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**Accelerating  
Growth while  
Reducing Spend**

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**INFOR500**

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# Accelerating Growth through Procurement transformation and Strategic Sourcing

## The Challenge

Our client is the North American division of a rapidly growing luxury retailer with a globally recognized brand. Their annual Technology investment to fuel growth had surpassed \$90M, these investments were significantly contributing to year over year increase in operational costs.

The company was rapidly adopting new technologies that the in-house Procurement team needed help with. Time to buy was critical which led to business owners procuring commodities directly for their functional needs. Purchases were frequently made without competitive benchmarks, resulting in above-market pricing and fragmentation in supplier-base. The CIO and the head of Procurement jointly sponsored InFor500 to help contain costs and institute best practices as the company continued expanding.

InFor500's primary challenge was to understand the IT spend across various functions, and to deliver \$4M of annual savings. In parallel, we had an objective to institutionalize new policies, governance, and cadence in line with Procurement best practices.

***“The goal was to reduce annual spend by \$4.0M, while instituting best practices for the Procurement team.”***

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## Our Approach

InFor500 worked closely with in-house procurement, IT and Finance to analyze upcoming demand for software, IT infrastructure, and professional services. InFor500 prioritized the resulting list of 150 different suppliers and created a plan to deliver the desired savings.

For each prioritized item, InFor500 provided options to the business to achieve reductions, including renegotiating with the incumbent supplier, or going to market for competitive solutions. In situations where we found multiple vendors providing similar solutions, we recommended consolidation, both to achieve better discounts and to simplify operations. InFor500 obtained executive approval prior to executing on the plan, ensuring that management was comfortable with potential risks and time to results.

InFor500 brought the processes, talent, and experience to successfully execute the entire project. With over 100 years of combined sourcing experience, we were able to leverage our supplier relationships and commodity knowledge to achieve positive results.

***“InFor500 provided the processes, talent, and experience to successfully execute the entire project.”***

## Results Achieved

InFor500 renegotiated a dozen contracts, exceeding the target of \$4.0M in annual savings. InFor500 exceeded the client’s expectations, delivering \$5.2M in reductions and meeting the project timeline.

Some of the biggest savings came in areas where – based on recent similar purchases for other customers – we knew the client was paying too much and/or using obsolete

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technology. Additionally, we were able to demonstrate the value of a consistent, centralized Procurement process. We consolidated demand to form fewer, larger agreements at better terms. Consequently, we helped the customer to contain costs as they continued to grow, and to avoid catch-up costs due to undisciplined spending.

***“Delivered \$5.2M in annual spend reductions, on schedule, and without sacrificing quality.”***