

Source One

From Process... To Profit

Sample Spend Analysis

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Executive Summary

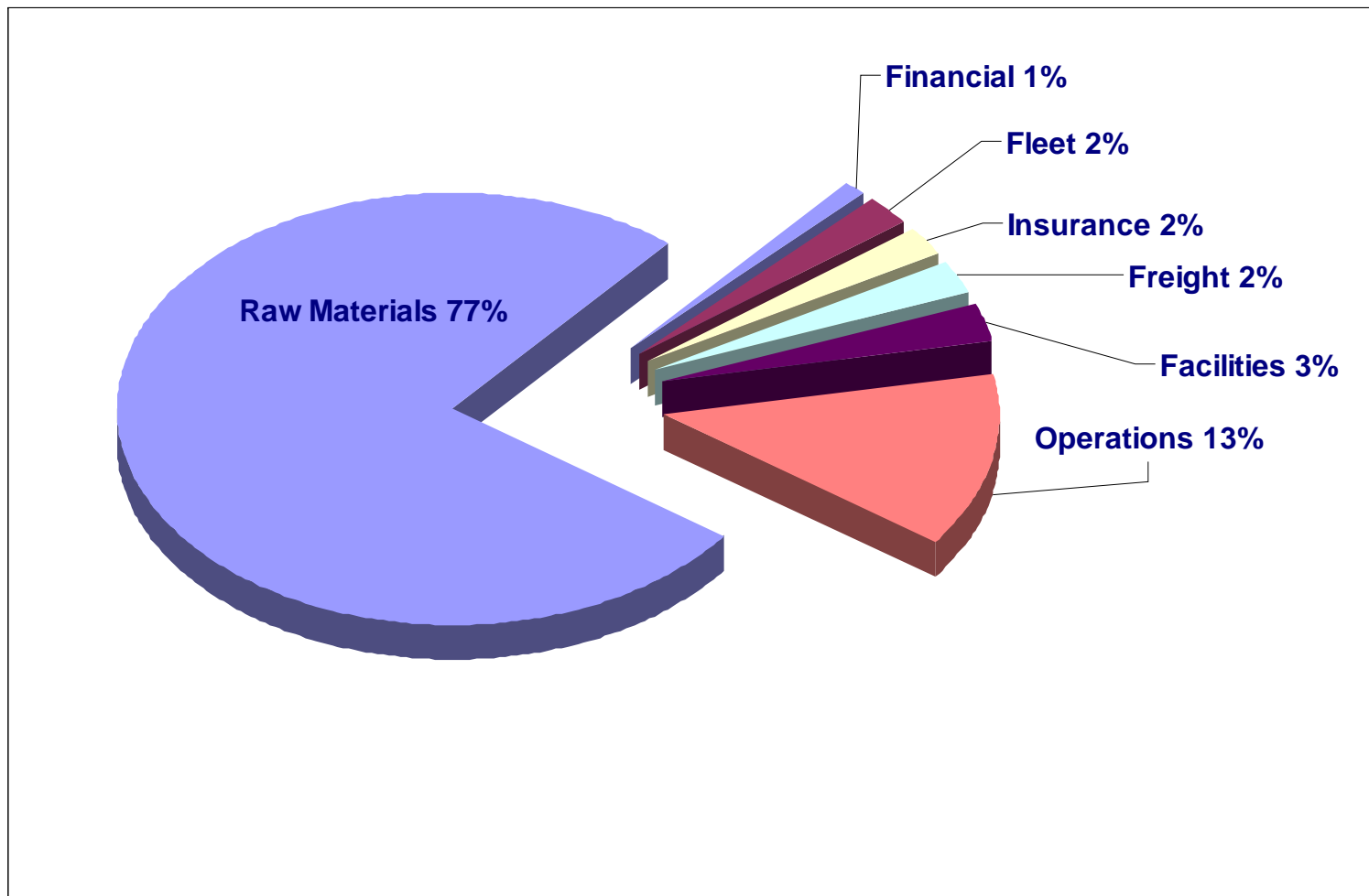
Source One analyzed the vendor report provided by ABC Company. This report included \$1.04 billion in spend across 800+ suppliers.

Spend was broken into 7 categories and 90 subcategories.

