

**NEED:** Cost Reduction

**INDUSTRY:** Manufacturing

**BUSINESS TYPE:** B2B



## Challenge

### Analyzing legacy supply contracts to significantly reduce costs

A private equity firm acquired a leading plastics company that designed and manufactured innovative plastic-injection-molded products. The firm believed there was room for improvement and cost reductions in the company's supply contracts, but lacked certainty given the nature of the portfolio company's products and its specific resin grades. The firm asked us to connect it with a best-in-class cost-reduction group that has deep expertise with this specific need.

## Solution

### Relationship-based cost reduction

We first interviewed the PE fund to understand the nuances of its needs and the unique challenges involved with post-transaction efforts to reduce costs. Then we quickly matched these criteria to the pre-vetted candidates from our invitation-only network, rooted in our founder's 20 years of PE industry experience. Based on our proprietary approach, the PE firm hired a group of resources with the exact plastics market experience they needed, as well as key relationships with manufacturers.

## Result

### \$10 million in annual cost-reduction

The vetted group identified more than \$10 million in annual savings and created more than \$80 million of pro forma enterprise value.

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