

ATS

Auto Manufacturer Case Study

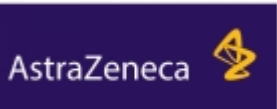
- Consultancy: Many Solutions.
- Cost: 25% Average Reduction.

30+ Years of Advancing Projects, Boosting Profits, and Cutting Costs.

ATS Clients



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Who We Are

- 30+ years serving in the U.S., Canada, the U.K., and Western Europe.
- Phenomenal client list, stories, and case study outcomes.
- Providing capital, consultancy, and cost reduction.
- 1000+ global affiliates, partners, and experts.
- \$10's of Billions results for organizations.
- 28%+ overall average cost savings.

ATS Organization Details

Organization Name: Global Auto Manufacturer

Industry: Auto

Organization Size: \$23 Billion Annual Gross Revenues

Client Billable Type: Performance Based, No Cost No Risk, Percentage, Hourly

When Should Procurement be Insourced and Outsourced?

- ATS provided a procurement strategy that standardized processes for all stakeholders while improving results.
- This resulted in increased labor productivity with greater bottom line improvement, cost reduction, risk minimized, and greater business growth for a Fortune 500 | Multi-National Corporation.
- Increased Capital.

Client Challenges & Needs

It was time to review the Outsourcing decision. After years of a successful relationship with a 3rd Party Outsourced Procurement Firm, this organization was beginning to feel the increased costs were outweighing the benefits. The organization outlined their challenges and needs:

- Low hanging fruit and high return categories and projects were undergoing their 2nd and 3rd Sourcing Events with understandably and expected lower returns.
- There was an increasing need for more focus on process improvements.
- 3rd party consultant staff had become a revolving door in the organization resulting in increased overhead and less productivity.
- Industry knowledge and experts became a definite need in the organization.
- Decreasing interest by the 3rd Party to address the projects with lower dollar values / less high profile.

Outsourcing?!

- Some of the reasons an organization decides to make an Outsource decision were not valid anymore. Organizations decide to bring in outside individuals and organizations to leverage their knowledge, experience, market insight, and analytical power.
- At this particular organization a level of comfort with the current situation had set in and instead of continuing to strengthen and take the Initiatives to the next level, a decision was made that resulted in level of experience to this organization diminishing and subsequently the performance.

Experience and Leadership is Critical!

- Unfortunately, this happens a lot with organizations around the globe, as junior consultants with less experience are used to conduct the senior level's work.
- With the increased restraints of resources, human capital, less people having to do more, business demand for more savings, global demand for goods and services, this organization needed to change their business model.
- This case study outlines a real example of what was conducted to lead a Procurement Organization to a different level and continue its success in a different way.

Client Business Need

- ATS presented a strategic plan to Executives and Stakeholders that would reduce overhead costs, increase the resources to support the next level of available savings – Process Improvement, continue to realize savings, and build a team of In-House Procurement Professionals.
- Executive management accepted the plan and provided support and commitment.
- The results were a World Class, Flexible Procurement Department.

Build Flexibility to Increase Efficiencies and Savings

- After several successful contracts with a third-party procurement outsourcing organization, the large savings opportunities were diminishing, and with this, the return on investment. The big, glamorous projects were completed, and the big first-time savings were realized.
- It was time to focus on the niche areas where the stakeholders identified where they wanted assistance. This was very important as initially the stakeholders were wary of letting someone else into their clubhouse.
- They soon realized the benefits as the cost reductions directly improved their bottom line, which resulted in them asking for help in many areas.

Help | Assistance | Delivery

- This required business and industry experience in addition to strategic sourcing.
- As strong as the first partner had been this was a role for senior and tenured experts in their field. All levels of the organizations were involved in and committed to the development of a team that could support the Stakeholder Requests and continue to generate savings and sustainability, with flexibility built in to allow for the contracting of project-based expertise as needed.
- **This resulted in culture and business process change.**

Successful Outcomes

- A team of senior tenured industry experts that could be engaged as needed, to supplement the in-house team, was the best solution. Experts were committed to their craft and to the process as they didn't win unless everybody won. These experts are there as needed and can grow with the need.
- This engagement of ATS did not increase overhead to the organization, but resulted in an organizational productive environment, greater team impact, innovation of new methods specific to the organization, and process improvement that affected all shared services (Finance, HR, IT, Stakeholders, and so forth).

Successful Outcomes

- Reduction in overhead expenses was significant, the return on investment increased, and flexibility was maintained.
- Spend under Management continued to increase, and significant process improvements were implemented.
- And the Stakeholder reaped the rewards of more than 25% on average on savings.

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