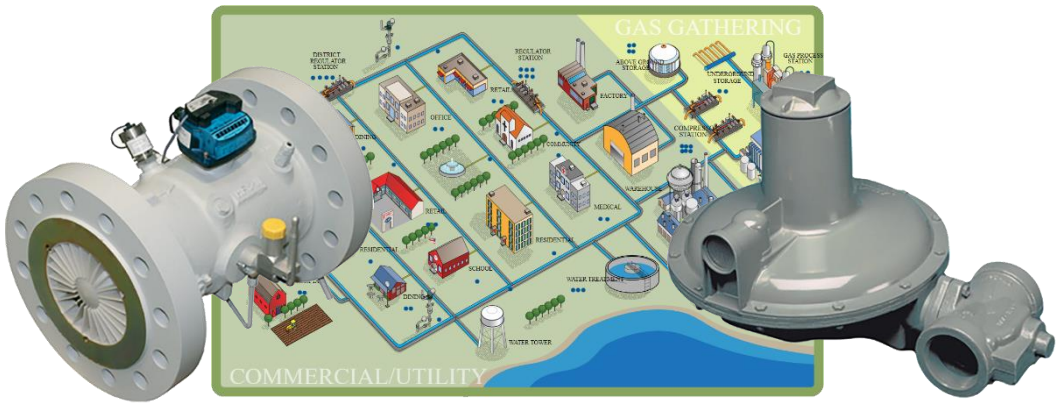
Utility and Measurement Products Brand

Case Study



Forsyth requested to help a Private-Equity owned manufacturer of natural gas flow meters to address direct material costs across a range of categories. Forsyth reviewed historical purchasing data to assess the company's costs against the market and presented the findings to incumbents. Where gaps against market remained, Forsyth facilitate transition to the alternative vendor which created a larger pool of competitors. The engagement resulted in over $1.2M direct material cost savings, $2M reduction in COGS, reduced packaging footprint, and improved supplier diversification, and optimized distribution channels.

"The best clients are the ones who are engaged with the project, challenging us each day"-**Nate Beckermann, Senior Project Manager**

Outcome

35%
EBITDA Improvement

45% Supply Redundancy
Optimized with Qualified Alternate Suppliers

$1.2 Million
Material Cost Savings

Vendor Consolidation
Reduced via New Vender Program

Our Approach

Discovery: Researched industry, product lines, manufacturing process, inventory, freight spend and import records to understand supply-chain drivers and establish benchmarks.

Packaging Solution: Forsyth addressed cost, and lead time concerns through local packaging solution. Additionally, the product was reconfigured to reduce costs & inventory

Incumbent Negotiations: Used industry benchmarks to negotiate price discounts with incumbent suppliers, wherever possible.

Supply Chain Diversity: When unable to negotiate with incumbents, alternative vendor were introduced to access lower costs, and expand suppler pool for contingency planning.

Challenges Resolved

Bandwidth: Client's purchasing team distracted by day-to-day procurement vs. strategic sourcing.

Inventory: Client was storing complete, erected boxes in warehouse resulting in high storage costs.

Supplier Issues: Pandemic constraints on several key suppliers caused delivery and cost impact to client resulting in missed/delayed orders for customers.

New Product: Client's new product line was quoted without a strategic process resulting in inaccurate pricing.