



# TRACK8

**Powering Excellence in Category Management**

“Capturing Supplier Value: **Driving Performance**”

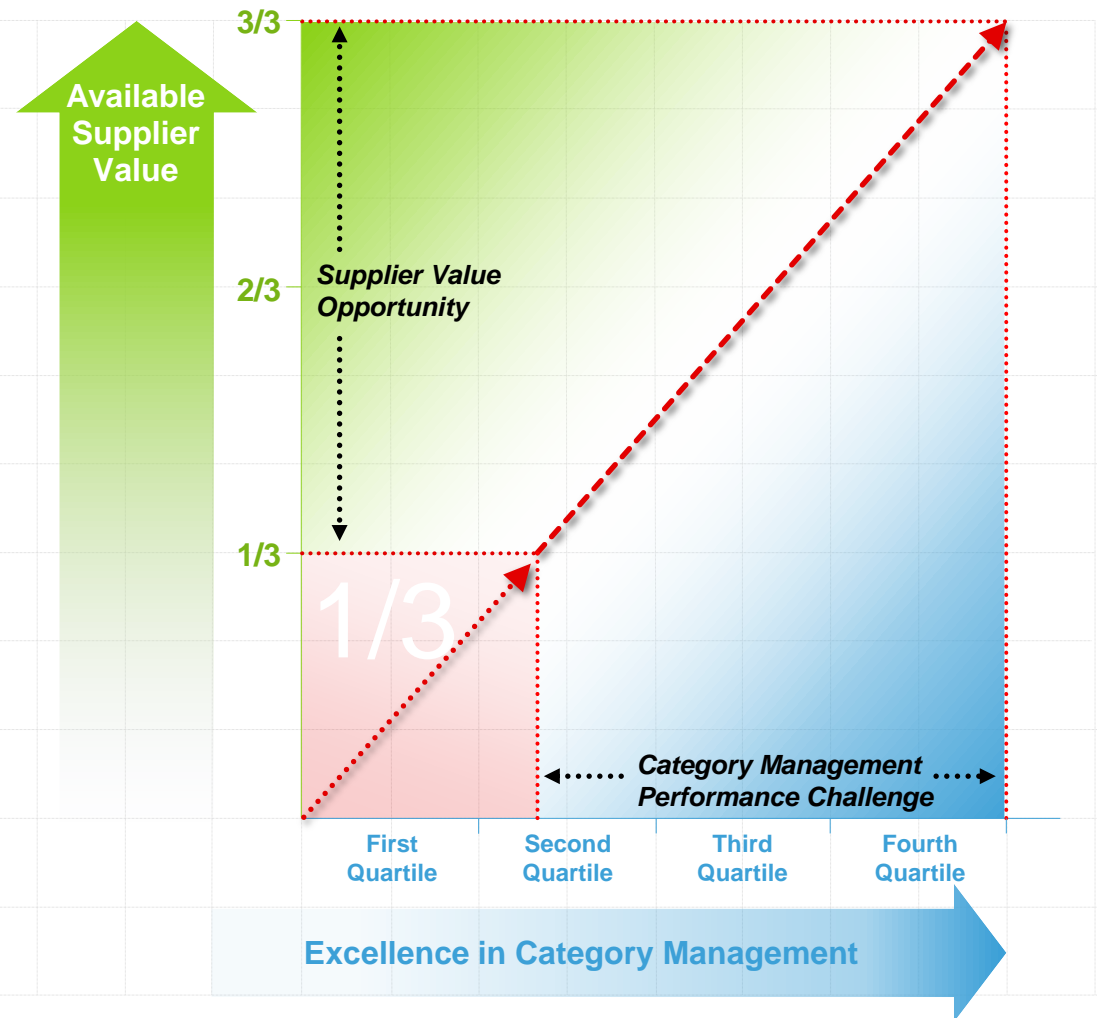
# Procurement: capturing all available supplier value through excellence in category management

