

# A1210 - Global Purchasing Segmentation

Segment Management is a strategic process for managing the purchase of goods and services. It aligns business goals and customer requirements with supply market capability and maximizes long-term value for the organization.

The purpose of the **new Global Purchasing Segmentation** project is to classify our purchases and related sources, to ensure the integration of data into a single reference matrix and to transfer the information to all the tools accordingly. This will be achieved by using a 3-level hierarchy consisting of **Domain**, **Segment** and **Material Group**. The Domain and Segment hierarchy is designed to be common and unique for **suppliers** and **items** (goods and services). Suppliers are assigned to one segment according to preponderant spend. Items (goods and services) are assigned to one Material Group based on the category of purchase.

Once the target model was defined, the segmentation was reviewed with and agreed upon by the Domain networks, and validated at the end of 2013. All updates introduced since this date have been revalidated by purchasing, general ledger and tax.

For more information : [GPS SITE](#)

## NEW SEGMENTATION : DOMAIN / SEGMENT

The spend is assigned thanks to the :

### VENDOR PREPONDERANT :

- Domain : (ex: Packaging 5)  
↓
- Segment : (ex : Plastic Drum P066)

For Raw Mat only :

Product - Value Chain - Material code

### MATERIAL SEGMENTATION analysis can be done within the report :

- Domain (ex: Packaging 5)  
↓
- Segment (ex : Plastic Drum P066)  
↓
- Material Group (ex : ZM7130)

