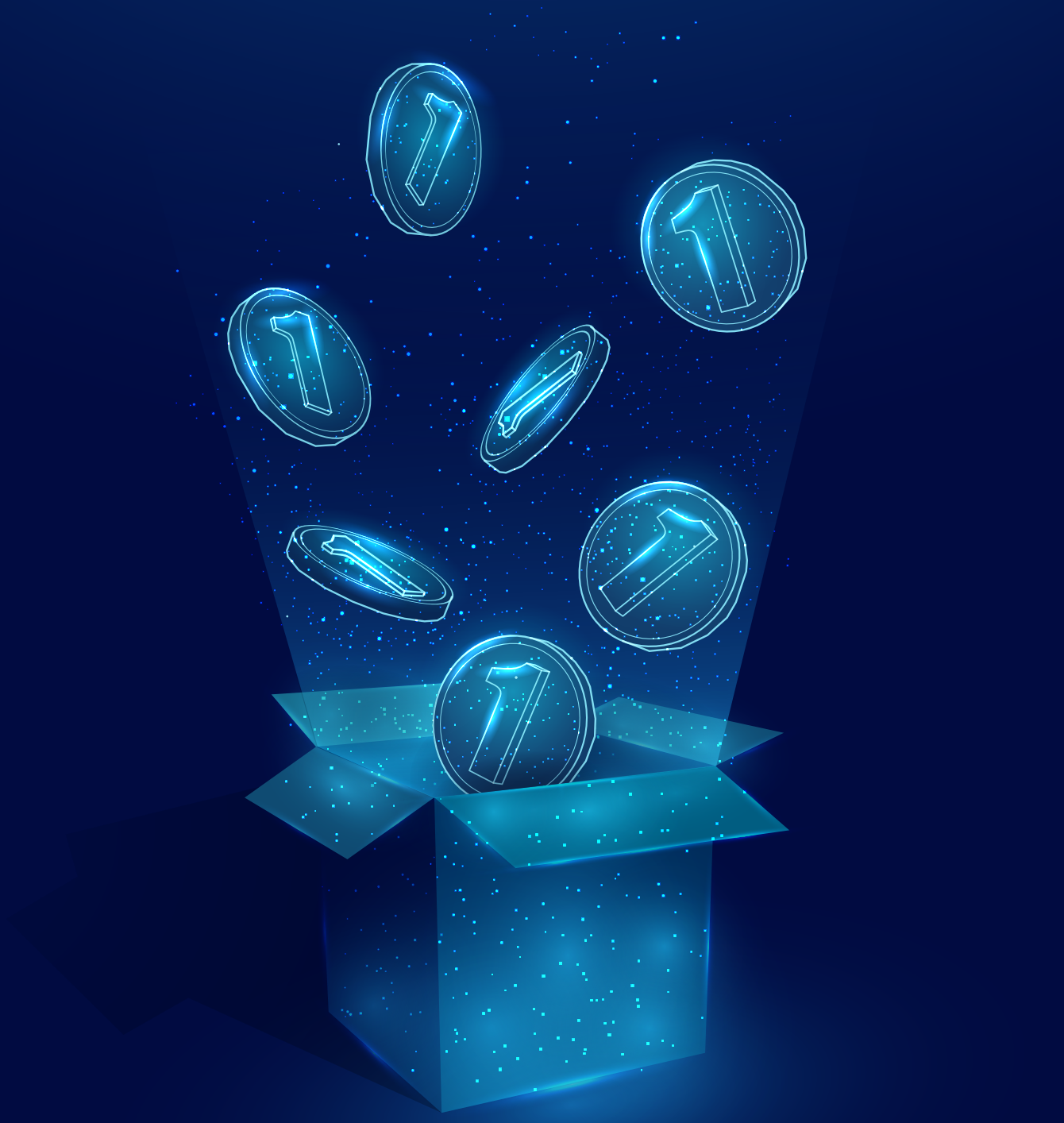
GEP CASE STUDY

GLOBAL CPG LEADER ADOPTS A NEW PROCUREMENT OPERATING MODEL

ACHIEVES $1 BILLION IN SAVINGS WITH GEP



A multinational consumer packaged goods (CPG) manufacturer wanted to transform its procurement and streamline source-to-pay (S2P) processes. The company had near-zero focus on its indirect spend and a reactive support model that prevented it from capitalizing on global synergies. To build a world-class procurement organization, it turned to GEP.