→ Few procurement leaders feel they have captured more than **one-third** of available supplier value

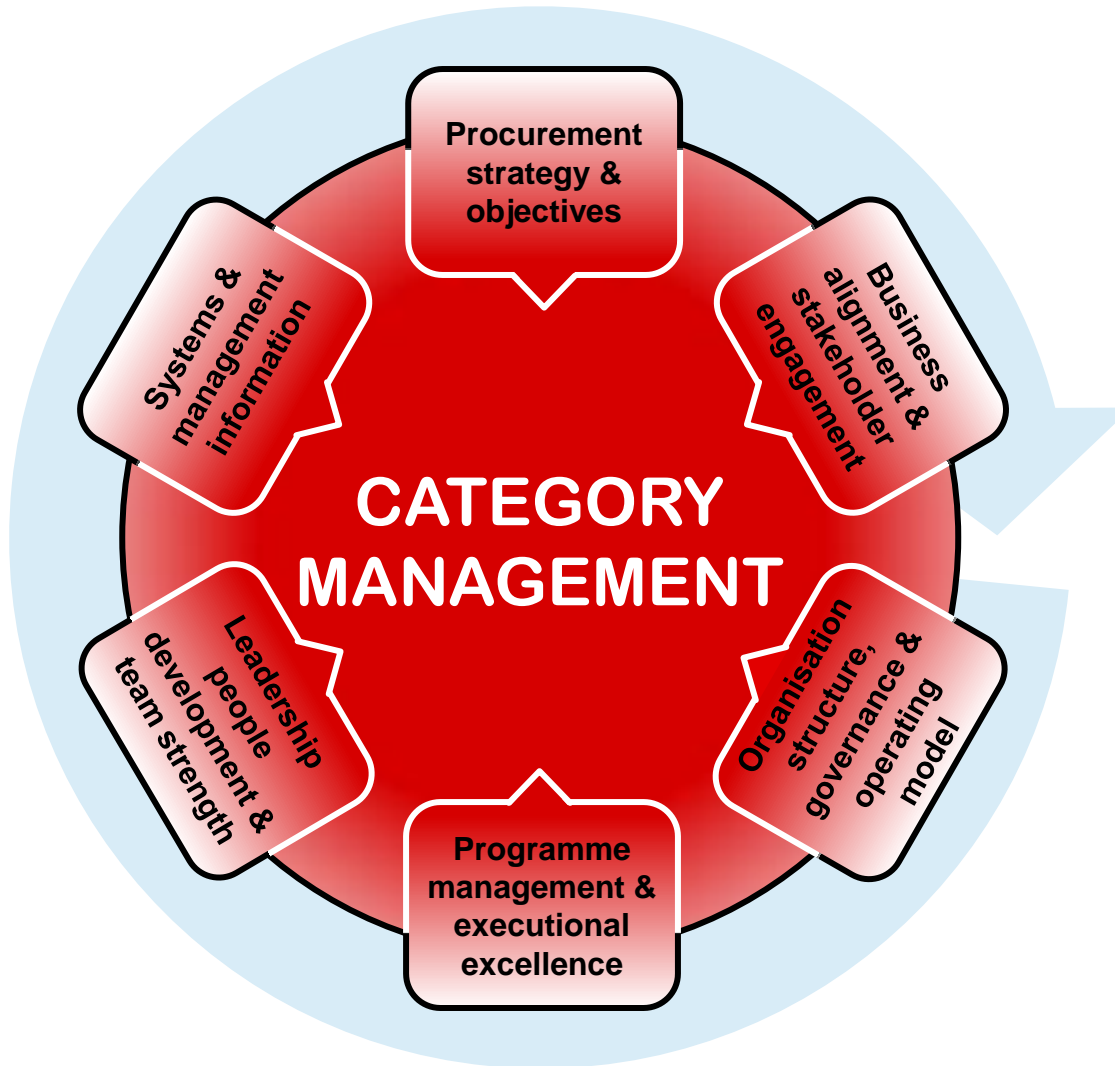
(FP Business Relationship Management Report, 2007)

→ CEOs, CFOs and COOs are demanding that procurement delivers this value through reduced costs, higher supplier performance and reduced risks, **but** with fewer resources and faster

→ Excellence in category management is required to capture the **two-thirds** of remaining supplier value and most organisations have a significant category management performance challenge



# Category management excellence is the central lever in procurement change



Getting category management right is the most powerful driver for capturing the remaining **2/3** of supplier value.

