

Cost Reduction Firm Uncovers \$1.6 Million in Cost Savings for National Food Distributor

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Cost reduction consultants Alliance Cost Containment analyzed \$13,000,000 in indirect operating expenses and found significant savings of \$1,600,000 in MRO, packaging, payroll and more

Facing strong pressure to increase profits, a large food distribution company engaged Alliance Cost Containment to help reduce its indirect operating expenses. With \$400 million in revenue, 4,000 employees, and more than 50 locations across North America, this company faced significant challenges with its corporate cost containment efforts. Alliance Cost Containment was asked to review over \$13 million in annual expenses and \$3 million in projected capital spend. The results from ACC's strategic sourcing, negotiation and implementation methodologies netted \$1.6 million in annual cost savings.

In regard to maintenance and capital savings, the VP of Engineering said "ACC managed to collect and compile a large amount of disparate information about our fleet in a short amount of time. It was obvious ACC understood the ins and outs of the materials handling industry because it wasn't long before they came up with a strategy and implementation plan to reduce our expenses with several initiatives".

In addition to material handling, maintenance and capital, ACC delivered savings with outsourced payroll processing, express mail, packaging, uniforms, mats, telecommunications and office supplies.

Snapshot of Savings

MRO/ Capital \$960,000 Savings

Packaging \$270,000 Savings

Payroll Processing \$170,000 Savings

Uniforms \$70,000 Savings

Office Supplies \$60,000 Savings

Express Mail \$40,000 Savings

Telecom \$30,000 Savings

In addition to the significant direct cost savings, the client consolidated suppliers, eliminating 98 suppliers, as a result of this successful engagement with ACC.

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Alliance Cost Containment is a national expense-reduction advisory firm. With nearly 40 offices spanning North America, ACC's purchasing aggregation and vendor-management processes provide small and mid-sized business access to the kind of large corporate purchasing power they are often unable to capture on their own. ACC also facilitates detailed vendor management and reporting processes to make sure our clients capture the savings that we help generate. Established in 1992, ACC is headquartered in Louisville, KY and has served over 700 clients nationwide.

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