

CLIENT USE CASE

General Plastics

BACKGROUND

A large global Agriculture and Construction OEM engaged Tenet to source \$340M in annual plastic part spend across multiple sub-categories, including Rotomolding, Sheet Molding Compound (SMC), Blowmolding, Thermoforming, Vacuum forming, Fiberglass, and Resin Transfer Molding (RTM). The goal was to establish strategic suppliers with the capabilities and new technologies to support the client's current and future needs.

CHALLENGE

The major challenges were identifying alternative suppliers in the marketplace (which were not found previously) and looking for potential new technologies or opportunities to reduce costs in each category. Another challenge was maintaining suppliers in the region to manage landed costs, including logistics, duties and tariffs, while also finding suppliers who could meet certain paint and company specific assembly requirements.



IMPACT METRICS

OVER
60%
annual savings

OVER
80%
supplier rationalization

"This process allowed us to identify new suppliers with competitive advantages including their own material production lines. This in turn led to major price reductions and an increase in material quality for our products."

– Client Team Member


APPROACH

Tenet's 7-Step Sourcing Process allowed the client team to be methodological in their approach and mitigate personal bias regarding the categories and suppliers. Some major achievements from utilizing the process included:

1. When the team began Analyzing the RFPs the team identified alternate processes for current parts to help reduce costs and improve quality. This included switching parts currently produced in one molding process to another, more efficient, molding process
2. Through Site Visits the team identify some key strategic advantages of suppliers they were previously unaware of. This included new types of material development and vertically integrated processes to improve quality and reduce costs. This was previously unknown to the client.
3. Supplier Selection resulted in the team bringing on new suppliers to increase category competitiveness and provide alternate options for parts in region that were previously unavailable.

RESULTS

The team identified and established strategic partners with competitive advantages in multiple key categories. One major success was identifying a new SMC supplier with their own sheet production line to help with continuity of supply and maintain competitiveness in the evolving marketplace. Additionally, new suppliers were found in sub-categories such as Rotomolding which previously were at an impasse. The category achieved an average of 6% savings across all sub-categories.



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.