

# IS YOUR INDIRECT SUPPLY CHAIN HURTING YOUR BOTTOM LINE?

When calculating the total cost to produce a good or service, the indirect supply chain is easily the most overlooked component in your operation.

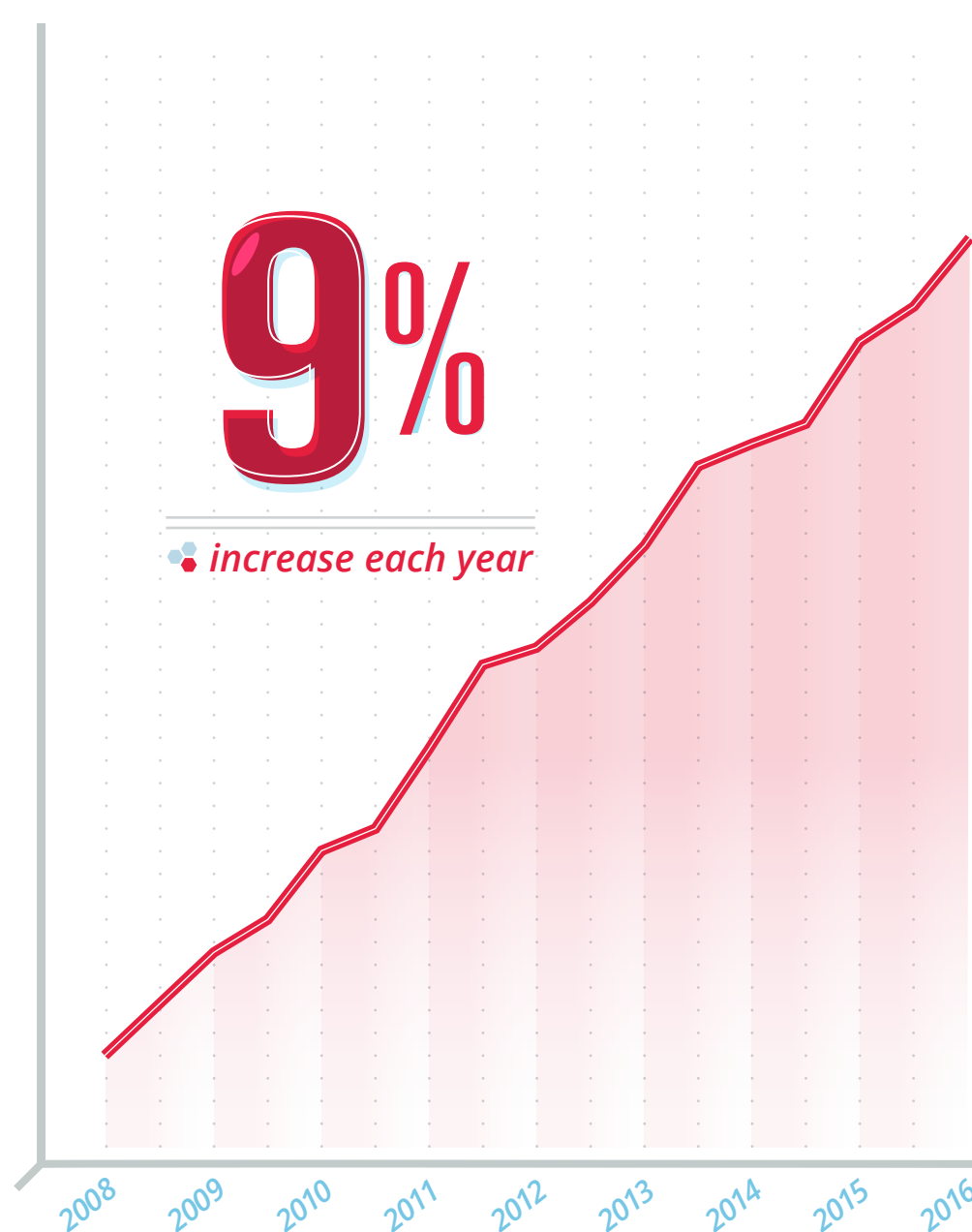
Feeling Unsure? You're Not Alone.



