

ERA Drives \$85,000 Annually From Overnight Delivery Costs of California Electronics Testing Service

Industry: Electronics Testing Service
Category: Overnight Delivery Service

Client Overview

A \$40M California Electronics Testing Service spent \$450,000 annually on Overnight Deliveries.

Our Client's Goals

To better understand their current Overnight Delivery spend to identify unique alternatives that would reduce their transportation costs from their warehouses across the USA their customers worldwide.

The ERA Process

ERA Analysts employed our Intelligent Cost Reduction process, a detailed 10 step analysis that results in a better value proposition for our clients from their suppliers. In this case, ERA helped the client understand their existing overnight delivery services and various options available in the marketplace.

Our Analysts extracted data from a month of detailed supplier invoices to understand the clients shipping patterns and determine which suppliers might enhance the client's Overnight Delivery service level and pricing. We captured the clients work flow and business processes, and gathered input from key stakeholders. ERA then prepared detailed Requests for Proposals from three organizations that provided the level of service required by the client and were known to be cost competitive. Upon receipt of the completed RFPs from the three suppliers, ERA analyzed each of the responses and rated them based on the client's criteria.

The Result

ERA presented the client a Recommendation Report that outlined exactly how the client would benefit from each of the vendors who responded to the RFP and recommended a course of action to the client. Upon approval from the client, ERA worked with the incumbent vendor, implemented the new service, and is closely monitoring compliance to ensure the maximum savings are realized.

As a result of this process, the client saved \$85,000 annually with the incumbent supplier. In total the client invested a total of fifteen hours on this project to generate the \$85,000 annual savings.