



## Nestlé

*Nestlé's Purchasing group is broken into three divisions throughout the world. As a global company, Nestlé recognized that it needed to identify a comprehensive sourcing solution that also had good pricing and global coverage. The team found all that with Ariba®.*

*After benchmarking Ariba Sourcing™ against other companies' solutions, Peter Koehler, e-Sourcing Lead for Nestlé North America, determined that the Ariba solution was the optimal solution at this time.*

### Sensible e-Sourcing Strategies

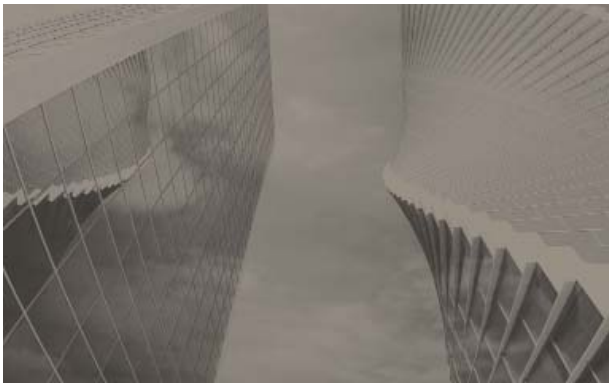
When it comes to e-sourcing, the Nestlé North American team's perspective is simple and straightforward: do events when it makes sense and use the system wisely. The group puts a decent amount of spend through the system but only when it makes sense to do so.

"We have clear proof that when you use e-sourcing wisely, the savings are much higher than what you can do offline in some categories," said Koehler.

Nestlé USA currently has approximately 100 registered users of Ariba Sourcing. Its core users are within the Purchasing department but it allows access to others in Manufacturing and Marketing as well. "Ariba Sourcing is user-friendly and customizable," Koehler continued. "Feedback from both buyers and suppliers has been positive."

The team focuses its strategic purchasing on raw materials packaging and plans to use the system more wisely for sourcing additional services and indirect materials such as IT consulting, car leasing, and MRO in the future. "We have had very successful events for raw materials and packaging as well as for services and indirect materials," Koehler said.

While the auction functionality within Ariba Sourcing has been a great asset for Nestlé, the RFI and RFP capabilities—which allow the import and export of data within Excel—has been extremely beneficial.



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Peter Koehler,  
e-Sourcing Lead  
Nestlé North America



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## Change Management Keys to Success

Even though the Nestlé North American team has a clear direction and established goals for its e-sourcing initiatives, it has—like most organizations—experienced challenges with change management along the way.

What Koehler considers critical to successful change management is gaining significant support from top management. This also increases the adoption rate and opportunity for better savings.

“Don’t put too much focus on the number of events in the beginning,” said Koehler. “You should instead develop a strategy of how you want to go forward and what you hope to achieve with your e-sourcing application.”

The team’s success with Ariba Sourcing has led to collaboration across its different regions throughout the world. The tool has also provided unexpected savings—of five percent and above—in very standardized commodities where typically no margins exist.

“There will always be people who don’t want to use an e-sourcing tool,” said Koehler. “The key is to encourage people who are open to it to use it and to promote and share their successes.”

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Peter Koehler,  
e-Sourcing Lead  
Nestlé North America

## About Nestlé

*Named one of “America’s Most Admired Food Companies” in Fortune magazine for the seventh consecutive year, Nestlé USA provides quality brands and products that bring flavor to life every day. From nutritious meals with Stouffer’s® Lean Cuisine®, to baking traditions with Nestlé® Toll House®, to advancing life for pets with Purina®, Nestlé USA makes delicious, convenient, and nutritious food and beverage products that enrich the very experience of life itself. That’s what “Nestlé. Good Food, Good Life” is all about. Nestlé USA, with 2003 sales of \$12 billion, includes Nestlé Brands Company, Nestlé Prepared Foods Company, and Nestlé Purina PetCare Company. Nestlé USA is part of Nestlé S.A. in Vevey, Switzerland—the world’s largest food company with 2003 sales of \$65.5 billion. For product news and information, visit [Nestleusa.com](http://Nestleusa.com) or [NestleNewsroom.com](http://NestleNewsroom.com).*

## About Ariba

*Ariba, Inc. is the leading provider of spend management solutions to help companies realize rapid and sustainable bottom line results. Successful companies around the world in every industry use Ariba Spend Management software and services. Ariba can be contacted in the U.S. at 1.650.390.1000 or at [www.ariba.com](http://www.ariba.com).*