



Driving substantial value creation from contract manufacturers and third-party fulfillment companies in an asset-light organization

TVO helped transform the global supply chain and create a more strategic co-manufacturing environment to fuel investment in new product innovation

The results

Maine Pointe's TVO approach, helped drive the following results:

- Established a more mature forward-looking S&OP process with action metrics and dashboards
- Improved overall supply chain maturity to 3.3 on the 5-level TVO pyramid
- Developed global supplier diversification to better manage risk and transparency
- Provided inventory analysis for optimization and slow-moving and obsolete stock reduction
- Aligned corporate goals with ORCI® roll-down
- Installed implementation governance and toolkits for the organization to sustain and extend gains
- Identified millions of dollars (exceeding 11%) of savings generation in a rising commodities market

This story is for CEOs and PE executives who:

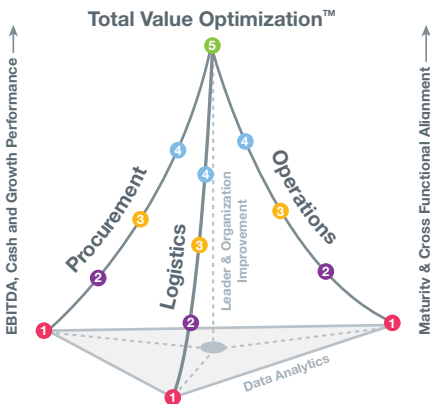
1. Are global, asset-light supply chain operators that depend on outsourcing to contract manufacturers
2. Need to release cash, drive out cost and create a platform for growth in a complex rising commodities environment to safeguard the future of their business
3. Are operating a supply chain with an immature/undeveloped internal infrastructure to manage it

The challenge

In a very difficult competitive environment, this distributor of personal care products wanted to drive new products and innovation. With very little cash available to invest, the company's new leadership recognized they needed to optimize the end-to-end supply chain and extract value from legacy products.

Leadership understood the survival of the business was under threat but were not convinced there were any real savings to be made in the supply chain. Maine Pointe was brought in to drive collaboration and change, both internally and externally, across the supply chain to release cash, reduce costs and create a stable platform for growth through innovation.

Overcoming cultural and geopolitical headwinds to drive change



Maine Pointe's analysis team identified significant savings and improvement opportunities across the organization. Our assessment found a relatively immature supply chain with operations and logistics at 2.1 and procurement around 1.5 on the 5-level TVO maturity pyramid. The company was reliant on several sole-sourced contract manufacturers. These relationships were transactional, rather than collaborative or strategic, in nature. Inventory was increasing despite a reduction in sales, there was little cross-functional collaboration and integration of a recently-acquired business was slow. In addition, misalignment on strategic goals meant leadership were pulling hard in different directions. An added complication occurred during the course of this engagement when the US and China entered into a reciprocal tariff war.

Maine Pointe's strategic procurement, logistics, and leader & organization improvement experts worked shoulder to shoulder with the client to deliver a Total Value Optimization (TVO)™ solution which included:

- Applying Maine Pointe's 6-step strategic sourcing process to mature the approach to market
- Evaluating the supply chain for low-cost country sourcing opportunities
- Providing supplier diversification to reduce risk
- Helping the client introduce new suppliers with additional capacity, newer technology, and increased customer service capability to drive supply chain innovation
- Creating an integrated, decision-support process that works across all the business functions
- Implementing a formal S&OP process with real-time operating data/metrics to support dashboard creation and utilization with management at multiple levels in the organization
- Formalizing the new product introduction (NPI) process which is core to the client's desire to drive innovation
- Developing metric review cycles to give visibility and drive continuous improvement
- Driving discipline for inventory control
- Improving warehouse labor efficiency
- Establishing clear roles and responsibilities to ensure alignment within the organization
- Aligning the executive leadership team on corporate goals
- Creating commitment, and an environment to support better team collaboration, transparency and trust between key functional teams and suppliers
- Implementing change management efforts to enable the business to sustain the transitions

The benefits delivered have created a strong foundation to support the future evolution of the company from a reactive supplier to an agile, proactive, global supply chain operator – while creating the financial and operational space to invest in new product innovation.

"I'm not sure what would have happened to the business had Maine Pointe not intervened and helped facilitate negotiations and the subsequent exit of a failing sole sourced supplier." CEO

Lessons learned for other executives

- Leadership alignment is a critical success factor in an organization-wide transformation project
- Total Value Optimization delivers tremendous benefits beyond cost savings including releasing cash, minimizing risk and building a sustainable platform for growth
- You need strong, collaborative relationships with contract suppliers to ensure you secure the best value for your business

Are you ready to kick start your TVO transformation journey?

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