



CASE STUDY

HVAC, Plumbing & Electrical

Client engaged Treya in a spend management initiative that drove cost savings

About the Client

Our client operates as an HVAC, Plumbing, & Electrical platform, boasting a portfolio of 18 brands and a continuous expansion trajectory through strategic acquisitions. Serving numerous residential HVAC customers across the southern United States, the client has a robust workforce of over 1,300 team members and maintains a fleet of more than 1,000 vehicles. With an unwavering commitment to excellence, the company effectively manages over 350,000 service calls per year.

Project Overview

Client was introduced to Treya Partners through its private equity sponsor, a mid-market fund with investments in manufacturing, distribution, and service businesses.

Client engaged Treya in a spend management initiative that drove cost savings across 4 strategic spend categories representing \$36M in baseline annual spend. Treya's project was sponsored by the client CEO, CFO, and VP of Purchasing.

\$2.8M

Annual Savings created on a \$36M addressable baseline

Summary

The Challenge

- The company's enterprise-wide purchasing power was not being fully leveraged
- Data-driven strategic sourcing hadn't historically been pursued
- Each brand was purchasing HVAC Equipment, Parts & Supplies from a diverse and fragmented supply base
- The availability of purchasing data varied significantly by brand

The Process & Solution

- A multi-faceted approach leveraged RFPs, direct supplier negotiations, and Group Purchasing agreements to create savings
- The bidding process was data-driven, giving many suppliers visibility for the first-time into the client's enterprise-wide usage profiles

The Outcome / Results

- \$2.8M or 8% in annual savings created on a \$36M addressable baseline
- \$36M in Enterprise Value Creation
- Treya supported a detailed spend reallocation exercise that identified which branches needed to make supplier switches and quantified the value associated with each change

The Challenge

Client had experienced significant growth in recent years, but purchasing decisions historically took place at the branch level and the company's enterprise-wide purchasing power was not being leveraged. Treya was tasked with creating meaningful cost savings for the client with a focus on optimizing their strategic supplier relationships for HVAC Equipment and developing strategic partnerships for HVAC Parts and Supplies. Treya navigated a data poor environment and was mindful of supplier sensitivities.

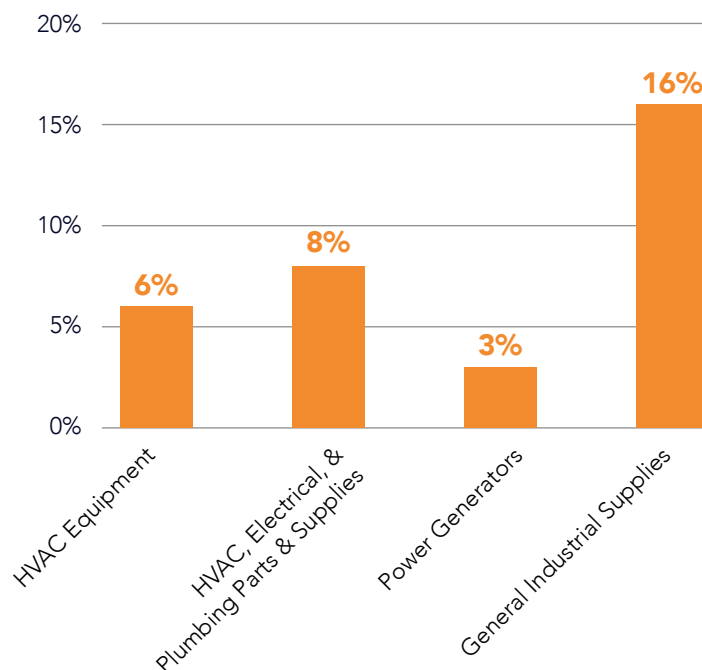
The Process & Solution

Treya utilized a combination of incumbent supplier negotiations, competitive bidding processes, and Group Purchasing agreements to create savings for the client, working closely with its C-Suite and Purchasing leads throughout the engagement. After obtaining competitive supplier proposals, Treya worked closely with the client to strategically reallocate spend towards suppliers offering the most competitive commercial terms.

The Outcome / Result

Treya's strategic sourcing project delivered meaningful cost savings for the client. Treya addressed approximately \$36M in annual spend across 4 primary workstreams, including HVAC Equipment; HVAC, Electrical, & Plumbing Parts & Supplies; Power Generators; and General Industrial Supplies. Incumbent supplier negotiations, RFPs, and subsequent strategic spend reallocation resulted in much of the identified savings. The project created \$2.8M or 8% in annual savings, which translates to \$36M in enterprise value created. Both the private equity sponsor and the client vocalized the value of Treya's efforts at the close of the engagement.

Project Savings



About Treya Partners

Treya Partners has been a leading provider of procurement improvement services across the public and private sectors since 2006. Clients served include over 80+ private equity funds, 15 state governments, and multiple institutions of higher education.