

Improvements in logistics and strategic procurement functions delivered multimillion-dollar savings

Maine Pointe helped the company develop its first ever international strategic procurement function

Situation

This wholesale organization is owned by agricultural retailers who do business throughout the central part of the United States and parts of Canada. The organization provides its owners with a competitive and reliable supply of crop protection and crop nutrients. It also offers other resources that help their owners succeed. Executives had identified a number of issues in their logistics function, including:

- Lack of clear structure, roles and responsibilities
- Minimal cross-functional process and system integration
- Customers and suppliers were controlling freight and supply chain value
- The absence of logistics capability and visibility on potential lowest landed costs

In addition to this, the company had never implemented an international strategic procurement function. Senior executives engaged Maine Pointe to help develop and implement new tools and processes and deliver the training required to make sure the improvements would be sustainable.

The solution

Our industry and practice specialists, supported by our Leader and Organization Improvement experts, deployed Maine Pointe's cross-functional, Total Value Optimization™ approach. This involved:

- Developing and implementing a corporate-wide LMOS
- Conducting supplier evaluations and negotiations
- Introducing a new set of import/export procedures and processes
- Implementing a strategic sourcing process for outbound transportation
- Implementing a cost-to-serve model for the organization's private fleet

The cornerstone of our solution was to train, coach and mentor the client's team and introduce clear job descriptions and organization design. This ensured that, at the end of the engagement, we left behind a trained new team with the right tools and processes to deliver shareholder value and attract new farmer/ members.



The results

- Delivered total annualized savings of \$17M: \$16.2M from landed cost optimization leverage and strategic execution of opportunities in the US and Canada and \$0.8M freight rate and fuel surcharge savings
- Reduced the carrier base from 399 to just 9 core and 30 regional carriers
- Achieved a 7:1 ROI

Want to reduce costs in your food & beverage business?

Want to improve performance across your supply chain and operations?

Talk it through with one of our executives

Email info@maine pointe.com to arrange a call

About Maine Pointe

Maine Pointe is a global implementation-focused 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 both EBITDA and cash across their supply chain 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 3.5:1-12:1 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.maine pointe.com