



CHALLENGE

Customer was purchasing fasteners from 26 different fastener suppliers for a total of 88 unique part numbers. Twelve of the part numbers were being purchased from EFC, with the balance coming from other suppliers, many of which were supplying just 1, 2 or 3 part numbers. This scenario was a very complex supply chain, and expensive to maintain, including the internal cost for supplier maintenance as well as significant freight costs, difficulty managing inventory, and unwanted expedite costs. The complexity created risks in the supply chain.

SOLUTION

EFC worked with the customer to consolidate the fastener purchases through EFC as a “Single Source Solution” to reduce time, cost, complexity and risk.

RESULT

Total spend for fasteners went from over \$1.28 million down to \$1.1 million, a savings of approximately \$180,000. Freight costs were reduced through consolidated weekly shipping, stock-outs eliminated, and on-hand inventory was reduced to the desired level. Inventory is now held in EFC’s local warehouse. Customer also receives the benefit of one source to contact for all engineered component and fastener needs, with local engineering support. Fastener Supplier Maintenance costs were reduced as well as inventory carry cost. Soon after, the customer then sourced \$3,000,000 of NON-fastener (other engineered components) to EFC for new programs, which EFC then provided \$800,000 savings a year later through skilled network global sourcing.

HIGHLIGHTS OF REDUCED TIME, COST, COMPLEXITY AND RISK:

- Significantly reduced cost in fastener and engineered component spend (piece price)
- Reduced on-hand inventory cost
- Reduced supply chain complexity and reduced risk
- Reduced cost of freight and reduced cost of supplier maintenance
- Enhanced service and responsiveness including local engineering support
- Improved Quality