

Customer Use Case: Packaging

Challenge:

With supply chains spanning five continents, packaging has long remained one of this customer's most complex spend categories due to the number of SKUs, factories, and several thousand suppliers involved.

This customer's strong sustainability focus means that negotiation at various levels is required to ensure each supplier aligns with their strict standards and policies. However, a deep-rooted reliance on spreadsheets over many years meant their sourcing teams were managing processes using desktop tools, often faced with thousands upon thousands of data points for different suppliers, countries, and preferences.



Solution:

The sourcing of packaging materials for this customer represented a crucial, high-stakes and competitive category. In search of a solution that could help the company achieve faster negotiation times and maximize savings, they made the strategic decision to switch to e-sourcing and optimization solutions for packaging while continuing to use auctions and spreadsheets for simpler spends.

To further capitalize on missed opportunities and manage potential risks, the customer adopted Keelvar's Sourcing Optimizer: initially starting with their packaging category before rolling it out to several of their other complex spends.

Results:

Since introducing sourcing optimization, the customer has made significant strides in reducing inefficiencies along the supply chain. By optimizing its flexible plastic spend, the customer saw initial savings of 20-25% and has continued to generate savings between 10-15% in this category by leveraging Keelvar's Sourcing Optimizer for various events.

Of the 100+ sourcing events across all categories (including indirects and transportation) carried out by the customer throughout 2020, almost half were being optimized with Keelvar's solution.

Results in these events:

- > Ongoing 10-15% savings
- > Transparency of the entire process
- > Equal conditions for all bidders
- > Simplified data analysis for buyers
- > Better allocation decisions through optimization
- > Improved traceability across events

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