

## What if you could...

...reduce operating costs by \$8.6 million?

**With Proudfoot, you can.**



**Proudfoot**  
PROOF POINTS

Industrial Goods  
Case Study

**A LARGE HIGH-SPEED**, injection-molding plastics manufacturer had grown through acquisitions resulting in inconsistent operating processes.

The CEO wanted to reduce total costs while improving delivery capabilities through plant consolidation, supply chain redesign and footprint reduction. He recognized the need to place special emphasis on optimizing the supply chain through the reduction of fixed operating and transportation costs across the network.

Better machine utilization was also needed to determine the right production levels to reduce operating costs.

Management realized this project was critical to the company's viability. They needed to enhance production capabilities by retaining the best machinery and discarding obsolete equipment.

"We needed best practices disseminated quickly and effectively across our network so we could be much more responsive to our customers' needs."

- Client CEO

### A TRANSFORMATIONAL APPROACH

Working together with Proudfoot, the team:

- 1 Conducted a detailed analysis** of the current baseline supply chain structure.
- 2 Ran optimization models** for seven different scenarios to find the lowest cost solution.
- 3 Evaluated seven scenarios and determined the best alternative** with the right cost structure.
- 4 Created a detailed budget and roadmap** for the execution of the network consolidation.
- 5 Installed process and behavioral improvement** to free up capacity and plant consolidations.
- 6 Implemented a consolidation** strategy based on simulation modeling to optimize plant layout and reduce freight.
- 7 Implemented SMED (Single Minute Exchange of Dies)** and established a change-capable culture across all sites.
- 8 Used SPC (Statistical Process Control)** to control material weight variations.
- 9 Standardized all processes across all 4 businesses** to develop the "One Company Way."

### REMARKABLE RESULTS

- 52%** increase in **machine utilization**
- \$8.6M** in **reduced operating costs**
- \$2.5M** in **annual SG&A cost reductions**
- 20%** increase in **throughput**
- 23%** reduction in **finished goods inventory**
- \$20M** achieved in **annualized benefits**
- 20%** reduction in **freight costs**
- 50%** reduction in **maintenance backlog**

The consolidation plan was completed within the 150- day timeline and the manufacturing footprint was reduced from 8 plants to 4, scrapping 60 machines and relocating 19 machines.

The remaining sites were transitioned to the same system which allowed the client to have greater control over scheduling and forecasting, as well as inventory management.