

SYNERGY 2009 Breakout Session
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Mickey North Rizza, Research Director / AMR Research, Inc.
How Industry Leaders are Saving in the Current Economy

“Harnessing the Opportunity”
“Delivering a Strategic & Valued Difference”

What are the right things to do to increase company value?

The right ways to support your business strategy are:

- ... Align demand relationships
- ... Right product platforms
- ... Design the supply response
- ... Build skills and talent
- ... Alight supply relationships

Spend management: “I don’t like this term because it looks backwards; I like to look forward.”

By breaking out spend, you get more insight: commodity items, strategic items, transaction items, bottleneck items.

What are the three areas we need to worry about?
Supplier quality, efficiency and total cost of ownership

Demand management is pushing back and saying do we really need that? Is changing behaviors and policies becoming part of the process?

Supply chain finance is extending payment terms; suppliers have to survive by optimizing working capital.

Companies want to restructure. Successful strategies deliver results and competitive edge. The key performance indicators are average savings, cost avoidance, managed spend, manual touches and technology applications.

An AMR risk study showed that many companies are looking to mitigate risk; a lot of that is around financial risk right now.

There is a multi-tiered risk management system:

1. Monitor global supply base using sophisticated technology
2. Manage communications and financials of critical suppliers
3. Act and intervene as necessary