

Strategic Sourcing of IT Services

THE CLIENT

As a Fortune 50 Company, the client is a global leader in the Consumer Packaged Goods (CPG) industry and produces a wide range of CPG in beauty, grooming, and household care units. The client's brands are available in more than 180 countries.

BUSINESS CHALLENGE

The client, who has been utilizing Corbus' sourcing and procurement services for over 14 years, did not centrally manage their IT services sourcing.

The client's IT services consisted of application development and support, systems integration, staff augmentation, and service consultants. Furthermore, the client managed their IT services by separate geographical regions. Without standardized agreements and sourcing policies, "maverick" buying was the norm. In addition, the client's aggregate purchasing power was not being effectively or efficiently leveraged. In this environment, spend aggregation and supplier rationalization was difficult to execute. Finally, the client felt that they had poor visibility and a lack of control over this critical business category.

THE RESULTS



**50% reduction of vendors
(vendor consolidation)**



**12% to 18% savings as a result
of supplier rationalization,
direct negotiations, and demand
management**



**18% spend saved within
the first year**



**Achieved customer satisfaction
metrics of over 4 points
(based on a 5 point scale)**

HOW CORBUS HELPED

- » **Managed** over \$70M in annual spend
- » **Achieved** superior client satisfaction
- » **Improved** visibility of spend and compliance
- » **Eliminated** “maverick” spending by replacing local spend with a new core supplier base
- » **Assigned** a dedicated project manager to develop and execute the transformation
- » **Presented** results to the client after certain Key Performance Indicators, milestones, and execution schedules had been agreed upon
- » **Implemented** the program through utilizing a mix of onshore and offshore associates
- » **Authorized** employees to source and procure selected IT products and services throughout the globe
- » **Leveraged** the Corbus Sourcing and Procurement Center of Excellence to conduct market research, assess current spend profiles, interview stakeholders, map current processes, and develop a gap analysis of best practices
- » **Established** a global, standardized IT services sourcing program

