

Case Example: Metal Racks and Merchandising Hardware

Many organizations have not exploited the full range of alternatives in upstream and downstream supply chains. Through a systematic approach that includes improved forecasting, standardization, modularization, aggregation, and a careful orchestration of global and local suppliers, we have helped our clients to realize ongoing cost savings exceeding 50%.

Reducing Metal Rack and Merchandising Hardware Costs

Disguised Client Example

<u>Situation</u>	<u>Approach</u>	<u>Results</u>
<ul style="list-style-type: none">■ Client was not aware of full extent of costs or available inventory.■ Specifications were highly proscriptive and varied by brand, by store and over time, without respect to intended use.■ Client “sourced” both major projects and incremental needs on a case-by-case basis, with minimal lead time.■ Client considered only a few local (domestic) suppliers.	<ul style="list-style-type: none">■ Identified spending levels for major projects and incremental needs.■ Organized, modularized and optimized specifications relative to needs.■ Identified and pre-qualified a full range of global and local suppliers.■ Developed market pricing that reflected all critical supply chain cost elements.	<ul style="list-style-type: none">■ Captured an annual cost improvement opportunity of \$3MM (66% of respective baseline spending).■ Negotiated competitive costs for both large, timely needs and incremental “rush” needs.■ Put in place a supply and supplier structure to combine the benefits of offshore manufacturing with local distribution, logistics and service■ Developed a methodology to track inventories and to “cascade” products through brands and locations.