

DPWN Subsidiary Bundles Buying Power to Win Exceptional Customers

Our series introducing different parts of the DPWN Group continues



DPWN subsidiary 4C Associates (4C) provides outsourcing services for very high profile customers, giving the UK company maximum buying power for indirect spending like marketing or IT. The firm has enjoyed a 246 percent average growth rate over the previous three years. Now, as a 50.4 percent owned subsidiary since April 2008, the company continues its spectacular growth story with the resources of a global logistics leader.

4C was the third fastest growing company in the UK, according to the Sunday Times in 2007. What began as a two-man operation with £1,200 in revenues, today has 162 employees and over £65 million in revenues. O2, Cadburys, Prudential, Lloyds TSB, Nokia, Walt Disney, Shell, Diageo AstraZeneca, and BP are just a few of the large multinationals that rely on 4C for their procurement needs. 4C specializes in managing clients' indirect spend; goods or services that are not resold directly to customers such as IT, HR, marketing, media, facilities management or telecommunications. While the outsourcing business model is not unique and there are major competitors like KPMG Atos and Accenture, CEO Johan Denekamp ascribes the company's success to its high caliber of people and their efforts to continually train, polish and boost company talent.

"Companies come to us to get deeper savings, faster than they can on their own," explains Denekamp. "We are often paid on a success basis so we have the motivation and the deep category expertise to make it happen quickly." With a fantastic August 2008 win with European mobile operator O2 worth £350 million, 4C's outsourced indirect spend under management is now over £1.5 billion (€1.88 billion). "We tend to have influence over more spend in any given indirect category than any of our clients," explains Johan. "If for example we are advising on marketing for a big client, we will have deep category expertise and

have managed spend that is many times greater than that client's own individual activity. This leveraged expertise let's clients focus their time on their core competencies and gain the benefit of our expertise."

4C is divided into three business units

- 4CX – procurement and logistics, low cost sourcing
- 4C Consulting provides deep category knowledge
- 4C Outsourced Procurement Services for indirect spend

"The possibilities for collaboration are very broad, not only with the supply chain unit, but with the entire Deutsche Post World Net Group," explains Johan who recently received a seat on the board of DESC, Europe, Middle East and Africa (EMEA). "Becoming a part of DESC, an organization with 47,000 employees, which is a part of an even larger Group is a big step for a company of 162," says Johan. While 4C is regionally focused in Europe, the opportunity for us to expand operations has grown substantially by becoming a subsidiary of Deutsche Post World Net. "We can set up in a country pretty quickly by piggy-backing into the offices of Deutsche Post World Net and its companies, which are everywhere. For instance, we are in DHL's offices in Shanghai and in Madrid, although because we are growing so fast we are about take our own office in Madrid."

"As 2009 approaches we're looking forward to another year of phenomenal growth and to helping many more of DPWN's clients with their procurement needs," says Johan.

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