

CASE STUDY – Spend Categorisation

Background

The client operated in the aged care sector, with a number of sites around WA. The client had historically operated under several legacy ERP systems, which made visibility of spend across the group difficult. The client was keen to lower supplier costs by developing group sourcing arrangements, however with lack of spend visibility didn't know where to start

Project overview

Spend Solutions was engaged to categorise external supplier spend across all sites that created a consolidated spend file. By obtaining basic outgoing reports across each business, Spend Solutions conducted a deep dive analysis of the data using its internally created algorithms to identify the best-fit description for what each supplier supplied. A multi-layered taxonomy was created based on the specific client requirements to allow a high level or detailed spend analysis as required.

Results were replayed to internal stakeholders to ensure consistency & relevancy for each department.

Project Outcomes

The categorised spend file gave the client for the very first time a consolidated view across all businesses & sites under one view. The client was able to identify the largest spending suppliers, product groups & businesses. This view transformed their understanding of the supplier interaction across the business & allowed them to move to the next stage of developing a savings opportunity plan.

Project Snapshot

-  **Client industry**
Aged Care
-  **Location**
Perth
-  **Solution**
Spend Categorisation
-  **Outcome**
Complete visibility of supplier spend