



client results

\$500 Million Global Manufacturer

\$24 million in annual cost reduction plus a new global sourcing organization



Challenge

A global manufacturer with multiple divisions and plants on three continents sought to improve earnings and leverage its global spend to drive cost savings. However, its divisions were historically independent and were highly reluctant to embrace change.



Approach

ISG performed a full [Spend Analysis](#), detailed [Cost Optimization Assessment](#), and analyzed global procurement processes. Visiting plants in the U.S., Europe, and Asia, ISG interviewed dozens of executives and stakeholders across multiple divisions, performing extensive benchmarking and analysis in the process. ISG also partnered with a European consulting firm that brought extensive local market knowledge.

The team recommended the creation of a global sourcing organization while maintaining a local purchasing function. ISG also identified extensive near-term cost reduction opportunities and recommended multiple strategic sourcing initiatives targeting \$20 million in savings.

Data driven analyses, quick hit successes, and a collaborative working style won over skeptical division leaders who eventually championed the effort. In parallel with a broad array of sourcing initiatives, ISG designed, implemented, and provided extensive training and support for the new international sourcing team.

Categories		
• Cable Clamps	• Cabling	• Die Casting
• Electrical Components	• Gaskets & Seals	• Machining/Turning
• Metals	• Molds and Tools	• Outsourced Assembly
• Packaging	• Plastic Parts	• Plastics
• Rubber Parts	• Rubber Raw Materials	• Small Parcel Shipping
• Stamping	• Surface Treatment	• Telecommunications
• Transportation (All Modes)		



Results

Generated \$24MM in EBITDA improvement and engineered a global sourcing organization.

Transformed the procurement culture from independent and distributed to centralized and collaborative.