



STRATEGIC PROCUREMENT ANALYSIS & INSIGHTS

A Comprehensive Review of Spend, Supplier Performance, and Risk Control

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Tools Used : Power BI, Excel, DAX, SQL
Dataset Size: 777 Purchase Orders | 5 Categories | 30 Suppliers

Data Context & Purpose of Analysis

DATASET OVERVIEW

Source: Procurement KPI dataset

Time Period: Jan 2022 – Mar 2023

Size: 777 Purchase Orders

Scope: 5 Categories (Electronics, MRO, Office Supplies, Packaging, Raw Materials) across 5 suppliers

Original Dataset Columns: PO_ID, Supplier, Order_Date, Delivery_Date, Item_Category, Order_Status, Quantity, Unit_Price, Negotiated_Price, Defective_Units, Compliance

GOAL OF THE ANALYSIS

- >To evaluate procurement performance across savings, supplier reliability, and compliance
- >To identify value leakage from defects, delays, and non-compliance
- >To benchmark suppliers & categories using KPIs and scorecards
- >To provide strategic recommendations that reduce costs and strengthen procurement

Executive Summary

Realized Spend: \$35.60M

→ This is the actual spend after considering negotiations and accepted quantities.

Savings: \$3.93M (7.97% of List Spend)

→ Negotiations are yielding ~8% savings, which is good, but with headroom to improve toward 10–12% benchmark.

Avg Lead Time: 10 days

→ Procurement cycle is relatively efficient, though some categories exceed this baseline.

Maverick Spend: 14.70%

→ About 15% of purchases were made outside approved contracts, which leads to higher costs and wasted savings.

OTD % (On-Time Delivery): 68.75%

→ Only 2/3 of orders arrive on time; this is a major operational risk.

OTIF % (On-Time In-Full): 0.54%

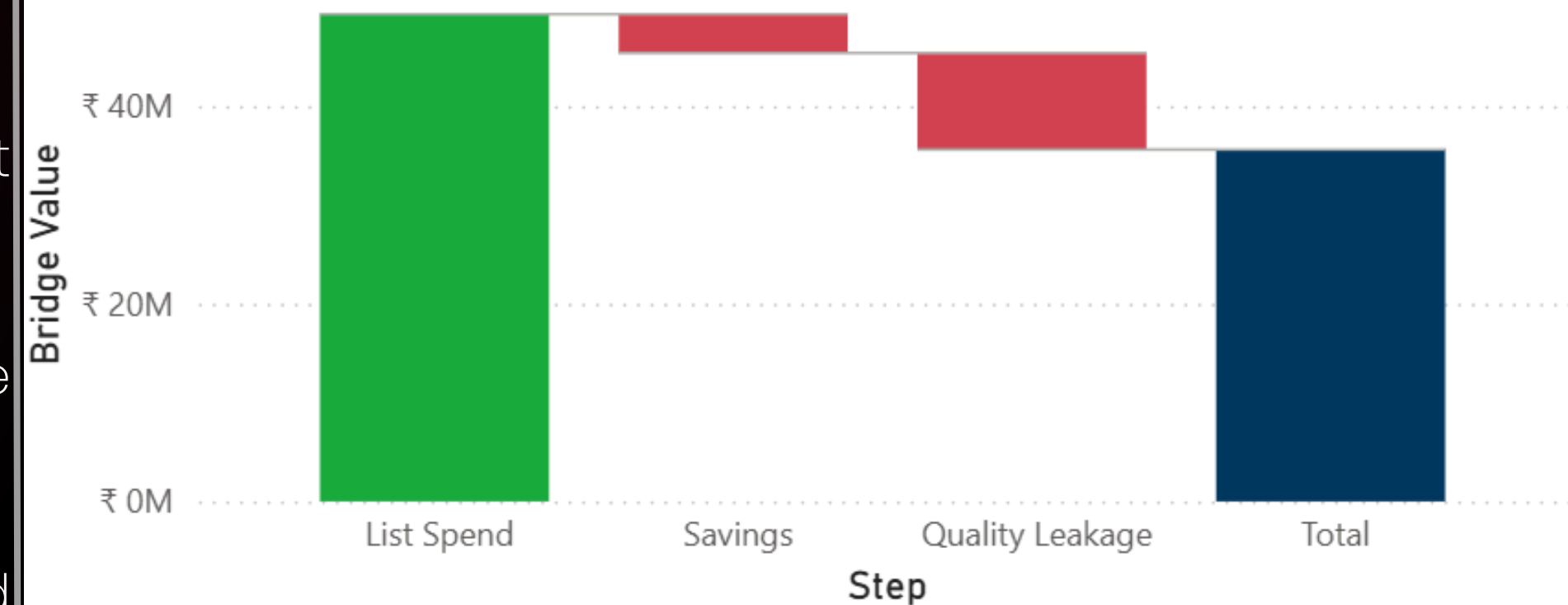
→ Suppliers rarely deliver on time and in full → major reliability risk.

