

# Procurement in non-Food FMCG Industry

Macro-economics/  
regulation

Sourcing dynamics/  
challenges

Coping mechanisms

Sourcing cost  
reductions by  
10-15%

## CLIENT CHALLENGES

- Client was looking to launch select products in skincare and OTC segments in Nigeria
- The objective was to understand:
  - Macro, political/regulatory, and other domestic factors impacting sourcing decisions in the country
  - Manufacturing footprint and capabilities of FMCG MNCs and major local players operating in Nigeria
  - Sourcing dynamics of finished goods and raw materials in the non-food FMCG domain

## OUR APPROACH

- In-depth secondary and primary research was conducted to understand:
  - Macroeconomic, infrastructure, and other domestic factors impacting the business environment in Nigeria
  - Manufacturing footprints of players, and the extent of finished goods imports across categories
  - Sourcing patterns of finished goods and raw materials, as well as the macroeconomic/regulatory/political factors shaping the sourcing decisions
  - Potential bottlenecks in sourcing

## IMPACT DELIVERED

- Helped the client to identify/ ascertain:
  - Manufacturing facilities of key players, degree of imports (finished goods and raw materials – across categories)
  - Impact of import restrictions (due to currency devaluation) and other domestic factors on from sourcing
  - Coping mechanisms of companies in dealing with sourcing challenges

- Key distributors for raw materials
- Critical success factors for procurement of FMCG players operating in Nigeria
- The approach to reduce costs by up to 15% for sourcing raw materials, compared to the existing scenario

### **About Acuity Knowledge Partners**

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*We empower our clients to drive revenues higher. We innovate using our proprietary technology and automation solutions. We enable our clients to transform their operating model and cost base.*

