

BUILDING A HARMONIZED APPROACH TOWARDS SRM

THE CLIENT:

A large global cosmetic company who had recently made various acquisitions.

The company holding consisted of P&L responsible and autonomous companies with own strategies only partially overlapping.



STATUS QUO:

- The Procurement function only recently being global was still in the process of harmonizing ways of working.
- One of the companies was having a successful loyalty program specific to a particular region that could not be extended.

THE OBJECTIVE:

- Engineer a global SRM approach and loyalty program without losing the goodies of the legacy program.
- Definition of a new global supplier segmentation strategy.
- Prepare for a global rollout during a scheduled supplier summit

THE APPROACH:

- We were following our approach of Assess, Design, Deploy and Improve as a structure during the transformation process.
- Interviews with internal and external stakeholders about the performance of the legacy program provided clarity of the strengths and weaknesses.
- Visibility of main supplier partnership models and criteria used by competitors and industries built the foundation for the new program.
- We assessed the readiness inside the client's organization for building a business case for change.



THE RESULT:

- ✓ A new corporate program with updated and harmonized criteria and with a global branding was launched in 2021.
- ✓ The pillars of the program were modified and extended by "capacity and capability" to reflect the company's growth strategy.
- ✓ All pillars now have specific KPIs to support the company's long term ambitions.
- ✓ Overall supplier award criteria have been simplified and made transparent-
- ✓ A newly created "special award" will recognize particular suppliers with a specific history.
- ✓ The participants of the global supplier summit in May 2021 provided overwhelming positive feedback.