



## CASE STUDY

# Strategic Procurement Outsourcing Improves Pharmaceutical's Financial Health

Changes to spot buying saves this global pharmaceutical company money.



### Opportunity

A large pharmaceutical firm broke out procurement into three categories: strategic sourcing for large purchases; spot-buying for immediate, one-off buys; and transaction processing for routine, previously sourced items. The latter two functions were decentralized and fell to marketing and operations staff untrained as buyers, resulting in purchases made without analyzing options.



### Imagining IT Differently

ISG crafted a custom procurement system that separated spot-buying because of its unique requirements. By outsourcing spot-buying to a service provider specialist that researched competitive quotes in a matter of hours, ISG saved the company up to 30 percent on those transactions.



### Future Made Possible

- The company gained predictability in the process and the service provider fees.
- It saved eight percent across the cost of purchases greater than \$10,000.
- A full 40 percent of projected business case savings came from procurement, which represented less than 5 percent of the total contract value.



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