

# Procurement in Non-food FMCG Industry

## A Multinational non-food FMCG Company

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 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 provide our clients with unique assistance not only to innovate, implement transformation programmes and increase operational efficiency, but also to manage costs and improve their top lines. These services are supported by our proprietary suite of Business Excellence and Automation Tools (BEAT) that offer domain-specific contextual technology.

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