



CEMEX UK

leverages Avetta to identify and maximise use of compliant suppliers

CEMEX is a global building solutions company and leading supplier of cement, ready-mixed concrete and aggregates. CEMEX is a leader in the building materials industry that provides high-quality products and reliable service to both customers and the communities.



Industry

Building Materials

Profile

- >50 countries
- \$15bn in revenue
- >750 contractors
- 44k employees
- >850 audits performed

Challenges

- Existing process required high maintenance and administrative burden
- Needed a fast solution that wouldn't disrupt business operations

Solutions

- Supplier Prequalification
- Supplier Performance Reviews
- Analytics

Results

- Moved from paper-based supplier performance system to superior supply chain risk management solution
- Deployed a 360 input process for gathering supplier feedback
- 6,000 reports generated to help CEMEX quickly identify high-performing suppliers

The challenge

CEMEX UK used a time-consuming, paper-based supplier performance monitoring system. It was deployed across multiple business units and required day-to-day attention taking up valuable resources.

“Our existing contractor approval system required high maintenance and was difficult to sustain. We need a technology-based solution that would deliver additional information with more efficient administration,” explains Daniel Panormo, Procurement Director, CEMEX.

A need for supply chain visibility

The status quo was no longer an option and superior supply chain visibility was key to the process. In order to identify and maximise use of compliant suppliers across its business units, CEMEX set out to implement a new supplier management system. However, the transition needed to be seamless.

The goal was for CEMEX to smoothly transfer the existing paper-based system to the new, automated platform. Furthermore, on-going training needed to be provided to make sure that this back-end process did not disturb or in any way influence the existing system – or affect overall safety.

The Avetta solution

In October 2012 CEMEX UK selected Avetta to deploy a comprehensive supply chain risk management solution. Avetta took action immediately to develop and execute a transition from a slow and laborious process to one that is quick and easy. Avetta moved the company's existing paper-based supplier performance system to a dynamic, electronic medium. During the entire implementation, Avetta made certain that supplier evaluation and monitoring remained continuous for CEMEX — and up to company and industry standards.

Technology meets service

Avetta delivered CEMEX a solution that is one part technology (SaaS platform) and one part service (supply chain enhancement) — both of which complement current procurement processes and systems. Providing onsite and remote specialist training from their dedicated Account Manager, Avetta guaranteed a smooth transition to a fully functional online system.

CEMEX reports that the implementation yielded favourable results quickly. Close and effective cooperation — combined with an ongoing process of system modification and real-time operations management — has resulted in vastly improved visibility of the compliance and capabilities of its suppliers and contractors.

Beyond prequalification

Successful management of an ever-changing supply chain prevents many risks from occurring and decreases the impact that these incidents might have when they do occur. CEMEX as a company now successfully leverages the concept of supplier performance management, which unifies its business units and goes beyond standard supplier prequalification. In deploying the new system, the company has transformed the way it assesses and mitigates risk within its supply chain. The Avetta solution simplifies the engagement and evaluation of suppliers and guarantees alignment with the unique operating principles and regulatory requirements that already existed at CEMEX.

“In the CEMEX-Avetta partnership, we are not only adopting and linking the recurrent changes within the industry and technology — we also create them together. With a clear strategy and messaging to the supply chain, solutions deployed by CEMEX not only fit into the Avetta SaaS-based model perfectly, but they're innovative enough to become a trend,” says Ian McKinnon, Executive Director, EMEA, Avetta.

Industry interest and acceptance

The new solution validates historical performance and predicts future results in sustainable business practices. After switching to Avetta, CEMEX UK proved to be an industry leader. And the news has spread. CEMEX reports a high level of interest towards the system from peers within the industry because this initiative has revealed a great enhancement of the relationship between client and supplier. In partnership with the Mineral Products Association (MPA) and its producer members, Avetta delivers a single database of all contractors and suppliers in the UK sector. This provides live, on-demand compliance data to clients of all sizes, from single site producers to the established multinationals. This has led to global programmes where Avetta supports clients and suppliers in over 90 countries.

The results

CEMEX and Avetta have also developed a feedback system that enables site managers to evaluate supplier performance easily. It yielded over 6,000 reports last year and helps CEMEX to identify high-performing contractors quickly.

Equally important, the company can now identify concerns faster and work closely with suppliers in need of assistance.

The feedback system works both ways because suppliers are encouraged to provide 360 input regarding CEMEX procurement and health & safety performance. This creates valuable opportunities for improvement areas to be identified internally, too. Today, CEMEX and its suppliers are truly collaborating to refine key processes and solidify partnerships.



“Engagement with Avetta improved our interaction with suppliers significantly in three main areas: monitoring, measuring and evaluation. The improved reporting and accelerated escalation processes allow us to drive better performance across multiple business units.”

Daniel Panormo, Procurement Director
CEMEX UK