Cancellation Rate: 8.11%

→ 1 in 12 orders cancelled, this directly points to supplier unreliability or poor demand forecasting.

Bridge Value by Step

● Increase ● Decrease ● Total



SAVINGS: \$3.93M REDUCTION ACHIEVED THROUGH NEGOTIATION.

QUALITY LEAKAGE: ~1.2M LOSS (DEFECTS, WARRANTY ISSUES, REJECTED UNITS).

TOTAL REALIZED SPEND: \$35.60M.



KEY FINDING

PROCUREMENT DELIVERED SAVINGS, BUT NEARLY 30% OF THOSE GAINS ARE LOST DUE TO QUALITY LEAKAGE AND COMPLIANCE GAPS

Strategic Takeaways From Executive Summary

1. PROTECT SAVINGS

8% savings achieved, but 30% lost to defects & compliance gaps → tighten supplier quality and contract enforcement.

2. IMPROVE RELIABILITY

OTIF at 0.54% signals a major risk → develop suppliers or introduce dual-sourcing to secure delivery timelines.

3. REDUCE MAVERICK SPEND

14.7% off-contract spend → enforce contracts and guided buying to avoid leakage and wasted savings.

4. TIER SUPPLIERS

Promote top performers (Gamma_Co, Epsilon_Group) and place underperformers (Delta_Logistics) on strict improvement plans.

5. DRIVE GROWTH THROUGH CONTROL

Focusing on compliance, reliability, and tiered supplier management ensures sustainable cost savings and stronger supply chain performance.

1



PROTECT SAVINGS

2



IMPROVE RELIABILITY

3



REDUCE MAVERICK
SPEND

4



TIER SUPPLIERS

5



DRIVE GROWTH
THROUGH CONTROL

Procurement Value by Supplier & Category

SUPPLIER-LEVEL PERFORMANCE

BEST PERFORMERS:

- 1)GAMMA_CO: Electronics & Raw Materials savings >8.2%. Strong leverage.
- 2)EPSILON_GROUP: Consistently near or above 8% across categories, balanced performance.

MID-TIER SUPPLIERS:

- 1)BETA_SUPPLIES: Good performance in Office Supplies & Electronics (8.5%+).

WEAK SPOTS:

- 1)DELTA_LOGISTICS: Generally lags with lower savings % in Raw Materials (7.25%) and Office Supplies (7.48%). This drags down overall portfolio performance.

