

DEXTER



UK Online Retail

Creating Procurement Excellence from nothing

CASE STUDY

The Business

The largest online retailer in the Western World with revenues more than £1.13bn



The Challenge

Starting from a greenfield situation, put processes, controls, and people in place to manage spending, reduce cost and release funds for meaningful investments without stifling essential and necessary spending.



The Solution

Creation of a procurement team, with sourcing professionals who developed and shared a robust, flexible, and agile procurement process that allowed sensible spending, whilst minimising unnecessary cost.



The Results

In packaging and transportation alone, costs were reduced by over 33%. Over the first 5 years of creation, the team saved of £100m of cost which was used to invest in technology and the customer proposition.



Generating investment for a growing business

For the largest online clothing retailer in the Western world members of Dexter were involved in building up their procurement from nothing.

Typical of fast-growing businesses, their approach was *'let's throw money at it to facilitate speed of growth and worry about it later'*. This was observed by the CFO who appointed Fre Rammeloo to structure procurement, curb imprudent spending and to support crafting the best solutions to help the company release money for meaningful investment through sustainable procurement savings.

A team was built, spend analysed, and in parallel fixes were put in for existing spend as well as early engagement for any new spend, so unhelpful commercial arrangements and risks could be prevented.

Key areas where large savings were achieved were rent, building facilities and maintenance, logistics and supply chain, IT and automation, product packaging, marketing, and especially online marketing (which is a very specialist area) and general services, ranging from office supplies to legal cost to insurance.

33%

Saved on packaging & Transportation

3

Number of months to create the new department

£100m

Saving generated over 5 years!

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