

Electronics: Sourcing Improves Customer Satisfaction



Our client, a global provider of high quality plastic products, systems, and services, embarked on a lofty goal of reducing customer pricing while improving their own margins. Our tools and knowledge enabled them to.

40% Savings

THE CHALLENGE

- Company focused on growing a new line of business against established competitors
- Need for objective review of global electronics sourcing strategy
- Reduce pricing to customers to grow market share
- Increase margins on new line of business to increase internal executive support
- Improve customer quality and service

THE APPROACH

- Leverage our Asian delivery arm - XC Trading Singapore to provide local resources
- Review the manufacturer's current state to determine baseline costs, sourcing practices, and long term sourcing strategy
- Use proprietary systems to provide worldwide benchmark targets for PCB manufacturing
- evaluate their actual costs against global benchmark targets
- Renegotiate with suppliers using global benchmark targets

THE RESULT

- Identified savings opportunity of 40% based on current supplier pricing
- Saving opportunity equated into \$592,000 in annual savings
- Client closed nearly \$300,000 of identified savings gap
- Client plans to engaged with our team to close the balance of the savings gap.