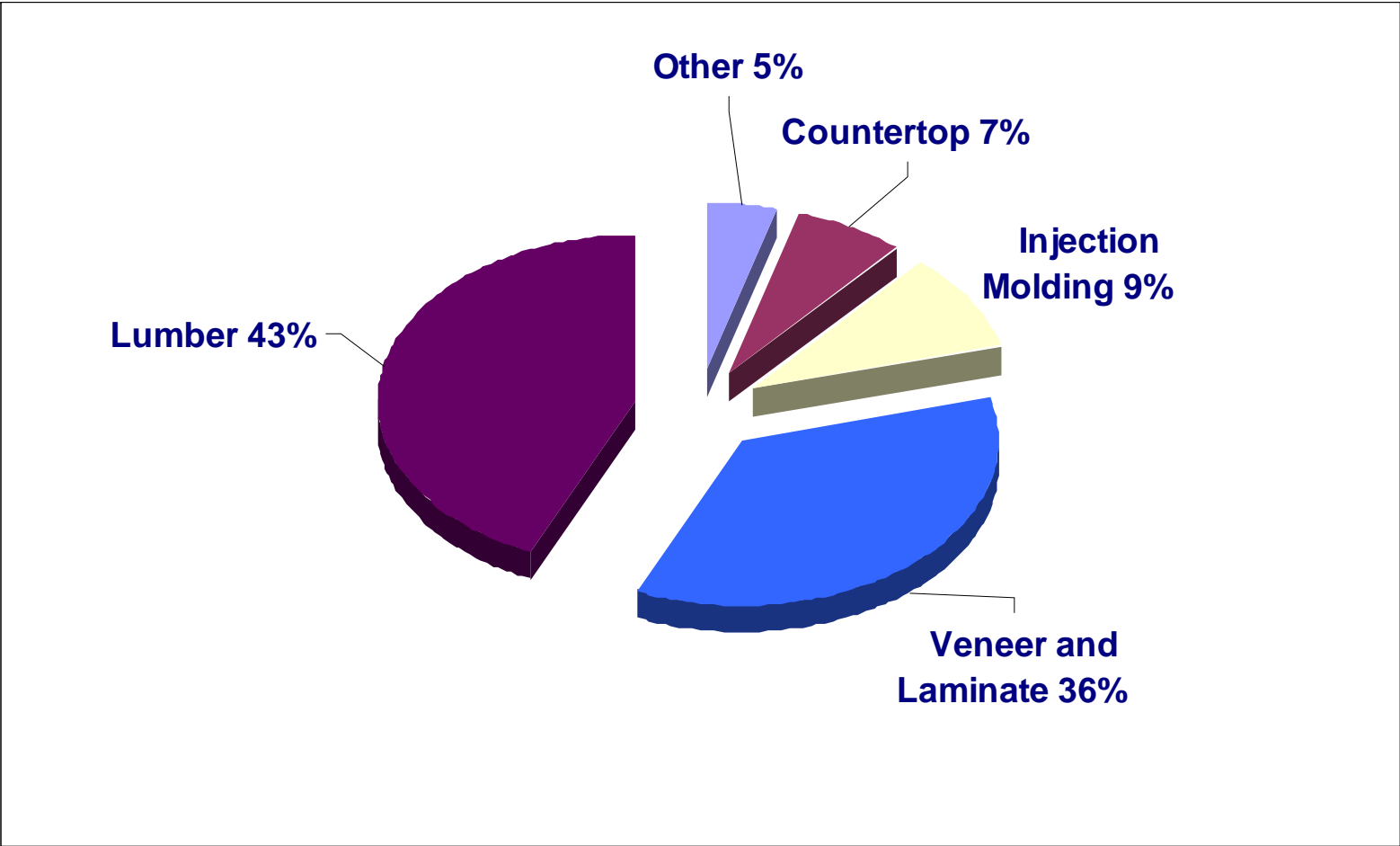
Based on this information, Source One identified 8 Wave 1 project areas representing \$760 million in total spend, and potential savings of approximately \$40million.

Detail of the spend analysis and opportunity assessment are provided in this presentation.