2/3

# Key organisational challenges faced in adopting category management

**Engaging** stakeholders and working cross functionally on category and supplier projects and activities

**Creating** the ways of working and internal alignment to fully leverage and harness the capability of major suppliers

**Building** the team capability in order to develop and implement breakthrough category strategies

**Managing** the activities to ensure they are delivering the promised benefits within the agreed timescales

**Developing** the category management process and toolkit with limited in-house resources

**Sharing** information and knowledge about categories and suppliers across different locations

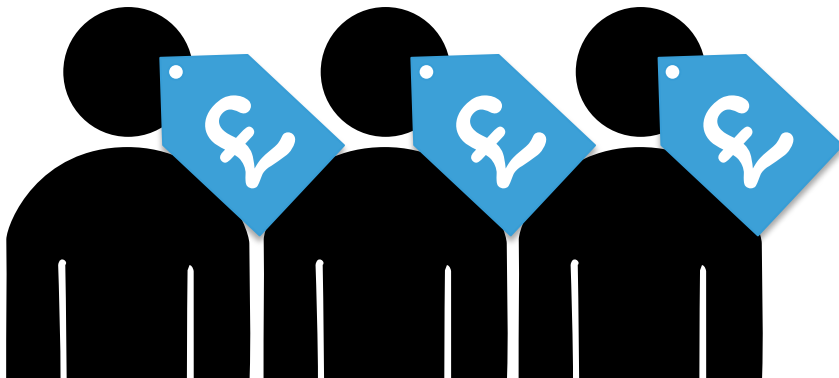


# How to address these challenges?

At the moment, most CPOs only have two unsatisfactory and sub-optimal options when they try to develop and implement category management in their organisations:

## 1. In-house:

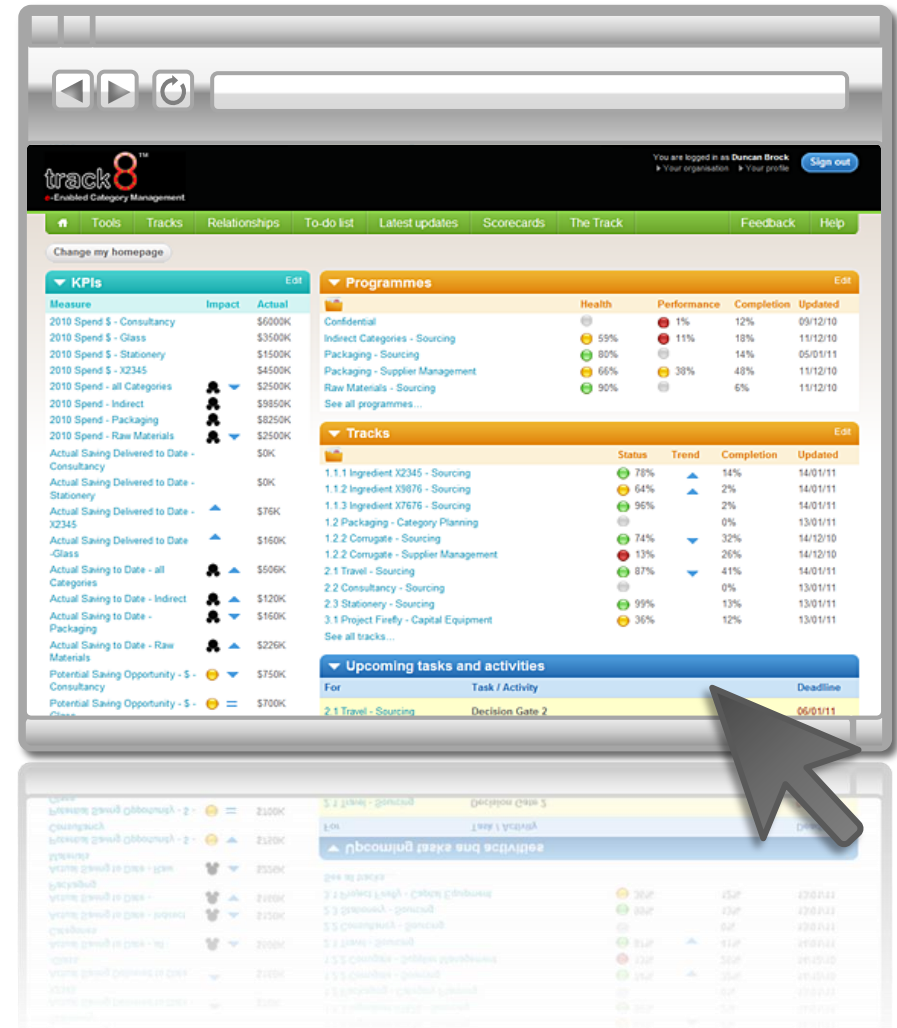
Make small, incremental changes to squeeze out additional value



