

---

# *Looking beyond simple savings*

PwC Singapore's Sourcing and  
Procurement Practice







# *Procurement for the 21<sup>st</sup> century*

Organisations in Singapore have experienced significant growth over the last ten years. With revenue growth comes corresponding rises in operational and capital spending. Without a mature, strategic procurement function to influence, control and report on organisational spending, it is impossible for a business to fully leverage its total purchasing power and create the value and service levels required from third party suppliers.

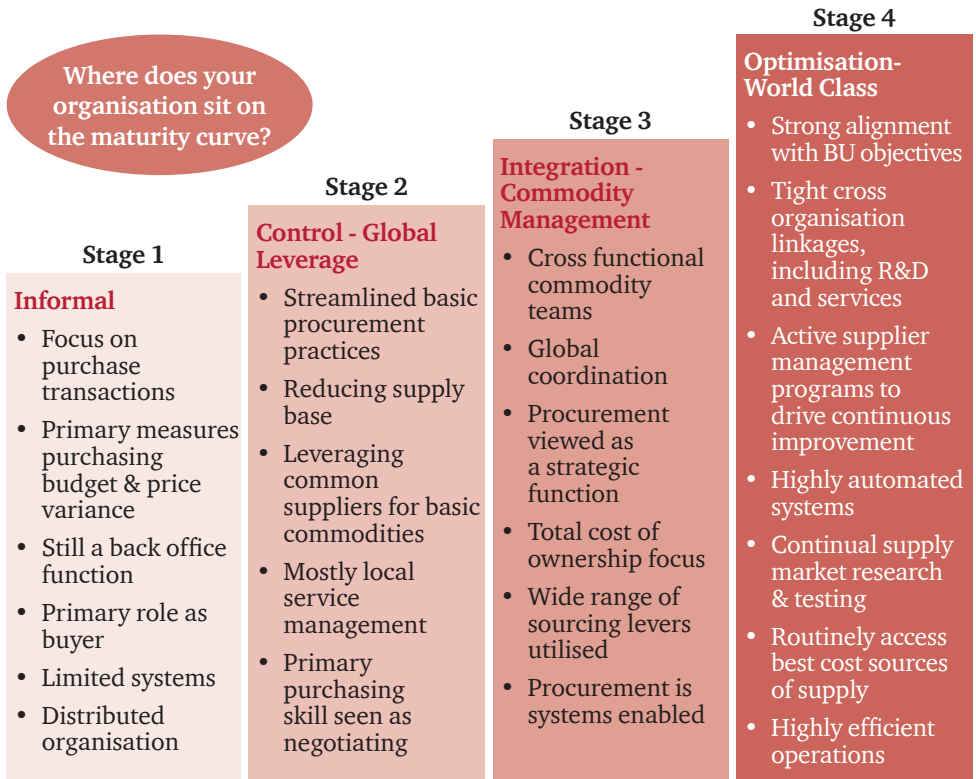
Modern, high-performing procurement functions do more than generate immediate cost savings. They are tightly integrated with the business units they serve and offer a comprehensive suite of services to impact the top and bottom line as well as add strategic value to the business. These include, for example:

- utilising sophisticated procurement tools (e.g. total cost of ownership modelling, best of best benchmarking) to identify opportunities for value creation;
- partnering with suppliers to drive innovation and being part of product development; and,
- reducing exposure to risk through supplier quality management.

PwC's Sourcing and Procurement team operates across all industries in Singapore and the rest of South East Asia, delivering rapid, tangible and sustainable benefits to your organisation.

# Towards best practice

PwC has the tools and methodologies to rapidly identify areas for improvement for your organisation and transform your procurement function to a more strategic, value adding entity.



**Estimated % of Total Procurement Value Derived from Achieving Each Stage of Maturity**



# PwC can assist you

PwC offers innovative solutions to organisations, whether they are seeking to transform their entire procurement operation or address specific needs. Our approach helps you to accelerate sourcing and supply management initiatives to realise greater savings and improved supplier relationships, whilst building your infrastructure and capability to ensure that the savings and benefits are sustainable in the long term.

## If this is your situation...

- You want to define the vision for your procurement function and develop a roadmap to take you there
- You are looking for initiatives to reduce cost
- You do not have visibility of spending within your organisation
- You are concerned there may be fraud in your procurement process



## We can assist by undertaking...

### Diagnostic Services

- ✓ Strategy review
- ✓ Maturity assessment
- ✓ Spend diagnostic/audit
- ✓ Cost reduction opportunity identification
- ✓ Fraud risk assessment

- You are about to spend significant amounts of money with a third party supplier
- You have procurement staff operating independently throughout your organisation
- You do not have a procurement policy governing spending
- You are planning to outsource a functional area of your business and need tender/RFP support



### Functional Design

- ✓ Procurement organisation design
- ✓ Process improvement
- ✓ Capability development
- ✓ Specific category sourcing
- ✓ Cost reduction program design
- ✓ Business case development

- You want to completely overhaul the way procurement is done in your business
- You are having significant regulatory or compliance issues
- You want change and project management support for major procurement changes
- You want support convincing internal stakeholders of the benefits of strategic procurement



### Procurement Transformation

- ✓ Target operating model design
- ✓ Programme management
- ✓ Change and communications
- ✓ Implementation support
- ✓ Business case development

# A checklist for effective procurement

- Is procurement working effectively with the business units to support the company's strategy?
- Can we report on spending by category (materials, technology, services) in an accurate and timely manner?
- Do we have a 12 month plan to reduce our addressable operational expenditure significantly?
- Do we manage our third party suppliers strategically and do we measure the value they add to our business?
- Do we negotiate effectively with our suppliers with a focus on value?
- Do we have different buying regimes for everyday items and specialised, cross functional equipment?
- Does Procurement have a seat at the table for important investment and design conversations?
- Do we have a business risk recovery strategy in place to ensure business continuity?



# We have unmatched experience and knowledge

## Value to Clients

Globally we have sourced over US\$36B in spend, saving over US\$1.7B for our clients.

Savings to Clients

**US\$1.7B**

We collaborate with our clients to share our extensive learning, leading practices, benchmarks and innovation from our procurement and sourcing experience.

## Our Expertise

Worldwide we have delivered over 500 distinct sourcing engagements over the past five years across 25 different industries.

We have optimised sourcing arrangements with over 30,000 suppliers - working across both the client and supply side.

Categories Sourced

**200+**

## Our testimonials

***PwC is seen as the most capable of all firms at providing a full spectrum of business consulting services on operations engagements. PwC is also seen as among the most capable at applying proven methodologies and tools and at helping clients reduce costs.***

*– IDC, IDC MarketScape: Worldwide Operations Consulting Services 2012 Vendor Analysis, Cushing Anderson, July 2012 (IDC #236022)*

## For further information, contact:



**Michael Skyum**  
Procurement Leader  
+65 6236 7427  
michael.skyum@sg.pwc.com



**Peter Hubert**  
Procurement Manager  
+65 6236 4966  
peter.hubert@sg.pwc.com

[www.pwc.com/sg](http://www.pwc.com/sg)

