

Searching the globe for the best source

by Denise Walcott-Int'l P&PD

The International side of our business is one which we are all aware of, but do we really take the time to look behind the scenes at the many difficulties that face our International Purchasing counterparts, and how they are ultimately resolved to the benefit of Avon as a corporation? Well, let's take a look at one area of Avon which consistently handles these unique challenges—Worldwide Purchasing.

Started in 1976, Worldwide Purchasing (WWP), a division of International Purchasing & Package Development, has expanded its role as a worldwide service department. Director Frank DeLauro said, "WWP works in the best interest of the corporation by providing a simplified informational network for component pricing and availability, quickly tapping purchasing departments all over the world in order to locate the best sources of supply, offering the most competitive prices."

Although most Purchasing departments spend millions of dollars directly each year, WWP works in conjunction with U.S. and local P&PD Depts. to save Avon money through worldwide value analysis on selected items, which identifies the country and vendor offering the best price, quality and service. Jim Flynn, manager, reports that "in 1982, WWP saved over \$1 million and I feel confident that 1983's goal will be \$1.5 million or better."

Some of the decisions that have been influenced by WWP include sourcing common introduction items and making recommendations for the best supply source to meet a country's on-line requirements and new-development component needs. It all begins after Marketing issues a profile for an item. WWP immediately steps in to assist the International markets by evaluating local component prices against those of imported components. Based



Frank De Lauro and Denise Walcott of International P&PD.

on best price, service and quality, a decision is made 70 weeks prior to product introduction as to which location will be awarded the export business.

Darka Jakymchuk, Purchasing Administrator in WWP feels that "WWP has its greatest impact when we objectively look at the whole picture and make an economical decision, not taking into account any kind of favoritism to any location."

Some of the challenges that WWP encounters when sourcing components for International markets are the restrictions that governments place on importing and exporting. Spain and New Zealand are two of the biggest International markets that have to fulfill export quotas.

Another way in which Spain has benefited was by WWP sourcing the Pizazz Pop-Top Lipstick from Spain to the U.S. And for the first time, in the third quarter of '83, the entire Timeless Line, (which is currently coming out of AOL) will be produced in our New Zealand location.

International currency fluctuations and inflation factors affect WWP's sourcing to a great extent. The stability

of currency for on-line items has a great impact on WWP's decision-making. For example, with the state of uncertainty in Venezuela's recent three-tier exchange control, it becomes more difficult to project a source for Venezuela, because the government may decide to make further changes.

WWP is working harder to have our International locations be of assistance to the U.S. A good example is the Fantasque line, which was originally an AOL concept, and is now being sold in the U.S. WWP is responsible for making Fantasque happen in Australia, Canada, Japan and New Zealand in 1984, and Spain and Latin America have expressed an interest in picking up this big event as well. The source decision to have AOL produce worldwide needs demonstrates how WWP saved Avon money by utilizing existing tooling overseas.

Deadlines to meet urgent availability needs sometimes make the job more difficult, but WWP's results could not be achieved without the cooperation of the P.I.C., Transportation, Marketing, Product Cost and Domestic/International P&PD groups all over the world.