



CASE STUDY

Civil Engineer Streamlines Procurement and Drives Significant Savings

Our client, a prominent provider of civil engineering services growing operating across the UK, became one of the UK's largest and most diverse infrastructure providers.

However, this expansion placed significant pressure on margins. Recognising procurement as a key lever for cost reduction, our client engaged HCG to drive rapid efficiency improvements and achieve substantial savings by the end of 2023.

HCG's Strategic Approach

HCG implemented a rapid, tactical sourcing initiative focused on achieving our clients' ambitious savings targets. This initiative encompassed several key elements:

01. Targeted Sourcing Strategies

HCG developed category- and geography-specific sourcing strategies, including tactical negotiations at regional and local levels for categories such as Civil Engineering. This approach not only delivered significant cost savings but also aligned with our client's localism strategy.

02. Leveraging Scale

To maximise in-year savings, HCG executed a single, national competitive tender across a key group-wide indirect spend category, capitalising on our clients consolidated purchasing power.

03. Enhanced Project Management

HCG integrated with and enhanced our clients existing Project Management Office (PMO) by implementing best-in-class processes and reporting mechanisms. This provided our client with a robust sourcing pipeline through detailed spend analysis and established a single source of truth for program information. This transparency enabled both Procurement and Finance teams to track savings weekly and report effectively to the executive board.

04. Knowledge Transfer

Throughout the engagement, HCG prioritised upskilling our clients Procurement team by consistently sharing its methodologies and tools.

Challenging the Status Quo

A critical factor in the program's success was the ability to challenge pre-existing perceptions about procurement. With the support of our clients Chief Financial Officer, HCG successfully demonstrated the value of a more strategic approach to procurement, both at the business unit level and company-wide.

Quantifiable Results and Long-Term Impact

HCG's engagement delivered significant benefits for our client, including:

01. Extensive Supplier Engagement

Over a six-month period, HCG conducted more than 150 negotiation and clarification meetings with over 75 suppliers across 15 UK locations.

02. Significant Savings Realisation

These negotiations enabled our client to achieve substantial savings, demonstrably contributing to overall financial targets and providing clear visibility to the executive board.

Saving % across the key areas of spend

35%

IT Expenditure

18%

Indirect Expenditure

12%

Construction Materials

9%

Plant & Equipment

01. Building a World-Class Procurement Function

Beyond immediate cost reductions, HCG made a lasting contribution to our clients procurement capabilities by:

- Establishing a best-practice PMO with robust systems and processes.
- Fostering proactive engagement with contract managers across the business, raising awareness of procurement's value and encouraging collaboration on future opportunities.

Following this successful project, our client engaged HCG to support a Strategic Insourcing initiative, further recognising the crucial role of procurement in achieving the company's medium- to long-term strategic objectives.