



# Using cognitive intelligence to analyze and help reduce external spend



## What was at stake?

A global beverage manufacturer sought better visibility into external spend and associated opportunities as it found itself under severe margin pressure due to:



its core product offerings had become increasingly commoditized



the industry's production efficiency gains caused product supply to far outpace consumer demand

## Where Deloitte stepped in.

As part of a rapid cost transformation initiative designed to deliver a cost savings impact, Deloitte helped the company apply advanced cognitive technologies to classify and analyze millions of purchase transactions.

### Deloitte's machine learning- and advanced pattern recognition-enabled CognitiveSpend tool helped:



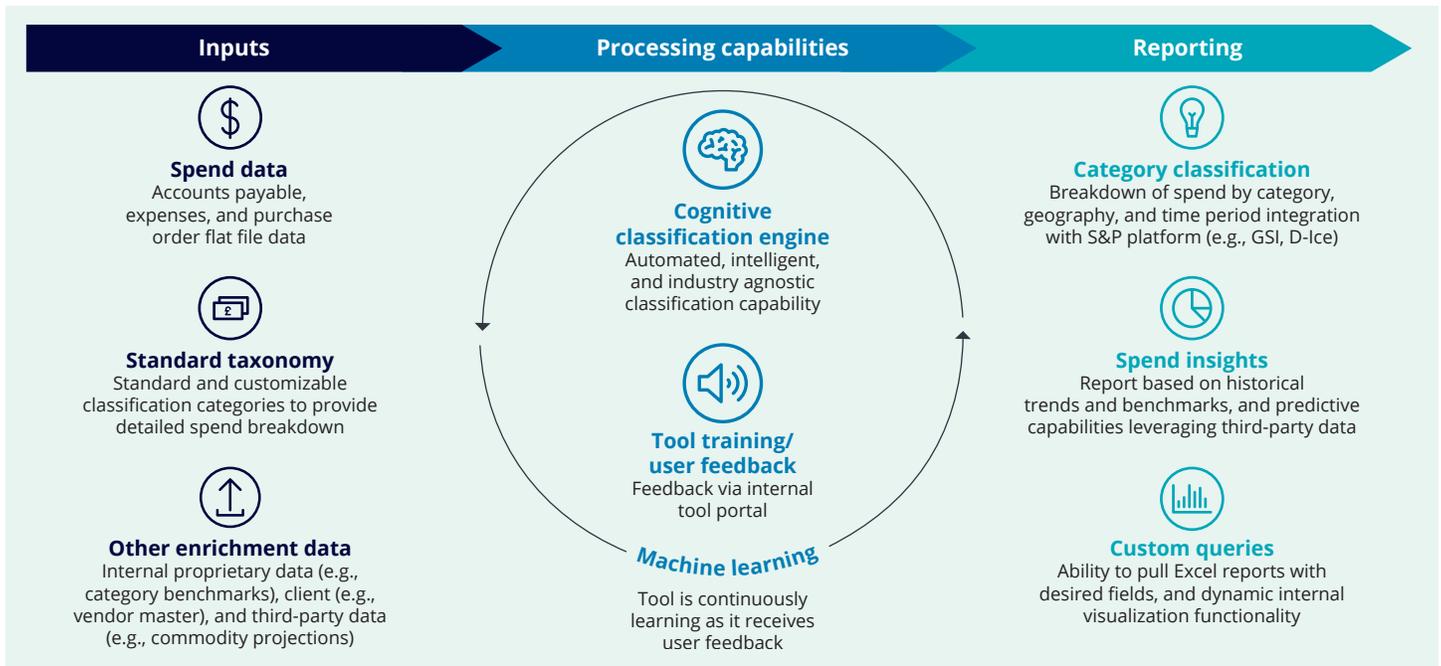
Classify **more than 98% of the transactions** through automation, by spend category, supplier, geography, and time period (and identified and created data categories it had not seen before)



Complete the task in just **2-3 weeks** (rather than the 6-8 weeks that would typically be needed) with a **40,000 transactions/minute** processing speed



Provide improved **visibility into key spend categories** to executive team



## The result.



The executive team generated deep insights about the company's external spend, including identifying purchase price variance across suppliers and locations, which helped the beverage manufacturer drive targeted cost actions to **improve its external spend efficiency, eliminate waste, and increase its purchasing power** through supply consolidation.

## Contact us.

Explore additional examples of digital margin improvement in action in Deloitte's Global Cost Survey Report and contact us to discuss implications for your organization.

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