



CUSTOMER SUCCESS PROFILE

Jim Polak, PPG Industries Ariba 2008 Spend Management Excellence Award Winner Spend Analysis Pioneer

A 34-year industry veteran who heads up general purchasing at PPG Industries, Jim Polak is the architect of one of the most successful spend analysis initiatives on record. In 2000, when e-procurement was viewed largely as a rogue concept that would never fly, Polak launched and executed a spend analysis project that formed the basis for a cross-functional commodity sourcing strategy that has transformed purchasing at PPG and generated significant bottom-line results. Leveraging Ariba® Spend Management™ solutions Polak continues to drive this initiative and keep PPG competitive in the global marketplace.



Driving Excellence in Spend Analysis Tips from a Pioneer

- *Set achievable initial goals to create early returns*
- *Jumpstart individual teams to create the inertia needed to examine spend across categories*
- *Redefine spend classification – Use terminology that teams best understand and gave commodity experts free reign to determine levels of categorization*

From Slow Start to Lasting Change

In the early days of spend analysis, segments of PPG believed that Polak's project was a waste of capital and that there were no leveraged savings to be had. But Polak forged ahead, knowing that what you can't see in terms of spend, can hurt you. Polak worked tirelessly to gain the support of business unit leaders through countless presentations on the benefits of the project, and later on the savings that were being delivered. For Polak knew that once the company had clear visibility into what it was spending and with whom, it could better identify opportunities for savings. And by implementing technology-based solutions and processes to drive its sourcing process, PPG could more effectively negotiate for goods and services and reduce its costs.

Polak wasted no time implementing solutions from Ariba that would help PPG improve its spend visibility and streamline its sourcing process. To drive buy-in, he engaged cross-functional teams in the process.

To kick things off, each team was given an arbitrary target of 10 percent savings and a time limit of 90 days to hit it. With the help of Ariba Sourcing™, the teams generated initial savings ranging from 11 percent to 32 percent - a stark surprise to the many doubters who said it couldn't be done.



807 11th Avenue
Sunnyvale, Ca 94089
1-650-390-1000
www.ariba.com

Mixing Will with Innovation

Embracing new technology is one thing. Getting people to use it is entirely another. Polak knew his vision for an automated, streamlined purchasing function would not be easy to convert to reality. But his commitment to innovation enabled him to succeed. Working closely with Ariba, Polak was able to design a solution that would meet PPG's immediate and future needs along with the processes to support it. Among the pioneering approaches Polak took to implementing Ariba's solution:

- Creating a PPG-specific version of UNSPSC used to classify spend
- Giving commodity experts free reign to determine levels of categorization
- Using technology to categorize items and cleanse supplier names and people to perform more strategic tasks
- Creating cross-functional teams to drive sourcing
- Developing teams to help drive adoption of the new technology and processes

Polak wasted no time implementing solutions from Ariba that would help PPG improve its spend visibility and streamline its sourcing process.

Eyeing Change Up Close

To drive adoption of the new solutions and processes, Polak continued his work as an internal spend analysis champion. He became infamous for sending his analyses

to accountable buyers and managers. The message was clear: "If Polak has time to look at my commodity and spot opportunities, I better find time to do the same." He attended kick off meetings for each commodity team as they outlined their strategies and helped refine their goals and tactics to ensure they could meet the savings targets that had been set for them. He sat in on sourcing events and praised their results. And he continued to drive top down support for the initiatives they were undertaking.

Competing in the Real World with Real-World Results

Thanks to Polak's efforts, PPG has become a model of purchasing transformation. In embracing spend management and implementing Ariba's solutions, Polak has brought about a major shift in the way purchasing is perceived within PPG. Once seen as a backroom task, purchasing is now viewed as a strategic function capable of delivering results that can advance the company's overall business objectives and positively impact its bottom line.

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 <http://www.ariba.com>.