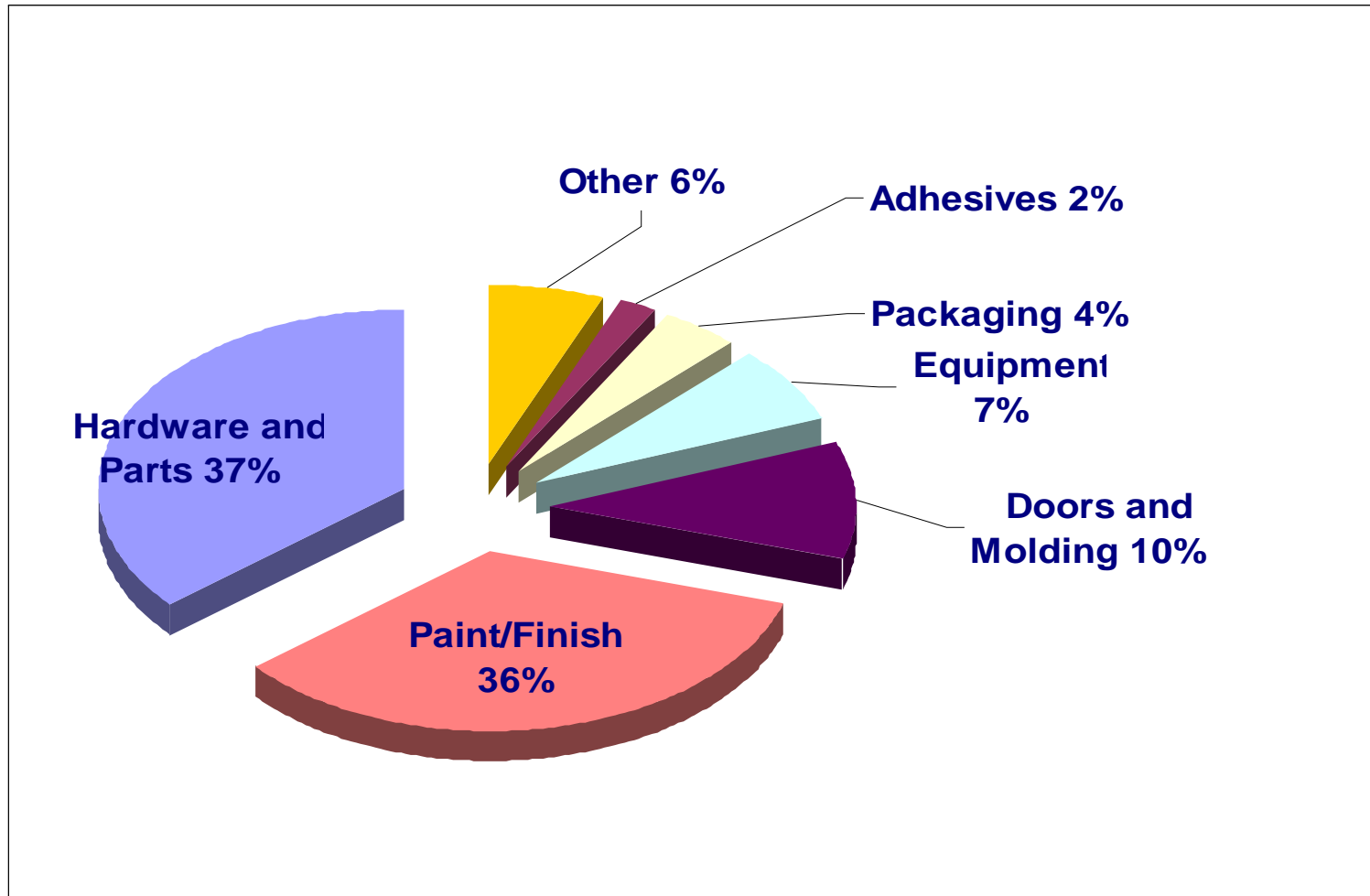
Total Spend - \$1.04b



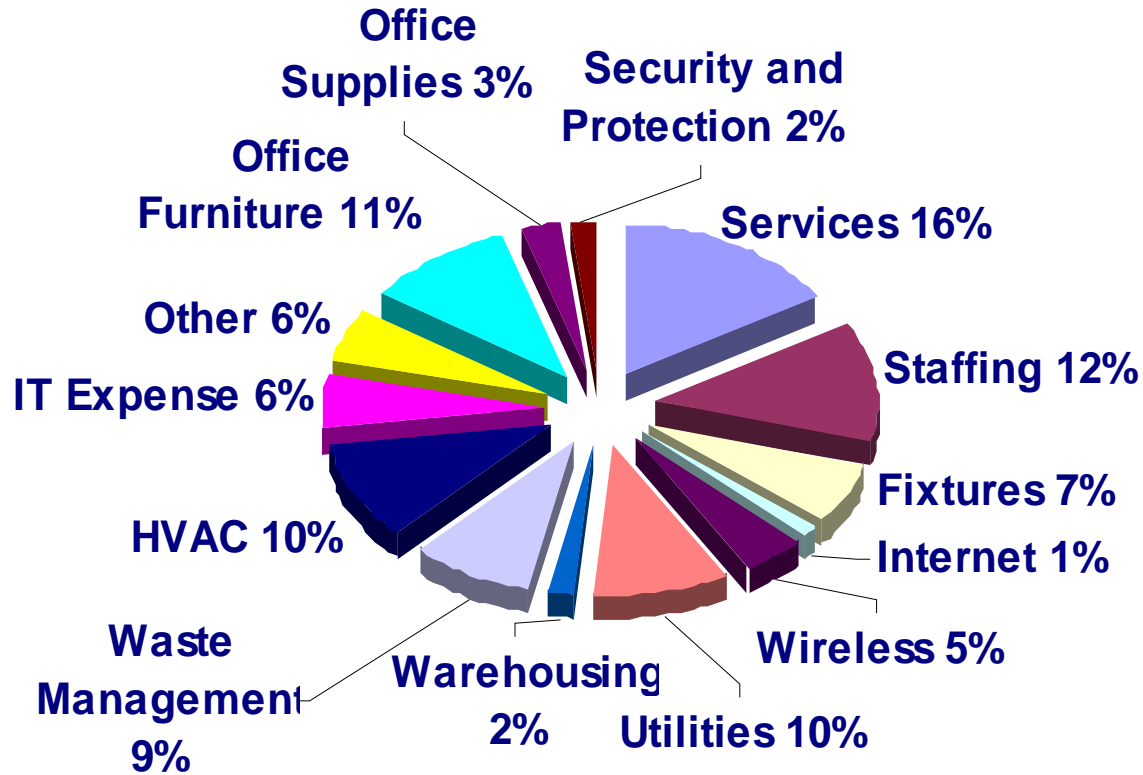
Raw Materials – \$790M



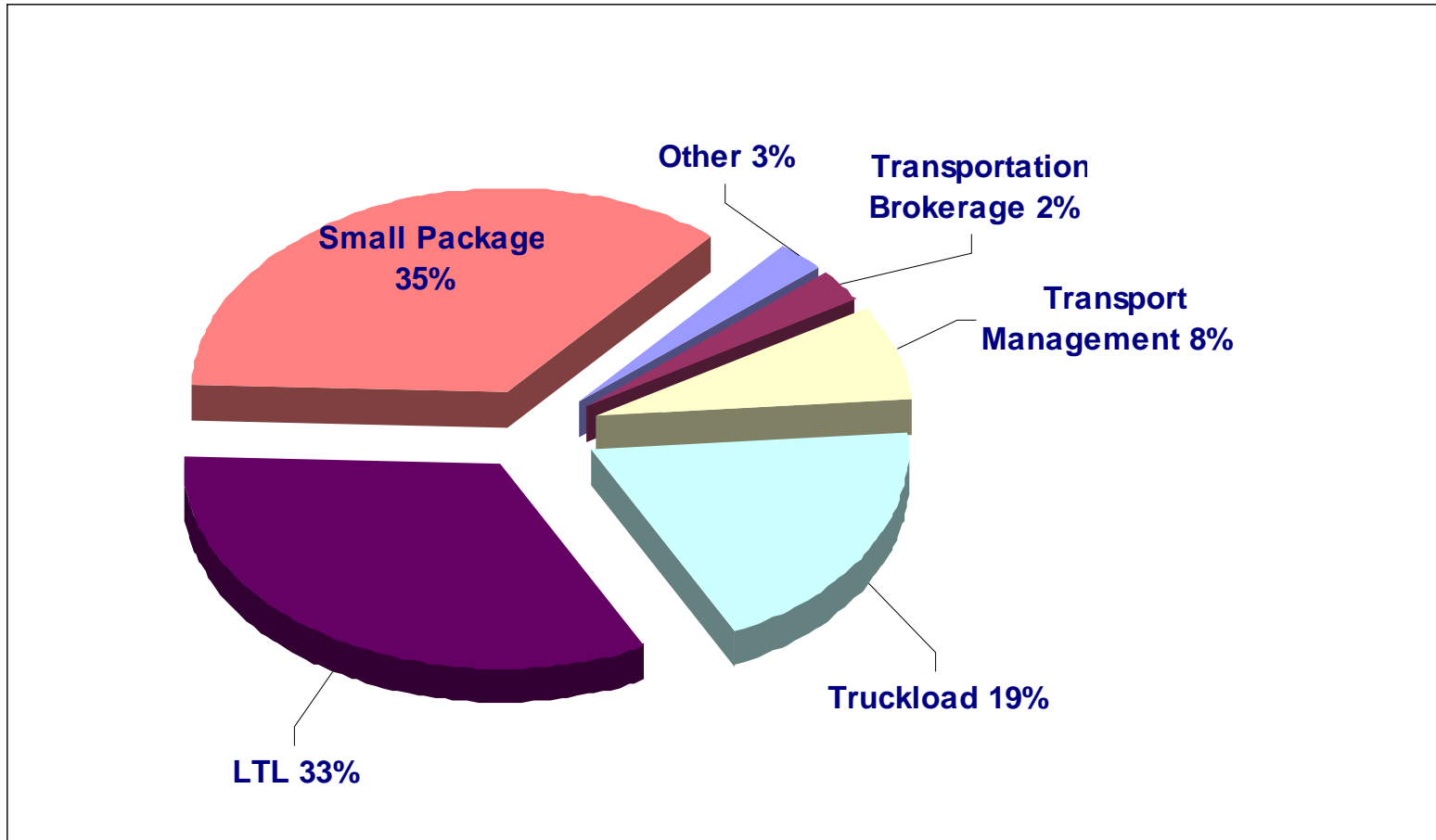
Operations – \$135M



