Consumer Textiles Brand

Case Study

Forsyth appointed by manufacturer of quilting & hobby supplies to resource a series of product lines from a factory heading into obsoletion. Recognizing additional opportunity, Forsyth found alternative suppliers in North America, and established manufacturing and distribution capabilities in Mexico. Client was able to eliminate exposure to both tariffs and duties while reducing fulfillment costs. As the client retained fulfillment services in the US, the ultimate supply chain included contingent diversification across China, Mexico and the US.

"The best part is that our engagement structure requires that we add value throughout. There's no coasting at Forsyth"-**Forsyth Advisors Project Manager**

Outcome

13%
EBITDA Improvement

37% Cost Savings
Direct-to-Consumer Fulfillment Costs

50%
Supply Chain Redundancy

~24% Cost Reduction
Lead Time Reduction

Our Approach

Manufacturing Strategy: Product line resourced from US-location to both Mexico and China for cost savings.

Diversification: By cross qualifying, the client is prepared with cross-continental contingencies in supply and heightened negotiation leverage

Section 321: Validated Mexican distribution vendors to effectively eliminate tariff and duty while also reducing D2C costs by 37%.

Long Term Strategy: By utilizing Mexico, the client created a sourcing beach-head for future development, diversification, and optimization.

Challenges Resolved

Manufacturing Transition: US-based factory under strict and aggressive timeline towards closure, requiring project efficiency and focus

Unfamiliarity with Mexico: Though partially sourced in Asia, Client was inexperienced with both sourcing in Mexico as well as the benefits of the Section 321 program.

Leadership Team Under Construction: Experiencing significant growth, Client built Executive and Operations teams in parallel with Forsyth engagement, necessitating clear, concise project updates and coordination