

## CASE STUDY

**Our major food and beverage client uses Robobai to unlock millions in cost savings**



### FOOD & BEVERAGE

**Traditional methods of preparing data aren't sufficient for large companies. A more advanced approach is required.**

Our food and beverage client was established 100 years ago, and is one of Australia & New Zealand's premier suppliers. It was acquired by private equity, recently floated and is now in the ASX200. The client spends approximately \$1.9b each year with over 5,000 suppliers across multiple sites and countries. The company is a diverse, complex, vertically integrated food and beverage business, with a live supply chain business delivering over 4 million products per week.

In many large organisations which have grown through acquisitions over many decades, supporting information systems eventually become bloated and fragmented. Our client had multiple legacy transactional systems supporting feed, farming, processing and distribution, supporting over 500 decentralized buyers across the network.

This fragmentation led to a lack of visibility into the supply base. Data preparation methods could not handle a challenge of this scale. The client's Head of Procurement observed that 'we knew how much we'd spent, but we didn't know from who and on what because the information was inaccurate and poorly classified...our category teams were actually flying blind.'

Using traditional methods to integrate and cleanse data had multiple downsides for the business, including:

- **An inability to generate cross-business views of the supply base:** the client wasn't able to get a cross-business view of its classified supply base. Categories for goods and services at a granular level were available in multiple spaces but not visible to the strategic procurement team.
- **Difficulty in repeatable data classification:** The client had high daily transaction volume, meaning that new suppliers were added to their records so quickly that traditional data management tools were infeasible and delivered poor and inaccurate information.

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### **Our client saw innovation through human directed AI machine learning as the answer**

Convinced that the organisation could benefit from fast, robust procurement analytics, the client sourcing team selected Robobai to provide data analytics through the Robobai platform. Robobai developed a data extraction guide for

**'Machine learning is a game changer and the foundation for 21st century analytics.'**

- Senior Procurement Analyst

analysts to extract the data from the client's ERP system. **This was quick and easy, no ERP integration was required and there was no need to engage the IT department.** Once the data was extracted and provided in flat file CSV format, within 6 weeks the client had full visibility of the data in the Robobai platform. **This was something the client had been wrestling with for years.**

The team needed an approach to quickly and accurately connect and cleanse the cross-business data, which varied in structure and contained many duplicated entries.

The client engaged Robobai because of its unique approach of using human guided machine learning AI and expert insight in the data preparation process. Today, the client leverages Robobai in order to:

- Process over 1 million transactions monthly - representing the client's \$1.9b 3rd party spend (excludes internal labour, intercompany and tax)
- Connect and cleanse all transactional/ERP systems across Australia and New Zealand. Robobai did this by first using machine learning to join datasets and identify duplicative records, then reaching out to experts within the organisation to validate the matches.
- Classify transactions at the most granular level using a combination of UNSPSC and an internal taxonomy (Level 3 market ready). Analytics can then be performed in two ways, either traditional drill-down or using the co-ordinated Robobai Analysis Bots to perform the analysis

far more efficiently and accurately across the entire data set, returning savings insights to change spend patterns.

Ultimately, Robobai presented all of the data in the Robobai dashboards within weeks. It can now be viewed either on PC, tablet or mobile, greatly improving the client's data visibility. This enabled the category managers to do far less analysis and focus more on sourcing outcomes.

### **The client is now using Robobai to drive millions of dollars in savings, and track preferred supplier compliance**

The client has enjoyed significant, tangible benefits from its Robobai implementation. Working with a single clean view of its procurement data has enabled our client to unlock new insights into fresh savings opportunities.

Specifically, Robobai has allowed the client to gain previously invisible access into spend across businesses and unlock millions of dollars in cost

**'It's turned endless data into targeted savings insights.'**

- Head of Procurement

savings opportunities while realising a **100 x ROI in Year 1**. The client now has a consistent, updated monthly set of analytics that provides monthly opportunities. The Analysis Bots deliver insights such as:

- Working capital benefits
- Category leverage benefits
- Predictive analytics on major commodities
- Overseas sourcing opportunities
- Mapping external data sources to identify supplier risk, using external data sources and connecting the analytics. This provides visibility on financial, environment, and labour (human rights, child and slave labour) risks.

The client and Robobai are aligned in firmly believing that machine learning is the gateway to success, and jointly envision a future where their business is much more digitally-driven.

As a summary of this alignment, the client concluded that **'using Robobai machine learning to solve our data problems has now been embraced by the procurement team as a whole.'**

Client references and contact details available on request