



# Consolidating Suppliers Reduced Complexity And Costs For Monogram Foods

### Rapid Growth Leads to Challenge Managing Vendors

Growth, in one form or another, is the goal of all businesses. First, there is the challenge of creating the environment that can generate growth. Then, as the business grows, different challenges emerge that demand different solutions. Suddenly, what worked a year ago is not the best approach this year. Avoidable mistakes may be overlooked and extra costs may be incurred due to the need to focus elsewhere.

Jeff Modica, Chief Procurement and Logistics Officer of Monogram Food Solutions LLC, understands the benefits and the challenges that a growing company faces. His company is growing organically at an annual rate of more than 40%. That is the good news. In order to accommodate that growth rate and keep their customers satisfied, the various operations Monogram has throughout the United States were contracting with an increasing number of outside suppliers. In some cases, this was necessary, but in other cases the number of vendors had reached a point where inefficiencies had emerged that needed to be addressed.

### Less Complexity, Lower Spend

One of the first areas Jeff and his team decided to work on was their folding cartons suppliers. With as many as 10 folding carton suppliers, the cost and complexity of Monogram’s vendor contracts were high. There was an opportunity for the company to improve its bottom line by reducing their number of folding carton vendors. Monogram’s procurement department, led by Janet Bodo – a 20-year procurement professional – decided to take the initial steps required to see what could be done to achieve that goal.



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“Our procurement department undertook an initiative to simplify, streamline, and leverage cost savings by consolidating suppliers,” said Jeff. “The first step was for us to assess if we had the in-house expertise, time, and bandwidth to successfully complete the project in a timely manner. The fact of the matter was that too many other priorities were competing for our attention, so we engaged with SRM.”



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#### **Involving Internal Team, Compatible Business Models**

There are times when internal personnel feel threatened by the use of consultants, but at Monogram Jeff and Janet developed an approach that involved their team members in the process. By using this approach, the Monogram employees became willing participants in the process working with SRM. This allowed them to learn more about relevant industry standards and cost drivers as well as how folding cartons are made, printed, and distributed.

The folding carton project at Monogram conducted by SRM resulted in not only a seven-figure reduction in overall cost, but also a reduction of the number of vendors that would need to be managed. “These types of outcomes are not unusual,” according to Brad Downs, CEO of SRM. “When it is possible to consolidate vendors, the bottom line savings are typically impressive on their own, but the bonus comes in the fact that the resources within the company can work more effectively and efficiently.”

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SRM’s business model is based on sharing in the savings it achieves for its clients, and that approach worked well for Monogram. “Gain sharing was fair for us,” Jeff said. “The approach made it easy for us to engage with SRM and there was better participation all the way around by everyone involved on our side.”

“Having a partner such as SRM makes all the difference in the world. We were very pleased with how the project went, and it was conducted professionally and ethically. SRM’s expertise was very helpful, the savings were attractive - over one million dollars - and my team is now smarter. I believe there’s always a role for supplemental help. We have no reason not to consider SRM in the future, especially if they fit the niche.”

#### **About Monogram Food Solutions LLC**

Founded in 2004 with the purchase of King Cotton and Circle B brand meats from Sara Lee Corporation, Monogram Foods is headquartered in Memphis, Tenn. and manufactures and markets top-quality food products. Among these are a full range of meat snacks, corn dogs, pre-cooked bacon, smoked sausage, appetizers, sandwiches, pet treats and other value-added meats. Monogram Foods’ brands include Wild Bill’s, O’Brien’s, Trail’s Best, Hannah’s, Bull’s and licensed brands Bass Pro Shop’s Uncle Buck’s, Johnsonville, Butterball and Team Realtree. Monogram Foods is a major co-packer and private label provider for strategic partners throughout the nation. Monogram Foods operates facilities in Virginia, Minnesota, Indiana, Texas, Iowa, Wisconsin and Massachusetts.