

## Business Analytics

### Harnessing Big Data to Provide Solutions

#### Project Overview

A multi-billion dollar client needed help with categorizing parts to strategically source to the right suppliers, reduce supplier proliferation, have the right parts at the right supplier, and optimize total cost. This initiative was considered a large undertaking since it was a complete revamp of the part category group that would make it more efficient and create competitiveness for the client in the market. CGN Global was engaged by the client to implement the first and crucial step in this project by gathering and validating the required data to help make right decisions. CGN partnered with the client to make sure that the data was available and accurate without any quality or integrity issues. CGN's team worked to understand the initial data, identify the gaps and issues, help resolve issues and convert data into usable information to help make quality decisions for the client.

#### Business Objectives

CGN's objective was to help client's category team to develop a long term sourcing strategy to make this category more efficient, lean and competitive. The goal was to understand and analyze the data on supplier capability, capacity and part specification to have the right part at right supplier to help improve performance and optimize cost & capacity.

#### Business Challenges

- Lack of understanding of the true spend for the category
- Inability to identify and implement cost reduction ideas in a timely manner
- Unable to develop long term strategic plan to optimize the category / commodity

#### Data Challenges (not an exhaustive list)

- Inconsistent nomenclature and standards in different systems
- Incorrect status codes for a given part number
- Same part with multiple engineering versions active for a given facility from same supplier
- Same parts with different technical specs in different systems
- Inconsistency in volume and spend breakdown by products

#### CGN Global Approach

CGN's approach to fix and enrich data quality:

- Identify the systems – Identify all the source systems to capture required data

- Study the systems - Understand the elements and the metrics / standards in each of these systems
- Map relationship between systems - Understand the relation between these systems to help identify an automated approach to extract data, if there is no relation then use a semi-automated or a manual process as required
- Extract data and identify gaps / issues
- Cleanse data and incorporate quality gate to help maintain quality and perform consistently
- Structure data – Convert data to information, data needs to be structured in a way to help understand, analyze and make quality decisions

#### Business Results

- Developed long term sustainable sourcing strategy for the category with huge cost benefits (est. ~\$15M annualized)
- Rationalized supply base to core / strategic few
- Better understanding of supplier capability and capacity
- Better understanding of the parts in the portfolio
- Developed structured Master database to get all the required information to analyze and make decisions
- Standardized data across category to help maintain consistency and accuracy

#### Our Expertise

Our team of highly-credentialed analytics experts provides unique, powerful analytics solutions to help you continually get the most from your data to achieve a sustained competitive advantage. We offer analytical services for customers in a range of industries, including insurance, manufacturing, healthcare, consumer products and the public sector.

CGN's Business Analytics Practice utilizes sophisticated Predictive Analytics and Optimization techniques to assess and help you manage your business operations with utmost efficiency. Our team of seasoned analytics experts, many with PhD-level credentials, will give you the forward-looking insights you need to address critical business needs. With the ability to anticipate what the future holds, you can develop plans and strategies with confidence.

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