# Techtronic Industries: Standardizing Sourcing Processes and Achieving Increased Savings and Compliance

Techtronic Industries (TTI) is a world-class leader in design, manufacturing, and marketing of power tools, outdoor power equipment, floor care, and appliances for consumers, professional, and industrial users. To achieve greater savings and compliance, as well as to capture complex component pricing and conduct cost analysis online, TTI's procurement department understood the need to implement an on-demand sourcing solution. TTI rationalized that a cloud-based solution would also mean further efficiency and effectiveness by acting as a repository and enabling continuous, accurate, faster, and better cost analysis.

TTI implemented the Ariba® Sourcing solution and rapidly prepared to roll out the sourcing of a variety of categories across multiple departments. TTI quickly realized an increased user adoption of Ariba Sourcing across both its buyers and its suppliers, resulting in an increase of year-on-year savings. TTI continues to use its relationship with SAP and Ariba to implement best-practice sourcing templates to obtain the most accurate data across all of its suppliers, delivering results that maximize and capitalize on opportunities and efficiencies.
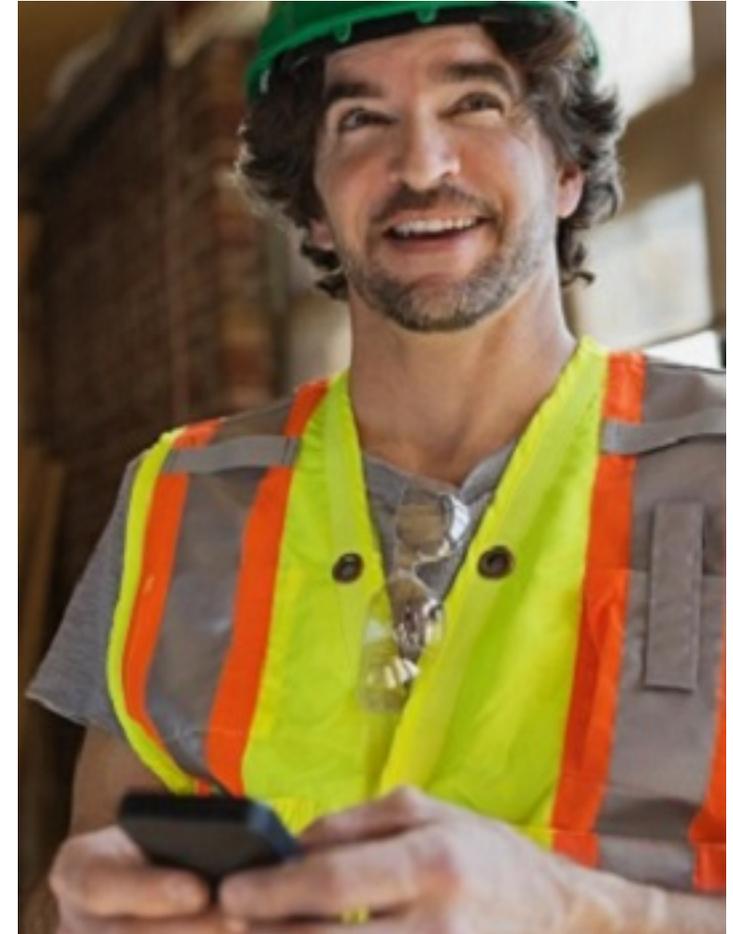
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# More-accurate, faster, and better cost analysis

**Company**
Techtronic Industries
Company Limited (TTI)

**Headquarters**
Hong Kong

**Industry**
Consumer products

**Products and Services**
Home improvement and
construction tools and
solutions

**Employees**
18,000

**Revenue**
US$4.3 billion

**Web Site**
www.ttigroup.com

**Objectives**
- Increase savings and compliance
- Eliminate time-consuming and inefficient manual sourcing processes and move to more standardized and more automated processes
- Capture complex pricing and conduct cost analysis in the cloud instead of on spreadsheets
- Gain an online archive of the sourcing events and cost and pricing histories

**Why SAP® Ariba® solutions**
Ariba® Sourcing solution to standardize all sourcing activities within the organization

**Resolution**
- Mandated usage of Ariba Sourcing across multiple departments, and educated end users and suppliers on system ease of use
- Created best-practice sourcing templates with formulas to capture tooling prices

**Benefits**
- Execution of nearly 4,000 sourcing events annually
- All supplier prices captured in the cloud and no longer on spreadsheets
- ROI of the entire subscription period through a single reverse auction
- Savings of 13% in 2014
- Cloud-based solution that acts as a repository and enables more-accurate, faster, and better cost analysis

**13%**
Savings achieved in 2014 through Ariba Sourcing

**Almost 4,000**
Sourcing events run annually

**100%**
ROI on the entire subscription period through a single reverse auction

"Ariba Sourcing has allowed TTI to standardize its sourcing processes and achieve increased savings as well as compliance. In addition, we are able to capture complex component pricing and conduct cost analysis in the cloud. The cloud customer office at Ariba has been a strategic partner and has helped us to realize substantial value from our cloud subscriptions."

Benjamin Cabibi, Vice President – Asia Purchasing, Techtronic Industries Company Limited

**SAP Ariba**

**SAP**