ProcureAbility
a Jabil company

Taming Tail Spend: Gaining Control and Visibility to Unlock Millions in Savings

How a global hospitality leader streamlined procurement, enforced compliance, and optimized $295M in tail spend



Client Pain Points

Before its cloud-based P2P implementation, the company faced $295M in unmanaged tail spend across 48,000 items and 2,000+ suppliers

- Cleanse the ERP data (650,000 data points) into an actionable format
- Negotiate pricing agreements and communicate P2P environment requirements with suppliers
- Achieve $44M (15%) in annual savings in the process

Our Customized Solution

Working closely with the organization's Strategic Sourcing teams, ProcureAbility gathered the necessary process, tools, and incumbent knowledge to design a process and outline ambitious timelines

1. Develop supplier outreach strategy to quickly prompt supplier responses and negotiations
2. Create a contract library to streamline the transfer of executed contracts into the new P2P system
3. Customized comprehensive RFQ and pricing templates for each specific category, along with a communication plan to suppliers

Client Impact

$47M
in actual savings, exceeding target

$295M
in increase spend under management

2,135
new contracts

Enabled a "touchless" P2P process

ProcureAbility developed a strategic roadmap leveraging 875,000 data points to implement a comprehensive Tail Spend Management program

The organization plans to implement the plan immediately following the successful completion of the P2P rollout with suppliers, thus reducing the cost and complexity of their procurement processes