

CEMEX UK Leverages Avetta to Identify and Maximise Use of Compliant Suppliers Across Its Business Units

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Daniel Panormo
Procurement Director

36+
COUNTRIES

\$15B
REVENUE

44K
EMPLOYEES

2012
AVETTA CLIENT SINCE

850
AUDITS PERFORMED

750+
CONTRACTORS



CEMEX is a global building solutions company and leading supplier of cement, ready-mixed concrete and aggregates. In the UK, CEMEX also provides asphalt, flooring solutions, concrete block and railway sleepers. CEMEX is a leader in the building materials industry that provides high-quality products and reliable service to both customers and the communities. CEMEX aims to serve the needs of its customers and create value for stakeholders by becoming the most efficient and innovative building materials company.

Key Solutions

- Moved from paper-based supplier performance system to superior supply chain risk management solution
- Deployed a 360 input process for gathering supplier feedback
- 6,000 reports generated to help CEMEX quickly identified high-performing suppliers

THE CHALLENGE

CEMEX, a worldwide building solutions company and leading supplier of cement, ready-mixed concrete and aggregates, puts safety at the forefront of everything it does, including its relationships with external suppliers. The goal is a more sustainable environment with mitigated risk factors—not only for these third-party partners, but also CEMEX employees and customers.

“Monitoring supplier performance against health and safety standards across the whole business is critical. As an industry leader, CEMEX needs to ensure that all sites are safe for all employees, contractors and visitors,” reports Andy Taylor, Health and Safety Director, CEMEX.

Paper-based System

In 2012 CEMEX UK utilised a time-consuming, paper-based supplier performance monitoring system. It was deployed across multiple business units and required day-to-day attention taking up valuable resources.

“Our existing contractor approval system required high maintenance and was difficult to sustain. We needed a technology-based solution that would deliver additional information with more efficient administration,” explains Daniel Panormo, Procurement Director, CEMEX.

A Need for Supply Chain Visibility

The status quo was no longer an option, and superior supply chain visibility was key to the process. In order to identify and maximise use of compliant suppliers across its business units, CEMEX set out to implement a new supplier management system. However, the transition needed to be seamless.

The goal was for CEMEX to smoothly transfer the existing paper-based system to the new, automated platform. Furthermore, on-going training needed to be provided to ensure that this back-end process did not disturb or in any way influence the existing system—or affect overall safety.

Supply Chain Risk Management

Effective contractor management is fundamental to CEMEX as the company seeks to reach its goal of zero injuries. Therefore, CEMEX has taken the supplier management concept one step further—reaching out to a trusted third party. The right partner organisation will implement a proven “supply chain risk management” solution to lift the company’s internal burden. CEMEX was aware that, if done correctly, this shift would also lead to considerable human capital cost savings. After much research and consideration, CEMEX was ready to make the move.

THE SOLUTION AND RESULTS

In October 2012 CEMEX UK selected Avetta to deploy a comprehensive supply chain risk management solution. Avetta immediately took action to develop and execute a transition from a slow and laborious process to one that is quick and easy. Avetta moved the company’s existing paper-based supplier performance system to a dynamic, electronic medium. During the entire implementation, Avetta made certain that supplier evaluation and monitoring remained continuous for CEMEX—and up to company and industry standards.

Technology Meets Service

Avetta delivered CEMEX a solution that is one part technology (SaaS platform) and one part service (supply chain enhancement)—both of which complement current procurement processes and systems. Providing onsite and remote specialist training from their dedicated Account Manager, Avetta ensured a smooth transition to a fully functional online system.

CEMEX reports that the implementation quickly yielded favourable results. Close and effective cooperation—combined with an ongoing process of system modification and real-time operations management—has resulted in vastly improved visibility of the compliance and capabilities of its suppliers and contractors.

Beyond Prequalification

Successful management of an ever-changing supply chain prevents many risks from occurring, or decreases the impact that these incidents might have when they do occur. CEMEX as a company now successfully leverages the concept of supplier performance management, which unifies its business units and goes beyond standard supplier prequalification. In deploying the new system, the company has transformed the way it assesses and mitigates risk within its supply chain. The Avetta solution simplifies the engagement and evaluation of suppliers, and ensures alignment with the unique operating principles and regulatory requirements that already existed at CEMEX.

“In the CEMEX-Avetta partnership, we are not only adopting and linking the recurrent changes within the industry and technology—we also create them together. With clear strategy and messaging to the supply chain, solutions deployed by CEMEX not only perfectly fit into the Avetta SaaS-based model, but they’re innovative enough to become a trend,” says Ian McKinnon, Executive Director, EMEA, Avetta.

Industry Interest and Acceptance

The new solution validates historical performance for CEMEX and predicts future results in sustainable business practices. After switching to Avetta, CEMEX UK proved to be an industry leader. And the news has spread. CEMEX reports a high level of interest toward the system from peers within the industry, as this initiative has revealed a great enhancement of the relationship between client and supplier. In partnership with the Mineral Products Association (MPA) and its producer members, Avetta delivers a single

database of all contractors and suppliers in the UK sector. This provides live, on-demand compliance data to clients of all sizes, from single site producers to the established multinationals. This has led to global programmes where Avetta supports clients and suppliers in over 90 countries.

Gathering 360 Supplier Feedback

CEMEX and Avetta have also developed a feedback system that enables site managers to easily evaluate supplier performance. It yielded over 6,000 reports last year and helps CEMEX to quickly identify high-performing contractors.

Equally important, the company can now identify concerns faster, and work closely with suppliers in need of assistance.

The feedback system works both ways, as suppliers are encouraged to provide 360 input regarding CEMEX procurement and health and safety performance. This creates valuable opportunities for improvement areas to be identified internally, too. Today, CEMEX and its suppliers are truly collaborating to refine key processes and solidify partnerships.

In the end, the positive results write the CEMEX story. CEMEX Procurement Director, Daniel Panormo, sums up the value of the partnership: “Engagement with Avetta significantly improved our interaction with suppliers in three main areas: monitoring, measuring and evaluation. The improved reporting and accelerated escalation processes allow us to drive better safety performance”.

Avetta provides a cloud-based supply chain risk management platform. Our global solution is uniquely designed to connect the world’s leading organizations with qualified suppliers, driving sustainable growth. Our SaaS subscription software is used by 50,000 active customers in 100 countries. We build trustworthy bonds through responsive technology and human insight. Our process is collaborative, and our global reach is complemented by our local expertise. Over 300 of the world’s biggest organizations depend on Avetta to align their supply chains to sustainable business practices. Discover more at [avetta.com](https://www.avetta.com) |

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