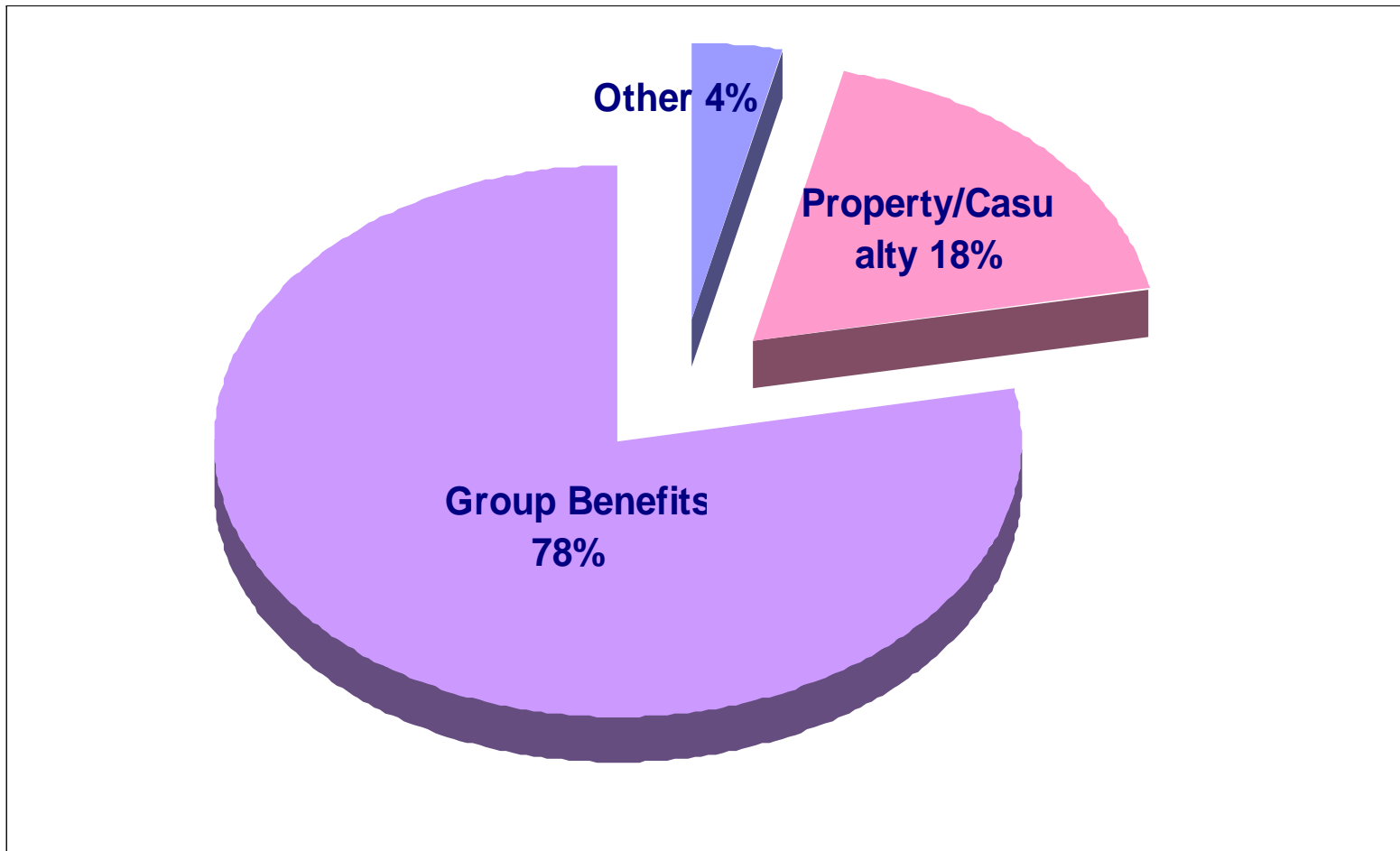
Facilities - \$30M



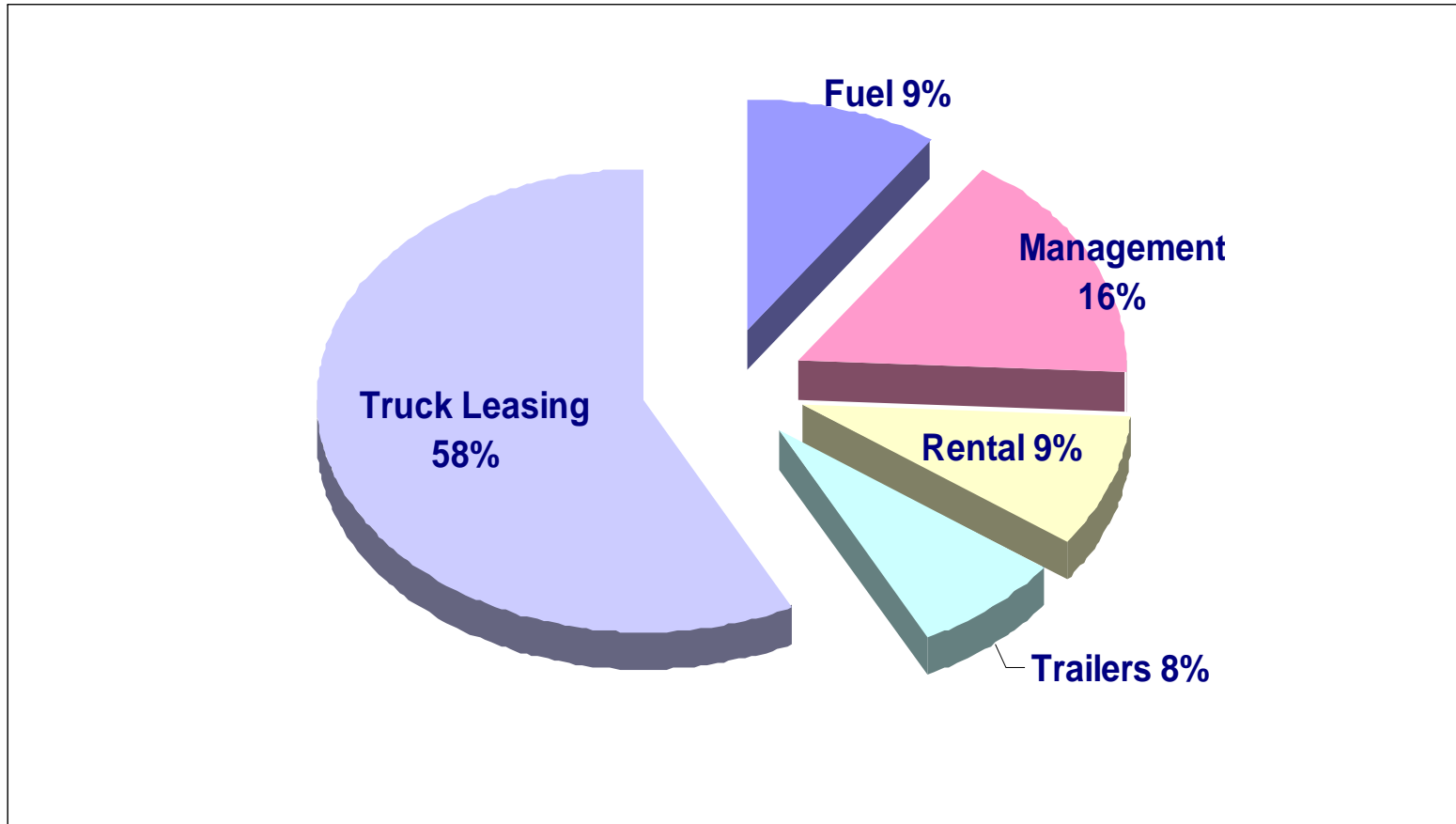
Freight - \$25M



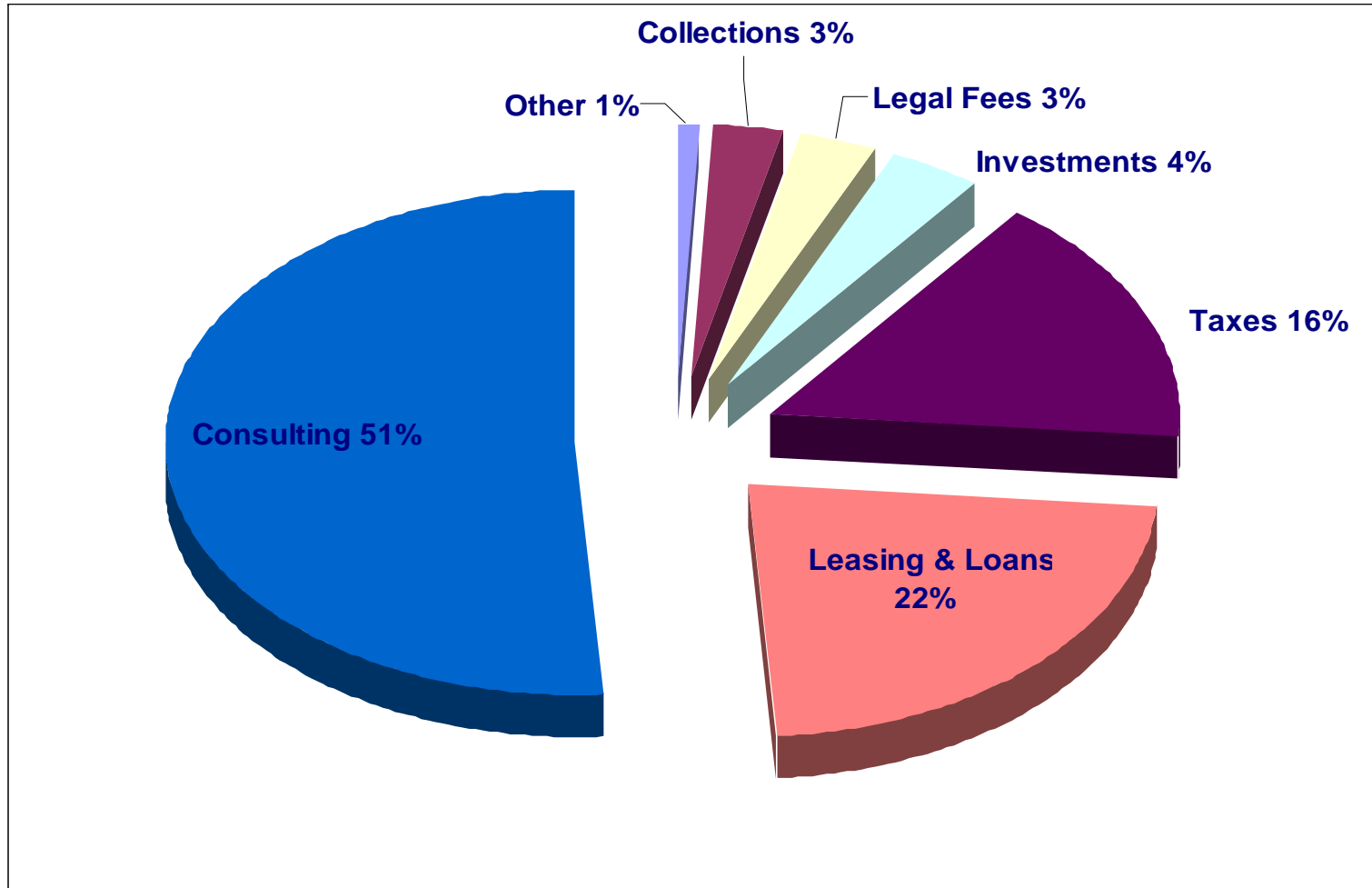
Insurance – 24M



Fleet – \$21M



Financial – \$12M