## 2. Buy in:

Throw resource at it with an army of consultants that isn't sustainable long term

- ➔ **Track8** is an online category management tool that enables project management and cross-functional team working
- ➔ **Track8** drives both sourcing & supplier management activities from one easily accessible tool
- ➔ Leverage Future Purchasing expertise and lock in procurement transformation for good with **Track8**



## STRONGER CATEGORY & SUPPLIER STRATEGIES



Team skills improved and all cost reduction opportunities identified by applying best-in-class sourcing and supplier management toolkits with templates, checklists and guidance materials.

## ACCELERATED TIMELINES



Category strategies compiled within the system using templates engineered to focus on answering the “so-what” questions and a lean process model co-developed with the Kaizen Institute.

## INCREASED RIGOUR



Integrated programme governance with approval points, decision owners, activity allocation and completion tracking ensure category and supplier projects are timely and of consistent quality.

## REAL-TIME PROGRAMME & PROJECT MANAGEMENT



Management dashboard showing up-to-date progress status, KPIs and performance scorecards for every category and supplier project allowing online management and reporting.

## PROCUREMENT TEAM ENGAGEMENT



Process steps and toolkits are customised to incorporate specific organisation and industry requirements and Category Managers are given flexibility to apply tools to meet their category and supplier relationship needs.

## INTERNAL COLLABORATION



Online environment that positively engages cross-functional stakeholders, promotes active sharing of organisation knowledge, category insights and provides a platform for continuous improvement.

