

RITE AID

Rite Aid achieves over
\$25 million in sourcing savings

Profile

Operates in
North America

Revenues
\$30 billion

Sector
**Retail /
Pharmaceutical**

No. of employees
Over 89,000

No. of locations
4,600

Customer since
2009

Objectives

- ① Improve visibility and understanding of the supply base to secure savings opportunities.
- ① Increase procurement efficiency and effectiveness and address complex sourcing projects.
- ① Benefit from specialized knowledge, expertise and support to reduce costs throughout the organization.

How Proactis helped

- ① Provided a full sourcing solution, including the necessary blend of software and services, to support complex sourcing projects.
- ① Solved business issues through the creation of online sourcing projects and events designed specifically to meet their needs.
- ① Enabled the team to invest more internal resources on a wider range of sourcing categories.

Benefits to Rite Aid

- ① Sourcing savings exceeding \$25 million from the ability to identify, analyze and implement cost reduction opportunities across the entire base of direct and indirect spend.
- ① Better visibility and understanding of the supply base, category specifications and market conditions for complex sourcing projects improved procurement ROI.

It's when you run into something that stumps you – that's where Proactis can help. They can be creative and turn a custom sourcing event around quickly. Proactis gave us the ability to get to the money that would have been left on the table with other solutions.

Jerry Cardinale
Senior Vice President, Procurement, Rite Aid

Profile

Rite Aid is one of the largest drugstore chains in the US with more than 4,600 stores across more than 31 states. It was established in 1962 and employs around 89,000 associates.

With their existing eSourcing platform, Rite Aid was able to secure some degree of savings. However, the company wanted to capture greater savings potential by improving procurement capacity and leveraging best practices and process transformation.

Objectives

Right Aid needed flexibility and a state-of-the-art approach to managing procurement arrangements and projects. With no means to address complex sourcing projects and not having full visibility of spend, the company realized that it was forgoing savings and procurement effectiveness – ultimately hindering long-term competitiveness.

The ultimate objectives were to bring more spend under management, collaborate internally and externally to create value, and improve supplier engagement to better leverage their spend.

How Proactis helped

Using the right combination of technology and services, Proactis helped with the creation of sourcing projects designed specifically to meet Right Aid's needs. This included online supplier recruitment, validation and on-boarding, through-to supplier negotiations, managing comparisons and simultaneous discussions, and effective sharing of information.

Proactis provided a configurable and secure cloud-based reverse auction platform to match the requirements of each event and situation and a range of services to support event strategy, design, execution and volume. This included a flexible, easy-to-use user interface and support for buyers, stakeholders and suppliers.

With Proactis, Right Aid could successfully conduct price negotiations by improving the effectiveness of supplier comparisons and engagement. Suppliers are differentiated in terms of quality, reliability, delivery times etc. and the management of complex and challenging negotiations is achieved in a dynamic, real-time manner.

Benefits to Rite Aid

Rite Aid has exceeded \$25 million of sourcing savings through identifying, analyzing and implementing cost reduction opportunities across the entire base of direct and indirect spend.

With Proactis, Right Aid has gained better visibility and understanding of their supply base, category specifications and marketing conditions for complex sourcing projects.

Rite Aid has also achieved a more efficient sourcing process by operating as an extension of the existing eSourcing team – taking on overflow events or special projects that require additional resources. This has enabled them to invest more internal resources on a wider range of sourcing categories.

If you want to become a **faster, leaner, smarter** organization, then contact our friendly team – [Proactis.com/us/contact](https://proactis.com/us/contact)