Item_Category	Alpha_Inc	Beta_Supplies	Delta_Logistics	Epsilon_Group	Gamma_Co
Electronics					
Realized Spend	\$11,20,554.72	\$17,27,032.63	\$12,65,251.87	\$18,25,400.73	\$9,76,836.79
Savings	\$1,03,708.79	\$2,02,463.87	\$1,57,314.53	\$1,76,726.13	\$1,02,662.91
Savings %	7.02%	8.58%	8.00%	8.26%	7.11%
MRO					
Realized Spend	\$15,70,358.50	\$12,77,883.22	\$12,06,774.55	\$23,23,947.57	\$19,28,764.91
Savings	\$1,53,559.11	\$1,59,147.5	\$1,65,014.78	\$2,38,652.49	\$1,85,938.43
Savings %	7.74%	8.78%	8.24%	8.48%	7.71%
Office Supplies					
Realized Spend	\$12,53,606.55	\$17,48,014.33	\$15,70,349.76	\$15,89,948.42	\$12,48,159.28
Savings	\$1,88,727.17	\$2,21,789.81	\$1,65,432.3	\$1,71,550.45	\$96,596.43
Savings %	7.88%	8.71%	7.48%	7.55%	6.77%
Packaging					
Realized Spend	\$11,98,001.90	\$10,30,915.43	\$7,80,861.90	\$17,76,415.02	\$16,26,765.21
Savings	\$1,58,898.1	\$1,27,146.23	\$1,39,482.27	\$1,57,767.99	\$1,49,449.93
