SOURCING DOJO

IMPERIAL BRANDS

Imperial Brands bridges the gap between digital promise and reality with Sourcing Dojo

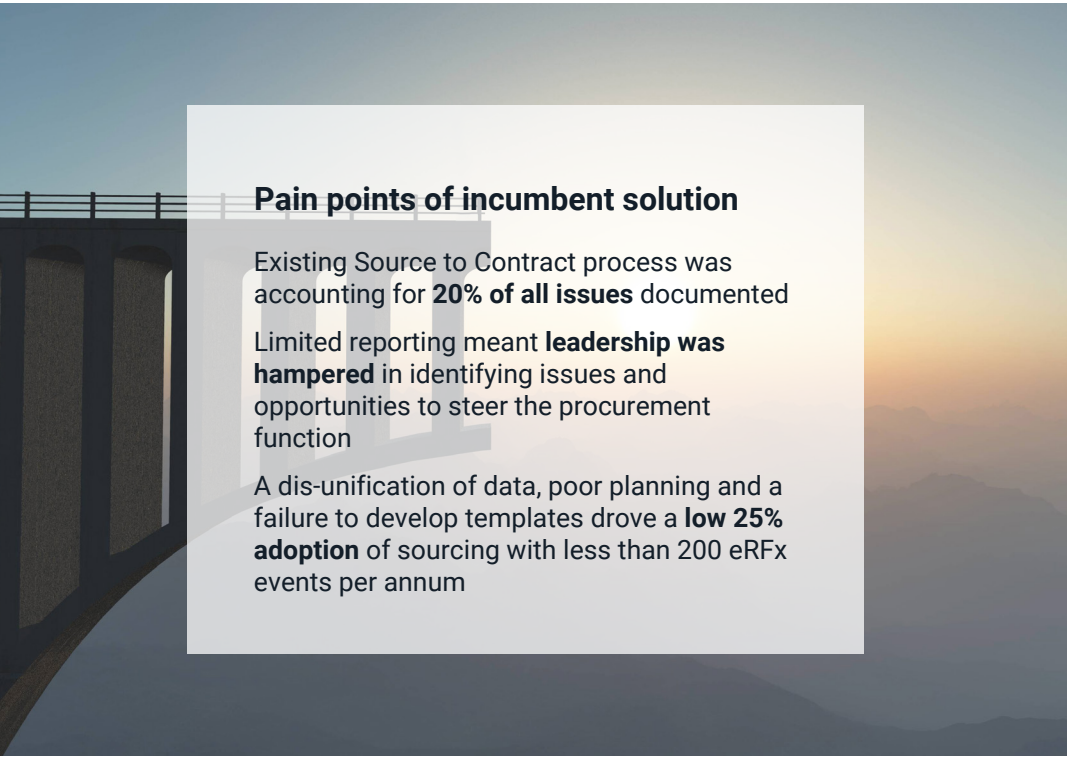
Customer Success Story

marketdojo
an Esker company

At a glance

Imperial Brands

- Global FMCG company
- £30 billion annual revenue
- 30,000 employees
- Headquarters: Bristol United Kingdom
- Established: 1636
- eSourcing maturity: Source to Contract suite solution



Pain points of incumbent solution

Existing Source to Contract process was accounting for **20% of all issues** documented

Limited reporting meant **leadership was hampered** in identifying issues and opportunities to steer the procurement function

A dis-unification of data, poor planning and a failure to develop templates drove a **low 25% adoption** of sourcing with less than 200 eRFx events per annum

Challenges

Reshaping the strategic sourcing process

Imperial Brands wanted to transform their previous Source to Contract process to a 'demand to enablement' focused process. There was also a need to deliver more with less addressing speed, cost and risk.

Market Dojo's strategic sourcing technology was a perfect fit to be able to provide agility, flexibility and usability to accommodate Imperial Brands' specific requirements and to enable them to overcome their pain points.

From the award of contract to going live with the technology it took less than six weeks and to date has achieved savings of more than £7.6 million, equating to over 6,000% ROI.

Head of Global Procurement Excellence, Ciaran Owens shares his experiences on how Imperial Brands is reshaping its strategic sourcing process with Market Dojo.

Procurement on an enterprise scale

Imperial Brands is a dynamic FMCG company born out of a strong tobacco heritage, selling tobacco brands within 160 markets worldwide.

With a purchasing volume of $1.16 billion for direct spend and $744 million indirect (excluding tobacco) the organisation established a procurement function during 2014 with Ciaran Owens taking on the greenfield role as Head of Global Procurement Excellence.

Top-right quadrant solution fails to perform

Up until 2022, Imperial Brands used a 'top-right quadrant' Source to Contract (S2C) solution but it became apparent to Ciaran that it was poorly adopted leading to poor results within the procurement function.

Particular pain points included the solution being unable to adapt to new processes which meant new ways of working to gain efficiency were not available. Also, despite the solution being end-to-end, the workflows and integrations between modules were poor leading to inefficiencies and challenges in reconciling data for cohesive reporting. Ultimately, the sluggish, cumbersome nature of the solution was creating additional overheads that the team did not need. For specific data on the negative impact of the incumbent solution, see sidebar.

Solution

Laying a strong foundation

Following an internal assessment, Ciaran established a rigorous process for requirements gathering which enabled Imperial Brands to look beyond the top-right quadrant providers to find a solution that would best fit their needs.

"We approached the project by asking ourselves how we can use a tool to make things better," says Ciaran, *"We were focused on the end result, not just that we wanted a new tool."*

Why Market Dojo?

