



GoProcure

TAIL SPEND MANAGEMENT



International Retailer Adopts Software To Manage Tail Spend

GoProcure helped a major retailer revamp their tail spend purchasing practices and provided a solution that was user friendly for employees across various lines of business



CASE STUDY



9

MRO Supplier
Categories with
savings opportunity
identified

\$3M

Total supplier spend
analyzed

\$350K

Cost savings realized
thus far

Throughout our multi-year relationship, the retailer has realized significant value from its engagement with GoProcure

Streamlining tail spend purchasing through enterprise-wide transformation

Tail spend purchasing is a headache for businesses of all sizes. Historically addressed with a fragmented approach (e.g. commercial cards, BPOs and e-marketplaces), the majority of procurement organizations today are struggling to realize the benefits of effective tail spend management.

However, CPOs are well aware of the opportunity that effective tail spend management presents; in a leading industry wide study, 35% of participants (demographic: Fortune 2000 CPOs) noted tail spend management was their top initiative in 2019. And with good reason - effective tail spend management streamlines transactional activity and institutionalizes a strategic approach to auditable savings. It improves compliance standards, purchasing visibility, cost-effectiveness and organizational efficiency.

In 2017, one of the largest global performance eyewear companies undertook a major initiative to revamp their tail spend purchasing practices. The organization had a mature process for routine purchasing, however was challenged in dealing with its significant volume of suppliers and micro purchases. The organization needed a solution that was user friendly for employees across various lines of business, but also met the rigorous needs of its procurement organization.

GoProcure led the organization through a comprehensive approach with a focus on people, process and technology

In order to effectively manage the organization's tail spend, GoProcure led the organization through a comprehensive four-step approach which included (1) spend analysis, (2) implementation of our proprietary technology (3) analytics dashboards and reporting capabilities and (4) ongoing change management support.



Step 1 - Organize: GoProcure first completed a spend analysis to understand the organization's tail spend profile. The output of the analysis led to a roadmap defining how the organization should manage its tail spend. While defining the roadmap, GoProcure also onboarded the organization's tail spend suppliers onto the GoProcure technology platform



Step 2 - Operationalize: With a roadmap in hand, we moved to operationalize the plan. GoProcure implemented our technology platform across a number of business units within the organization, leading all training and adoption. We also provided the organization with a dedicated Buyer's Desk to help facilitate tail spend purchases that required additional management outside of the technology platform



Step 3 - Recognize: With the program up and running, GoProcure provided analytics dashboards and reporting capabilities for leadership to gain better visibility into the organization's tail spend purchasing patterns. We utilized our AI engine to conduct post-assessments of spend patterns to discern predictive trends and potential areas for sourcing



Step 4 - Strategize: With a newly implemented, full scale tail spend management program, our expert consulting team drafted policies to ensure sustainable and consistent practice throughout the organization

Today the organization is fully up and running with advanced technology and expert support to manage its tail spend. Throughout our multi-year relationship, the retailer has realized significant value from its relationship with GoProcure. Specifically, we have helped them with:

- **Cost savings:** A broader selection of suppliers and a Buyer's Desk to negotiate competitive pricing
- **Compliance:** Reduction in non-vetted and unapproved suppliers and purchases
- **Control:** Greater visibility of tail spend purchasing
- **Efficiency:** Automated POs and invoices, an elimination of supplier onboarding and rationalization from 20,000+ suppliers to a single supplier of record

Moving forward, the retailer is continuing to roll out GoProcure to additional business units and has simultaneously engaged GoProcure to perform custom development work to further ingrain our technology capabilities throughout their organization.



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