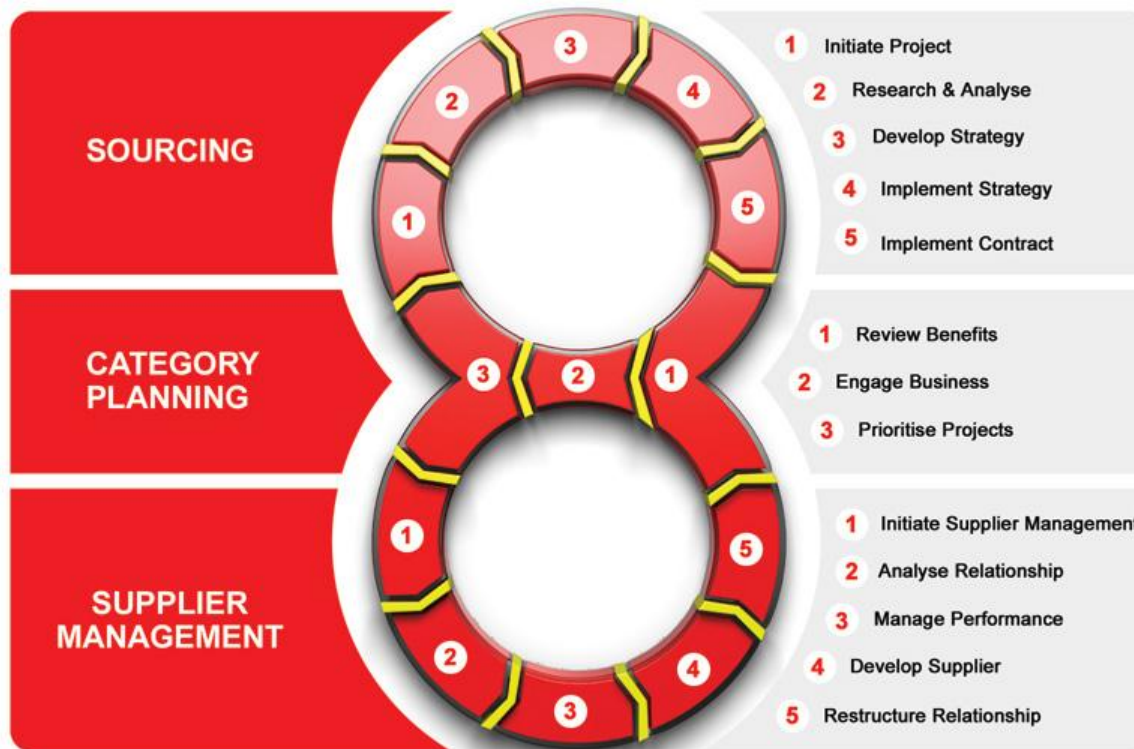
- **MONEY SAVED**
- **TIME SAVED**
- **RISK REDUCED**
- **VALUE CAPTURED**

CPOs recognise that an integrated way of working is at the heart of their team's performance.



See what Track8 can do...

Track8 makes sourcing and supplier management effective, consistent and transparent

