

Manufacturing Case Study – \$188,562 in annualized savings

A manufacturing client who had over 15,500 employees located across North America and annual revenues of \$5.7 billion when we worked together.

Although not concerned about their current photocopier spend the CFO expressed his philosophy of double checking all significant expense categories periodically using an outside expert, especially when risk-free.



The Challenges:

- **Is this worth our time?** The client needed to know upfront the expected project savings in order to justify the commitment of attention and minimal staff time required
- **Industry knowledge and pricing benchmarks**
 - No one within the client's supply chain management team had been either a principal within a photocopier dealer or had been employed within executive management at a photocopier manufacturer and therefore didn't know the industry's cost model and/or vendor performance capabilities/metrics
- **Vendor service levels were critical**
 - Vendor and equipment performance were far more important than cost to this client

Outcomes:

- **The CFO's premise of performing periodic reviews using outside experts was validated**
 - Hundreds of thousands of hard dollars were recovered from their operating budget
 - The supply chain team got a look inside an industry that doesn't disclose its secrets
- **The Savings Commitment was exceeded** confirming the value of the effort
 - \$37,712 is listed below as their ROI for each labor hour invested with us
- **A Service Level Agreement with enhanced vendor support** that leverages an industry insider's understanding of actual vendor support capabilities
 - Although this client already did have written vendor expectations, there was no penalty for non-compliance.
 - Additional vendor support responsibilities were added along with a clear manner in which to measure vendor as well as equipment performance

ROI on this project was \$ 37,712 / Client Hour