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Capgemini's good advice contributed in a very creative way to finding the best possible solution to our purchasing challenges at NCC – we were able to solve classification questions and set up a proper category structure.”

Erik Nordesjö

Head of Purchasing Strategy,
Process and Controlling, NCC
Group



NCC achieves transparency via IBX Spend Analytics enabling a complete procurement transformation

Over the past year, IBX Spend Analytics has enabled NCC to increase coordinated purchasing spend, helping them to achieve lower purchasing costs and profitable growth.

The Situation

NCC is a leader in construction, property development and infrastructure in Northern Europe. With 18,000 employees and reported sales of SEK 57 billion in 2014, NCC's vision is to completely renew its industry while continuing to provide superior, sustainable solutions.

NCC's legacy procurement system was severely hampering the creation of this vision. A lack of transparency was the main problem here – they couldn't even get answers to simple questions regarding procurement spend. This meant that discussions were based on assumptions and impressions, rather than hard facts. Stakeholders also found it difficult to reach joint conclusions and make strategic decisions together.

The Solution

NCC recognized that a spend analytics system could deliver heightened visibility and drive its desired procurement changes. After careful evaluation, NCC selected Capgemini IBX Business Network to implement its Spend Analytics solution.

NCC understood that Capgemini had the right expertise and methodology, coupled with the right qualifications to deliver efficiently and on time. The Cloud-based IBX Spend Analytics solution was chosen because of its user-friendliness and high performance with an in-memory data model.

Together with NCC, Capgemini facilitated workshops where category specialists and business owners both participated to create an NCC Group-wide common category structure that was valid for all countries. The next step entailed grouping suppliers, and then mapping spend data to the category structure in order to ensure high data accuracy.

Lastly, Capgemini designed tailor-made reports that enabled NCC to follow up on the level of coordinated volume and type of coordination. These reports detailed the amounts of buying through centrally negotiated NCC contracts and international suppliers, Lead Buyer purchases, and internal NCC Group purchases.

The Result

The strategic leadership at NCC now has one shared picture of the Group's total spend – and all numbers are better aligned to match reality. With aggregated and categorized spend data from seven different systems, they now have access to the data needed to make informed decisions. Spend Analytics has also supported the implementation of a new commodity strategy within the organization that includes standardization of products and consolidation of the entire supply base.

“With the help of Spend Analytics, we have been able to identify the categories that had a low coordination level and high spend; and to identify the departments with the highest potential for improvement. Spend Analytics has also helped us drive change by having facts and numbers to show in discussions with the production departments,” says Per Lundström, Head of Category Management. The result was an increase in coordination levels that led to lower supplier prices, more efficient production and lower business risk.

As an example, prior to the implementation of IBX Spend Analytics, it took an average of a month and a half of lead time to source windows within projects. The implementation of the new commodity strategy has led to a 68% increase in coordination level and the ability to order windows in less than one hour. Similarly, the decision to standardize wood element structures resulted in a 59% increase in category coordination level.

Now NCC's leadership can regularly follow up on decisions – and they are also able to measure the effects of these decisions and respond accordingly.

About Capgemini

Now with 180,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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About NCC

NCC is one of the leading companies in construction, property development and infrastructure in Northern Europe, with 18,000 employees. In 2014, it reported sales of SEK 57 billion.

NCC's vision is to renew its industry and provide superior sustainable solutions. Its shares are listed on the Nasdaq Stockholm Exchange.