

# 10 Percent Savings from Rationalizing Suppliers and Prices

Challenges	Solutions	Results
<ul style="list-style-type: none"> <li>Over \$5B in spending</li> <li>Six percent annual cost reduction target</li> <li>Spending data scattered across disparate purchasing systems                             <ul style="list-style-type: none"> <li>66 percent data was "unclassified"</li> </ul> </li> <li>Limited information to identify, strategize and accelerate sourcing activities                             <ul style="list-style-type: none"> <li>Inconsistent supplier names and price history</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Deployed Ariba visibility and analysis technology                             <ul style="list-style-type: none"> <li>Data classified by UNSPSC codes</li> <li>Supplier names normalized and enriched</li> </ul> </li> <li>Analysis led to prioritizing savings opportunities                             <ul style="list-style-type: none"> <li>Categories include chemicals, MRO, IT, human resources and indirect spend</li> <li>Generated data to address un-managed categories</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Rationalized suppliers for 2.5 percent of spending (10 percent savings)</li> <li>Rationalized price on five percent of spending (10 percent savings)</li> <li>Identified sourcing opportunities on 10 percent of spending (10 percent savings)                             <ul style="list-style-type: none"> <li>\$5M sourcing project (18 percent savings)</li> </ul> </li> <li>Accurate and factual basis for decision making</li> <li>Improved sourcing operations                             <ul style="list-style-type: none"> <li>Identified quick-hit opportunities</li> <li>Faster cycle times</li> </ul> </li> </ul>

Company  
Johns Manville

Profile  
Manufacturer of building products for commercial, industrial, and residential

Ariba Commerce Cloud Features  
Ariba visibility and analysis solutions

**“Spend Visibility enables us to attack new areas of spend that we previously left unmanaged,”** said Ed Williams, the Vice President of Corporate Supply Chain at Johns Manville. **“Spend Visibility is an enabler for improving our strategic sourcing process by reducing cycle time, reducing data collection efforts and increasing efficiency.”**

