



# Supply Chain improvement

## Renault Project Arinma



## The Challenge

In such a tough economic climate, reducing costs and improving profitability is a primary focus for all businesses. Our parent company, Renault UK, was faced with these same challenges so to help their purchasing department reduce costs, their Managing Director Roland Bouchara sought the assistance of Renault-Nissan Consulting. The target was to lower expenditure across their supplier base whilst not impacting on the quality of the products or services purchased. Initial expectations were for £2m or 10% savings.

## The Solution

The Renault-Nissan Consulting team worked within the purchasing department to integrate with the key personnel. A process was developed to:

- Identify all suppliers
- Validate the need for continuation
- Analyse and report on the findings to the board
- Deploy decisions undertaken
- Review the results

All buyers of products and services were required to challenge their way of working. Where clear synergies were identified, plans were implemented to rationalise the costs.

Where good suppliers were to be maintained, potential to negotiate was identified and average suppliers were supported to develop their services. In many cases, suppliers were asked to either reduce their costs or retender with other suppliers.

Significant savings were quickly made in areas such as print management and recruitment agency costs.

Following this detailed process the costs were simply removed or reduced.

The overall savings demonstrate the success of the programme.

## The Results

- ✓ **Since its launch in December 2009, the Arinma project has identified and realised over £2.5m savings for Renault UK**
- ✓ **This on going project continues to bring substantial savings as a result of challenging the way Renault department work**
- ✓ **Many synergies identified enabling poor suppliers to be removed whilst good suppliers enjoy increased levels of business**

## Key Success

- **Reduced ongoing costs**
- **Improved levels of service**
- **Rationalised supplier base**
- **Minimised business risk**