## A LOOK AT THE NUMBERS:



**40%** of your annual procurement expenditures may be attributed to consumable supplies within your indirect supply chain



MRO INVENTORIES GROW BY 9% EACH YEAR



55% of inventories haven't moved in three years

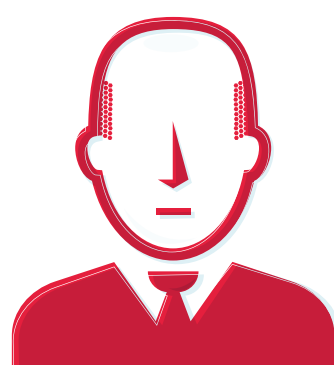
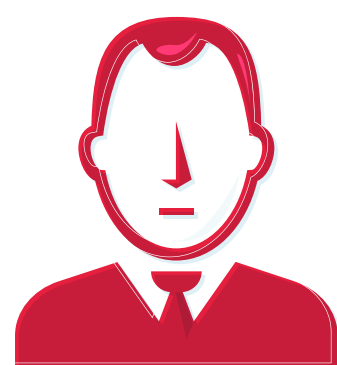


70% of procurement executives site indirect spend as a top focus for controlling and reducing costs



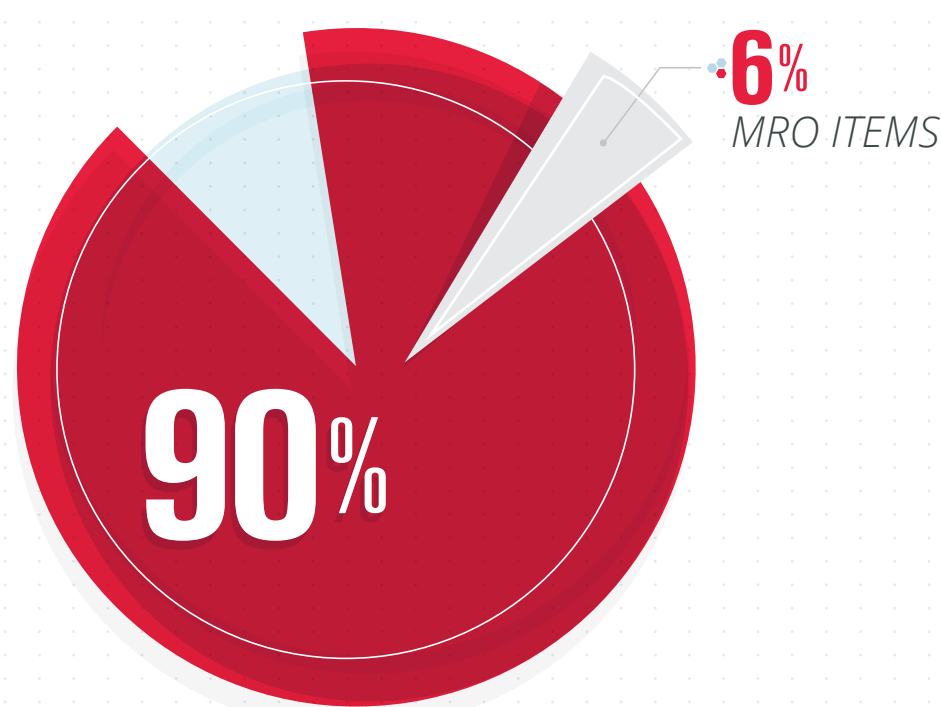
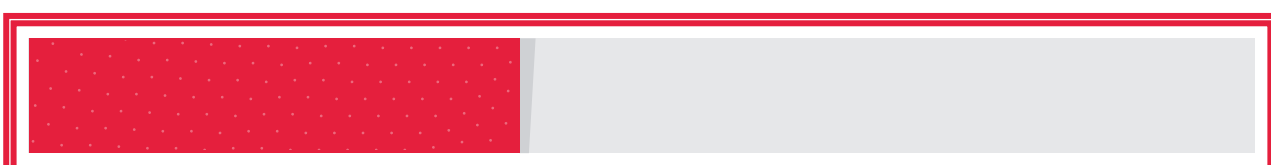
30% of items currently in stock will never be used

{ On Average **85%** of companies experience some form of supply chain disruption every year! }

