

CASE STUDY – TEMPORARY LABOUR

Background

The client is a large transportation & storage company with 500+ trucks & 12 warehouses across Australia. The client had inconsistent & variable requirements for temporary labour, which resulted in a large pool of labour providers to support demand. With such a broad range of providers service levels, rates & capability varied wildly leading to an inability to manage or gain visibility over the suppliers.

Project overview

Spend Solutions was engaged to conduct a thorough review of temporary labour services to deliver a sourcing strategy that optimised commercial terms while meeting the operational needs of each business. Discussions with internal stakeholders ensured an understanding of supplier performance & improvement opportunities. Multiple supplier assessments at site & group level were conducted to have a complete picture of the sourcing opportunities & options, ensuring the selection of the most appropriate sourcing strategy for the clients' circumstances.





Project Outcomes

A sourcing strategy was developed that leveraged the combined size of the client by consolidating spend with a panel of preferred suppliers. Central to the sourcing strategy was to have consistency across the supplier panel with centralised and standardised contract, pricing account management & reporting to ensure a consistent view across all sites.

Following the tender Spend Solution conducted contract negotiations to deliver vastly improved terms for the client. Spend Solutions also facilitated the supplier changeover to ensure minimal disruption to the client's operations.

The project was able to deliver an overall savings of 6%, with further opportunities to be identified through an optimisation program conducted by the preferred supplier panel. Supplier consolidation not only simplified the clients' business operations but also facilitated greater engagement with the preferred suppliers in areas such as ongoing reporting, account management & service optimisation.

Project Snapshot

-  **Client industry**
Transportation
-  **Location**
National
-  **Solution**
Strategic sourcing review
-  **Outcome**
6% annual savings