

# MRO CASE STUDY – SUPPLIER CONSOLIDATION STRATEGY

## OVERVIEW

Navigating the aerospace industry's procurement networks in this era of competition among global supply chains could be difficult. The success of an effective procurement strategy is increasingly dependent on the skillful ability to integrate multiple supplier networks for deeper everyday business relationships.

One of our MRO customers came to us with specific obstacles they needed to solve: they were looking for a partner that could consolidate similar, intersecting, or overlapping suppliers; simplify and centralize automated purchasing procedures with the existing digital purchasing platform; increase procurement speed & flexibility and ensure product quality.

## CHALLENGE

### Global supplier networks consolidation:

- The key responsibility is to ensure close coordination and collaboration with contracted suppliers and that all service agreements are met
- Reduce risk and improve supplier relationships

### Increase procurement speed and flexibility, and ensure product quality:

- Enhance real-time digital RFQ and purchasing platform connectivity
- Meet industry compliance requirements and eliminate difficult and complex tasks with various global suppliers

### Reduced purchasing costs:

- Target high-volume suppliers for both short-term financial benefits and long-term financial advantages without overcomplicating any procedure

## APPROACH

Proponent teamed up with our MRO customer to prioritize reducing vendors with supplier consolidation strategies in mind to meet our MRO customer's procurement operational needs. We developed one "customizable" strategic plan focused on critical benefits from quality increments and improved quality-control innovations to meet industry standards and a much smoother procurement-procedure flow with data-driven KPIs.

## CONCLUSION

With Proponent's 50 years of experience in global supplier networks management, we delivered solid buyer-supplier relationships to achieve a mutually beneficial goal and establish trust with our MRO customer. Our solutions are concentrated on reducing our MRO's procurement supply chain costs and improving their bottom-line efficiency. Working strategically with our MRO customer, Proponent has successfully delivered new growth opportunities for our MRO customer by deepening the procurement "partnerships" to establish trust and provide a win-win outcome.

## RESULTS



### Vendor Reduction:

- Reduced suppliers base and aimed for purchasing power increased by working with core strategic supplier partners



### Cost Reduction:

- Allocated more resources to fewer suppliers since our MRO customer began to receive better pricing
- The targeted frequency and velocity reduced freight costs, handling, and other related fees



### New Opportunity with OEM:

- Worked with Proponent OEM partners to meet regulatory requirements of manufacturing standards in potential areas of improvement



### Streamline Procurement Procedure:

- Executed new procedures with renovated real-time digital connectivity on product information, stock availability, and inventory level

