



Protecting continuity of supply and consistency of pricing in a volatile global market

Optimizing strategic procurement and logistics networks across an organization post-merger

The results

Working closely with the client's team, Maine Pointe's collaborative, integrated TVO approach delivered the following benefits:

- Generated ~5% in savings in an increasing commodities market
- Improved procurement maturity through rigorous strategic 6-step procurement training
- Created and installed a procurement management operating system (PMOS)
- Established cross-functional teams to analyze business requirements, identify improvement opportunities and execute value creation initiatives
- Facilitated efforts to align objectives, goal setting and accountability
- Improved EBITDA by 10%

This story is for CEOs and PE executives who:

1. Have mid-sized companies where speed, efficiency and price quickly impact the bottom line
2. Are operating in a labor-intensive industry that has not been modernized
3. Need to improve EBITDA in a rising commodities market

The challenge

In the two years since its PE acquisition, this leading home furnishings manufacturer and distributor has grown rapidly through acquisitions. However, in the highly competitive retail market, significant increases in raw material costs had resulted in relatively flat top-line growth.

Based on a previous relationship with one of the PE firm's senior executives, Maine Pointe was brought in to help create, implement and sustain strategic procurement and procurement of logistics-related improvements and enhance the leadership team's ability to monitor results, determine variances and take timely corrective action.

Forging a successful partnership to drive transformation



When Maine Pointe's analysis began, the company was suffering from considerable 'consulting fatigue'. Two other consulting firms were already working in different areas of the business and Maine Pointe was the third firm that had been brought in to focus on procurement.

Maine Pointe's analysis team needed to work in partnership with senior executives to break down their skepticism and convince them that, working together, we could deliver the measurable, sustainable results they required. As a result of this and Maine Pointe's hands-on approach, the leadership team threw its full support behind the initiative.

This was a very self-aware organization which described itself as 'siloed'. The CEO knew where the company was in terms of maturity but was cynical about its ability to improve. Procurement was tactical in nature. There were few formal contracts with the 450+ suppliers, about 1/3 of whom are international. Logistics had 57 individual carriers across all modes with a primary focus on lead times rather than rates. Working hand in hand with the client's team, Maine Pointe:

- Held a highly successful supplier forum to begin conditioning the supplier community and setting expectations of partners
- Developed a global strategic sourcing process and enhanced contracting and supplier relationship management
- Installed a procurement management operating system (PMOS) to optimize total cost and enhance strategic impact
- Reassessed logistics vendor sourcing, transit times and transportation management strategy
- Delivered 'quick wins' in procurement of logistics which helped bring the client's team on board with Maine Pointe's approach
- Established cross-functional teams to sustain supply chain excellence
- Sourced best value lanes across all logistics
- Developed metric review cycles to give visibility to drive continuous improvement
- Established clear roles and responsibilities to ensure alignment within the organization
- Trained and coached procurement in roles/skills for sustainability

The competitive advantage this has given them puts the company in a strong position for future growth.

"I would highly recommend Maine Pointe. Our experience has been excellent and the results speak for themselves."

Company President & CEO

Lessons learned for other executives

- Senior management buy-in is a key factor in the success of any supply chain transformation project
- It is possible to make significant and sustainable savings and EBITDA improvements in a rising commodities market
- It is critical to select an operations consulting partner whose culture and methodology is closely aligned to your own

Are you operating in a rising commodities market in a business that hasn't modernized?

Do you need a hands-on partner to drive measurable, sustainable results across your supply chain and operations?

Talk it through in a no obligation phone call or meeting with one of our executives.

Email info@mainepointe.com to arrange a call

About Maine Pointe

Maine Pointe is a global supply chain and operations consulting firm trusted by many chief executives and private equity firms to drive compelling economic returns for their companies. We achieve this by delivering accelerated, sustainable improvements in EBITDA, cash and growth across their procurement, logistics and operations. Our hands-on implementation experts work with executives and their teams to rapidly break through functional silos and transform the buy-make-move-fulfill supply chain to deliver the greatest value to customers and investors at the lowest cost to business. We call this Total Value Optimization (TVO)™.

Maine Pointe's engagements are results-driven and deliver between 4:1-8:1 ROI. We are so confident in our work and our processes that we provide a unique 100% guarantee of engagement fees based on annualized savings. www.mainepointe.com