

Bristlecone's Spend Visibility Managed Service Fills Key Gap For Companies Fighting Procurement Waste

Leading Supply Chain Consulting Firm's Rapid Consolidation and Analysis of Direct and Indirect Spend Delivers Rapid Enterprise-Wide Value

Orlando, FL – May 5, 2008 –Bristlecone, one of the industry's most trusted supply chain business advisors, today unveiled its new managed service that enables procurement organizations to better understand their procurement spend and use this information to drive supply base rationalization. The service leverages the capabilities in the SAP® Spend Analytics package for analysis of direct and indirect spend. The announcement was made at the SAPPHIRE® 2008 Orlando conference, where Bristlecone is exhibiting in booth #2108.

"The proliferation of suppliers and contracts, prevalence of maverick spending and scattered procurement data in enterprises today, makes it difficult for procurement executives to manage spending, ensure compliance with contracts and measure supplier performance," said Ashok Santhanam, Bristlecone president and CEO. "Leveraging its practical experience in procurement and sourcing, Bristlecone today is delivering a comprehensive managed service offering to analyze spend and identify cost saving opportunities. This offering is designed to have a powerful, observable impact on any organization's bottom line in a very short time."

Businesses lose millions of dollars when the corporate procurement process fails to consistently track what they're buying and from whom, and thus lacks the data to create and enforce best practices in purchasing. Through dozens of client engagements across multiple business sectors, Bristlecone has found that companies can shave 3% to 6% off their total spend simply by analyzing purchases across all areas and all suppliers, then leveraging this data to create programs to reduce maverick buying, cut back on the total number of vendors used, and negotiate stronger buying agreements.

The difficulty in accomplishing this lies in finding and aggregating all necessary spend data. First, data is typically stored in multiple databases on different systems; for example, it may exist as individual transactions in ERP systems, in eProcurement systems, or even as travel and expense reports. Additionally, different codes are often used to describe the same supplier or commodity across divisions or even within the same business unit. This makes it difficult to aggregate similar types of data and combine spending across commodities, locations, suppliers, and programs because few companies use standard item codes across all these systems. Relationships – such as parent/subsidiary relationships – between suppliers aren't defined, or are difficult to decipher within a business application or database.

About Bristlecone's Spend Visibility Service

Bristlecone's new managed spend visibility service offering enables companies to gain the insights needed to identify opportunities, their savings potential and the amount of effort and change management needed to deploy them. Using such analysis, a procurement department can then prioritize and implement "quick wins," - changes that will prove easiest, quickest or most beneficial.

To consolidate and aggregate spend data for the analysis, Bristlecone first extracts existing information that companies track, in the form of invoices, purchase orders and receipts using SAP Spend Analytics. It then leverages the SAP solution and its own commodity and technology expertise to help ensure that the data is cleansed, normalized, and categorized. Bristlecone consultants then enrich the data with industry classification for each commodity, as well as other information such as parent company or minority ownership. Once the information is ready, Bristlecone leverages the power of analytics technology in SAP Spend Analytics to identify savings opportunities, their associated costs/effort and make recommendations.

About Bristlecone

Bristlecone, (www.bcone.com) is a leading consulting firm focused on helping clients maximize the strategic value of their supply chains. Across over 100 engagements ranging from supply chain strategy and network design to supply chain system implementations, Bristlecone clients have realized the promise of the Bristlecone Advantage: value through focus; first-hand, real world experience; focus on business results; rapid time to value; and full accountability through fixed fee/fixed time service delivery. Headquartered in Silicon Valley, CA, Bristlecone helps clients across North America, Europe and the Asia/Pacific regions realize high business impact from improved supply chain planning, sourcing, execution, analytics, and data management, and has been continually acknowledged by industry analysts as a leader in services for the extended supply chain. Bristlecone clients include globally recognized companies such as ABB, Applied Materials, Exxon/Mobil, Freescale Semiconductor, HP, Mahindra & Mahindra, Nike, Qatar Petroleum, Ranbaxy, Silicon Labs, Sony, Unilever and Whirlpool. For more information please visit www.bcone.com

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Media Contact:

Amanda Orr

Kickstart Consulting for Bristlecone

(202) 248-6766

aorr@kickstartconsulting.com