

STRATEGIC PROCUREMENT PLATFORM DELIVERS UNPARALLELED EFFICIENCIES, INCREASED SAVINGS AND BUSINESS INTELLIGENCE

CUSTOMER PROFILE

Global leader of hard disk drives and data storage solutions allows business and people to create, share and preserve critical business data and memories. The company also manufactures consumer electronic devices and enterprise network solutions.



INDUSTRY: Computer and Peripheral Equipment Manufacturing

LOCATION: Private subsidiary; US Headquarters: Cupertino, California

2016 REVENUE: \$11 billion (US - net sales)

EMPLOYEES: 46,000 in multiple countries on various continents

Global leading data storage solutions company, knew it had to focus as much on cutting costs as growing the top line after its first-ever quarterly loss in 2016 and a shift to SSHD production after the closure of several HDD manufacturing plants.

After layoffs that saw more than 8,100 employees let go over 12 months, including purchasing, analysts and category managers, the organization was asking a far smaller team to more efficiently manage costs without replacing their legacy tools, which included offline Excel spreadsheets.

This data solutions company, like virtually every firm operating in the high-tech space, faces constant, dramatic and rapid technological change yet its purchasing systems were surprisingly old-world. The legacy management and reporting systems required the manual maintenance of more than 500 KPIs in Excel spreadsheets scattered across their global footprint. This seriously limited their access to the real-time, accurate data and analytical reporting they required to make the best business decisions and negotiate with suppliers.

The inefficiency of the process was further compounded by the fact each of the countries with manufacturing capabilities, from the U.S. to Ireland, the United Kingdom, Singapore and Thailand had its own KPIs, tools and systems. The lack of standardization made it absolutely impossible to accurately compare bids and suppliers.

KEY CHALLENGES:

- First-ever quarterly loss in 2016 puts the focus on cost management/containment.
- Managing up to 18,000 global suppliers.
- 500+ global sourcing team members created 500+ KPIs that varied country to country.
- Massive volume of unmanageable and outdated, inaccurate, redundant data (e.g. KPIs, SKUs, suppliers) across multiple similar systems.
- A full-time employee needed one month to create a single report from multiple reports.
- Impossible to track costs and savings company-wide.
- Unable to manage suppliers' performances and profiles.

SOLUTION: BravoAdvantage

Data pulled from multiple standalone systems pulled into a single, integrated strategic procurement platform:

- Standardized global KPIs & scorecards
- Delivered reports in minutes
- Automated data entry & auto population

BENEFITS:

- 20% savings exceeding 18% target.
- 5,000 quality suppliers down from 18,000.
- 100 to 200 KPIs on global scorecards.
- Single report in one minute versus one month's work for a full-time employee.
- Track costs and savings and manage suppliers to more effectively award RFQs.

Consistent and Accurate Analysis of Supplier Historical Performance

BravoAdvantage, a strategic procurement platform is supplier-centered, which allows this global leading data solutions company to consistently and accurately analyze, assess and evaluate its suppliers' historical performance as well as its most current RFQs. By automatically eliminating duplicate and triplicate supplier entries and retaining only the best-performing suppliers, BravoAdvantage has effectively cut the supplier data base to 5,000 from 18,000 companies.

"Our database was unwieldy and cumbersome as well as dated and sometimes inaccurate, which made it virtually impossible to request RFQs from the most appropriate suppliers in specific, easily comparable formats, then quickly and easily compare their submissions," said Vice President of Strategic Sourcing.

This leading global data solutions company, which manufactures and ships millions of HDDs and SSDs annually with year over year increases, issues thousands of RFPs annually. It ensures suppliers know that first and foremost, they must compete on price. In order to get back in the black and out of the red, Seagate targeted an overall cost reduction of 18 percent across its 2015/16 RFPs.

20% Savings Exceeds 18% Target

"The more formal RFPs we issue, the better the savings we ultimately achieve," said VP of Strategic Sourcing. "We're better able to negotiate with suppliers when we can easily review and compare the various bids, point by point, at a glance,"

Business Intelligence Improves Decision Making

As importantly, BravoAdvantage can actually take on the decision making on behalf of the organization's employees. Specifically, it can be programmed to weight and score the various parameters, then rank the best bids top to bottom.

"BravoAdvantage makes the assessment and awarding of the bids completely objective," said VP of Strategic Sourcing. "It removes the subjectivity and the emotion to focus exclusively on the facts."

Every month, the organization surveys the procurement team to identify which, if any, processes require fine-tuning. Notably, a specific action or step may need to be added, eliminated or repositioned in that hierarchy to improve efficiency.

"BravoSolution takes responsibility for asking what's working and how they could improve it," said VP of Strategic Sourcing, who also notes that early on face-to-face meetings with their BravoSolution account executive ensured transparent, direct communication. "That approach means the BravoAdvantage tool is constantly evolving to better suit our needs."