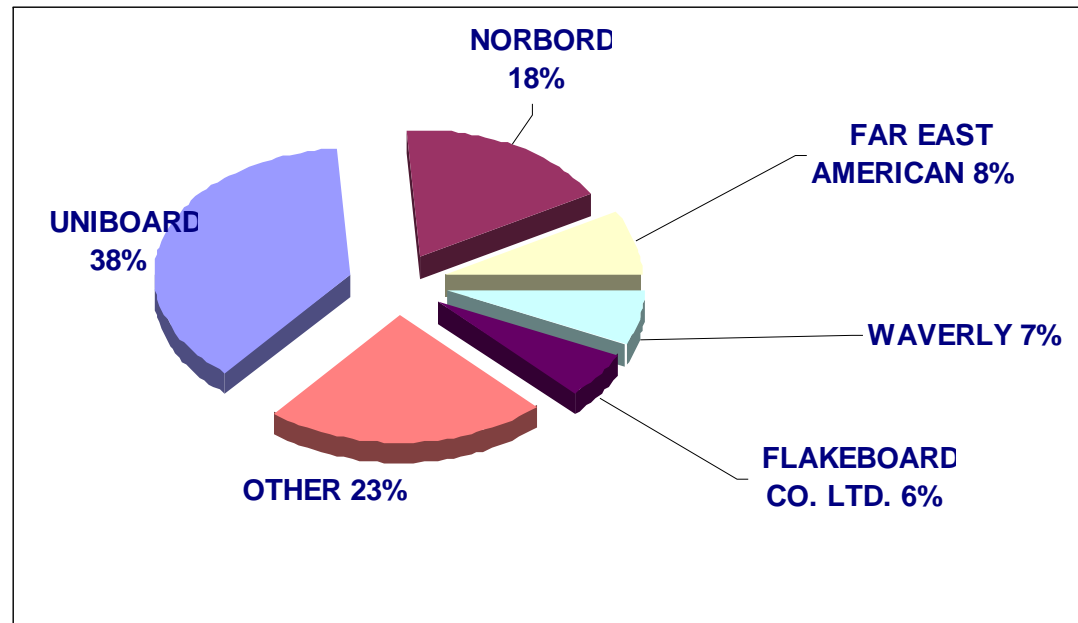
Opportunity Assessment

Lumber

Total Spend: \$340M

of Suppliers: 40+

Typical Cost Savings: 3-4%

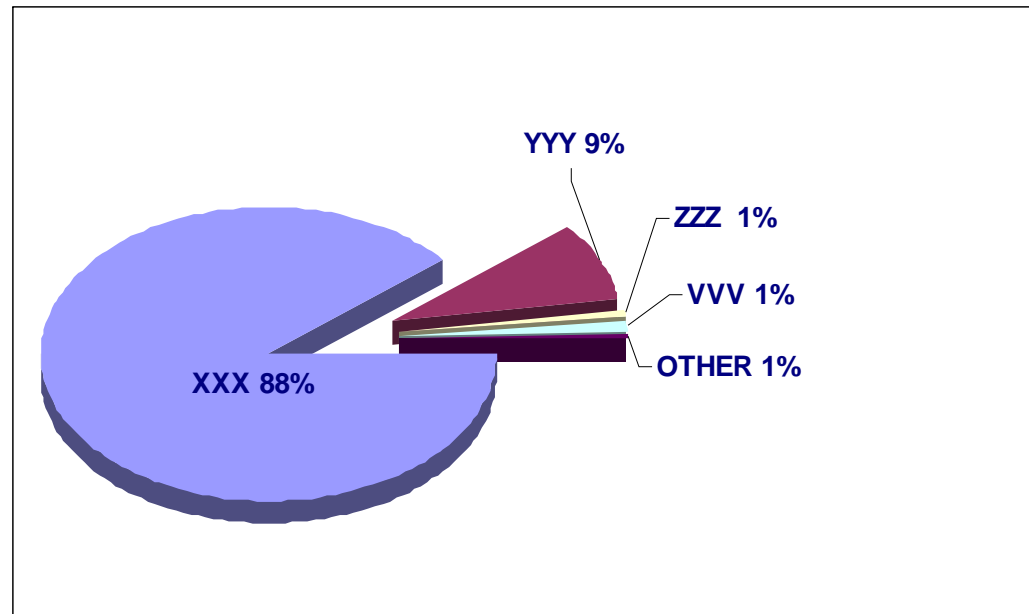


Hardware and Parts

Total Spend: \$47M

