

Supercharge Your Hidden Value Engine: Procurement

Onward Spark

5 Critical Drivers Draining Value from your Bottomline



Lack of spending transparency



Myopic focus on the short term



Underdeveloped procurement skills



Underused digital tools and automation



Exclusion of procurement in business decisions

Procurement savings yield 10x impacts

To grow your company's EBITDA, you have two levers to pull: increase sales or decrease costs. \$1 in Procurement Savings equals \$10 in Sales Growth. Pull the more efficient value lever, procurement.

Lever A: Increase revenue by 10%.

Lever B: Decrease costs by 1%.

Illustrative Income Statement (\$MM)

	2022
Total Revenue	1,578
Cost of Revenue	1,221
Gross Profit	357
Operating Expense	182
Operating Income	175
Interest Expense	25
EBITDA	150

Revenue Increased

▲ 1,736
▲ 1,343
393
▲ 200
193
25
▲ 168

Cost Decreased

1,578
▼ 1,204
375
182
193
25
▲ 168

How we partner to unlock value

Overview

- Regional retail bank (\$1.5B annual revenue) looking to fuel strategic growth from EBITDA optimization
- Historically siloed purchasing management by function with little central oversight
- Newly created procurement team lacked technical knowledge and experience to capture full value

Approach

- Performed holistic assessment of bank's purchasing categories
- Identified internal optimization opportunities and external market dynamics to exploit
- Delivered immediate spend reduction through improved sourcing tactics, bundled consortium buying levers, & revamped supplier-buyer relationships

Results



\$6.5MM

of spend impacted



14%

annual savings delivered



2

categories improved



3

months to value realized

Learn more about how to supercharge your EBITDA growth.

Contact us: contact@onwardspark.com