

Achieving successful post-merger integration in a complex environment



Consolidating maintenance and site labor services to minimize risk, reduce costs and improve control

The results

Our experienced team worked shoulder-to-shoulder with leadership and functional managers to drive change and alignment and ensure strong foundations for future year-on-year savings and improvement.

- Aligned leadership and maintenance teams behind a common goal to reduce costs and improve accountability and control post-merger
- Delivered 14% annualized savings, with long-term commitments for additional future year-on-year savings
- Delivered savings above client expectations
- Consolidated multiple vendors and processes to reduce cost and improve maintenance value and control
- Infused procurement and operations best practices
- Established a foundation for a culture of innovation to drive Total Value Optimization™ through committed cross-functional teams
- Achieved a ROI of 6.1:1

This story is for senior executives who:

1. Are currently working with multiple maintenance vendors across multiple company sites.
2. Want to reap the financial and safety benefits of having a single point of accountability for maintenance in a highly complex business environment.
3. Are ready to raise the bar on performance metrics, efficiencies and the ability to control and manage operations.

The challenge

This major manufacturer of commodity chemicals recently combined the business of two companies into one multi-billion dollar global organization.

Company executives needed to rapidly capture value to deliver synergy targets communicated to investors. They saw supply chain and procurement synergies as major contribution areas. Maine Pointe was engaged to help deliver these savings across a number of category groups including logistics, raw materials, parts & equipment and site labor services.

A key focus area was 3rd party labor, which provided a broad range of site services related to maintenance and reliability across all North American sites. The company was using over 100 different maintenance providers across multiple sites, each managing its own supply strategies and contracts. Some work had been done to improve contracting terms but procedures, rates and staffing levels were inconsistent, with some smaller sites having better contracts than the bigger sites.

Vendor consolidation and process alignment in a highly complex business environment

Company leaders had worked with traditional consultancies in the past and, as a result, were highly skeptical about the results that could be achieved. They viewed this as a 'procurement' exercise focused solely on price rather than on total value.

Maine Pointe's team set about changing this view, consolidating the hundreds of vendors previously used into a very limited number of accountable partners across all sites – committed to driving savings and operational efficiencies across the business. Our Total Value Optimization™ approach included:



- Bringing maintenance and reliability leaders together across multiple sites to agree a common set of goals, and processes to win hearts and minds to overcome internal barriers
- Establishing cross-functional category sourcing teams to maximize involvement and “buy in” of key stakeholders to drive maximum value
- Embedding our Leader & Organization Improvement (LOI) approach in engaging, communicating with and inspiring people to achieve the overall engagement goals
- Engaging the potential supply base through supplier forum and category specific techniques to create options for unique long-term Total Value Optimization™ relationships
- Utilizing our Data Analytics capabilities to analyze highly complex multi-dimensional RFPs
- Focusing evaluation criteria on operational and safety considerations to ensure risks were effectively managed.
- Implementing new relationships with committed partners to deliver immediate savings, and ensure long-term commitment and using this as a foundation to transform the company's reliability and maintenance capabilities

Throughout the engagement, our hands-on implementation experts worked alongside company personnel at all levels to make sure that the savings identified were realized and to ensure that the roadmap is in place for continued transformation.

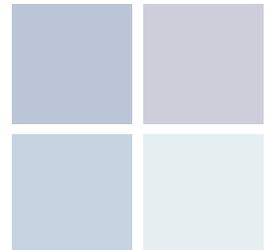
As a result of our proven ability to implement change and deliver real financial results, the client has engaged Maine Pointe to create, implement and sustain further improvements across its five major US sites. This engagement will add operations to the scope of an engagement that already includes procurement and logistics, providing a great example of a Total Value Optimization™ driven engagement.

“We need Maine Pointe’s skills at implementing change, creating real financial results and working with departments to drive the new way of operating.”

Executive Vice President Manufacturing and Engineering

Lessons learned for other executives

- Changing the perspectives of challenging people can be achieved with the right experienced people capable of driving change
- A supplier forum can significantly shift the perception of the potential for change both internally and externally
- A good strategic procurement effort is not necessarily built on the amount of spend you're working with; its how you approach the market.
- Data Analytics and Leader & Organization Improvement are critical enablers for sustainable change



Want to **consolidate your vendors** and **centralize operational disciplines** in a complex environment?

Want to find out how our **Total Value Optimization™** approach can help your organization?

Talk it through in a no obligation phone call or meeting with one of our executives.

Email info@maineporte.com to arrange a call

About Maine Pointe

Maine Pointe is an operational implementation focused consulting firm that accelerates measurable performance improvements in both EBITDA and cash flow for chief executives and private equity firms around the world. As specialists in procurement, logistics and operations, Maine Pointe is uniquely positioned to accelerate measurable improvement across the buy-make-move-fulfill supply chain to deliver the greatest value to customers and investors at the lowest cost to business through Total Value Optimization™.

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