

Increasing Value Added in Purchasing

«Total Cost of Ownership» as the lead concept



Mondi Frantschach shall make an optimal contribution to the business success of Mondi. An analysis of the potentials within purchasing examined process costs from the supplier to the end-user. The results are intended to pinpoint improvement measures in the sectors of MRO and spare parts management, plus the possibility of reducing the supplier base.

The Client

- Mondi Frantschach GmbH, Austria
- Headquarters of group purchasing of the Business Unit Kraft Paper
- Influenceable purchasing volumes: approx. 50 million euros (total 114 million euros)
- Number of suppliers: approx. 750, number of product groups: approx. 500

The Objective

- Reduce the supplier base and process costs in the MRO sector.
- Sustainably reduce Total Cost of Ownership.
- Globally establish purchase pooling for selected product groups throughout the Mondi Group.
- Set up an e-procurement platform with a defined product range to reduce inventories and hence, capital costs, by 20%.

The Solution

- Reduce product groups and supplier base by deploying an interdisciplinary product range team.
- Prevent small volume ordering and maverick buying by rigorous product range management.
- Set up a procurement organisation with clear delineation of operational and strategic tasking.
- Establish a neutral e-platform with content management, e-billing, e-signature and e-archiving, integrated into the SAP R3 ERP system.
- Integrate key suppliers into the e-platform.

The Client Benefits

- Sustainable reduction of total purchasing costs in the MRO and spare parts sectors
- Improved availability of essential maintenance materials
- Defined procurement responsibility for designated product ranges
- Simplified ordering processes and ease of release directly with the requisitioner