of Suppliers: 7

Typical Cost Savings: 5-7%

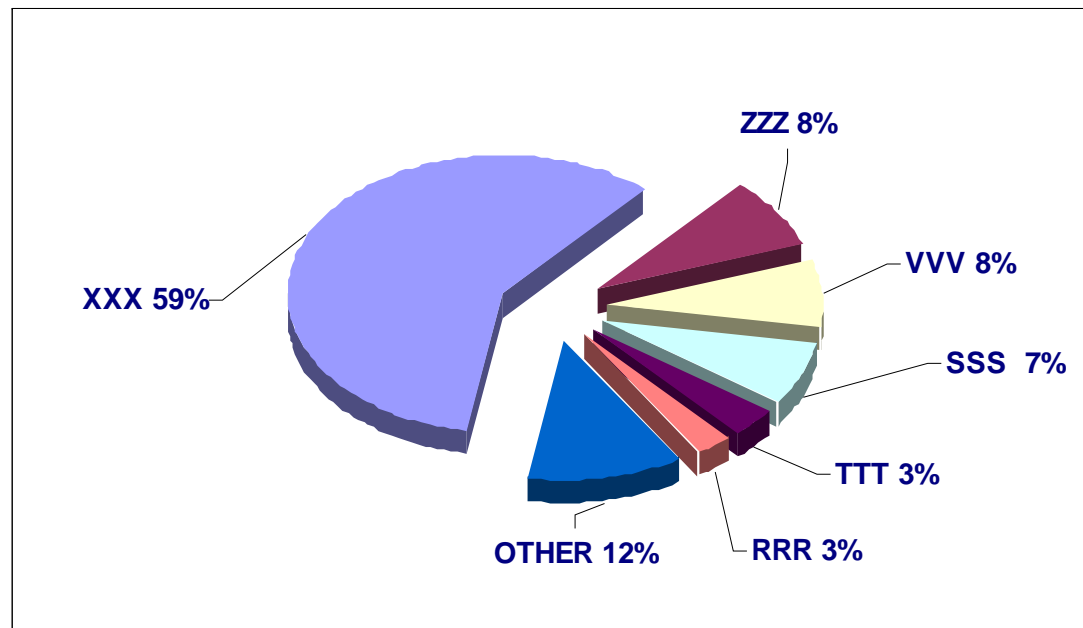


Veneer and Laminate

Total Spend: \$280M

of Suppliers: 60+

Typical Cost Savings: 3-4%

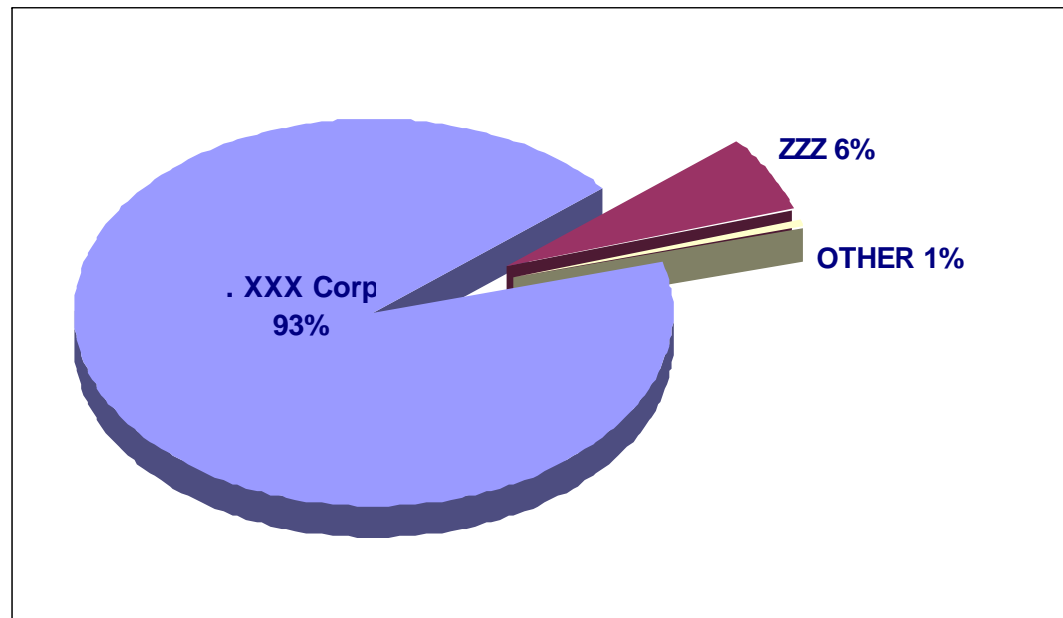


