

PROJECT OVERVIEW

CHALLENGES:

- Purchasing function created recently
- Ongoing integration with a recently acquired major competitor
- Transitioning to a global and mature purchasing organization, with stretch targets to reduce costs
- Generate PMI savings with new acquisition

OBJECTIVES:

- Reduce costs by 12% overall
- Additional 2% savings targets set on PMI initiative

OUR SOLUTION

ASSIGNMENT STRUCTURE:

- Phase I: 4 waves designed to reduce purchasing costs by 15%
- Phase II: Workshops to generate synergies with new acquisition

ANALYSES APPLIED:

- Target costing
- Best of benchmarking
- Value analysis of technical segments (e.g., blisters, packaging, production equipment)

APPROACH / TOOLS:

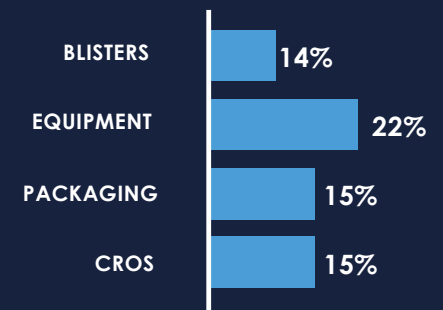
- Heavily utilized Regenius' Direct Material Total Cost Management Tools:
 - Built detailed historic spend fact-base and forward-spend projections
 - Developed deep understanding of category drivers through historic analysis, internal problem solving and vendor interviews
 - Developed new RFP process for major spend categories
 - Conducted workshops related to technical optimization of major categories
- Developed analytical tools for analysis of RFP responses versus real projected trials
- Expanded vendor management group and realigned in matrix organization

RESULTS

16% SAVINGS



SAVINGS BY CATEGORY (%)



ADDITIONAL BENEFITS:

- Aligned US-EU processes
- Expanded US vendor management group and improved performance
- Lean decision processes