



Strategic Procurement Evolution: From Back-Office Function to Margin Driver

Operating at the intersection of innovation and reliability, this global technology leader supports industrial growth markets with highly specialized solutions. To match the sophistication of its products, the company set out to transform procurement into a strategic, data-driven function.

“ For every million dollars we save, we unlock roughly \$23 million of investor value. That shifts the conversation from simple cost-cutting to genuine margin enhancement and strategic growth. ”

**Senior Supply Chain Executive at a
\$6B Global Industrial Conglomerate**

The Company

Working across four major segments—Instrumentation, Digital Imaging, Aerospace & Defense Electronics, and Engineered Systems—this Global Company provides specialized solutions ranging from deepwater oceanographic research and environmental monitoring to medical imaging and space defense.

With a strategy built on targeted acquisitions and operational excellence, the company comprises roughly 80 different technology businesses primarily located in the United States, the United Kingdom, Canada, and Europe. This vast, decentralized ecosystem serves markets characterized by high barriers to entry, delivering niche, mission-critical products that are not likely to be commoditized.

The Challenge

A Fragmented Landscape of Disjointed ERP Systems

For their enterprise, diversity is a strength in the market but a massive hurdle in the back office. The company's acquisition-led growth strategy resulted in a highly fragmented ERP landscape. Almost every business unit operated on its own legacy system, creating data silos that made centralized visibility nearly impossible.

Procurement was historically viewed as a tactical, back-office function. In many local purchasing offices, direct and indirect spend were commingled, managed by small teams pushing paper rather than driving strategy.

"Most procurement action happens at the local level. We effectively have 80 different technology companies building niche technology for specific markets, so there are a variety of different operating models depending on the maturity of the business," the Executive explains.

Leading the corporate supply chain team, his role is to manage this evolution across their business segments. The biggest hurdle is alignment, as many teams still operate tactically and miss the long-term benefits of centralization.

The complexity of managing multiple business avenues, each with its own modular technology and operational habits, meant they needed a solution that could standardize processes without stifling the agility of its niche businesses.



The Journey

Choosing Flexibility and Direct Spend Capability

The company's selection of Ivalua was driven by three critical factors: Flexibility, Direct Material Sourcing Capabilities, and Total Cost of Ownership.

Unlike other organizations that might standardize on a single ERP, they accepted its multi-ERP reality. They needed a procurement layer that could sit above the chaos, ingesting data from various sources while providing a unified workflow.

"Flexibility was key; we knew the businesses were all over the place in terms of their process," the Executive noted. "The second driver was direct material capability. And the third was cost—some of the other options we considered were lower TCO."

Solutions Selected



Supplier Risk & Performance Management



Supply Chain Collaboration



Direct and Indirect Sourcing



Contract Management



eProcurement



AP Automation



Strategy & Analytics

Implementation Journey

Driving Change in a Decentralized Culture

Ivalua wasn't just a software implementation, it was a cultural transformation. The goal was to break out direct from indirect purchasing, professionalize the procurement function, and move procurement from a clerical role to a strategic business lever.

The rollout has been a learning, yet ultimately successful journey, moving forward steadily despite some initial resistance in legacy units and experiencing accelerated adoption in others.

By centralizing indirect purchasing for segments with multiple sites, they were able to dedicate specialized resources to categories that were previously managed in an adhoc manner.

Value Realized

76% Faster Cycle Times, Millions Saved

The partnership has delivered dramatic improvements in efficiency and visibility, proving that even a decentralized giant can achieve agility.

Metric	Before Ivalua	With Ivalua	Impact
REQ-to-PO Cycle Time	~7 Days	40 Hours	76% faster cycle time
Invoice Automation	Minimal	~90%	Drastic reduction in manual AP work
Catalog Adoption	N/A	47%	Nearly half of all POs require no buyer touch
Sourcing Impact	Scattered/Manual	Centralized Events	Example: Single event saved \$3M/year

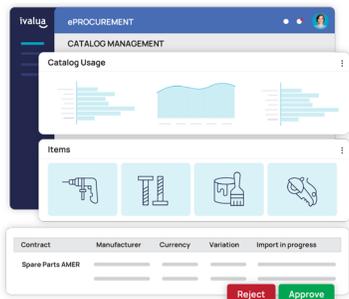
The Senior Supply Chain Executive highlights the broader financial implication of these wins: "I look at this as an investor. If we run a sourcing activity that saves \$3 million a year, given our trading multiple, we haven't just saved cash—we've unlocked massive value for our shareholders."

The automation of invoicing, moving from negligible automation to nearly 90% via OCR and digital inputs, has allowed the AP function to remain lean despite high turnover and volume, protecting the business from operational risks.

Looking Ahead

Leveling Up: Catalogs, Sourcing, and Spend Visibility

Looking forward, the road ahead with Ivalua will focus on leveling up the core purchasing and sourcing functions. The team plans to deepen the platform's impact in three key areas:



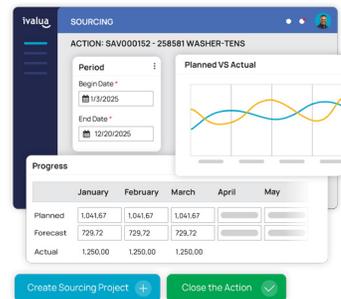
Expanding Catalog Adoption

Moving more spend into catalogs to further increase the percentage of touchless orders



Sourcing Maturity

Refining sourcing processes to drive consistent value across business units



Spend Analysis

Preparing to tackle spend visibility, aiming to clean up data inputs to unlock actionable spend insights within the platform

A Foundation for Strategic Growth

This Ivalua story proves that complex, multi-ERP organizations do not have to settle for fragmented procurement. By leveraging Ivalua's flexibility to bridge the gap between diverse business units, this global leader has successfully elevated procurement from a back-office necessity to a strategic margin contributor.

Known for high-tech precision, the company now runs a procurement operation that reflects the same level of sophistication as its products.