Raytheon is a top 5 Aerospace and Defense Company. This organization has a yearly global material spend of around $11 Billion dollars comprising of over 400 thousand P.Os. They have a goal to get 90+% of this spend through a strategic sourcing agreement and their strategic sourcing process. This would mean an average bid reduction of 35% as well as a 15% increase in PWIN. Other aspects of a successful implementation would include improved employee capacity, increased supplier quality and improved on-time delivery.

**PROJECT APPROACH / IMPLEMENTATION**

This strategic project entailed working with a Raytheon cross functional program team to build an implementation plan and create a world class strategic sourcing vendor management program or Step 7. This step number 7 in their Advanced Supply Process would help maintain and enhance their current vendor relationships. They have engaged Renoir to assist in building the implementation plan and roadmap to complete this large internal pursuit by using change management tools to ensure the new culture is adopted. This includes creating an integrated key event schedules and combining the 40+ projects and suppliers into one master schedule and building a Vendor Scorecard and Audit System with strategic goals and follow up action process. As a major part of the change management effort Renoir conducted surveys and interviews with suppliers and internal departments to understand the barriers for implementation. The team also created a communication plan business case studies for strategic sourcing and vendor management to assist in the adoption of the overall program. Renoir also worked as a third party, to rationalize the organizational needs of this new Step 7, vendor management process and determine what Raytheon really needed to move forward with the implementation and execution to accomplish measureable goals and show a return on investment going forward.

**REASON CLIENT CAME TO RENOIR:**

This large client has experts in supply chain and program management but needed seasoned experts in implementation to get this plan built for a large global organization in minimal time. Raytheon wanted an objective third party to review the strategy, understand and verify staffing requirements and assist with the implementation across their program divided organization with varying cultures. They wanted experts who have implemented large programs using sound change management tools and processes and had experience in working with organizations at different places on the change curve simultaneously.
RESULTS

The Renoir and Raytheon project teams created a comprehensive Step 7, Vendor Management roadmap and implementation plan as part of overall global strategic sourcing strategy for 2016. The implementation and plan were successful in installing common vendor scorecards and performance criteria across the programs and divisions of Raytheon. The newly formed process included and audit and inspection program with staffing plans which are being executed and are still being used and enhanced today demonstrating great sustainability and client ownership.

The change management tools, surveys and communication were crucial in working with the vendors and Competimates to lower cost, increase PWin % and create an overall better relationship and communication. The strategic plans built with vendors to improve performance have succeeded in reducing incidents, improving quality and eliminating late deliveries in several key programs. This new process differentiates Raytheon from their competitors and makes them an industry leader in how they work with their vendors to succeed and accomplish their mission.