

# CLIENT USE CASE

## Filtration

### BACKGROUND

Tenet Consulting took \$150M in Filtration spend of a major agricultural and construction OEM out to the marketplace. The filter subcategories included Air, Engine, Oil, Hydraulic, Fuel, DEF, Transmission, and aftermarket filters. The goals were to consolidate the supply base and identify a set of strategic partners moving forward while reducing costs and improving service.

### CHALLENGES

Two major challenges for this category were ensuring that new product development and technology partners were maintained but also had lower cost options available to remain competitive. Our client was looking to remain competitive in the aftermarket, which is a highly saturated market with many manufacturers producing alternate options. The other major challenge was addressing an incumbent which had 80%+ of the business and the risk associated with the possibility of shifting business to other suppliers.



### IMPACT METRICS

OVER

**\$25M**

annual savings

OVER

**80%**

supplier rationalization



“Our engagement with Tenet Consulting has proven to be a definitive advantage in our ability to compete in an industry that is challenged with supply chain hurdles”

– COO

## APPROACH

Utilizing the Tenet 7-Step Process the team achieved the desired results for the category. Some key advantages realized through the process include:

1. During supplier research the team was able to identify both alternative large OEM filter suppliers and over 20 new alternate aftermarket suppliers who currently were doing like parts.
2. During supplier selection the team created a new company strategy to separate original equipment filters and aftermarket filters to help drive supplier selection and determine a part award strategy for the company moving forward.
3. Through the new strategy the team achieved having multiple sources for filters in the case of any shortage of supply in the future.

## RESULTS

The Tenet Strategic Sourcing process achieved **over 25% savings and supplier rationalization of over 80%**. Select strategic partners were identified across the subcategories to be either a design/OE partner or an aftermarket partner to ensure design capabilities for new parts and competitiveness in the aftermarket space. Two major alternate original equipment (OE) suppliers were introduced to ensure competitiveness while ensuring an adequate amount of business would be given to each supplier to maintain strategic partnerships.



### ABOUT TENET

Over the last three decades, our team has delivered more than \$1B in documented client savings across industries, driving measurable value at an ROI of 6-15X.

Contact us today to start a conversation around how we can help you.