


BUILD COMPETENCIES IN THESE FIVE AREAS TO OPTIMIZE INDIRECT SPENDING



For most organizations, the purchasing of indirect goods and services is not a core competency. These overlooked expenses that enable companies to operate day-to-day typically equate to more than 20% of an organization's revenue, but too often lack the investment, resources and sourcing discipline for best-in-class buying.

Often thought of as the 'cost of doing business', indirect spending holds tremendous potential for optimization that can directly impact an organization's bottom line. In fact, effective management of this spend base can drive **over 10% in cost savings** and associated profit improvement.

KEY FOCUS AREAS

If you want to realize the untapped value within your indirect spending, here are five areas you must focus on. You need:



The right people.

Many organizations focus the bulk of their resources on their direct expenditures, leaving skeleton teams or individual departments to handle their indirect purchasing. Without the right focus, expertise and capability to provide effective category management, organizations will miss out on opportunities to identify cost savings, optimize their spending and drive efficiencies in this area.



Clear and simple policy and process.

Indirect expenses encompass complex categories like Marketing, IT, Facilities, Packaging and Corporate Services — many of which include high volumes of purchase transactions — and having the right processes is essential to ensure work gets done efficiently and effectively. To achieve this, streamlining repetitive tasks like supplier onboarding, automating regular purchases, and developing clear and well-communicated procurement and legal policies is essential.



Technology that works.

The market is saturated with over-priced, over-engineered, and overly-complex procurement software. How do you avoid the traps and get what you need? Look out for **fully-integrated Source-to-Pay solutions** that allow you to streamline your sourcing and procurement tasks and get to value sooner. They should provide real-time visibility into spend, suppliers, contract and project data, with powerful analytics to allow you to make better buying decisions, identify cost-reduction opportunities, and measure savings and overall sourcing performance.



A comprehensive network of suppliers.

Knowing and choosing the right suppliers is key to unlocking savings in indirect procurement. It is critical to have a robust network of preferred suppliers who you can count on in times of disruption. Expect and demand that your suppliers can deliver services or goods on time and cost-effectively while maintaining high-quality standards.



Leverage, leverage, leverage.

Purchasing power plays a significant role in achieving favorable outcomes. The concept is simple — by increasing your volume and frequency of purchases, you gain a deeper understanding of the market, which empowers you to drive supplier cost reductions, secure price protection, and establish preferred service levels. For those getting started, it is essential to consolidate your suppliers to ensure spend control and optimal leverage.

Ensuring your organization has all five of these capabilities can be a challenge.

That's where LogicSource comes in. With a unique asset-based delivery model, LogicSource can immediately deploy over 100 sourcing category experts from our center of excellence, a full source-to-pay technology suite and over \$85 billion in spend and pricing data for our customers, rapidly accelerating time-to-value and achieving significantly greater savings than organizations can achieve on their own.

Find out more about our proven engagement model that will get you on the path to improved profitability in six weeks or less.

Are you ready to buy better?

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