## Analysis and Strategy Development for Category Management at OC Oerlikon

## Student



Giuliano Bernard

Introduction: OC Oerlikon is a global corporation that produces coatings and materials for customers all over the world. With locations in the US, Europe and China, the company relies on transporting its production materials and products around the world. The transport logistics sector has been subject to severe turbulence since the outbreak of the COVID 19 pandemic and is facing a global trend of rising prices. Within Oerlikon, the spending for transport services are of great significance. This paper is dedicated to the analysis of these expenditures as well as a strategy development within a category management approach.

Approach: For the comprehensive and structured analysis, the assessment was divided into two basic components, namely the internal and the external analysis. The internal analysis focuses on OC Oerlikon, its strategy, organizational structure, stakeholders, and spending on services such as transport logistics. Two different databases were used for the analysis, and their results were compared and their data quality assessed.

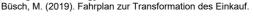
The external analysis, on the other hand, focuses on Oerlikon's environment, the macroeconomic context, trends and price developments in the relevant market for transport logistics.

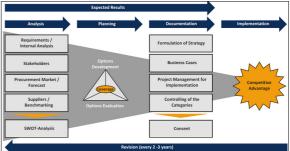
Result: As a result of the internal analysis, a strategic alignment of logistic expenditures over all business units was achieved. The spend examined and evaluated spending across all business areas and categories and showed potentials for improving data quality. The external analysis provided a detailed overview of the current issues from a variety of perspectives through the application of the PESTEL analysis, which was subsequently confirmed and rounded off by the market analyses of the procurement markets. In conclusion, the OC Oerlikon could be provided with a recommendation for the final development of a strategy for category management. This includes actions, which were justified and prioritized in relation to the analyses.

## OC Oerlikon as a Global Player in Need of Transport Services OC Oerlikon. (2022). Annual Report 2021.



Approach to the Analysis and Development of a Category Management Strategy in Procurement





Strategic Levers in Procurement for the Establishment of Competitive Advantages Büsch, M. (2019). Fahrplan zur Transformation des Einkauf.

	Busch, M. (2019). Fanrpian zur Transformation d		
	Exercise Power		Create Advantages
	<ul> <li>Company-wide bundling of demand/ volume</li> <li>Reduction of the number of suppliers</li> <li>Redistribution of volume among suppliers</li> </ul>	Volume Bundling Specification of	<ul> <li>Product value analysis</li> <li>Life cycle cost optimization</li> <li>Design-to-cost development</li> <li>Standardization of specification or application of industry standards</li> <li>Use of substitute materials</li> </ul>
atharina	<ul> <li>Comparison of performance on a total cost of ownership (TCO) basis</li> <li>Modeling of target costs</li> <li>Involvement of new suppliers</li> <li>Electronic bidding and auction processes (e-procurement)</li> <li>Renegotiation of conditions</li> <li>Change of conditions structure</li> </ul>	Cost Analysis Cost Procurement	<ul> <li>Optimization of material flow</li> <li>Simplification of the ordering process</li> <li>Sharing of process improvements Development of integrated supply chains</li> <li>Establishment of a common CIP (continuous improvement process)</li> </ul>
Area Engineering Partner	<ul> <li>Expansion of geographic supplier base</li> <li>Development of new suppliers in growth markets</li> <li>Exploitation of global supply/demand imbalances</li> </ul>	Procurement Change in the Supplier	<ul> <li>Establishment/development of key suppliers</li> <li>Creation of strategic partnerships and alliances</li> <li>Strategic "make-or-buy" analyses</li> <li>Development of supplier guidelines and a supplier owner</li> </ul>
on, Pfäffikon,		Demand Management	

Advisor Prof. Dr. Katharina Luban

Subject Area Business Engineering

Project Partner OC Oerlikon, Pfäffikon, Schwyz