Savings %	9.86%	8.12%	8.19%	7.71%	7.74%
Raw Materials					
Realized Spend	\$8,84,351.71	\$18,28,349.70	\$12,46,054.11	\$9,48,751.10	\$16,45,788.20
Savings	\$84,027.32	\$1,79,393.48	\$1,54,732.61	\$1,00,283.12	\$1,90,660.72
Savings %	7.92%	7.28%	7.25%	7.05%	9.08%



KEY FINDING

Procurement is achieving ~8% savings overall, but inconsistencies across months, categories, and suppliers leave 2–4% of potential savings untapped. Stronger focus on underperforming categories (Office Supplies, Raw Materials) and supplier accountability (Delta_Logistics) could lift overall savings closer to 10–12% best-practice benchmarks.

Negotiated Spend and Savings % by YearMonth



Maverick Spend & Compliance Analysis

MAVERICK SPEND % BY ITEM CATEGORY

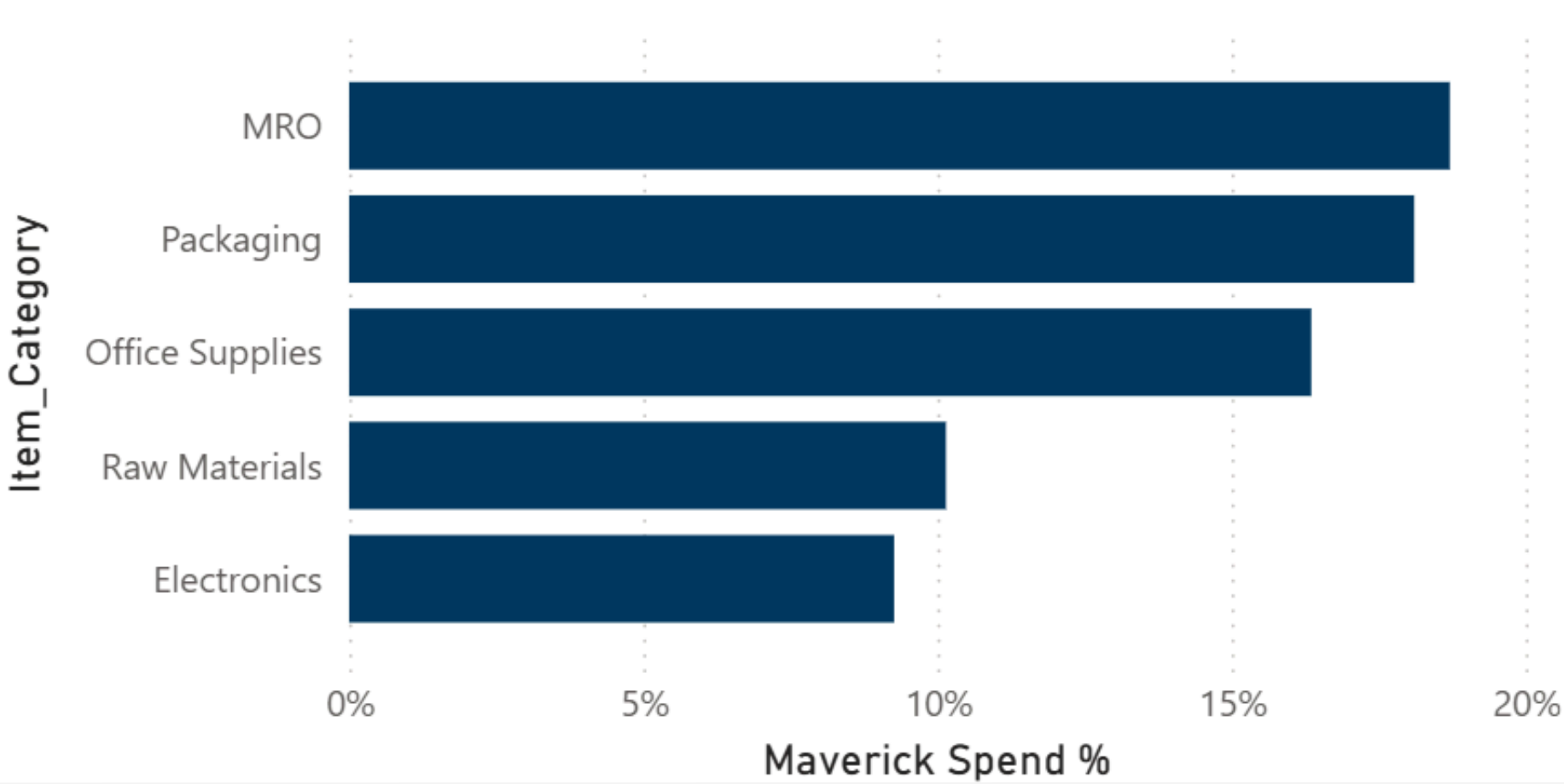
MRO (18%) AND PACKAGING (17%) HAVE THE HIGHEST OFF-CONTRACT SPEND
→ THESE CATEGORIES ARE THE WEAKEST IN COMPLIANCE AND NEED IMMEDIATE POLICY ENFORCEMENT.

