SUCCESS STORIES - SUMMARY

Project Name	Client	Brief Description	Key Analyses
Spend Cube	Private Equity	**Consolidated indirect spend data across portfolio companies to identify savings opportunities** by industry and provide visibility into indirect spend by category, sub-category, vendor and customer across time periods	

SPEND CUBE ANALYSES

ABOUT THE CLIENT

Client is a Private Equity (PE) company with investments in various consumer-focused industries, with over 200 investments so far

SITUATION

- **Opportunity to have a consolidated view of the indirect spend across portfolio companies and identify any cross-portfolio learnings** by analyzing spend distribution by industry
- Merilytics partnered with the client to **consolidate the indirect spend data across portfolio companies and create a centralized data cube to provide visibility into total indirect spend** by spend category, sub-category, vendor and customer across time periods

VALUE ADDITION

- **Worked with individual portfolio companies to source data** from appropriate spend systems and automate the same where possible
- Created a **centralized spend cube by standardizing and consolidating** the spend data across portfolio companies and maintained it on a regular basis
- Partnered with the company's management teams to **classify indirect expenses into appropriate categories**
- **Identified key variances in spend share across portfolio companies in each industry to mine for cross-learning and saving opportunities**

IMPACT

- For each industry, **identified outlier portfolio companies** based on indirect spend distribution across categories
- **Identified savings opportunities** when the same vendor is contracted across multiple portfolio companies
- **Real-time visibility in spending** provided the PE team a better insight in to spend patterns that could be leveraged in future deals

OVERVIEW OF SPEND DISTRIBUTION BY INDUSTRY

ILLUSTRATIVE

Ability to analyze the Spend patterns for portfolio companies within an industry

Ability to identify Portfolio Companies within the industry with a different Spend pattern compared to peer group

Note:
1. FY is defined respective Fiscal years of the portfolio companies

Indirect Spend by Major Category

Year	FY 17
Industry	Food & Beverage

Major Category	Company 1		Company 2		Company 3		Total	
	Indirect Spend ($)	Share (%)	Indirect Spend ($)	Share (%)	Indirect Spend ($)	Share (%)	Indirect Spend ($)	Share (%)
FACILITY INFRASTRUCTURE	$ 955,100	15%	$ 574,300	21%	$ 275,800	16%	$ 1,805,200	17%
GENERAL INDIRECT	$ 2,211,326	35%	$ 553,400	21%	$ 581,976	34%	$ 3,346,702	31%
COMMERCIAL SOLUTIONS/VERTICALS	$ 435,100	7%	$ 249,400	9%	$ 106,800	6%	$ 791,300	7%
INFORMATION TECHNOLOGY	$ 1,271,900	20%	$ 518,000	19%	$ 339,900	20%	$ 2,129,800	20%
HUMAN RESOURCES	$ 1,456,300	23%	$ 757,800	28%	$ 405,200	23%	$ 2,619,300	24%
UNCLASSIFIED	$ 0	0%	$ 46,000	2%	$ 20,600	1%	$ 66,600	1%
TOTAL	$ 6,329,726	100%	$ 2,698,900	100%	$ 1,730,276	100%	$ 10,758,902	100%

Categorized Spend into relevant categories based on the nature of the industry

Visibility into Industry level spend and distribution for PE teams