



Client: Fortune Global 100 Company

Project: Managed Services for an Enterprise Manufacturer

Managed Services for a Fortune Global 100 Company

MANAGED SERVICES

SUPPLY CHAIN

Our Challenge

A major manufacturer struggled with a decentralized network of buyers and purchasing processes across its North American manufacturing sites.

The enterprise business didn't have dedicated purchasing resources. Instead, division managers and other associates were tasked with purchasing mission-critical items as needed. With different buyers utilizing a wide range of resources, the enterprise had to deal with different price points and suppliers, incompatible and poor-quality supplies, different buying processes, and numerous other problems. Obsolescence, or purchased products that were wasted or thrown away, drove expenses higher.

In addition, after reviewing the buying process with GO2, the company realized how inefficient and wasteful the buying program was, with many employees doing repetitious and unnecessary work that they had no expertise in. Often, purchasing needs would pull managers from more important, and more profitable, work. The result of the process was higher hard and soft dollar costs for lower productivity, inefficiency and reduced quality.

The company asked GO2 Partners to conduct an optimization assessment of the buying process and supply chain. It wanted a managed service provider to develop a solution that would centralize buying services to reduce costs, increase efficiency, provide visibility, and better meet the needs of every site.

Our Solution

GO2 conducted a review and optimization assessment of existing vendor contracts and category groups. From this, GO2 was able to create benchmarks to standardize products, purchases and buying processes. This data was critical to setting relevant goals for the project.

As an industry leader with market and supplier intelligence, GO2 strategically evaluated vendors to select the supply sources across the network that could best meet the business needs in cost, quality and efficiency. If no vendor could meet the category group benchmarks, GO2 reached out to new suppliers.

From this initial evaluation and working closely with the manufacturer to set standards, priorities and goals for purchasing, GO2 developed a standardized buying process. This moved all purchases to a centralized procurement. Rather than individual buyers at each location, the suppliers and OEM sites would utilize a managed services model where all purchases went through a single procurement source that could manage both purchasing and distribution.

The goal of this managed service provider project was to add value across the enterprise through:

- **Strategic sourcing and day-to-day category management support.**
- **Supplier consolidation to reduce transactional procurement cost and increase overall quality.**
- **An opportunity for head count rationalization to refocus on strategic priorities.**
- **Improved pricing by having alternative vendor sourcing options and utilizing combined purchasing.**
- **Increased opportunity for process standardization and application rationalization.**

Once GO2 was able to identify and realize the benefits of moving to managed services for the enterprise, the manufacturer rolled out the service to all sites across North America.

Our Results

As of today, GO2 has moved both services and product offerings to the managed services model. This has included:

- **Print execution (training materials, presentations, letterhead and envelopes, direct mail, signage, flyers, posters and banners, booklets, brochures, magazines, forms and more).**
- **Labeling and distribution supplies (labels and stickers, direct and thermal transfer applications, barcoding, RFID, barcode scanners and verifiers, printers and document handling equipment, placards and more).**
- **Promotional products and apparel (apparel, giveaways, bags, decals, drinkware, awards, office equipment and more).**

By centralizing and standardizing purchasing, the enterprise has been able to leverage economies of scale to deliver additional benefits. These include added organizational efficiencies and having a market and supplier intelligence to guide purchasing. Intelligence and market knowledge help lower both direct and indirect costs across the enterprise. Centralized purchasing delivers full visibility of pricing and supplier contract obligations.

Without additional purchasing responsibilities, employees can focus on the highest priority work – what they do best. It's a better use of internal resources to allow them to focus on core competencies and higher business priorities.

Today, the company works with a procurement specialist team with industry and commodity expertise. The goal of the team is to deliver operational and cost efficiencies and provide better overall spend control and end-to-end support. Even as the project continues, the management team has begun working with GO2 to identify additional opportunities for moving existing processes to a managed services model.