

A \$5B global packaging manufacturer utilized ACG's approach to drive significant, multi-level benefits

## SITUATION

A leading global packaging manufacturer with \$55M+ of corrugated spend across 90+ locations had inconsistent sourcing processes, supplier proliferation (90+ suppliers), SKU proliferation (2,500+), and above market pricing. They engaged ACG's core team to bring the situation under control by developing and implementing a corrugated Spend Optimization program

## RESULTS

### Price Reduction

14.2%

Project generated 14.2% base savings on "like for like" specifications

### Supply Base Reduction

88%

Supply base was reduced by 88% to 11 total suppliers

### Service & Ordering Cost Improvement

2% - 4%

Developed an ongoing optimal order size guide to capture incremental volume bracket savings. ACG helped modify service levels to reduce costs further

### Performance / Finishing

1% - 3%

Piloting new BWO approach in North America and Europe to reduce paper weight of double wall and heavy single wall containers while maintaining performance

### Supply Agreement

3% to 5%

Created a supply agreement that included a pricing menu for new SKUs that will virtually eliminate savings leakage. Savings leakage is typically between 3% to 5%