

Streamlined Processes for Buying and Paying for Supply Chain Material and Services

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Procurement and Purchasing

In today's economy, the company that beats you to market beats you period. Agile manufacturing processes demand equally flexible and responsive supply chains to provide an uninterrupted flow of goods and services. Unfortunately, as manufacturing systems have evolved to meet market demand, their supporting procurement and supply chain management systems have not kept pace in many cases, becoming more complex rather than more streamlined. Many corporations have lost sight of:

- How disconnected their forecasting system is from their suppliers
- How complex their procurement and purchasing procedures have become
- How cumbersome these procedures are for supplies to follow and comply
- How costly procurement compliance has become
- How large their supplier base has grown
- How many suppliers are providing the same material or service
- How many invoices are being processed
- How much it costs to process a purchase order or an invoice payment

JHolcombe & Associates can lead the reengineering of the entire requirement-to-payment cycle, documenting current processes and identifying improvements that will result in significant cost savings. Opportunities for joint process improvements typically abound when users, procurement professionals and suppliers all set out to simplify and streamline the procurement and payment processes. Through intelligent reengineering that assures product quality while removing non-value

adding process steps and delays, procurement cycle time and procurement process costs are reduced. Taking the Supplier's viewpoint generally identifies opportunities for streamlined processes in contracting, invoicing and payments, thereby creating material price advantage for the buyer.

eProcurement Solutions

JHolcombe & Associates will analyze your current purchasing processes and determine if opportunities exist for improving the use of technology and electronic procurement solutions. With such a wide range of eMarketplaces and eProcurement support services to choose from, knowing which service offers your business the greatest advantage is a challenge. Having worked in the development of eProcurement solutions since 1992, JHolcombe & Associates can quickly compare your needs to the offerings of the industry and rapidly determine which tools and services are of highest value. When custom developed eProcurement tools are required, our Chicago-based Solutions Centre stands ready to assist.

Strategic Sourcing

Strategic Sourcing is a business improvement process centered on reducing the cost of materials and services consumed by the enterprise. It begins with an opportunity assessment that establishes the baseline for total external expenditures, groups those expenditures into Commodity Groups (CGs), determines the preliminary improvement potential from strategically sourcing the CGs through a rigorous multi-lateral competition, prioritizes the CGs and structures the implementation phase. JHolcombe & Associates can analyze your annual material spend and, through market benchmarking, determine the degree of supply advantage that can be created. Then using a directed Strategic Sourcing template, our consultants will assist your procurement staff in carrying out a competitions and negotiating contracts for multi-year delivery vehicles. We leverage our insights into the commodity group, its market, product pricing principles, and the relative strengths of both the supplier

and the buyer during negotiations. The Goal - finalizing the sourcing of the CG so that it generates mutual advantages to both customer and supplier alike.

Supplier Management

JHolcombe & Associates can analyze your current supplier base at each operating location. When we find critical commodities or services that are provided by multiple suppliers, we determine where consolidations can take place. We develop a structured plan with customer involvement to competitively bid those materials and services. This normally results in better pricing, a more responsive supplier, and a more efficient purchasing organization.

Supplier Rating System

Once critical suppliers have been identified, we develop a supplier rating system to objectively rate their performance. On time delivery, timely submission of invoices, and quality of product are some of the criteria we use to determine supplier effectiveness

Timely Payments

Managing cash flow, taking advantage of earned discounts, consolidating invoices, eliminating unnecessary paperwork can all be accomplished after a thorough analysis of your current accounts payable processes. Negotiations with suppliers can result in significant process cost savings

A Seamless Process

Purchasing and Accounts Payable processes require integration to ensure maximum operations efficiency with minimum processing costs.

Once JHolcombe & Associates has analyzed your current processes, we develop a "Best Practices" recommendation for your consideration.

Recommendations may include changes in organization, new or updated Information Technology enablers, revised contractual agreements with current suppliers, and bringing new suppliers on board.

Count on Us

JHolcombe & Associates can help you perform cost-benefit analyses on your purchasing/accounts payable functions. In addition, our skilled professionals have vast experience in performing process analyses so you can decide on the best way to obtain your critical supplies and services. Most importantly, these improvements will result in "Bottom Line" improvements.

Credentials

- Saved a major office furniture manufacturer over \$1 Million on indirect supplies and services by establishing new and revised contracts in the areas of vehicle fleet leasing, temporary labor, travel services, cafeteria services, and pallets.
- At a major hotel chain, renegotiated a flatware contract that resulted in a 13% annual savings.
- For a multi-billion dollar air cargo transporter, led a strategic sourcing engagement to implement third party logistics services for the acquisition, configuration management, inventory control, worldwide distribution and repair/overhaul of all desktop computing resources; cost reductions on a "per machine" basis approached 40%.

