Corcentric Indirect GPO

Superior Plus Propane Reduces Costs via Indirect GPO

Leveraging GPO programs to centralize procurement and reduce costs for key categories.
THE CHALLENGE

Superior Plus Propane was growing rapidly via the acquisition of regional propane brands and wanted to leverage their collective purchasing power to buy from one contract at one price.

They realized they were purchasing in a decentralized model at both the brand and location levels, both of which lacked the proper oversight and controls over their spend. It became evident that this was costing them both time and money due to manual and inefficient processes.

They believed that establishing a centralized procurement team and associated processes would drive efficiency by reducing manual and redundant tasks which would lead to a significant cost reduction. However, they also realized that they needed some assistance to analyze and plan for the move to a centralized procurement model.

Based on item level analysis, Corcentric identified 19% average total savings that could be achieved by utilizing Corcentric’s Indirect GPO Program for multiple categories.

SPOTLIGHT

CLIENT SPOTLIGHT

Superior Plus Propane is part of the Energy Distribution division of Superior Plus Corp, a publicly-traded company that is a leading North American propane company. The Energy Distribution division is made up of companies that specialize in the distribution and retail marketing of propane products and distribution of liquid fuels.

Superior Plus Propane is the 5th largest retail propane distributor in the United States with sales volume of 300 million gallons and focuses on the Eastern U.S., upper Midwest, and California.

SOLUTIONS

+ Strategic Sourcing
+ Change Management
+ Indirect GPO
THE SOLUTION(S)

Superior Plus Propane engaged Corcentric to run U.S.-based sourcing activities while Superior worked on team development with the goal of setting the team up for future success.

Corcentric analyzed their processes and found that Superior had either no contracts or decentralized pricing agreements established at the local level. Additionally, they had inconsistent pricing, limited supplier account management, lack of procurement policies and procedures, and a significant amount of tail spend suppliers. Corcentric gathered line-item level data to properly establish a baseline and calculate their savings opportunity.

Corcentric also developed a roadmap that included recommendations to source more strategic and complex categories such as propane related parts and accessories while leveraging Group Purchasing Organization (GPO) programs for less strategic categories to quickly establish savings, bring spend under management, establish national relationships, and consolidate tail spend.

Corcentric’s Change Management service was critical to drive the implementation and compliance required to enable Superior to successfully deploy solutions at over 150 locations across the U.S.

“Superior was able to successfully deploy solutions to over 150 locations across the U.S. in under 2 months to ensure cost savings would be achieved within calendar year.”

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THE FUTURE

Next steps for Corcentric and Superior include additional sourcing events and GPO implementations for categories such as Fleet, Professional Services, HR, and other impactful categories.

Corcentric enables users by making purchasing easy while providing them with greater visibility. In addition, Superior Plus Propane’s procurement team is considering Corcentric Procure-to-Pay solution for additional compliance.

THE RESULTS

Superior Plus Propane experience significant cost savings in multiple categories including:

- 29% savings Office Supplies
- 18% savings Uniform Rentals
- 8% savings Industrial Supplies + Hardware

ABOUT CORCENTRIC

Corcentric is a global provider of business spend management and revenue management software and services for mid-market and Fortune 1000 businesses. Corcentric delivers software, advisory services, and payments focused on reducing costs, optimizing working capital, and unlocking revenue. To learn more, please visit corcentric.com.

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