"When we compared the proposal from Market Dojo to other solution providers, it was clear that Market Dojo would give Imperial Brands a greater opportunity to achieve its goals," explains Ciaran. *"Market Dojo focuses on ease of use, which is exactly what we needed. It provides a more efficient and user-friendly experience for our internal users, as well as our suppliers."*

Imperial Brands loved that Sourcing Dojo, Market Dojo's eSourcing solution, followed a 'one design built for all', single instance SAAS model with software updates every two weeks.

Furthermore, Ciaran recognised the pedigree of Sourcing Dojo as a solution for procurement professionals, built by procurement practitioners, and they are native to Imperial Brand's hometown of Bristol in the UK, *"It is great to be working with a local business, who are competing and beating their more established global competition."*

Sourcing Dojo excels

Before embarking on a digital transformation initiative, Ciaran recognised that the people involved in receiving the new technology, first and foremost, need to be ready.

The large number of potential users and diverse geographies in which Imperial Brands operates created a particular challenge. As a result, ease of implementation was key, and an area where Sourcing Dojo excelled.

The initial implementation went live with 83 users in nine regions across the globe in less than six weeks. *"From awarding Market Dojo the contract, the solution was implemented within a six week timeframe which, compared to what was proposed by other solution providers, was very swift."* says Ciaran.

Having taken the time to properly prepare themselves for the transition in terms of data points and requirements, Imperial Brands were able to fully take advantage of the agility and adaptability of the Market Dojo implementation.

"For years, we were in the situation where users had to adapt to the way the technology worked, not the other way around," explains Ciaran, *"But Market Dojo is able to truly deliver on agility by having a deep understanding and extensive experience of procurement."*

Market Dojo's experience at building eRFx questionnaires was critical to the success of the implementation with their award-winning Customer Success team supporting Imperial Brands on building templates for pre-qualification, long-form and short-form eSourcing RFx and quick RFQs. This templated eRFx catalogue has subsequently been translated into multiple languages for use across the globe ensuring consistency and efficiency.

Lastly, the pain point of poor data visibility was addressed through a unified PowerBI report that takes data from Market Dojo and partner solutions to create a singular view of the demand to enablement process for the Imperial Brands leadership team.

"From awarding Market Dojo the contract, the solution was implemented within a six week timeframe which, compared to what was proposed by other providers, was very swift."

Ciaran Owens
HEAD OF GLOBAL PROCUREMENT EXCELLENCE, IMPERIAL BRANDS

Results

The impact of Sourcing Dojo to Imperial Brands

"Buyers just got it!" explains Ciaran, *"Immediately they could see the value."*

This unanimous adoption of the solution is a huge result, but what other tangible results has Imperial Brands realised?

- An average saving on current spend* of 8.6% on RFQs and reverse auctions (*current spend is recorded on only ~20% of priced events so actual savings is likely to be significantly higher)
- Specifically for reverse and Japanese auctions, an average 7.3% difference, per auction, has been saved between the winning suppliers' opening and final bids
- Overall ROI of the solution versus savings gained is over 6,000%

Benefits

Overall ROI of 6,323% and able to offset inflationary pressures over a 3 year period

Implementation within 6 weeks

Improved adherence to standards

Breakthrough in eSourcing adoption with events up by a factor of x5

And that's not all

In addition, there have been many equally important soft benefits. From an operating cost perspective, Imperial Brands have been able to offset inflationary pressures over a three year period through more effective demand orchestration.

Although auctions are key to Imperial Brands, it was important to gain solid adoption of the additional sourcing activities as nearly 70% of Imperial Brand's sourcing events do not include an auction component. The post training survey found that 95% of users felt the solution was either "better" or "much better" than the previous sourcing solution.

Since the transition, the Imperial Brands community has not looked back

- Seamless integration of ~3,500 projects and sourcing events, eliminating hours of double entry
- Increase in the range of sourcing channels, templates and language localisation
- Number of sourcing events (including eRFx, eAuction and quick quotation) up by a factor of x5

Finally, the Imperial Brands leadership team has reaped the rewards of an experiential approach that has ensured increased adoption and adherence to standards so important to a global function.

> **"Market Dojo's on-demand capability has enabled us to achieve breakthroughs in eSourcing adoption."**

Is Sourcing Dojo a viable alternative for enterprises?

Market Dojo's on-demand feature ticked the box for Imperial Brands in terms of speed and simplicity. *"It wasn't a cost decision, more an indication of how easy it is for people to pick-up and play with the tool, even those who aren't used to eSourcing,"* says Ciaran.

He goes on to say, *"Market Dojo leads the market in on-demand eSourcing, and it is these design principles that need to be promoted to larger scale organisations. Their on-demand capability has enabled us to achieve breakthroughs in eSourcing adoption."*

Market Dojo

Transforming procurement. On demand.

Book a demo today

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About Market Dojo

Market Dojo's on-demand sourcing software and exemplary customer support, rapidly evolve procurement from a reactive back office function to a proactive strategic resource. Built by procurement for procurement, our agile, best-of-breed solutions are easy to implement, intuitive, deliver immediate value and are accessibly priced.

Trusted by the world's biggest brands, we help procurement teams of all sizes to focus on value creation, supplier relationships and strategic influence rather than traditional inefficient sourcing and supplier management processes. We streamline, digitise and automate to provide centralised data and powerful insights to mitigate risk, control cost and drive smarter, faster decisions.

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