**“Strategic Sourcing” Case Study**

### About the Client

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Industry</strong></td>
<td>Chemicals</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>$2 billion</td>
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<tr>
<td><strong>Employees</strong></td>
<td>7,000</td>
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<tr>
<td><strong>Location</strong></td>
<td>US, Europe</td>
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<tr>
<td><strong>BSI Service or Solution</strong></td>
<td>Strategic Sourcing</td>
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### Key Challenges

- Profit margins were narrowing as a result of increasing prices and an ineffective procurement function
- The procurement organization was fragmented as a result of rapid growth through acquisitions
- Category management processes and organization were needed, but leadership lacked the experience to design and implement them

### Why BSI was Selected

- Proven track record of achieving savings through strategic sourcing
- Benchmarks for ‘best practice’ organization, processes, and performance
- Deep expertise in category management

### Project Scope

- North American operations
- Transportation, Logistics, Lab Supplies, and IT categories as the initial strategic sourcing ‘wave’
- Facilities, Energy, Printing, HR Services, and other categories as the second ‘wave’

### Project Approach

- Spend analysis
- Supplier identification
- Sourcing strategies
- RFI/RFP/RFQ
- Negotiation
- Implementation plan

### Operational Benefits Realized

- Better control over corporate external expenditures through new organization structure and improved processes
- On-the-job training of about two dozen team members through their work with BSI’s onsite consultants

### Financial Benefits Realized

- 14% “ready-to-sign” savings achieved on Wave 1 categories
- Up to 24% potential savings, with substantial changes, on these categories
- Plan to restore target profitability