

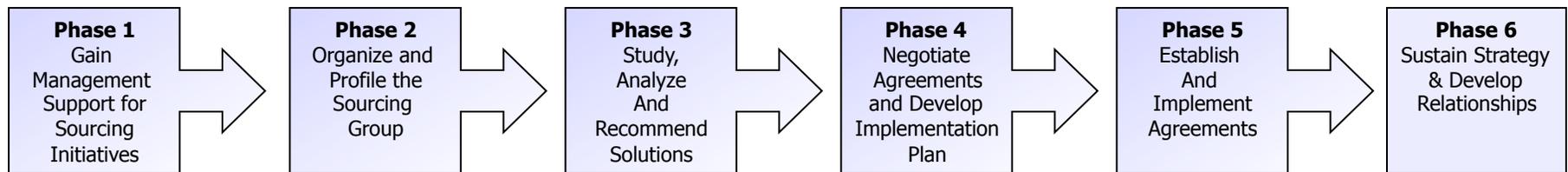
Examples of What is Possible in Cost Reduction Using a Robust Strategic Sourcing Process

Category	Benchmarks
Raw / Direct Materials	5 to 10 % & Better Risk Mgmt.
Packaging	10 to 20 %
Indirect Materials and Services	10 to 20 %
Information Technology	15 to 35 %
Professional Services	8 to 15 %
Logistics/Transportation	7 to 15 %
Media, Marketing, Promotional Items	10 to 20 %
Other Indirects	5 to 15 %
Capital Projects	7 to 15 %

Source: Greybeard Advisors experience and benchmarks

One Success Factor for Procurement Transformation is Deploying a Robust Strategic Sourcing Process that has Analytical Tools, Templates and Checklists

Greybeard's Strategic Sourcing Process (high-level diagram)



Some of the Tools

Team Charter Template

Weekly Status Report Template

Developing Supplier Messages Checklist

Stakeholder Position Map

Negotiation Preparation Checklist

Cost Reduction Potential		
\$ spend	# of suppliers	Cost reduction %

Cost Reduction Potential Worksheet

Risk / Value Matrix

Porter's Five Forces Framework

Negotiation Objectives		
MDO	LAA	BATNA

Negotiation Strategy Worksheet

To Learn More or To Request a Proposal

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- Visit our website: www.GreybeardAdvisors.com and select the “Request Proposal” tab