Paint and Finish

Total Spend: \$48M+

of Suppliers: 12

Typical Cost Savings: 5-7%

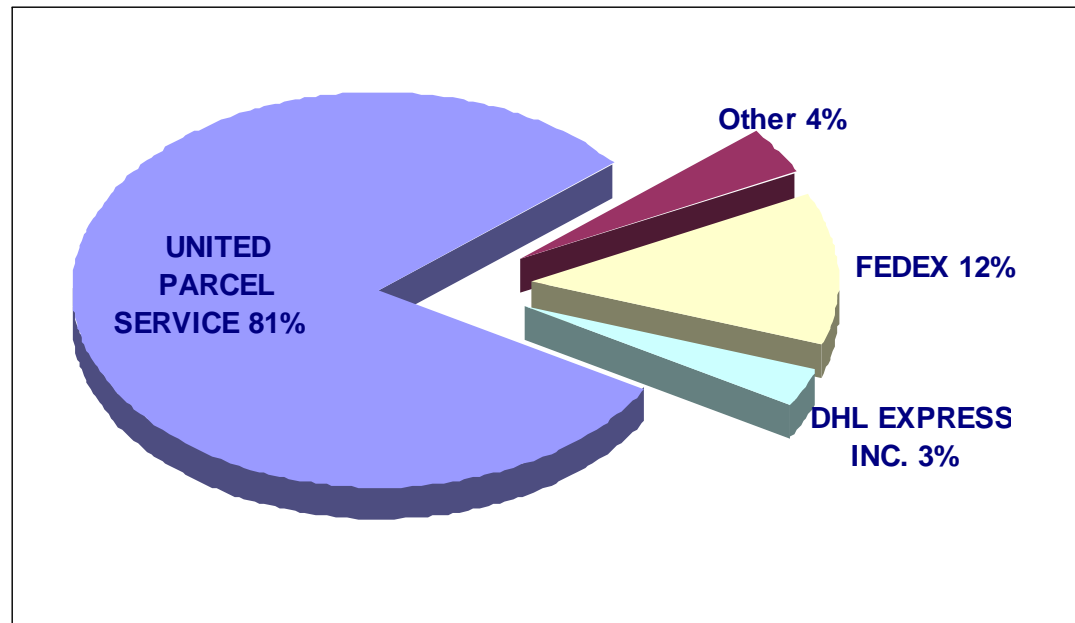


Small Package Service

Total Spend: \$8.7M

of Suppliers: 4

Typical Cost Savings: 25%

