Value-Added Distribution

Case Study

Forsyth was engaged by a $200M Private Equity owned distributor of personal care product who had a priority need for cost savings. Forsyth took the lead on negotiates with incumbent suppliers to obtain lower purchase prices as well as taking steps to diversify supplier network, and address country risk.

The engagement resulted in $5M EBITDA improvement, top line revenue growth, and significant ancillary benefits to the supply chain.

Outcome

$5 Million
EBITDA Improvement

Consolidated
Supply Chain by Leveraging Volumes

Initial Savings Est.
Realized Thought-out Execution

Savings Projection
Used for underwriting new acquisition

Our Approach

Collection focused: Teamed up with merchandising to attack the spend based on different collections

Negotiations: Worked with incumbent distributors to negotiate pricing on branded material based on benchmarks from competing brands

Worldwide search with targeted perspective: Vetted options in Asia, Middle East, South America, and North America. Targeted specific countries based on category

Challenges Resolved

Data redaction: Unable to get a true picture of company given the subset of data provided

Large company outlook: Purchases split across a large numbers of vendors

Customer controlled products: ~50% of spend were branded products where only a small subset of competitive products would be an acceptable replacement

Company restructure: The private equity firm purchased the assets of a bankrupt firm. The liabilities from the former company still existed with current vendors for the newly formed firm