

Assessing Global Synergies Opportunities on Indirect Procurement for a Leading Cosmetics Retailer

PRACTICE

Procurement

SECTOR

Cosmetics

DURATION OF THE MISSION

4 months

Our client, a leading company in the Retail industry associated with cosmetics, wants to assess the opportunities linked to global synergies of its indirect procurements.

KEPLER supports it in a complete analysis of its "Indirect Procurement" organization to take advantage of international synergies.

Context

- Procurement divided between 3 regions (Europe, North America, Asia)
- Total expenditure of \$1.3 billion
- 2500+ stores worldwide
- Indirect procurement managed at the national / regional levels, often directly by the various departments of the company (Marketing, IT, Supply Chain, etc.)
- Poor or lack of coordination and communication between regions

Objective(s)

Co-operating the Company's Strategy

- Assessing the "Indirect procurement" opportunity and organization required to make better use of global synergies
- Maximizing and expanding sourcing

Our Approach

Cosmetics
Mission: 4 months

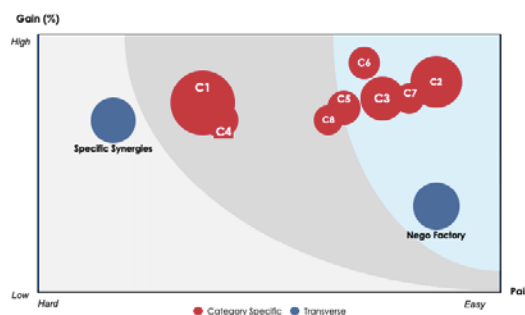
Methodology

- 1 **Data collection and comprehensive mapping** of expenditure by vendor, category and region by country
- 2 **Constraints identification** (contracts, supplier relationship...)
- 3 **Definition of the scope** to be processed
- 4 **Assessing the procurement organization** using the KEPLER procurement maturity matrix
- 5 **Workshops by procurement category with all regions** (identification of savings amounts, levers, critical points, resources required, key success factors)
- 6 **Defining and validating** a savings plan over 4 years
- 7 **Defining a target organization** and intermediary organizations to achieve it
- 8 **Pilot initiative carried out on store supplies** to achieve quick wins (in the 3 regions)

Levers and tools

- **Mapping of global expenses**
- **Procurement synergies** with Asia focus
- **KEPLER Procurement Maturity Matrix**
- **Workshops by procurement category (world)**

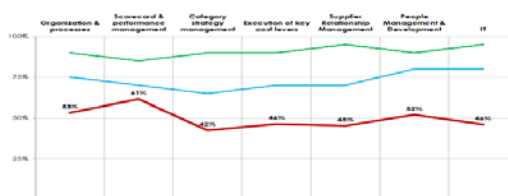
Accessibility Matrix (Pain/Gain Model)



Action Plan by Category

Category	Strategic importance	Current situation	Target situation	Key success factors	Timeline	Resources
Category 1	High	Low	High	High	1 year	High
Category 2	Medium	Medium	Medium	Medium	2 years	Medium
Category 3	Low	Low	Low	Low	3 years	Low

KEPLER Maturity Matrix



450M€ **Addressable expenditure** over the studied scope

6% **Gains** on Identified Procurements

500k€ **Quick Wins identified and achieved**
during the mission on the standardization of stores supplies (bags, gift boxes, beauty accessories...)



New collaboration dynamic set up between the indirect procurement teams of the 3 regions



Roadmap defined over 4 years, in detail, to ensure successful deployment

“The success of a Procurement diagnosis and its deployment are mainly based on a detailed and pragmatic mapping of expenditure and the involvement of internal customers from the start of this diagnosis. This is all the more true in the case of indirect expenditure (IT, Transport, Marketing, Overheads, etc.) which are by nature linked to different Services of the Company.”

Joe Awad
Director

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