



Chemicals Supply Chain Procurement Outsourcing

Highlights



- Transitioned off the legacy technology platform in under eight months, training 100% of affected workforce on the new systems
- Delivered annualized savings of \$1.5 million
- Instituted quarterly supplier review program and reduced number of suppliers by 80%

The Summary: A \$1.2 billion specialty chemicals manufacturer under pressure from global competition sought to cut costs of operations and establish a predict-prevent rather than break-fix maintenance environment. Toward those strategic goals, the company engaged Spinnaker to help its stakeholders gain visibility and control over spending, strategically source MRO and capital goods, reduce maintenance inventory, as well as streamline ordering and payment processes.

The Challenge: A previous effort to control and streamline transaction processing via e-procurement had fallen short. The platform never lived up to expectations and the company underestimated the work required to maintain the system. Furthermore, because the system was not integrated with plant-level inventory and asset management, coordinating cross-plant initiatives proved difficult.

The company recognized technology by itself was not the answer and that solutions require process and integration support. The client was not in a position to add headcount and internal resources were committed to other core functions. The company settled on a three-phase strategy:

1. Transition to new technology platform
2. Quickly add external sourcing expertise
3. Deploy new processes, contracts, and support services

The Approach: The client sought a strategic partner rather than a one-off consulting relationship. Spinnaker represented an outsourcing partner willing to configure a unique solution by teaming with others to deploy the ‘right’ solution.


Working with a technology partner and in collaboration with key company stakeholders, Spinnaker’s responsibilities included:

- Launched a project to convert e-procurement to Datastream 7i Buy and eliminate incumbent subscription fees
- Managed supplier transition and on-boarding activities
- Rolled-out the new systems to all North American plants
- Implemented reengineering of req-to-check processes, including p-card reconciliation process between Datastream e-procurement and US Bank reconciliation software
- Supervised the training of personnel
- Began the first of a series of initiatives aimed at sourcing \$30 million of spend in the first year to generate significant annualized savings that funds ongoing supplier management activities

The Results: The team exceeded expectations by successfully transitioning off the legacy technology platform in under 8 months, training 100% of the affected workforce on the new systems and procedures, bettering the 7% savings target for the first wave of strategic sourcing, and delivering annualized savings in excess of \$1.5 million. Additionally, Spinnaker instituted a program to conduct quarterly supplier reviews and reduced the number of suppliers by 80% on categories sourced, saving thousands on labor needed to conduct day-to-day administration and supplier management activities.

About Spinnaker: Spinnaker is a supply chain services company that helps clients grow, manage risk, reduce costs, and improve customer service by developing world-class supply chain capabilities. Our services help clients develop the right supply chain strategy for their business challenges and implement the process and technology solutions to improve Demand/Supply Planning, Procurement and Sourcing, Logistics and Warehousing, and Reverse Logistics business performance. Spinnaker offers a unique service delivery model that combines the strength of deeply experienced management and technology consultants with a seasoned team of business process outsourcing (BPO) and 3rd-party logistics (3PL) professionals. Founded in 2002, Spinnaker has offices in Boston, Columbus, Denver, Houston, Memphis, Pittsburgh, London, and Singapore.

Contacts Us:

 Phone: 877-476-0576

 Email: info@spinnakermgmt.com