

Mailing Systems – Competitive Analysis and Sourcing



Unexpected competition can erode market share and margins quickly. We helped this global provider of mail processing equipment to understand the threat and identify significant savings in the process.

66%
Savings

THE CHALLENGE

- Unexpected competitive product launched in a lucrative product segment of our Client
- Gain a deeper understanding of the competitor's cost base and technology
- Identify cost reduction opportunities in existing product

THE APPROACH

- Leverage global engineering teams to perform product tear-downs
- Perform a thorough competitive product analysis (design, function, cost, etc.)
- Develop “should cost” estimates for each competitive product
- Perform detailed cost gap analysis to identify cost and design gaps
- Immediate sourcing of significant cost-gap components

THE RESULT

- Client gained critical insight into the design and cost base of the competitive product
- Savings opportunities on Client's product discovered
- Sourcing activities yielded component specific savings of 66%
- Identified achievable savings of over \$2 million annually