GEP developed and deployed a new operating model to centralize procurement across the globe and streamline the company's end-to-end procurement processes.

OBJECTIVES

- Transform S2P process by designing a closed-loop approach
- Maximize synergy through an end-to-end and integrated delivery model across services and technology
- Drive procurement innovation through a mutually beneficial partnership
- Utilize best-in-class indirect category strategies to deliver optimal savings
- Perform in the top quartile of procurement capabilities across peer companies

APPROACH

- Developed new organizational model, KPIs, policies, buying channel strategy, communication plan and technology road map
- Created organizational design and restructuring plan to centralize multiple procurement units across the globe
- Designed global, regional, and local category models
- Implemented GEP SMART with built-in robotic process automations (RPAs) to gain operational efficiencies
- Leveraged GEP Market Intelligence COE to develop actionable insights/benchmarks for local markets

RESULTS

- $1 billion in overall savings
- Reduced supplier base by 30%
- Brought 85% of indirect spend under management
- Achieved 9-10% savings on spot buys
- Accelerated purchase order (PO) cycle time by 25%
- 5% annual run rate savings

A NEW MODEL FOR A GLOBAL PROCUREMENT ORGANIZATION

GEP's approach focused on restructuring the procurement organization to centralize disparate units, gaining visibility into indirect spend and improving contract compliance. GEP consultants created new procurement policies and service levels for regions, as well as designed global, regional and local category models to guide procurement at each level of the organization. GEP also launched a robust global governance model to drive change and improve compliance across the company's multiple business units.

To improve efficiencies in the client's PO process, GEP implemented GEP SMART, an AI-powered end-to-end procurement platform with built-in RPAs. In addition, GEP's Market Intelligence Center of Excellence helped to develop actionable insights and benchmarks for local markets.

INCREASE IN SAVINGS AND SPEND UNDER MANAGEMENT, REDUCTION IN SUPPLIER BASE AND CYCLE TIME

GEP's deep expertise in procurement transformation, paired with its procurement software, GEP SMART, drove significant improvements in the company's operations. In particular, they netted an estimated $1 billion in overall savings and a 5% annual run rate savings. The company was able to achieve improvements to its bottom line while also reducing its supplier base by 30% and improving the PO cycle time by 25%. As a result of the partnership with GEP, the client achieved 9-10% savings on spot buying, while improving total spend under management to 85%.



GEP delivers transformative supply chain solutions that help global enterprises become more agile and resilient, operate more efficiently and effectively, gain competitive advantage, boost profitability and increase shareholder value.

Fresh thinking, innovative products, unrivaled domain expertise, smart, passionate people — this is how GEP SOFTWARE ™, GEP STRATEGY ™ and GEP MANAGED SERVICES ™ together deliver supply chain solutions of unprecedented scale, power and effectiveness. Our customers are the world's best companies, including more than 550 Fortune 500 and Global 2000 industry leaders who rely on GEP to meet ambitious strategic, financial and operational goals.

A leader in multiple Gartner Magic Quadrants, GEP's cloud-native software and digital business platforms consistently win awards and recognition from industry analysts, research firms and media outlets, including Gartner, Forrester, IDC and Spend Matters. GEP is also regularly ranked a top supply chain consulting and strategy firm, and a leading managed services provider by ALM, Everest Group, NelsonHall, IDC, ISG and HfS, among others.

Headquartered in Clark, New Jersey, GEP has offices and operations centers across Europe, Asia, Africa and the Americas. To learn more, visit www.gep.com.

GEP SMART

GEP SMART is an AI-powered, cloud-native software for direct and indirect procurement that offers comprehensive source-to-pay functionality in one user-friendly platform, inclusive of spend analysis, sourcing, contract management, supplier management, procure-to-pay, savings project management and savings tracking, invoicing and other related functionalities.

GEP NEXXE

GEP NEXXE is a unified and comprehensive supply chain platform that provides end-to-end planning, visibility, execution and collaboration capabilities for today's complex, global supply chains.

Built on a foundation of big data, artificial intelligence and machine learning, GEP NEXXE is next-generation software that helps enterprises make supply chain a competitive advantage.

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