

Retail Giant Transforms its Facility Services with Source-to-Pay Solutions

Vertical

Retail

Location

USA

Featured Product Families

- JAGGAER One Platform
- Contracts
- Sourcing
- Spend Management
- Supplier Intelligence

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Customer Profile

The corporate sourcing group for a large US-based retail organization is responsible for all not-for-resale purchases, including the services needed to maintain the appearance of its hundreds of stores across over a dozen regions—an important part of keeping consumers coming back to the retailer’s locations regularly.

Business Challenge

Covering over 800 retail locations across the United States, the sourcing group is responsible for contracting with service providers in each location to provide common area maintenance (CAM). The scope of this task is broad, complex and time-consuming, and involves many key internal stakeholders. Like other retail companies of similar size, the organization’s CAM services are a hefty line item on each expense report: over \$20 million is spent annually on landscaping services, irrigation system maintenance, trash removal, parking lot and sidewalk sweeping and snow removal across all locations.

With stores organized into 100+ districts and 18 regions, local stakeholders and facility managers hold a great deal of influence over sourcing decisions and supplier preferences. This means that the centralized sourcing team needs to provide solid recommendations based on price, service, and total value to ensure that final award decisions would meet corporate spend goals and be accepted by local managers. In the past, the company’s procurement department had utilized other providers to conduct online sourcing events,



“Every step of our processes—from fielding bids to ensuring contracts— has been brought to a whole new level. We couldn’t do what we do today without JAGGAER.”

Senior Director, CAM Procurement

Why JAGGAER

JAGGAER One is an intelligent source-to-pay and supplier collaboration platform, and the catalyst for enhancing human decision-making to accelerate business outcomes. The Retail Giant leveraged JAGGAER’s Sourcing that helps customers to negotiate with suppliers on all cost drivers to simplify complex direct and indirect procurement and reach the highest savings.

but still relied heavily on Excel spreadsheets to collect and analyze the large number of supplier proposals and pricing data on any combination of different price points (depending on the store location and services needed). This resulted in a complicated, manual process to ensure proper bid collection and a thorough analysis of supplier proposals to identify the right mix of suppliers by store, district and region.

Solution

Having worked with JAGGAER for other corporate spend categories, the procurement department recognized the benefits our retail solutions could bring to their CAM sourcing project—particularly around time-saving efficiencies and increased capabilities for bid collection and analysis, and streamlined management of suppliers along with their associated contracts. On the sourcing

side, the flexible bidding capabilities of the Advanced Sourcing Optimizer solution allowed the team to configure a wide variety of bid items for each store location based on the services required. Advanced Sourcing Optimizer gave suppliers greater visibility into what they could potentially bid on for each location; suppliers could see which stores needed lot sweeping, landscaping maintenance, snow removal or other CAM services, and bid accordingly.

JAGGAER's Expressive Bidding functionality allowed the team to encourage suppliers to create "package" offers. Suppliers could combine store locations into bundles based on their capabilities and geographical reach, and provide discounted pricing for business awards that combined multiple stores. The sourcing team could never do this using Excel bid sheets.

Once the retailer awarded a supplier using Advanced Sourcing Optimizer, JAGGAER's Contracts+ enabled the team to drastically speed up vendor contract creation times. Quicker authoring times for numerous supplier proposals and package offers received and accepted meant quicker turnaround times from bid to first shipment. The company then automated its supplier management process with JAGGAER's Supplier Management, allowing for easy performance checks against contracts for suppliers as the relationships progressed, using such metrics as pricing, on-time deliveries, logistical routing considerations and others.

JAGGAER's Spend Analytics empowered the company's procurement leadership to better analyze spend and manage categories moving forward; Spend Analytics collects the company's data and provides detailed analytics to provide insight into spend trends. They now use those insights to make better

organization-wide strategic decisions with regards to spend, vendors, and improving supply chain processes.

The Future

The use of JAGGAER's suite of solutions has uncovered additional value and cost savings from the retailer's suppliers in terms of package offers as well as significantly reduced the time involved in the sourcing of these CAM services over previous efforts.

The management processes involved with keeping suppliers and contracts on point has been streamlined, and with the spend analysis abilities now at their disposal, the company will be able to improve financial forecasting through pricing analysis and trends.

The success of this project has led the retailer to expand its use of Advanced Sourcing Optimizer to additional facility services sourcing activities.

Large-scale events are now more easily aggregated and managed across its network of locations and internal stakeholders using an advanced sourcing solution. Those additional facility service departments are looking to similarly implement Contrats+, Supplier Management and Spend Analytics in new areas in the coming months.

Bottom Line Results

- 20% total savings, including half of savings from package offers
- 1,000% increase in the speed of bid analysis and evaluation
- Reduction in the sourcing project time frame by 45%
- Alignment with facility and district managers on supplier award decisions
- Total annual cost savings of 5% by automating contracts



Ready to chat about the impact we can make together?

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