

Transforming large-scale operations with predictive procurement

Enabling speed and scalability in the face of scarcity

Holman Enterprises, an international automotive distribution and manufacturing company, provides businesses around the world with a wide variety of parts, tools, and services.


Due to pandemic-driven market disruption, consumer behaviors shifted and labor forces shrunk — suffocating the global supply chain. But resource limitations at different points in the supply chain are not always due to depleted raw materials. Although Holman's procurement operations were decentralized across locations, creating silos and further slowing down a system now strained by the global health crisis; purchasing was an ad hoc process dependent on the same small pool of suppliers. Also, budget forecasting was done based on suppliers' assumed fixed costs, often making projections inaccurate.

With Arkestro, Holman was able to transform their procurement operations, creating transparency into total spend, forecasting and overall costs. As a result, they experienced major cost savings, all while improving overall control of their supply chain.




Streamlining operations for cost savings

Using its usual tactics to meet strategic business objectives during such an unstable period was risky. Without the ability to scale or adapt quickly to changing demand, Holman was burning up unnecessary resources while navigating a complex web of suppliers and business needs using inefficient and disconnected processes. Holman's procurement team needed a system that was agile enough to address supply chain and market fluctuations in real time, while maintaining pinpoint accuracy for forecasting key trends that could inform smarter business decisions.


Industry

 Automotive
(manufacturing/services)

Objectives

-  Dismantle operational silos across disparate sourcing and procurement locations
-  Identify strategic partners to streamline purchasing and reduce ad hoc contracts
-  Intelligently forecast budgets based on comparative costs and availability

Results

-  Transformed equipment purchasing with an immediate **7% savings** in 1 day while consolidating spend from **40 to 5 suppliers**.

7% total savings in 1 day

Strategic procurement realized.

Holman was able to reduce its portfolio from 40 contracted suppliers to 5 strategic partners.

Arkestro massively improved their procurement and distribution operations, allowing them to use quote data that reflects an up-to-date, realistic snapshot of the market and motivations of different suppliers. They can now successfully track and analyze trends in costs, delivery schedules, and lead time for every category, accurately predicting whether certain items are likely to become more or less expensive in the near future. Finally, they've migrated from margin erosion to margin retention on each build, improving overall pricing for their customers.

Today, Holman's procurement team is highly efficient and effective, using Arkestro to award projects to lower-cost and more qualified suppliers, helping improve how the business outcomes of their customers downstream.

Immediate savings and data-driven decisions

After implementing Arkestro, Holman was able to forecast pricing and save 7% on a \$500k+ stream of spend. As a result, Holman was able to reduce its portfolio from 40 contracted suppliers to 5 strategic partners. This centralization provides more opportunities to connect with suppliers offering competitive pricing, enabling preferential service levels and bulk discounts for Holman's customers.

Holman has seen significant improvements from streamlined procurement cycle times and predictive pricing suggestions, saving over \$202k in the first bid cycle alone.

"We no longer face the communication breakdowns and delays that were happening when our sourcing and procurement locations were siloed," says Frank Battino, Holman's Director of Procurement & Logistics Services. "Arkestro has helped us streamline the purchasing and bidding process, improving the quality of our supplier network and eliminating the need for ad hoc contracts."

With the power to accurately forecast budgets based on true comparative costs and availability—rather than sticking to static price agreements and vendors—Holman has drastically reduced process bottlenecks and overall spend, accelerating the delivery of higher-quality supplies and services to their customers worldwide.



One of the challenges that we've had in categorizing our spend is taking on static, preferred supplier agreements to drive pricing down. Arkestro empowers us to automate and accelerate the bidding process, speeding delivery of preferred supplier agreements to different businesses.



FRANK BATTINO

Director of Procurement & Logistics Services at Holman

About Arkestro

Arkestro is the leading Predictive Procurement Orchestration platform built to embed preferred outcomes and instant feedback in any process for a 2-5x lift on savings impact. Top enterprises leverage Arkestro's embedded platform to predict and win faster value in every category of addressable spend. Learn more at arkestro.com

