

Portland Group led the successful implementation of a Procurement Transformation program and developed a new Group Procurement function for a media company

Procurement Project Scope

Procurement Diagnostic	Procurement Strategy
Strategic Sourcing	Category Management
Low Cost Country Sourcing / International Purchasing	
Organisation and Skills	Policies and Systems

Industry Segments

Industrial	Construction
Mining	Utilities
Consumer Goods	Food & Beverage
Retail	Services
Financial	Transport
Healthcare	Government

Business Challenge

- Portland's client is a leading media organisation with a publishing, television and online presence
- Although there were pockets of procurement capability across the organisation there was an unstructured and informal approach with only rudimentary documentation or contracts in place
- As a result limited procurement synergies had been realised across its indirect cost base with different business units using the same suppliers under different commercial terms
- The organisation was facing significant pressure to reduce costs across all indirects

Our Solution

- Portland conducted a procurement diagnostic to identify over 25 potential opportunities to reduce costs and develop procurement capability, processes and systems across the organisation
- A procurement programme followed which delivered sustainable sourcing benefits but also formalised the relationships with key suppliers with new legal agreements, structured engagement processes, formal review mechanisms and relevant reporting requirements in place by project end
- Portland assisted with on-boarding of the new Procurement team across all procurement transformation activities undertaken and completed a seamless handover at project end
- Portland facilitated policy and process development to further drive benefits through demand management and category management
- Portland co-facilitated the sourcing and initial implementation of two P2P solutions – an Expense Management System (EMS) and an Accounts Payable Automation solution to drive further efficiencies
- Finally Portland provided managed service solutions across a number of categories enabling the client to focus on core areas while accelerating and maintaining identified sourcing benefits

Outcomes

- Cost savings exceeded mid-point diagnostic savings estimates against one third of the identified in-scope spend – approximately 10% cost reduction across \$100M spend
- Seamless handover to new Procurement Function who were able to 'hit the ground running' with a number of wins under their belt before Portland disengaged at project end

