

WERNERCO

Case Study with Sievo

How WernerCo's new CPO transformed their procurement team through a digitalization journey to be data-driven and strive for continuous improvement



Reading time: 8 minutes

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*Change Champion
of the story*

DARREN MCGRATH

Global Chief Procurement Officer at WernerCo since 2018

Over 25 years of progressive leadership experience in the field of procurement and supply chain management

What makes Darren, Darren?

Is from the deep south of Australia and has been in US since 2004

The work we have done with the Sievo team on Spend Analytics, Savings Program Management and Realized Savings Measurement has dramatically improved our visibility to global spend and our ability to manage savings projects and track savings and benefits through to our bottom line. As a leader I think you really must be prepared to be proactive about exploring and investing in new tools and systems, even to the point as being disruptive in order to change the way work is done.

WERNERCO

Established in 1922 and involved in the manufacturing industry

Has over 20 globally recognized brands in 8 product categories

Sells in over 100 countries worldwide and sources from 27 different countries

Sievo Solution highlighted in this case study:

*Spend Analysis, Savings Program Management,
Realized Savings Measurement*

Other Sievo Solutions that WernerCo is also using:

Payment Term Tracking, Market Benchmarking

Key Take-Aways

Find the right systems & tools.

An important factor of fundamentally transforming the procurement function behaviour is by finding the right systems and tools. WernerCo uses Sievo's Spend Analysis, Savings Program Management, and Realized Savings Measurement.

4 Digitalization success factors.

A transformation strategy requires a robust digitalization roadmap. WernerCo's consists of four factors: Leadership & Strategy, Organization Development, Processes, and Systems & Enablers

5 Enhanced procurement areas.

Digitalizing the procurement function can enhance value in 5 areas: Total Cost Alignment, Innovation, Risk Management, Business Intelligence, and Operational Support

Digitized data objectives.

To create the ideal digital transformation roadmap, WernerCo aligned early in the process with cross-functional stakeholders to gain insights on shared objectives for digitizing data and process improvements

Global information sharing.

Sievo's globally connected platform has improved WernerCo's information sharing between business units which supported their risk mitigation successes during the pandemic

Track & measure savings.

Sievo's Savings Program Management and Realized Savings Measurement tools help WernerCo manage their savings projects and provide the ability to track their savings through the bottom line

How it all started

WernerCo began in 1922 as a ladder manufacturing company. Today, they are still the number 1 brand in ladders in North America as well as a global manufacturer and distributor of access products, storage systems, truck/van equipment, fall protection, material handling, logistics, engineered solutions, and light duty construction equipment.

Challenge

WernerCo has seen tremendous growth in the last decade by diversifying their portfolio with global brands that are also the number one brand in the markets they serve. Their revenue grew from \$400 million to over \$1.1 billion. Despite the growth of the company, their procurement function had not scaled with the growth to handle the scope and complexity of their operations. WernerCo needed to embrace digitalization to manage spend strategically and strive for continuous improvement. As VP Global Procurement, Darren McGrath joined WernerCo to lead the company's strategic procurement transformation journey.

The majority of the procurement resources that were in place, were very much focused on tactical purchasing. There was little to no standardization of tools, metrics, rules and behaviors across the functions. Like many immature procurement functions, there was an over-reliance on manual processes, tribal knowledge and whatever outcomes were achieved, were the result of extraordinary effort rather than repeatable reliable and sustainable procurement practices.

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Global Chief Procurement Officer
WernerCo

Solution

The procurement transformation journey of WernerCo consists of a 4-factor roadmap with the vision to become data-driven and to strive for continuous improvement.

McGrath emphasizes that to create the digital transformation strategy, WernerCo leveraged functions besides procurement as early and as frequent as possible because collaborations across functions can close gaps sooner, and value propositions could be identified quicker in order to justify investments.

McGrath advocates that the simple equation of capable people executing capable processes using capable tools result in sustained success. This is where Sievo's user-friendly tools play their part in supporting WernerCo's transformation strategy which consists of WernerCo's foundations and fundamentals such as Master Data and Management Processes.

4 Digitalization Roadmap Success Factors

Leadership & Strategy

Leadership must develop and articulate a well-defined transformation strategy

Organizational Development

Your team should have the right capabilities and competencies where roles + responsibilities are clearly defined and aligned to strategic goals

Processes

Design processes that are capable and can deliver what is expected in a reliable and consistent manner

Systems & Enablers

Provide professionals with step-by-step instructions, training, tools and measurement systems to execute the processes



To be data-driven requires one to have tools that explain data quickly and easily. Sievo's Spend Analysis facilitates such process by providing visibility on WernerCo's global spend data, which is mapped to their four-level taxonomy and consolidated supplier groups.

Additionally, Sievo's Savings Program Management (SPM) leverages WernerCo's savings opportunities as savings projects' performance can be tracked to the line-item level on one globally connected platform. For a holistic view, Sievo's Realized Savings Measurement (RSM) presents WernerCo's saving comparisons, for example their year on year savings or cumulative savings development in year versus carry over savings.

Such data transparency does not only simplify procurement processes but also reinforces the work procurement teams have accomplished.

Unfortunately, many organizations still see procurement only as an ability to deliver cost savings, this is sometimes even the only measurement of procurement value. McGrath speaks out of experience when he urges the need for companies to have capable tools that can facilitate procurement processes, because besides costs savings, procurement can deliver broader value to the organization through digitalization.

Result

Thanks to McGrath's Transformation Strategy, WernerCo has improved their working behavior as the organization is now fully embracing digitalization. McGrath describes that being hungry for data and driven by continuous improvements has become a part of WernerCo's DNA which leads to a winning company culture.

WernerCo's usage of Spend Analysis, SPM and RSM has supported in their operational and risk management successes, for example Sievo's globally connected platform has enhanced information sharing between WernerCo's business units. Especially in the times of the pandemic where quick responses were needed, WernerCo's digital spend and savings data knowledge gave them the advantage of leveraging their supply chain actively instead of weeks trying to collect and understand data manually.

Having such an extensive footprint in China, we already saw some pretty significant impacts on our supply chain in China during the pandemic. From the risk mitigation perspective, to have visibility on our spend really helped us to formulate plans either to mitigate risks or create opportunities and leverage our strength. The ability to react quickly by having access to data and being able to visualize data, not have to rely on manual accumulation of information or spreadsheets that are a million miles long.



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Why we do what we do

Sievo is a leading procurement analytics SaaS-based solution company. Our purpose is to create a transparent and data-driven world. We help our clients identify opportunities, translate these opportunities into projects, embed created value into budgets and ensure that savings truly hit the bottom line. We speak the language of procurement and we translate numbers into the financial view.

