Niche Manufacturing

Case Study

A $248M Private Equity owned manufacturer of construction equipment engaged Forsyth to assess the viability of moving direct material sources and manufacturing operations to Mexico.

The engagement resulted in the company moving $80M COGS in one year and the half of the total operation to follow over the next 5 years.

Outcome

$80 Million COGS

Nearshored to Mexico

Regional Risk Mitigation

Mitigated Country Risk

Our Approach

Benchmarked Regional Prices: Obtained data across the country in question to analyze and compile actionable data.

Viability Model: Conducted sample facilities and modeled the data to determine the viability of nearshoring operations.

Supplier Verification: Identified 3 sources and helped client kickoff partnerships with new suppliers.

Challenges Resolved

Regional Risk: Turbulent geopolitical conditions caused uncertainty in supply of a variety of metals.

Lead Times: Lead times spanned over nine months for a key component in their supply chain.

Nearshore: After receiving the model, the client has begun considering the viability of production in the US entirely.

Multiple Platforms: Spend across multiple companies was not being leveraged to obtain better pricing and supply agreements.