



CASE STUDY

Global distributor transforms procurement function with guided buying and Managed AP services



Combination of technology and services creates value and saves company over \$6 million

The Challenge

A leading specialty chemical and ingredient distributor had grown substantially over the years due to its thoughtful acquisition strategy. With 138 North American production sites and a global indirect spend of over \$1 billion, the company was on the verge of its largest acquisition to date when it recognized the need to address critical operational challenges tied to its procurement function.

Some of those pain points included a proportionally large tail spend, limited visibility into supplier contracts and end user compliance, lean sourcing and procurement team, decentralized procurement activities, and limited subject matter expertise.

The distributor enlisted the help of Corcentric to create a tailored, value-driven strategy that targeted spend under management, category management, growth acceleration, and procurement controls.

The Solution

Right out of the gate Corcentric performed a detailed spend analysis to provide the visibility needed to target potential sourcing opportunities and understand where and how the company's dollars were being allocated across its supply base. The analysis identified an existing large tail spend and high p-card activity and enabled the creation of a robust

category wave plan that outlined sourcing strategies to evaluate and enhance existing supplier programs.

As acquisition activity ramped up, Corcentric assisted the distributor in the merging of two procurement teams and uncovering savings to offset operational costs tied to the acquisition by implementing its help desk model. This allowed the company to tap into Corcentric's pool of category experts and analysts who were able to identify new target categories and conduct an updated spend analysis to include the newly acquired organization.

Corcentric then turned its attention to the distributor's growing tail spend, procurement policy non-compliance, and limited visibility into supplier relationship management activities. The company envisioned a solution that would "make the right way to buy the easiest way to buy" and Corcentric delivered with its holistic Source-to-Pay offering. The custom-made solution, referred to as the company's Guided Buying program, was developed to reduce tail spend, monitor p-card usage, leverage catalogs, manage suppliers, and enforce a no PO no pay policy. More than 50 workflows and processes were documented and brought to life through Corcentric's technology and the entire implementation process was completed in less than a year.

The Guided Buying program consists of multiple technology modules all housed in a fully digitized environment:

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- o **Supplier Information Management** – Corcentric manages the registration and qualification processes and captures certification of insurance, payment information, and all other supplier details
- o **P2P** - purchase requisitions are generated and sent for approval and end users can search by item or supplier in a catalog library
- o **Sourcing** – end users who need an item that is considered off contract



can submit a request through the sourcing module which is then handled by the dedicated Buying Desk

- o **Accounts Payable** – when suppliers submit an invoice to the distributor it is digitized upon receipt and checked for accuracy and a digital record exists for each invoice. Corcentric manages the coding and matching of PO/ receipt/invoice to drive no touch straight-through processing.
- o **Payments** - Corcentric is the only supplier of record in the customer ERP system. Corcentric manages all supplier data and manages the payment process, which has been simplified to paying only one supplier, Corcentric.
- o **GPO** – a turnkey savings program with no fees or commitments. This includes streamlined catalog onboarding, savings tracking and compliance reporting.

The Results

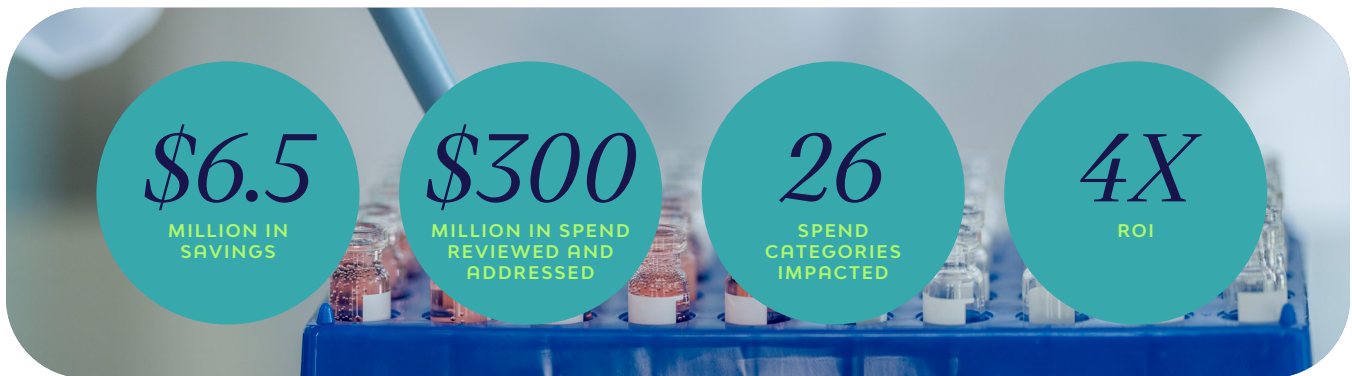
To date, the Guided Buying program alone has delivered an identified savings of over \$1.2 million. Over 1,000 end users employ the technology each day while complying with the company's procurement policy and leveraging preferred supplier agreements. All supplier invoices are now processed through the program by Corcentric, ensuring that they get paid on time.

Additional results include:

- o \$6.5 million realized savings
- o \$300 million in spend reviewed and addressed
- o 26 spend categories impacted
- o 4X ROI
- o 138 North American production sites in scope

The partnership between the distributor and Corcentric represents a customer journey that elevated the role of procurement, allowing the function to serve as a strategic contributor to the business and drive change that enables growth.

Given the efficiencies that now exist across various processes, along with a fully established digitized procurement environment with high end user adoption, global deployment plans are now underway to roll out the Guided Buying program to additional countries beyond North America.



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ABOUT CORCENTRIC

Corcentric is a leading global provider of best-in-class procurement and finance solutions. We offer a unique combination of technology and payment solutions complemented by robust advisory and managed services. Corcentric reduces stress and increases savings for procurement and finance business leaders by forming a strategic partnership to diagnose pain points and deliver tailor-made solutions for their unique challenges. For more than two decades, we've been a trusted partner who delivers proven results. To learn more, please visit www.corcentric.com.