

Procurement-Demand Management

Demand Management



Demand Management (DM) is about challenging our purchasing spend by asking the right questions: [How many, how, why? \(here is a self-explanatory video\)](#).

Case for Change

- Anywhere we spend money, there is a need for Demand Management
- Demand Management is only making sure that each of us is spending Solvay's money as it was his/her own money

Why?

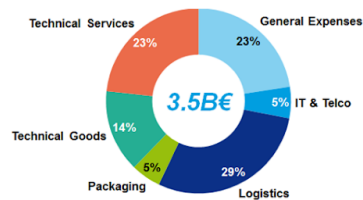
Free up means

Adjust demand to reduce spend not impacting output in line with GBU/function roadmap, budget and priorities

Ensure group vision & **transversality** in the approach

What (scope?)

Indirect Spend (2018)



How?

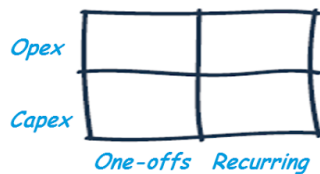
Create transparency on external spend

Share benchmark & best practices

Identify demand levers to achieve spend reduction

Sustain the reduction & impact behaviors

Approach is valid and customized depending on :



Diagnostic

- We want to avoid mobilizing operational people for hours around a whiteboard
- We have methodologies and tools that rather mobilize your data and enable us to identify the opportunities from there

Diagnostic methodologies



Spend Synthesis

Bridging different sources of data, in alignment with controlling and different process stakeholders



Demand Review Tower (DRT)

"A deep dive review of the **demand** to optimize the spend with Purchasing, Finance and Operations"

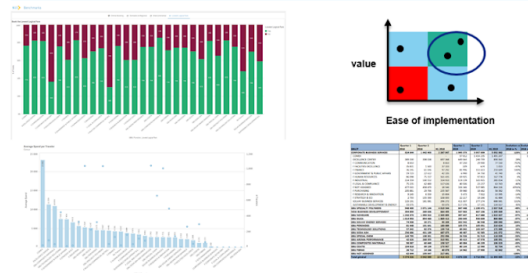


Site Brainstorming (led by Purchasing)

"A recurring review of the Top 10 **categories and suppliers** by site to optimize spend with Purchasing and Operations"

Diagnostic Deliverables

- Spend overview
- Opportunities assessment
- KPIs benchmark
- Recommendations and proposal of action plan



Monitoring

- Demand Management is not a quick fix, it is about modifying the buying behaviors of each and everyone, at all levels of the group
- For that purpose, dashboards are built to monitor the progressive behavioral changes and reach bottom line results

Support for monitoring

T&E Dashboard

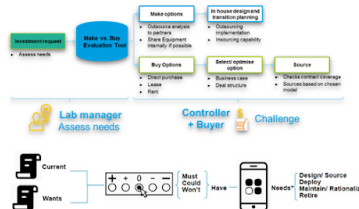


Solutions service



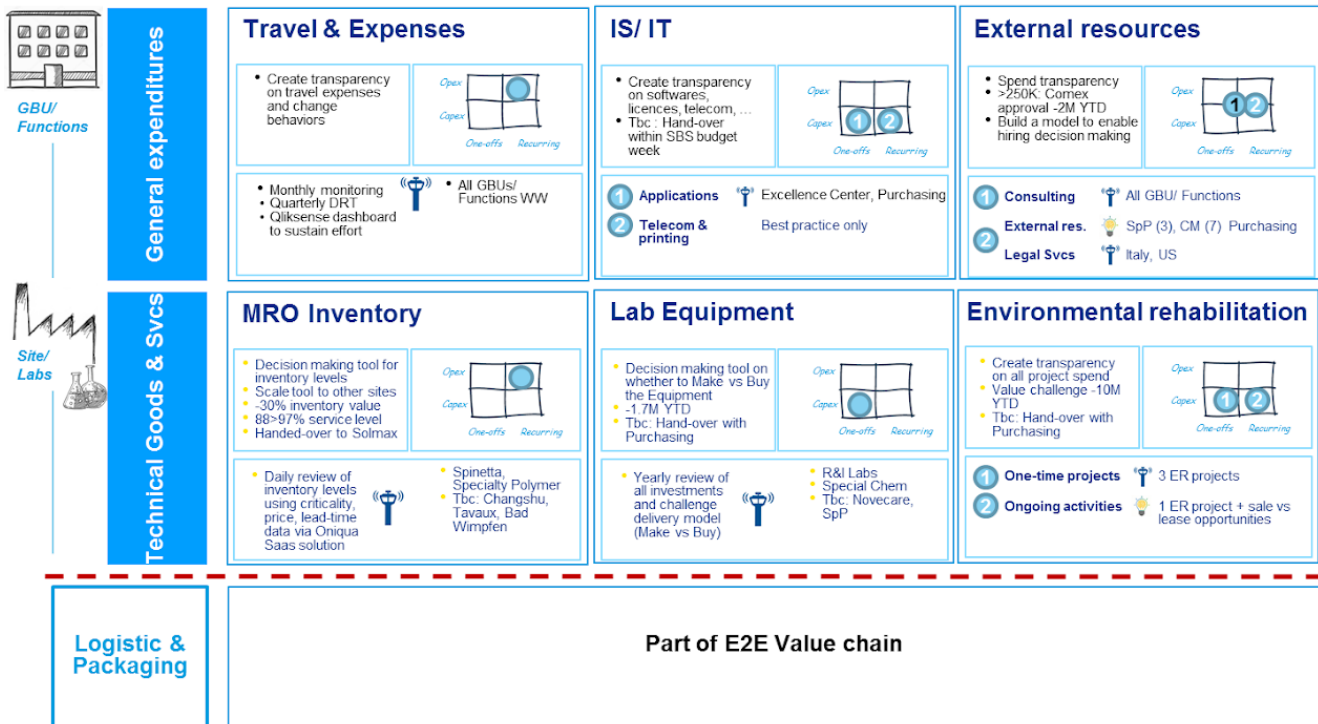
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Make vs Buy tool



Examples

- Here are a few examples of focus of Demand Management



Navigation tree

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Supplier non-conformance process

Key Trainings:

Key contacts

Linked page

Demand Management Solvay