



Global Pasta Giant Slashes Costs, Wins Market Share With New Supplier Management Tools

A **\$1 billion investment** in reengineering its supply chain is paying off for this international food manufacturer.

Leadership takes many forms in the global food industry: Quality, market share and business performance — for starters — but also sustainability, ethics and responsibility. However, for a prominent Italian producer of pasta and other packaged food products, supply chain shortages, costs, transportation and environmental and ethical concerns remained significant challenges, affecting their goal of excelling worldwide.

This is where Tesisquare came in. Its robust supplier relationship management (**SRM**) platform enabled the food company to digitize and strengthen supplier relationships. The results? A drastic boost in visibility, collaboration and source-to-pay cycle efficiency.

Considering the current volatility and complexity of supply chains in the U.S. and around the world, the tangible improvements that advanced SRM can deliver to your company are vital to improve cost, reliability and environmental and business sustainability, as you'll see in this case study.

CUSTOMER STORY: GLOBAL INNOVATION AND SUSTAINABILITY

This Tesisquare customer in the packaged food business can claim many achievements over the years:



PRESENCE IN
100
COUNTRIES



OPERATION OF
30
GLOBAL PRODUCTION SITES



EXPANSION BEYOND
PASTA INTO SAUCES,
BREAKFAST ITEMS
AND OTHER FOODS



**BILLIONS
OF
DOLLARS**
IN ANNUAL SALES



GLOBAL RECOGNITION
FOR EXCELLENCE,
INNOVATION
AND SUSTAINABILITY

Close collaboration with an extensive network of suppliers and other partners plays a major role in these and other accomplishments. And since 2018, the company has been onboarding a growing number of its suppliers onto Tesisquare's advanced SRM platform to orchestrate communications, collaboration and the source-to-pay cycle.

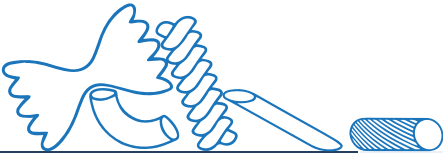
FACING CHALLENGES: DISRUPTIONS AND ENVIRONMENTAL CONCERNS

The global food industry today faces sudden shortages, unpredictable costs and transportation bottlenecks — in short, a variety of disruptions in increasingly complex supply chains.

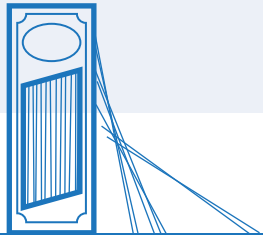
At the same time, consumers, employees, communities and their governments are pressing packaged food producers on an array of environmental and ethical concerns about their supply chains, including sustainability, ethical labor policies, diversity and animal welfare.

For Tesisquare's customer, challenges like these have translated into several practical supply chain imperatives.

High on the company's list of priorities was the need to improve its planning and management of procurement — from contract management to inventory replenishment — by running these processes more collaboratively with suppliers.



CHALLENGES	BENEFITS
Improve procurement planning.	Better internal and supplier collaboration.
Reduce inventory without risking stockouts.	Significant cost savings.
Increase reliability.	Predictable deliveries.





DIGITIZING SUPPLIER RELATIONS:
FOR EFFICIENCY AND SUSTAINABILITY

In 2023, Tesisquare’s customer embarked on a transformative five-year journey, to invest over \$1 billion in operational efficiency and environmental sustainability. Part of that journey is running through the Tesi SRM platform, which digitizes and enhances the company’s communications and collaborations with its vendors while managing the source-to-pay cycle.

Already, over the past five years, Tesisquare and its customer have worked together to network 15 factories and 40 suppliers in two countries on the Tesi SRM platform. Internally, the platform also serves more than 70 purchasing managers and other users.

And it is integrated with the company’s enterprise resource planning (ERP) and other systems, to share essential data across departments and subsidiaries.

ACHIEVING RESULTS:
IN SAVINGS, RELIABILITY
AND RISK MANAGEMENT

With the improvements gained from using Tesi SRM — in visibility, collaboration, reaction time, flexibility and operational performance — this food company has achieved a significant reduction in its cost of supplies and greater reliability of delivery schedules.

Internal collaboration has improved, as well as overall relations with suppliers, who notably have been able to share in the company’s cost savings.

The company’s complete replenishment process is now under control, ensuring efficiency, quality and optimal stock levels via forecasting, delivery scheduling, collaborative inventory visibility and consignment stock. Order management activities such

One big step the company took with Tesisquare’s help was to reorganize its procurement processes and revise contractual agreements, to reduce inventories of raw materials and packaging without risking stockouts. Instrumental in this step has been a vendor portal consolidating contract management, inbound logistics and order management. This enables a two-way flow of data between the company and its suppliers to plan, manage and control goods and services from beginning to end. The next steps that will leverage the Tesi SRM platform include enhancing supply chain traceability to help meet the company’s sustainability and social responsibility goals.



as bid approval, order creation, publication to supplier and acknowledgement have also been transformed.

Another process that has been streamlined and strengthened is contract management, including contract creation, a repository of agreements and approvals.

Less tangible but no less important outcomes have included reductions in overall supply chain risk and improvements in resilience.

Company executives speak of how digitizing their supply chain lets them make faster, better decisions in a complex and volatile market.

POTENTIAL FOR THE U.S. PACKAGED
FOOD INDUSTRY

Food Chain Magazine recently said it best:

“The resilience of the U.S. food supply chain is constantly being tested by a variety of challenges.”

As this case study shows, however, using advanced technology to strengthen supplier relationship management can offer any food company a path to greater resilience and efficiency in the face of complexity and disruption.