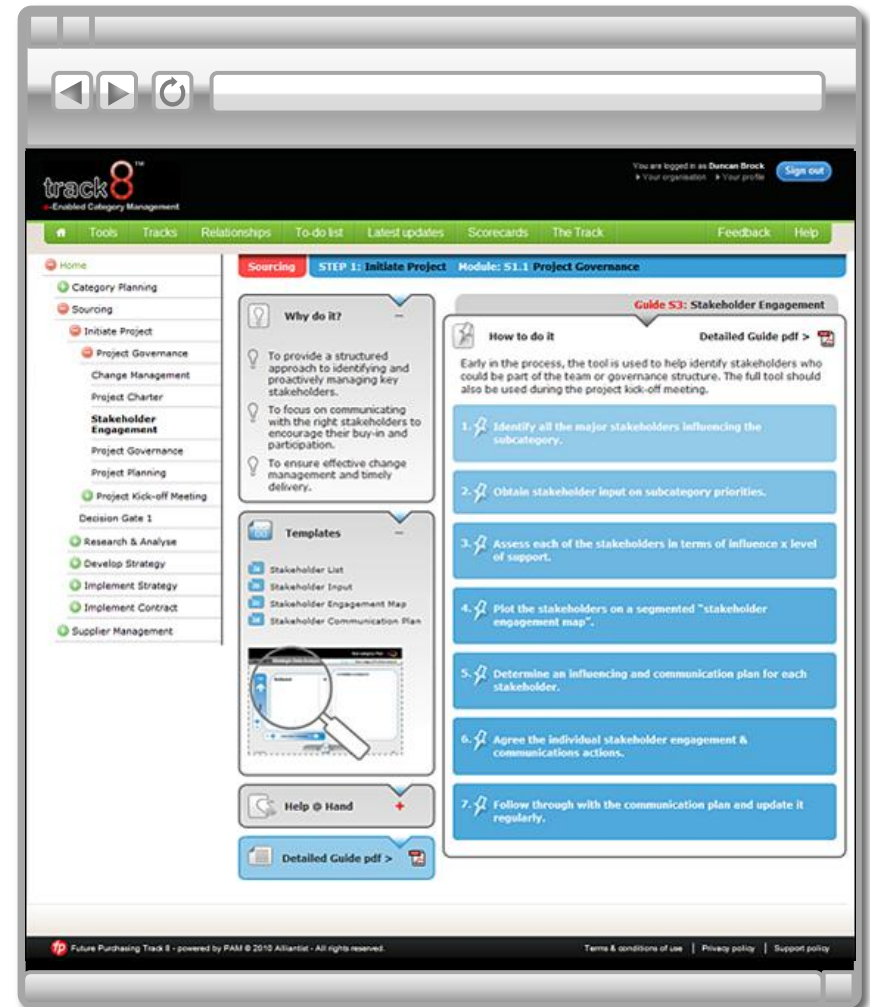


Track8 brings you the expertise and resources you need right now, plus a system that locks in the value long term



## Stronger category & supplier strategies

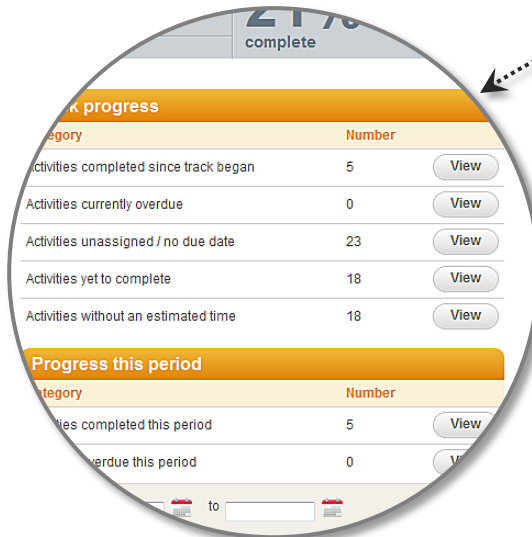
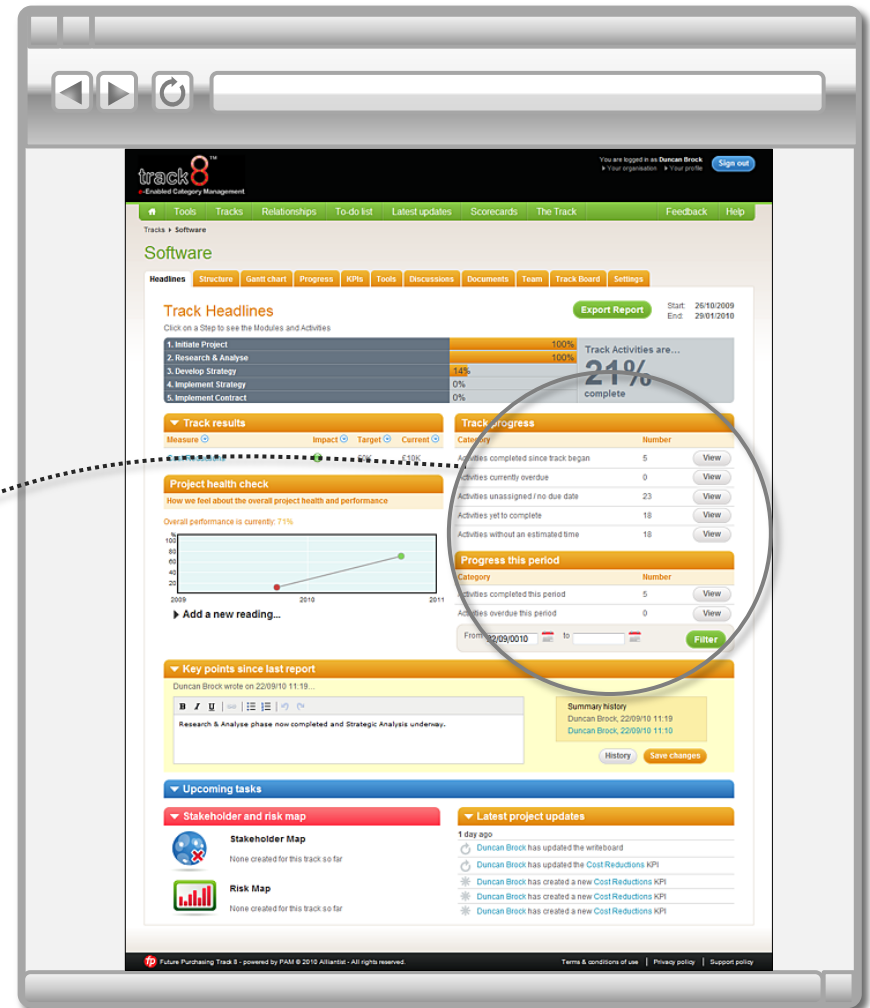
A comprehensive set of best-in-class category management guides are included in **Track8**, providing the user with a full explanation of how to use the tools and templates. All the templates can be downloaded and used in a live environment.





