CUSTOMER USE CASE

SOURCING OPTIMIZATION
SOURCING PACKAGING AT THE GLOBAL LEVEL

A global foods manufacturer applies its sourcing experience in multimodal global transport to global packaging and saves tens of millions of dollars.

SITUATION

The organization is a well-known and respected company with reputation for supply chain management excellence. The company has installed supply chain experts in leadership roles throughout the company and has numerous Centers of Sourcing Excellence across the globe.

As a core part of its operating strategy, the company seeks to aggregate, strategically source and manage its global demand at the category and sometimes super-category level. The project team was tasked with aggregating the company's entire global packaging spend and although its members had no direct experience using Coupa Sourcing Optimization, they were experts in sourcing the various packaging sub-categories.

Some tenders had over 1000 lots covering 100s of different product types across all the company's brands.

CHALLENGES:

- Rationalizing and unifying hundreds of specifications across various packaging categories such as carton, film, corrugated, solid board and closures and then translating them consistently across multiple geographies into a series of global tenders. Some tenders had over one thousand lots covering hundreds of different product types across all the company's brands.

- Soliciting proposals, including pricing that would be globally consistent.

- Successfully filtering the applicable documentation-sets to the correct suppliers based on their markets and capability within each category. This was further complicated because several suppliers were merging and market power was re-balancing.

- Making significant changes to its supply base, as suppliers require lead-time and often need to make significant, accommodating investments.

WINS:

- On average, the supply base for each category was reduced by around 25%, yet the selected award scenarios resulted in less risk as overall capacities were increased.

- Global suppliers bid appropriately on a global basis and local suppliers bid at the local level.
  The largest suppliers wanted the ability to consolidate account management at the global level, resulting in an eduction in their administrative costs and greater clarity of information for the buyer.

- The time invested with suppliers yielded significant information as to their long-term viability and relative fit.

- An understanding of how multiple suppliers could best be combined to satisfy the total global requirement for each category.

- Despite the scale of the project, it was managed effectively without any modifications to Coupa Sourcing Optimization.

THE RESULTS

- Savings were significant. In one category the team saved 14% on $200 million in spend ($28 million).
- Many different award scenarios were evaluated - for one category, well over 100 scenarios were considered. In most cases the selected awards required only small source changes and rewarded valued incumbents.
- Bid collection and award analysis was fast and the company was able to realize the savings benefit quickly.

Savings were significant – ne category saved $28 million.

ABOUT COUPA

Coupa Software (NASDAQ:COUP) is the cloud platform for business spend. We deliver "Value as a Service" by helping our customers maximize their spend under management, achieve significant cost savings, and drive profitability. Coupa provides a unified, cloud-based spend management platform that connects hundreds of organizations representing the Americas, EMEA, and APAC with millions of suppliers globally. The Coupa platform provides greater visibility into and control over how companies spend money. Customers – small, medium, and large – have used the Coupa platform to bring billions of dollars in cumulative spend under management. Learn more at www.coupa.com.

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