OFFICE SUPPLIES (~16%) ALSO SHOWS SIGNIFICANT NON-COMPLIANCE
→ LEAKAGE IN COMMODITIZED, FREQUENT BUYS.

RAW MATERIALS (10%) AND ELECTRONICS (9%) ARE BETTER CONTROLLED BUT STILL LEAK VALUE.

OVERALL, 14.7% OF SPEND IS OFF-CONTRACT, REDUCING REALIZED SAVINGS AND NEGOTIATION POWER.

Maverick Spend % by Item_Category



NON-COMPLIANCE SPEND BY SUPPLIES

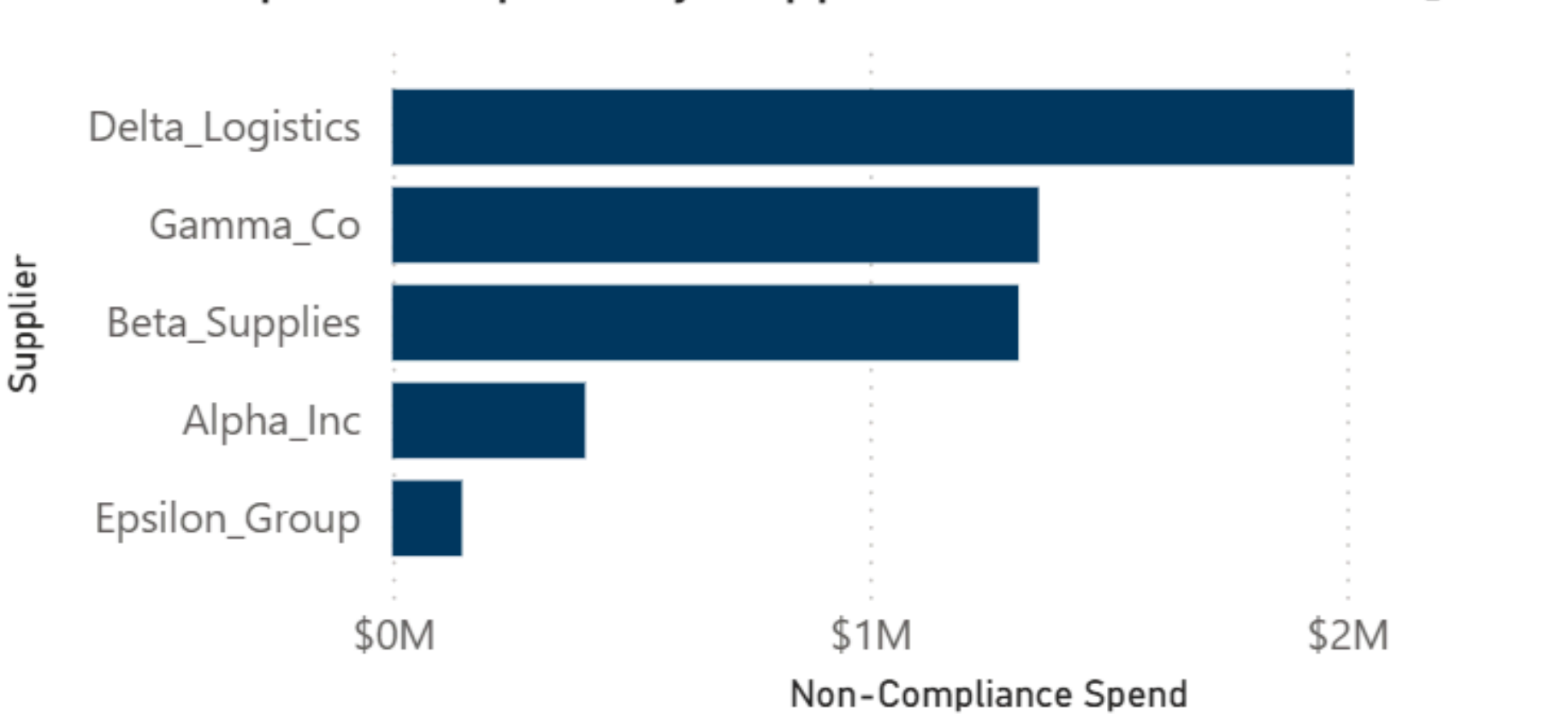
DELTA_LOGISTICS IS THE BIGGEST COMPLIANCE VIOLATOR WITH >\$2M OFF-CONTRACT SPEND → WEAK CONTRACT ADHERENCE OR LACK OF MONITORING.

GAMMA_CO AND BETA_SUPPLIES ALSO SHOW ~\$1.3–1.4M NON-COMPLIANCE EACH → MID-LEVEL RISK.

ALPHA_INC AND EPSILON_GROUP MAINTAIN BETTER COMPLIANCE (<\$0.5M EACH).

TOTAL NON-COMPLIANT SPEND = \$5.23M, EQUIVALENT TO ~15% OF TOTAL SPEND.

Non-Compliance Spend by Supplier



Conclusion & Strategic Recommendations

FINAL KEY FINDINGS (HIGH-LEVEL TAKEAWAYS)

- 1) SAVINGS DELIVERED BUT NOT FULLY REALIZED → Procurement achieved ~8% savings, but nearly 30% lost to compliance gaps and quality leakage.
- 2) WEAK DELIVERY RELIABILITY → OTIF at 0.54% is a major supply chain risk; only 2/3 of orders arrive on time.
- 3) HIGH MAVERICK SPEND → 14.7% off-contract spend (~\$5.23M) reduces negotiation power and drives cost leakage.
- 4) SUPPLIER GAPS → Delta_Logistics underperforms heavily; Epsilon_Group and Gamma_Co are reliable and should be preferred partners.
- 5) CATEGORY RISKS → MRO, Packaging, and Office Supplies show highest non-compliance and weakest cost control.

STRATEGIC RECOMMENDATIONS

- 1) Enforce Contract Compliance → Introduce guided buying and stricter controls to reduce Maverick Spend by at least 50% (~\$2.5M annual savings).
- 2) Strengthen Supplier Management → Prioritize strong performers (Gamma_Co, Epsilon_Group) and put underperformers (Delta_Logistics) on strict improvement or replacement plans.
- 3) Improve Delivery & Quality Controls → Negotiate penalty clauses for delays/defects and introduce supplier scorecards tied to future contracts.
- 4) Focus Negotiation on Weak Categories → Office Supplies and Raw Materials deliver below-par savings; targeted renegotiation could unlock an additional 2–3% savings.