

Cost Study Reveals \$130,000+ in Cost Savings for Midwest Wood Manufacturer

By Max Friar

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Michigan Cost Reduction Experts generate over \$130,000 in annual savings for established manufacturing company.

Grand Rapids-based Alliance Cost Containment recently completed a successful cost-savings study with a recognized Midwest-based custom wood manufacturing company. This client has multiple facilities and gross sales of approximately \$20,000,000. Following a thorough examination of the company's expense detail and indepth negotiation with suppliers, Alliance Cost helped generate more than \$130,000 in annual cost savings from both incumbent and alternative suppliers.

Cost savings were achieved in the following areas:

- \$48,900 cost savings in freight (53.4%)
- \$42,200 cost savings in MRO supplies (17%)
- \$26,200 cost savings in temporary staffing services (5.2%)
- \$12,200 cost savings in pallets (13.7%)
- \$5,500 cost savings in telecommunications (25%)
- \$4,200 cost savings in office products (41.7%)

Additional savings opportunities were revealed in office equipment maintenance, cleaning services (10%) and paging/messaging service (50%). At the client's request, Alliance Cost Containment has entered into a phase II focusing on parcel shipping and additional MRO supplies, despite that ACC has already procured savings by negotiating multiple rebate agreements and sweeping catalog discounts with MRO suppliers.

According to Nancy Stanton, principal of Alliance Cost Containment, "Our experience with the client has been extraordinarily positive. The staff is top-notch and clearly dedicated to working with the company's best interests in mind. It has been a genuine pleasure to work with such a group of open-minded, enthusiastic individuals." Stanton noted that ACC has taken less than 10 hours of the staff's time throughout the entire duration of the supplier negotiation and orientation process. "We understand that our clients' time is exceedingly valuable. Part of our value proposition is that we can handle indirect spend negotiation, leaving our clients the opportunity to focus on more critical purchasing tasks such as raw materials or capital equipment."

With the help of Alliance Cost Containment, the company made a top-down commitment to reduce costs even if it entailed changing long-standing vendor relationships. ACC's proven methodology has saved significant dollars and enhanced profits for manufacturers, service companies and not-for-profit organizations across the country.

Each highly qualified ACC professional works closely with its clients to not only deliver quantifiable expense reductions, but to also become a trusted professional advisor to purchasing managers and buyers. The goal is to build a lasting relationship with our clients based on integrity, honesty, and professionalism.

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Alliance Cost Containment is a Michigan-based expense reduction and cost containment firm focused on

reducing expenses for organizations related to commonly purchased items: freight, telecom, office supplies, MRO, janitorial, packaging, printing, and more.

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