and sourcing expertise by standardizing the spend, using appropriate procurement tools and inducing competition.

How Corbus Helped

For this global sourcing program, Corbus conducted a spend analysis and created a baseline spend report. Historical purchasing patterns were identified and possible sourcing strategies that could be adopted were strategized. By inducing competition, utilizing strategic relationships with supplier conglomerates, and completing extensive negotiations, Corbus managed to standardize the requirement, benchmark the pricing and with rigorous multiple negotiations rounds, was able to shortlist 3 suppliers from an initial 18 suppliers.

Results

- ✓ The client was able to achieve savings of 43% over previous year prices
- ✓ Supplier rationalization by reducing 20 suppliers globally to 3 suppliers, thus reducing the client's overhead costs that were previously required to manage multiple suppliers globally
- ✓ Delivery and payment terms were negotiated on all inclusive bases, reducing the complexity of services
- ✓ The client experienced an improved cash flow, received an electronic catalog based procurement process, and generated monthly detailed overviews to maintain control on consumption patterns