

Implementing a global procurement operating model to unlock value across North America, Europe and Asia Pacific

Driving accelerated value in a high-precision, low volume, leading-edge technology environment

The results

Working closely with the client's teams in North America, Europe and Asia Pacific, Maine Pointe's collaborative, integrated, Total Value Optimization (TVO) approach delivered the following benefits:

- Reduced global procurement spend in over 32 major product categories by 5.5% (the exceptionally large number of categories added to the complexity of this engagement)
- Developed strategic sourcing framework for a center-led procurement organization
- Introduced the best business practices and processes to deliver sustainable results
- Installed a comprehensive Procurement Management Operating System (PMOS) to achieve the best value while increasing product margins
- Trained cross-functional team members in 22 sites worldwide to ensure the company has the right people in the right place with the right skills to sustain improvements and support growth

This story is for CEOs and PE executives who want to:

1. Establish a homogenous global procurement operation across multiple geographies and sites
2. Implement procurement best practices, drive out cost and sustain the benefits over time
3. Build a global procurement platform for future acquisitions and growth in a complex, high-tech business environment

The challenge

This leading global technology company delivers high-performance, innovative market-driven solutions to meet its clients' lighting, detection and optical technology needs. The company has clients across a broad range of industries including consumer and industrial electronics, biomed, safety, security, semiconductor, energy, defense and aerospace.

The organization had grown significantly in the last decade through numerous acquisitions. However, limited integration efforts had created disharmony among the 22 global sites, with each making its own independent supply chain decisions. Dealing with over 6,000 unique suppliers was placing significant time demands on the organization's supply chain professionals. Leadership wanted to harmonize the company's sites to collaborate better and make global category decisions.

Maine Pointe was brought in to help achieve this goal by implementing best business practices, consolidating the supplier base and expediting cost saving.

Building a center-led global procurement platform for continued growth through acquisition



At the beginning of the analysis, there was some skepticism from the company's leadership. This was largely due to their poor experiences with other consultancy firms in the past. The general perception within the organization was that there was no better way of doing things and, consequently, there were no significant savings to be made. However, the disciplined, collaborative approach Maine Pointe's SMEs brought helped break down these assumptions, turning the client's team from skeptics into advocates.

Working closely with the organization's newly-appointed head of global procurement, Maine Pointe helped introduce a center-led, disciplined methodology. This approach included:

- Transforming the procurement culture to focus on supplier optionality and ensure our client was getting the best products from the best people at the best price
- Creating global cross-functional commodity teams that identified leverage points for more optimized negotiation strategies
- Establishing a strategic sourcing roadmap for major categories, enabling sites to be more strategic than tactical for high precision, complex engineered materials
- Installing a comprehensive Procurement Management Operating System (PMOS) to achieve the best value while increasing product margins
- Creating some homogenization and economies of scale with regards to the category management
- Introducing the best business practices and processes to deliver sustainable results
- Introducing, and helping transition to, a strategic supplier portfolio on major categories to support growth initiatives
- Delivering training to our client's people in seven countries to ensure they have the right people with the right skills to sustain improvements as the organization continues to grow

Lessons learned for other executives

- Even companies with a high level of maturity in procurement can continue to drive greater value and savings opportunities from new insights
- Significant value can be gained from implementing best practices across multiple geographies and locations
- Having an external partner can help bring new insights to a business and unlock value

Are you operating in a high-tech, complex environment across multiple geographic locations?

Do you need a hands-on partner to drive measurable, sustainable results across your global procurement operation?

Talk it through in a no obligation phone call or meeting with one of our executives.

Email info@mainepointe.com to arrange a call

About Maine Pointe

Maine Pointe is a global supply chain and operations consulting firm trusted by many chief executives and private equity firms to drive compelling economic returns for their companies. We achieve this by delivering accelerated, sustainable improvements in EBITDA, cash and growth across their procurement, logistics and operations. Our hands-on implementation experts work with executives and their teams to rapidly break through functional silos and transform the buy-make-move-fulfill supply chain to deliver the greatest value to customers and investors at the lowest cost to business. We call this Total Value Optimization (TVO)™.

Maine Pointe's engagements are results-driven and deliver between 4:1-8:1 ROI. We are so confident in our work and our processes that we provide a unique 100% guarantee of engagement fees based on annualized savings. www.mainepointe.com