## Accelerated timelines and effective management of projects

A live dashboard is provided for each project showing the progress made against each step of the category management process, and highlighting important project information.





## Increased rigour with decision gates that systematically maximise insights at every stage

Decision gates are the formal means of progress checking and approval for each project. Guidance and templates are provided at each decision gate to help both the project team and the people who are approving the project.

The screenshots show different templates used in the 'Step 2: Research & Analyse' phase:

- Template 144: Business Requirements**: A table with columns for Business Requirements, Need, Goals, Current Performance, Future Performance, and No Performance Indicators. Rows are labeled with letters I, M, P, A, C, T.
- Template 145: Price and Cost Analysis**: A flowchart diagram showing a process flow from Demand 1 to Demand 6, leading to a TOTAL box.
- Template 146: Subcategory Hierarchy**: A table with columns for Subcategory and Description, containing multiple rows for data entry.

The screenshot displays the 'Sourcing' section, specifically 'STEP 2: Research & Analyse' and 'Decision Gate: 2'. The page includes:

- Overview**: A summary of DG2 as a formal review point, followed by 'DG2 Approval' details and 'Next Steps'.
- Why do it?**: A section explaining the purpose of the decision gate to approve business requirements and ensure quality of information.
- Decision Gate 2 (DG2): Questions to be Answered**: A list of key questions for the subcategory profile, cost analysis, business requirements, and supply market analysis.
- Required Documents**: A list of documents such as Subcategory Hierarchy, Spend Profile, Price & Cost Analysis, TCM Model, Business Requirements, Supply Market Research, Pest Analyses, Porter's Five Forces, and SWOT Analyses.
- Templates** and **Help @ Hand** sections.



## Real-time programme & project management

The **Track8** home page is a performance dashboard, providing up to date information on the progress of all the projects ensuring they are completed on time. KPIs track the savings that are being delivered, giving real transparency of performance.

