



MANUFACTURING CASE STUDY

ANALYSIS OF SAVINGS: LTL, SPS, SHIPPING SUPPLIES, WASTE

Doing a cost analysis on your own can be an overwhelming task. Schooley Mitchell takes a strategic approach, breaking down our risk-free analysis into several phases to ensure every aspect is considered. We review your business services to ensure your expenses are optimized and your bills are free of errors.

Schooley Mitchell's specialized software, benchmarking tools, extensive marketplace knowledge, and best-in-class pricing databases ensure our clients never pay too much for their essential services.

Phase One – Establishing a Baseline

- The client will:
 - ▶ Sign a Service Agreement that covers our business terms
 - ▶ Provide us with bills, or online access to their accounts, so we can establish a baseline of their current rate structure
 - ▶ Sign a letter of agency, so we can negotiate with their current vendors
 - ▶ Describe their current processing environment

Phase Two – The Analysis

- Schooley Mitchell will:
 - ▶ Audit for billing errors
 - ▶ Use our benchmarking data to research options and negotiate better pricing for the client
 - ▶ Compare pricing with our best-in-class database to identify opportunities for cost reduction
 - ▶ Request, review and validate competitive quotes from other vendors
 - ▶ Negotiate with the current vendor for a re-rate

Phase Three - Recommendations and Implementation

- Schooley Mitchell will:
 - ▶ Compile our research and recommendations into a Value Report
 - ▶ Assist with the cancellation of services if needed
 - ▶ Implement pricing and changes
 - ▶ Coordinate with IT department to implement/introduce any new technology
 - ▶ Confirm the new pricing 30 days after implementation

Phase Four - Continued Monitoring

- Monthly or quarterly post audits
 - ▶ Continued monitoring of every account and service for duration of 36-month agreement
 - ▶ Negotiate with the current vendor for a re-rate



Client A - LTL Spend

Client A is a company within the manufacturing industry, looking to streamline its shipping processes to become more efficient, reduce waste, and decrease the overall amount of its operating budget spent on shipping.

- ▶ Client A was spending \$20,882.41 per month, or \$250,588.92 per year, for one vendor to perform its LTL shipping.
- ▶ Client A was also spending an additional \$8,622.70 per month, or \$103,472.40 per year to a second vendor.

Client A - LTL Savings Breakdown

- ▶ After diligent auditing of invoices, Schooley Mitchell was able to negotiate the rates provided by the two vendors, reducing total annual costs by \$41,225.16.

Client A - SPS Spend

- ▶ Client A was spending an accumulative monthly cost of \$86,444.68, or \$1,037,336.16 per year, on its small package shipping expenses from two different vendors.

Client A - SPS Savings Breakdown

- ▶ Schooley Mitchell negotiated with both vendors and was able to generate new pricing agreements, providing reduced rates for the same service.
- ▶ Schooley Mitchell saved Client A \$154,238.52 per year with a new pricing agreement that better fits the nature of the client's needs, reducing the total annual spend to \$883,097.64.

Client A - Package and Shipping Spend

- ▶ Client A was utilizing two different vendors to provide shipping supplies. Its annual spend was \$118,815.32 between both vendors.

Client A - Package and Shipping Savings Breakdown

- ▶ Schooley Mitchell analyzed the current contracts and an alternative vendor offering the same services, at a reduced rate. This resulted in a total savings of \$18,960.12 per year that can be repurposed towards product development.

Client A - Waste Spend

- ▶ Client A was spending \$11,924.40 annually on waste management services from one single vendor.

Client A - Waste Savings Breakdown

- ▶ Schooley Mitchell looked into alternative plans and negotiated with the current vendor to decrease both the base cost of waste pickup and the additional weight-based fees.
- ▶ This resulted in a total savings of \$4,066.92 per year.