

# Consumer Products Packaging Converter Realizes 14% Cost Savings Across \$6M Spend

## The Challenge

With 14 locations across the country that had a variety of service level requirements and needs across its enterprise, this major converter of flexible and specialty grid packaging came to United Sourcing Alliance with a challenge to reduce costs without compromising service levels. Many of the client facilities had independent buying functions that arose from acquisitions and significant company growth, but there had been no effort to aggregate demand and leverage purchases. Additionally, in spite of its strong corporate purchasing organization, the client was unable to spend much time addressing its corrugated packaging needs.

## Strategy

To address these challenges, United Sourcing Alliance visited the client's facilities to understand their needs. After interviewing potential suppliers to pre-qualify and validate their capabilities, USA issued a detailed RFP to 10 suppliers, analyzed their responses, normalized the data and negotiated final terms.

## Value Summary Results

After implementation of United Sourcing Alliance's recommendations, the client saved 14% across a \$6 million spend, with some facilities realizing double-digit savings with no changes in their suppliers. New service programs such as warehousing and mixed truckload shipments further aided improvements. The client's original supplier base of 16 has been reduced to 5, significantly reducing the number of transactions and complexity across the enterprise. To ensure client pricing remains highly competitive, USA constantly monitors market prices.

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