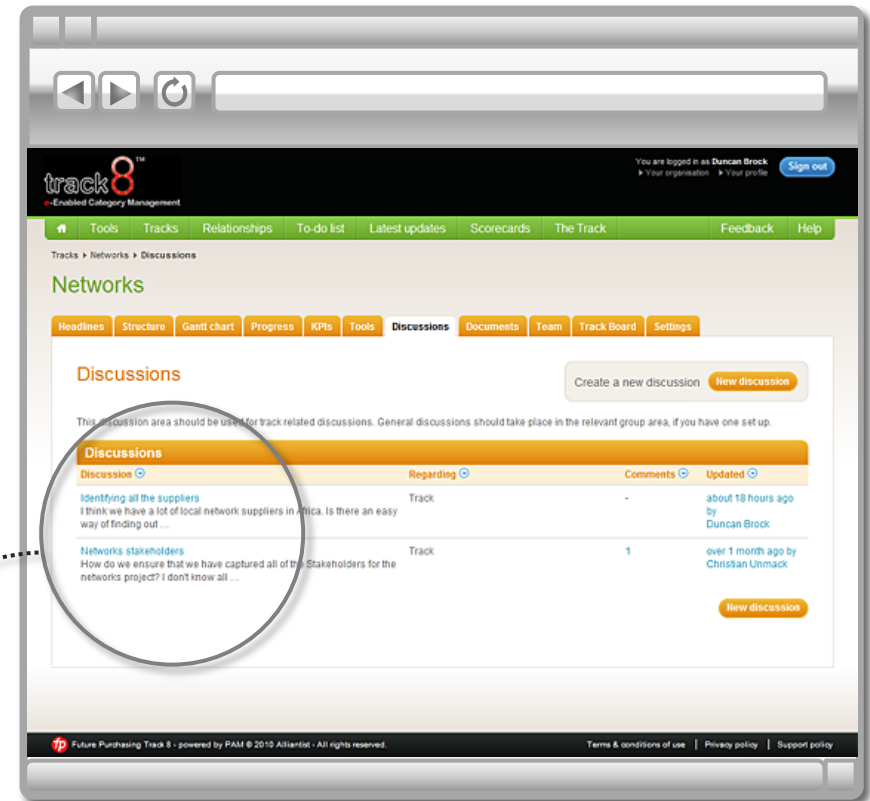


Status	Trend	Completion	Updated	Measure	Impact	Actual
78%	▲	14%	14/01/11	Potential Saving Opportunity - \$ - Indirect	\$500K	\$500K
64%	▲	2%	14/01/11	Potential Saving Opportunity - \$ - Stationery	\$150K	\$150K
96%	▲	2%	14/01/11	Potential Saving Opportunity - \$ - X2345	\$450K	\$450K
74%	▼	32%	14/12/10	Potential Saving Opportunity - \$ - Glass	\$200K	\$200K
13%	▼	26%	14/12/10	Potential Saving Opportunity - \$ - X2345	\$350K	\$350K
87%	▼	41%	14/01/11	Potential Saving Opportunity - all Categories	\$250K	\$250K
99%	▲	13%	13/01/11	Potential Saving Opportunity - Raw Materials	\$200K	\$200K
12%	▲	12%	13/01/11	Potential Saving Opportunity - Stationery	\$150K	\$150K



# Internal collaboration, sharing of knowledge and the leveraging of vital pockets of information across teams

Track8 provides an excellent environment for collaboration including discussion forums for each project, and also for the wider community that are using Track8. Email alerts prompt the users that updates have been made to their project discussions.



A leading procurement consultancy that focuses on category management transformation, working with over 30 large organisations in the UK and Northern Europe including Diageo, Vodafone, Barclays, Nestlé and Novo Nordisk. With over 40 consultants, we have transformed £3 trillion of procurement spend in the last 3 years alone.

Our unique and holistic approach to category management excellence is cutting edge and adopted by many of the world's leading organisations.

## We are experts in:

**Category Management:** create a 'One Company' approach to sourcing and supplier management.

**Cost Reduction:** design, drive and implement campaigns to unlock supplier value.

**Capability and Learning:** embed sustainable high performance into the DNA of your team.

**50%** of cost, risk and value in large companies is locked into suppliers. Few procurement leaders feel they have captured more than a third. Future Purchasing works with organisations to deliver a step change, tapping into supplier value most struggle to access.

**Future Purchasing** consultants are highly experienced procurement practitioners, personally committed to helping clients achieve sourcing & supplier management excellence. Each has a track record of exceeding clients' KPIs with expert strategy, execution and innovation.

Get up and running in 2 weeks

→ For a conversation or  
a demonstration, call  
**+44 (0)1483 243520**

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