

How a shared vision for long-term growth and over 1.5 million lines of data simplified profitability and created certainty for Spectris, a FTSE 250 industrial leader

spectris

A global leader in productivity-enhancing instrumentation and controls, Spectris operates across a range of industries with specialisms in materials analysis and test and measurement.

OVERVIEW

13	Manufacturing Operating Companies
40+	Locations globally
230	Stakeholders engaged
500+	Suppliers engaged
273	Projects delivered
1.5m	Lines of data analysed
£10m+	Benefits delivered

THE CHALLENGE

With 13 largely autonomous businesses globally, each managing extensive, complex product lines, the company's operating margin had been gradually declining. Spectris proactively wanted to improve operational performance and leverage synergies across geographies.

The aim; to deliver profitable growth through better coordination across the company and by leveraging scale in areas such as direct procurement, indirect procurement, IT, and footprint, combined with a focus on business process excellence in R&D, sales, and marketing.

THE SOLUTION

Working collaboratively with Spectris, Vendigital produced a vision for how the procurement transformation would occur, before embarking on a programme which sought to achieve organisational reform without constraining the individual entrepreneurial drive of each of the operating companies. Spectris wanted resources to be unfettered by the complexity of its business - driving attention towards intelligent procurement and cost savings. Championed throughout the business, was a clear ambition for growth and a desire for change.

After an intensive three-month operation to authenticate opportunities, Spectris and Vendigital entered the 'planning phase', a deep dive which saw Vendigital draw upon its global reach and world-class data science team to gather millions of lines of data. They also interviewed over 230 people to build a complete picture of Spectris' spend, the supply market in which they operated, and key constraining factors. Alongside this, Vendigital embedded a structured governance process with clearly defined milestones to manage over 200 projects, while capabilities in should-cost modelling and e-auctions maximised the procurement savings for Spectris.



Before our engagement with Vendigital we didn't have a global procurement function and they brought us the expertise to establish one. Allied to this is the opportunity they've given us to benefit from some serious knowledge transfer. The way Vendigital built personal relationships across the business globally was highly impressive. They brought people along with them in a collaborative fashion and it was done in a very friendly, professional way. They were straightforward, straight-talking, jargon-free and very easy to deal with.

What's been very positive is that they've forced us to get out of our comfort zone and share a lot of data and knowledge with each other we hadn't previously shared. Thanks to Vendigital we've already got a great deal more collaboration across our operating companies and a clearer perspective of the soft and hard benefits behind supplier decision-making.

Clive Watson, Group Finance Director, Spectris



We absolutely prioritised the data. Sourcing and assessing data is key to what we do - it tells us a lot about the company profile and allows us to develop an informed approach and credible strategy to create bespoke, impactful, and sustainable solutions. We're delighted to have engaged Spectris with meaningful business opportunities supported by verified facts, which ensured we could create and implement a delivery programme producing substantial results. Equally, we're proud to have supported a culture of global collaboration throughout this engagement which has continued to prevail to date.

Julien Brunel, Director, Vendigital

THE RESULTS

- 9% savings implemented on spend addressed - over £10m annual run rate (cash neutral within 14 months)
- From 16% to 28% of direct spend sourced in Leading Cost Country within 18 months
- 35%+ savings delivered through Should cost modelling and e-auctions

An 18-month engagement, drawing upon global resources and utilising the most cutting-edge techniques in data management, concluded in a programme that delivered over £10 million in quantifiable benefits. Further savings have been secured through upskilling, sharing methods, processes, and knowledge, ensuring sustainability of procurement savings by embedding it as 'business as usual'. Perceived limitations and constraints previously assumed within Spectris concerning their ability to operate as a single global company have been extinguished.

The approach to procurement has fundamentally changed with internal alignment on the principles and known advantages of a centralised function. The integrity of data is key. Teams are now equipped with the tools to better understand and interrogate the veracity of business cases - ensuring relevancy to their strategy and introducing a robust and consistent approach to procurement savings.

As important as the delivered savings have been, the long-term future for Spectris has been transformed by a new way of considering the business landscape and a vision for harmonisation within the company.

YEAR-ON-YEAR SAVINGS GROWTH

As Spectris group continues to deliver pipeline projects, they will see year-on-year savings. By 2020 Spectris will expect to see the full run-rate benefit of all of the projects delivered.