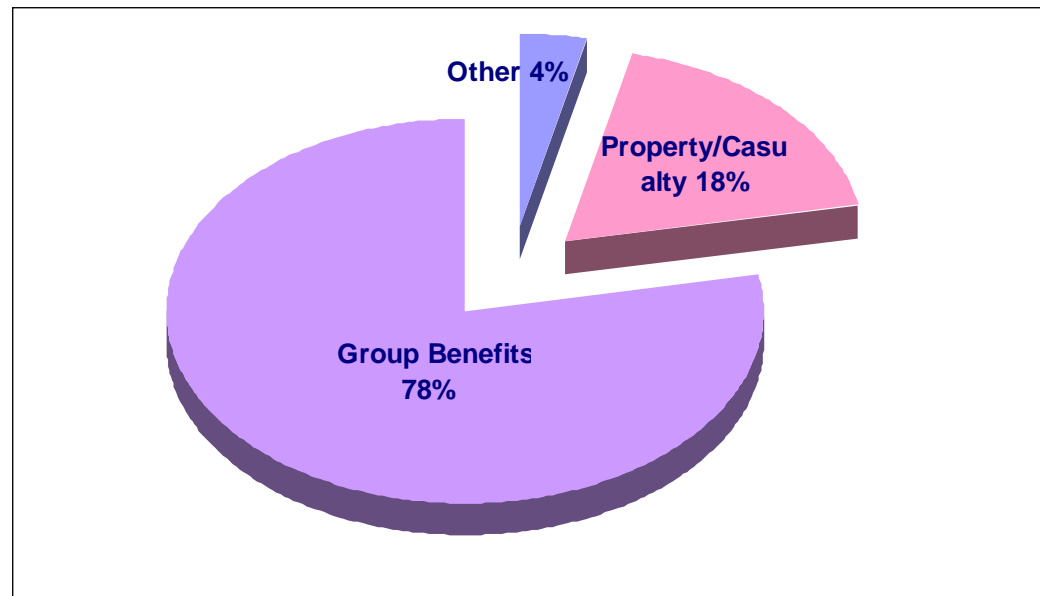


Insurance

Total Spend: \$24M+

of Suppliers: 18

Typical Cost Savings: 12%



Less Than Load Freight

Total Spend: \$8M+

of Suppliers: 26

Typical Cost Savings: 20%

