

CASE STUDY – WORKSHOP CONSUMABLES

Background

The client is a diversified automotive dealership group with 31 sites consisting of vehicle & trucks dealerships across 2 states, including regional sites. They had historically operated under a decentralised structure, with dealerships responsible for their own sourcing. Workshop consumables had been purchased by 2 primary departments, workshop & parts, with parts departments selling to both retail customers & internal departments. As such branding was an important consideration of sourcing selection.

Project overview

Spend Solutions was engaged to conduct a thorough review of workshop consumables spend & to deliver a sourcing strategy that optimised commercial terms while meeting the operational needs of each business.





In depth analysis identified 26 current suppliers, with many suppliers supplying the same or similar products across different sites. While supplier consolidation became the overarching strategy, interviews with key stakeholders identified slightly differing needs between truck & vehicle dealerships, workshop & parts departments as well as between city & regional sites, all of which needed to be carefully considered in the sourcing strategy.

Project Outcomes

A sourcing strategy was developed that leveraged the combined size of the group while also appreciating the differing requirements within the group. Balancing these needs ensured optimisation of outcomes while minimisation of risk. The project was able to deliver an overall savings of 18%, with preferred suppliers selected for each key product group.

Spend Solutions worked with each site to ensure a successful transition to the new supplier arrangements, including site visits, product audits, product trials & establishing supply chain details. Ongoing performance reporting & supplier management by Spend Solutions ensured that the supplier performance met client expectations & that the expected savings were maintained.

Project Snapshot

-  **Client industry**
Automotive
-  **Location**
SA/Vic
-  **Solution**
Strategic sourcing review
-  **Outcome**
18% savings & reduction of suppliers from 26 to 3