Value-Added Distribution

Case Study

Forsyth was engaged by a $250M distributor and manufacturer of tattoo and piercing supplies to identify supplier synergies in domestic operations and a recently acquired company abroad.

The first project resulted in over $1M EBITDA improvement, reduced tariff exposure, and significant ancillary benefits to the supply chain. The company retained Forsyth Advisors services and have address multiple workstreams since.

Outcome

$1+ Million
EBITDA Improvement

Optimized
Purchasing Patterns and Price Structures

Improved
Intercompany Sourcing

Reduced
Tariff Exposure

Our Approach

Data Analysis: Created a detailed SKU level spend cube that outlined supplier, brand, and item overlap.

Price History: Compared historical price changes with commodity prices, currency fluctuations, and other cost drivers to identify areas of dealignment.

Vendor Review: Evaluated direct vs. intermediary relationships across both entities.

Negotiations: Engaged with incumbents to foster mutually beneficial partnerships that drive cost savings and efficiency gains.

Challenges Resolved

Data Matching: Naming conventions varied by location domestically and were often totally different in international markets.

Internal Coordination: Each domestic entity held separate supplier relationships with little collective review at the organization level.

Limited Bandwidth: The Internal teams did not have the time to drive figure out and drive a supplier synergy initiative on their own.

Market Fluctuations: Post Covid commodity and currency fluctuations added complexity to comparing pricing between USA & UK.