

## CASE STUDY

# Strategic Sourcing Results in Significant Savings for Food Manufacturer



## CUSTOMER BACKGROUND

- Regional foodservice and retail distributor; manufacturer
- Complex business model with some customer specified components and some private label product
- Numerous executive stakeholders with individual objectives to factor in

## INITIATIVES

- Distribution in scope product mix includes dairy, in store use packaging, and ingredients
- Manufacturing focus on dairy inputs and packaging

## RESULTS

- 9.6%, or \$670,000 identified savings on dairy commodity overages and ingredients
- 14.3%, or \$4.05M identified savings on distribution packaging supplies

**SPEND IN SCOPE:**

**\$39.2M**

**TOTAL ANNUAL SAVINGS**

**\$5.17M**

**13.2% ANNUAL SAVINGS**

## DISTRIBUTION PACKAGING

- Worked on 11 categories: Butcher paper, Corrugated, Foam, Foil, Office Suppliers, Paper, Paperboard, Plastics, Plastics Bags, Plastic Tableware, Thermal Paper
- Realized savings of \$5.46M per year
- Was able to work with many existing vendors to achieve these savings and limit supply transitions
- Strategically introduced new vendors into the mix however to create better competitive positioning for the customer

## INGREDIENTS

- Project resulted in \$816,000 in awarded savings through the competitive RFP process
- Worked closely with Customer's business units to approve alternate suppliers and in some cases reviewed alternate specifications to drive savings
- Collected qualitative information from suppliers to support customer in a better award decisions
- Worked with all business units to develop strategy applicable for their business units to align raw material coverage length with the market conditions