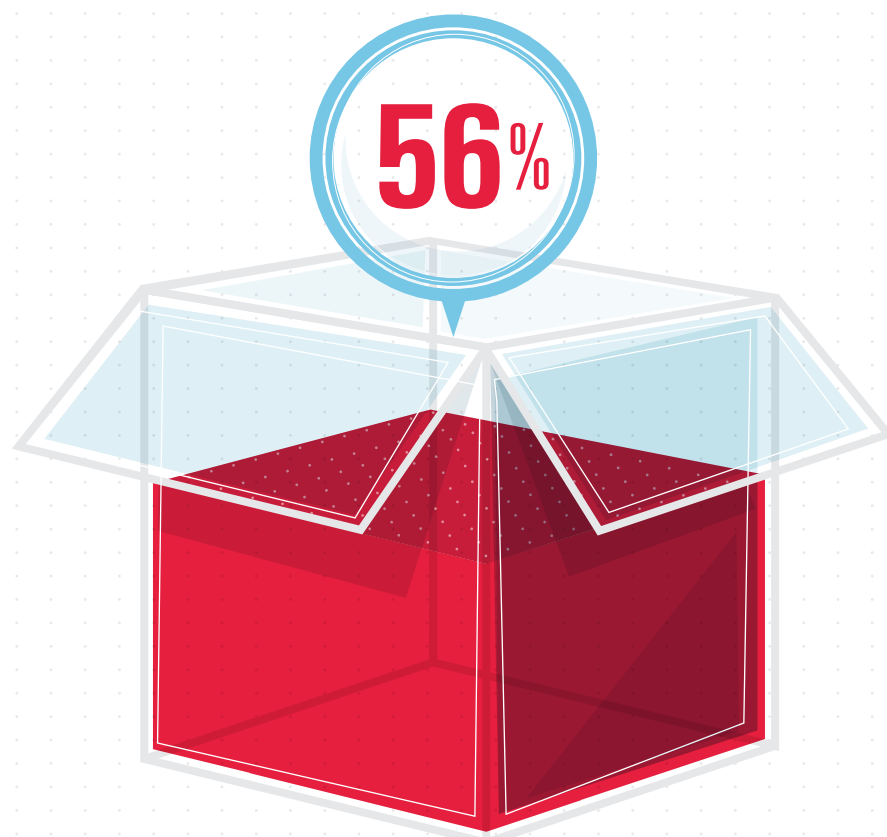


**40%**

One survey revealed that 2/3 of procurement executives polled leave as much as 40% of their indirect expenditures unmanaged

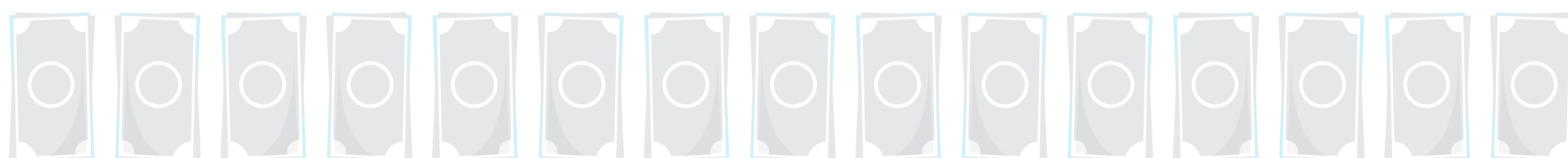


**6% of MRO** items make up 90% of the annual spend



Supply chain performance has a **56% impact** on cost of goods sold

The average cost of a supply disruption is **\$310,000**



x100,00

## WHAT'S THE SOLUTION?

The numbers all point to a less than favorable outcome, a hit to your bottom line. Don't become the statistic and start optimizing your indirect supply chain spend.

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SOURCES: [www.impomag.com/article/2013/05/mro-data-key-unlocking-cost-savings-operational-efficiency](http://www.impomag.com/article/2013/05/mro-data-key-unlocking-cost-savings-operational-efficiency) • [www.blurgroup.com/blogs/procurement/7-indirect-procurement-statistics-youll-want-to-know](http://www.blurgroup.com/blogs/procurement/7-indirect-procurement-statistics-youll-want-to-know) • [www.industryweek.com/software-amp-systems/how-optimize-your-supply-chain-improve-cash-flow](http://www.industryweek.com/software-amp-systems/how-optimize-your-supply-chain-improve-cash-flow) • [www.hicxsolutions.com/blog/uncategorized/fact-42-7-of-all-statistics-are-made-on-the-spot](http://www.hicxsolutions.com/blog/uncategorized/fact-42-7-of-all-statistics-are-made-on-the-spot)