



Procurement-One Network
Corporate Cost-Reduction Services
SPEND LESS & flourish



Procurement-One Network

Cost-Reduction Solutions for Small to Midsize Companies

Cost-Reduction Tip #11: Category Management & Cost-Reductions

Best Practice Tip #11: Category Management & Cost-Reductions

Greetings!

Category Management & Cost Reductions:

Category Management is the process where a company organizes their Buying team and their expenditures in such a way as to segment them into logical commodity groups related to their



supply markets with the goals to:

- a. Maximize the Buying team's market awareness
- b. Maximize the Buying team's commodity expertise
- c. Maximize the aggregation of related commodities and services
- d. Maximize buying leverage & value performance

Category Management results in promoting the value that the company receives on their purchasing expenditures.

When a spend category is moved from "not well managed" to "well managed," a 20% savings opportunity is typically available.

There are various application and implementation approaches for category management, but the following four steps are typically included.

Basic Steps:

- 1. Category Definitions:** Define, analyze, identify, and create logical Goods & Services categories
- 2. Category Strategies:** Develop strategies, goals, and tactics to manage each specific category
- 3. Category Implementation:** Create Roles, Responsibilities, Jurisdictions, Resources, and the Team
- 4. Category Metrics:** Create performance measures to manage and ensure category performance

One example of a Category Management grouping structure:



***"When you manage a spend category 'well'
a 20% (or more) savings results"***

******Webinar Coming April 2020******

***Cost-Reduction Tools & Tactics Bootcamp for Execs
(limited attendance, reserve your spot)***

Procurement-One offers our Clients the following corporate cost-reduction solutions:

1. WEBINARS & BOOTCAMPS
2. MONTHLY SUBSCRIPTION ACCESS TO ADHOC CONSULTING SERVICES
3. PERFORMANCE-BASED COST-REDUCTION IMPLEMENTATIONS

We are pleased to provide you our free **Self-Assessment Savings Opportunity** worksheet. **Free Download:** [Self-Savings Estimator Worksheet](#).

Please feel free to contact us at:

Phone 208-809-5487 or Email rdeamicis@procurement-one.com

Standard Disclaimer: The free information provided herein is not intended to substitute for paid and specific professional advice; all information herein is for educational purposes only. All liability is hereby expressly



Roger De Amicis, C.P.M.
Director of Cost-Reduction Services

Phone: 208-809-5487

Email: rdeamicis@procurement-one.com

SPEND LESS & flourish

Top Corporate Cost-Reduction Areas & Tactics

