



GRASSHOPPER

ANT



SUPPLY CHAIN

EXCEPTION
MANAGEMENT



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SERVICES

Grasshopper Ant work with organisations ranging from £0.040bn to £4bn in revenue, providing a niche supply chain diagnostic service: Supply Chain Exception Management (SCEM).

SCEM is the approach of identifying supply chain and spend or budgetary 'exceptions' within client data. The exceptions are triangulated with external market/supplier data and internal workshops which lead to insights informing delivery opportunities within cost reduction, supplier consolidation, supplier diversification or organisational change.

Grasshopper Ant use in-house data systems to accelerate insights around client spend or budget data, resulting in rapid 8-12 week diagnostic and advisory.

The speed, accuracy and results of the SCEM diagnostic are reflected in the Private Equity clients Grasshopper Ant work alongside. Grasshopper Ant are deployed into organisational environments that range from infantile, hostile to high performance, working independently with CFOs, C-Suite and Heads of/stakeholders.

SCEM Diagnostic services run across 6 key stages, taking approximately 8-12 weeks to complete:

- Procurement team engagement
- Data gathering
- Data & External Supplier/Market insight mapping
- Workshop
- Review
- Final Insight Report

The final Insight Report delivers aligned and actionable outcomes for organisations to self-manage workstreams, or utilise Grasshopper Ant's delivery arm.

CASE STUDY

Target: Cost Reduction - Indirect Spend - OPEX

Private Equity Sector

Technology/SaaS Portfolio Company

Company Revenue: £40m

Company Status: 12 month old carve out, little infrastructure, reactive

Brief: Deliver budget impacting cost reduction, fix how we buy things: £3m cost reduction in year 1

Stakeholders: Chairman, CFO

Contract Type: Rapid SCEM diagnostic and remote FTE delivery

Organisational Summary

Initial engagement period of three months from January – March to run diagnostic assessments. Fiscal calendar year January – December. Savings measurement of £3m cost reduction to be measured as run rate from January to December. Budget impacting savings were only recorded.

Virtual organisation of 319 people spread across three key geographies of UK, Europe and US. Very little infrastructure to the organisation, no supplier, spend or purchase order data available. No organisational structure – with large areas of the organisation outsourced to IT partners with little visibility of resources/costs.

APPROACH

In this instance Grasshopper Ant used CFO budget data alongside rapid fire engagement meetings with Heads of and key staff such as office managers, reviewing how and who the organisation use.

Existing SCEM experience/data, stakeholder meetings and observations about the organisation led to a number of key insights into a number large areas of addressable spend to optimise:

- Reactive/ad hoc buying
- Marketing
- Business Insurance
- IT – Cloud/FinOps
- IT - Licensing
- Outsource Providers
- Payroll
- Travel
- Key Enablers for Implementation: expense system, amazon business, travel portal, software asset management, software licenses, hardware aggregation

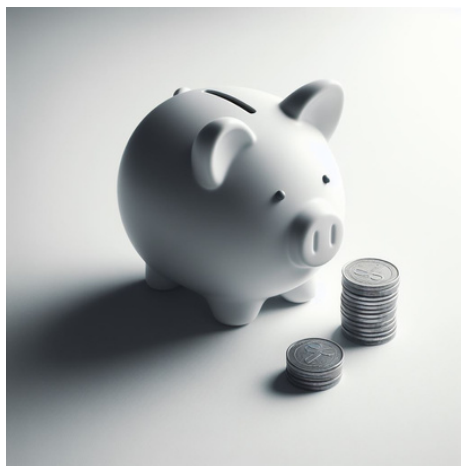


COST REDUCTION

From initial engagement in January, after 8 weeks of working with the client a cost reduction profile started to be delivered:

2 year total

Forecast savings	2024	£1,785,437	2025	£2,033,347	£3,818,784
In progress	2024	£1,515,285	2025	£1,890,749	£3,406,034
Delivered: budget impacting	2024	£270,152	2025	£142,598	£412,750
Delivered: not budget impacting	2024	£68,296	2025	£43,842	£92,750



SCEM Cost Reduction Averages

Assuming circa 100 suppliers per category, 20 suppliers making up 80% of spend. First wave achieves 60% spend coverage, second wave achieves 20% spend coverage. Additional efficiencies can be driven through enhanced processes (tool/compliance/adoption).

Marketing: 33%	IT Infrastructure: 15%	Stationery: 20%
Media: 56%	Logistics: 17%	Travel: 26%
IT Licenses: 38%	Warehousing: 20%	Prof. Services: 10% (low addressability)
IT Hardware: 21%	HR Recruitment: 10%	FM: 20%
IT Cloud Cost: 20-45%	HR Platforms: 15%	Utilities: 17%
IT FinOps: 10-30%	Energy: 10%	AI Deployment: 20-50%

The lower the organisational revenue the harder the value delivery achievement:

£40m revenue - 10% budget impacting annual cost out is good
£3bn revenue - £28m cost out is good

All bottom line savings have a forecast value beyond year 1.
There are always incremental value add and out of budget savings that are realised as a result of the engagement.



SUPPLIER ENGAGEMENT

Grasshopper Ant have long standing relationships with major suppliers in supply chains. These relationships help accelerate a client's delivery due to rapid engagement and response from the suppliers.

The supplier and supply chain proposals will be at the right level of maturity for the client, delivering quick speed to market.

Grasshopper Ant optimise and embed best in class practices, utilising AI innovation to automate and drive efficiency in a number of supply chains.





grasshopperant.com
01225 458655
info@grasshopperant.com

GRASSHOPPER ANT LTD
2 Russell Street
Bath
BA1 2QF

Company no: 11877182

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