

Case Study

Major Services Company

❖ Situation – Decentralized Purchasing

- Material purchasing performed by multiple branch offices - Decentralized
- Branch offices managing procurement functions – Not a Core Competency
- Corporate Headquarters had Purchasing Data Integrity concerns
- Management approval for all Purchase Orders - Productivity Traps
- Challenge to comply with Sarbanes Oxley and Financial Auditors

❖ ATC Solution - Customized Supply Chain Management Program Including:

- Integrated ATC's proprietary Web-Based Catalog system in all field offices
- Created data integrity to Purchasing Process
- Used valid purchasing data to drive highly effective, competitive bids
- Greatly improved Vendor Management Process
- Eliminated 2/3 of the vendor base
- Moved to larger, more-responsive national vendors, where possible
- Shifted purchases from distributors to manufacturers, except for emergency orders
- Alleviated Sarbanes-Oxley and Financial Auditor compliance issues

❖ Customer Results

- Operational Productivity: \$1.6 million
- Inventory Reduction: 60%
- Material Cost Reduction: 6%
- Improved External Pricing: Doubled Margin

