



SRM Uncovers \$10 Million for Chemical Manufacturer

Recently, a Memphis-based manufacturer realized an opportunity to streamline its purchasing methods, including its vast supplier base and structure. Normally this would be a daunting task. However, with Strategic Resource Management, Inc. (SRM) as its partner, the company dramatically improved profitability and cash flow by realizing over \$10 million dollars in overall impact.

Although the company's seven-person purchasing department was able to fulfill its daily work demands, the ongoing demand of dealing with over 100 different suppliers left little time to uncover sources of cost reduction. "From our standpoint, it was strictly a manpower issue. There was no excess time to delve deeper to find other avenues of cost savings," said the company's director of purchasing.

SRM offered us an expanse of proprietary knowledge, experience and a no-risk, performance-based business model. "SRM came in with a high level of expertise in assessing procurement from a strategic standpoint. The experience and knowledge they brought was applied to our very complex business and the results were exceptional. They organized a cohesive plan, stuck to it, and did nothing to disrupt our daily operation."

Upon understanding the company's current purchasing procedures and protocols, SRM completed a thorough cost-savings analysis including a comprehensive plan to achieve the savings. SRM then translated the information, reports and analyses into recommendations about how to optimize vendor relationships from both a financial and service standpoint.

"In several key areas, SRM actually brought about an improvement in our quality and service levels. Their calm, methodical approach was a welcome addition to our culture."
-Chief Operating Officer



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Formerly working with over 100 different suppliers, the purchasing department now works with 25 or less. The result was a leaner, more efficient manufacturing operation. This reduction has dramatically decreased the department's workload allowing the freedom to more closely monitor existing supplier relationships. From a planning perspective, SRM also provided the client the ability to more accurately forecast the cost of direct and indirect materials, as well as operational expenses.

“The best part of being allied with SRM is that they walked with us every step of the way.”

- Purchasing Director

“The partnership with SRM has led to tangible and rewarding outcomes across the board. Employees work more effectively with fewer suppliers and those suppliers work under clearer, more defined and measureable parameters. The best part of being allied with SRM is that they walked with us every step of the way.” – Purchasing Director

Fortified with \$10 million in savings, the purchasing director says the partnership with SRM has led to equally tangible and rewarding outcomes across the board. Employees work more effectively with fewer suppliers and those suppliers work under clearer, more defined and measurable parameters.

About SRM

Founded in 1992, Strategic Resource Management (SRM) is an independent consulting firm that helps clients reduce expenses, generate revenue and maximize profitability. Drawing on its extensive experience, market insight, and robust proprietary benchmarking database, SRM helps organizations maximize profitability without sacrificing quality or valued vendor relationships. Services include benchmarking, negotiation, contract development, implementation, management, audit, and tracking. To learn more about how SRM can help your business, please call 1-800-748-2577 or visit our website – www.srmcorpnmfg.com - for details.