

I CONSOLIDATED  
SUPPLIERS ✓

II ACCELERATED  
PROCESSES ✓

III REDUCED  
COSTS ✓

## Managed Service Provision – Case Study



### The company Henkel:

**Henkel - Excellence is our Passion** - offer innovative, brand name products in three global corporate areas: Laundry & Home Care, Cosmetics / Toiletries and Adhesive Technologies. The company is based in Dusseldorf and employs 52,000 people worldwide.

### Background:

Over time, the procurement of services for Henkel IT had produced a confused and over-sized supply structure. Consequently, the administrative burden for Henkel employees in IT, bookkeeping, and not least of all, purchasing had increased starkly. Decentralised and non-transparent procurement and implementation processes had led to an unsatisfactory situation with regard to purchasing control.

### Objective:

In addition to a small number of strategic suppliers, an experienced Managed Service Provider was needed to take on the existing contracts for non-strategic suppliers. This Managed Service Provider should also be able to handle, in a centrally organised and tool-based way, all future procurement and its subsequent management, thus giving Henkel employees more time for their core responsibilities. Streamlined, automated, and above all transparent procurement processes were to lead to improved results.

### Solution:

Since 01 October 2007, Hays has managed several hundred IT service contracts for Henkel. Supported by the Hays E-Recruitment and Resource Management platform XpertSelect, a dedicated and multidisciplinary team have provided, among others, the following services with regard to the procurement and management of non-strategic suppliers:

- Take-over of existing and new non-strategic suppliers including negotiations of daily rates
- Direct procurement of IT resources from the Hays expert pool and via non-strategic suppliers
- Optimization and automation of procurement and management processes
- Comprehensive supplier management
- Monthly management reporting

### Result:

By using Hays as a Managed Service Provider, internal time and energy as well as associated process costs were significantly reduced. The consolidation of suppliers was carried out in the shortest possible period of time without affecting current projects. The measures introduced to achieve optimisation have continuously increased the quality of the processes for the procurement and management of IT service providers. Streamlined, uniform framework agreements have also ensured a necessary and much needed legal security.

### Reference:

Stephan Pelayo Höfer, Purchasing Manager, Henkel AG & Co. KGaA: "By using Hays as a Managed Service Provider, Henkel were able to quickly establish efficient processes in the procurement of IT services, which due to the added value of the MSP programme, have also been supported by all our various departments. The great success and the high acceptance of the MSP programme are mainly due to four important components: 1. Clear internal communications, 2. Excellent support and advice for our departments by Hays, 3. The utilisation of process-optimizing tools and 4. not least of all, the significant savings achieved by Hays (in the procurement of IT service providers)."