



**Category Excellence & Commodity Price Tracking & Forecasting – F&B Company**

Deep category & commodity insights enabled proactive sourcing decision-making, which led to savings of approx. €500k in commodity supplier negotiations. Achieved savings 6-8% through external market intelligence & negotiation support in selected categories. Accurate forecasting models helped in develop hedging strategies to manage price volatility



STATXO's support in providing regular category & commodity insights via tailored dashboards helped our sourcing team in data driven strategy building for multiple categories and effective negotiations with suppliers.

Also, the insights are not limited to a small section of the business, but globally accessed by respective sourcing managers.

**VP Procurement, EMEA**

**Q CASE FOR CHANGE**

Client's (a leading food & beverages company) procurement function was facing challenges in 2 broad areas:

- To keep track of market indicators on an on-going basis along with a fairly accurate forecast across 80+ essential commodities (such as Metal commodities like - Aluminum, Copper, Silver and others like Paper, Films, Carton/Corrugated Boards, etc.) which they contracted for. Client wanted insights on:
  - Volatile commodity market and validate price changes suggested by their suppliers on yearly price reviews
  - Potential price shocks to ensure client secure sufficient volume ahead of time
  - To remain updated on latest category insights & best practices, identify and assess suppliers across niche markets (Italy, Netherlands, UK and other Eastern European countries) by categories

**🚲 SHARED VISION**

- To enhance category & commodity management and strategic sourcing. Our goals included delivering regular insights – sourcing best practices, supplier intelligence & scorecards, price tracking & forecasting and establishing continuous KPI monitoring for suppliers. By segmenting suppliers based on their strategic importance, we sought to foster better relationships and ensure supplier stability. Ultimately,
- Objective was to create an interactive dashboard for tracking category & commodity insights, enabling early intervention and contingency planning for effective cost savings.

**📈 FEASIBLE PLAN**

- Set-up a dedicated team to support client on category excellence and commodity volatility management.
- **Commodity Volatility Management:** Support sourcing team with price fluctuations risk management and help strategize proactive measures for any potential price shocks
  - Designed statistical models to forecast prices of 80+ commodities on regular basis
  - Formulated a robust forecasting Model in web-based dashboard
- **Category Excellence:** Targeted insights to category managers
  - Supply Market Insights
  - Contracting Analysis
  - Sourcing Best Practices
  - Supplier Analysis & Scorecards

**✅ CAPABILITY TO DELIVER**

- Insights delivered via user-friendly dashboard with category excellence and commodity prices & forecasting insights updated at regular intervals (monthly/ quarterly). For regular updates/ alerts, utilized data extraction algorithms to improve operational efficiency.
- Used integrated research approach (secondary + primary + expert consultations + AI enabled monitoring) provided customized category intelligence for defining sourcing strategy on a some high spend categories

