



CLIENT

Our client was a \$71M high-tech B2B manufacturer of testing instruments and equipment with various applications in the aerospace, defense, and telecom sectors.

CASE BACKGROUND

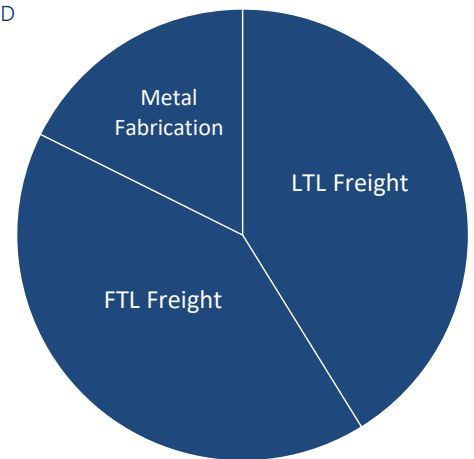
With over 20 years experience in the industry, our client brought Forsyth in to identify cost savings opportunities for products ranging from simple metal fabrication to complex, multi-amplifier systems. Forsyth analyzed direct material spend on these products and benchmarked strategic indirect spend on LTL & FTL freight. Our team quantified the savings opportunities for each category and found the highest savings potential in freight and metal fabrication. Based on our discoveries, our client engaged with Forsyth to capture the savings in each of these categories.

STRATEGY

Forsyth worked in small teams to identify 3PLs that could accommodate our client's unique shipping process and had competitive rates on LTL, FTL, and accessorial costs. Our project managers also crafted a low-cost country supply chain for metal fabricated parts that involved a full transition to a supplier that could meet the quality, requirements, and payment structure demanded by the client.

\$4.7M

ADDRESSABLE SPEND



\$800K

ANNUAL SAVINGS /
EBITDA IMPROVEMENT

OUTCOME

All 3 strategies that were implemented allowed our client to save \$800k every year. The 3PL created a customer-specific pricing matrix for our client's freight portfolio that yielded 29% savings on LTL, 8% on FTL, and lower accessorial fees. The new supply chain that was created for the metal fabricated parts saw savings as high as 94%.



KEY POINTS

- 3PL transition reduced costs by almost 1/3
- All strategies implemented in under 180 days

Forsyth Advisors is a strategic sourcing firm that works primarily with portfolio companies of private equity firms on cost reductions to middle market companies. For more information, please contact: Nate Overboe at noverboe@forsythadvisors.com (314) 398-1377.

