



CASE STUDY 3

THIS MAJOR MARKETER OBTAINED A \$14.5 MILLION PRINTING COST REDUCTION, ADDED A NEW STATE-OF-THE-ART VENDOR, AND AN INTERNAL PROCUREMENT TRAINING PROGRAM WHILE SUSTAINING GOOD RELATIONSHIPS AMONG ALL SUPPLIERS

BACKGROUND/INITIATIVE

- Achieve aggressive printing and production cost reductions
- Obtain world-class printing technology requirements for its massive retail FS program
- Identify new suppliers for a more competitive printing negotiating mix while maintaining positive relationships with existing suppliers
- MorganAnderson to train procurement in “best-in-class” sourcing, negotiation and contracting for state-of-the-art printing needs

INSIGHT/SOLUTIONS

- Align procurement and marketing to support objectives of the initiative
- Meet aggressive cost reduction goals passed on by senior management
- Conduct fact-based competitive cost analyses to develop bona fide foundations to achieve a 7% cost reduction in printing costs
- Introduce new supplier-selection benchmarks for competitive negotiating strategies
- Design a formal supplier “certification” program via a comprehensive RFP to enable objective selection of additional suppliers as needed
- Develop a training module for our procurement team utilizing best-in-class sourcing, negotiating approaches, and contracting methods

OUTCOMES

- \$14.5 million (7%) print/production cost reduction achieved in first round without loss of quality and service requirements
- Procurement delivered a set of printing management methodology and protocols
- Existing suppliers were continued and one additional added to mix
- Client goals exceeded