

# Formalizing strategic sourcing and cross-functional commodity teams

Maine Pointe helped the organization make the shift from transactional to strategic sourcing

## The challenge

This restaurant and entertainment business employs around 8,000 people at its 84 locations across the USA and Canada. The company's entertainment complexes offer casual dining, full bar service and a game room featuring the latest in video games, as well as games of skill played for prizes. With a spend of close to \$100M and no formal strategic sourcing process in place, senior executives engaged Maine Pointe to deliver significant annualized savings across their business.

## The solution

Maine Pointe's industry and practice specialists worked alongside personnel at all levels within the organization to implement our strategic sourcing process. More specifically we:

- Interviewed and conditioned all existing strategic suppliers
- Revised and improved product specifications across all categories to ensure consistent or improved quality
- Developed and implemented a formal strategic sourcing approach
- Broke down costs for all key sub-commodity groups, enabling continuous improvement and total cost transparency
- Introduced global sourcing and price benchmarking within the merchandizing subcategories
- Sourced new suppliers across all categories, to participate in all RFP/I process
- Developed new procurement metrics (KPIs) and review process

The cornerstone of the engagement was training and coaching. We deployed Maine Pointe's Leader and Organization Improvement (LOI) specialists to establish and train cross-functional commodity teams and ensured that all procurement staff had the required skills to sustainably apply the strategic sourcing process.



## The results

The results exceeded all expectations:

- Shifted the procurement focus from transactional to strategic activities
- Realized savings in excess of 30% on some subcategories
- Suppliers now recognize client as a major account and interact accordingly
- Moved the procurement organization up the TVO™ maturity curve
- Achieved a ROI of 6.4:1

The increased revenue delivered as a result of Maine Pointe's work enabled the company's PE owners to launch an IPO, which raised \$94M.

***"I was skeptical but years later I have a professional strategic sourcing team. They learnt from Maine Pointe and continue to drive additional improvements year over year."***  
CEO

Want to reduce costs in your food & beverage business?

Want to improve performance across your global supply chain and operations?

Talk it through with one of our executives

Email [info@mainepointe.com](mailto:info@mainepointe.com) to arrange a call

## About Maine Pointe

Maine Pointe is a global implementation-focused 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 both EBITDA and cash across their supply chain 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 3.5:1-12:1 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](http://www.mainepointe.com)