



HEARTWOOD
PARTNERS

About the Client

Headquartered in the southeast, the client provides breakthrough solutions in the form of the world's most advanced, high-performing, environmentally friendly, next generation coatings serving flooring and wall covering markets, among others.

Overview

The Manufacturer was introduced to Treya Partners through its private equity sponsor, Heartwood Partners, a leading Connecticut-based private equity firm. Heartwood and Treya have also partnered on cost reduction initiatives for other Heartwood portfolio companies.

The client engaged Treya in a spend management initiative that drove cost savings across 10 spend categories representing \$53M in baseline annual spend. Treya's project was sponsored by the client CEO, along with Demetrios Dounis, a Partner at Heartwood Partners.

CASE STUDY

Heartwood Partners Manufacturing Industry

Treya's strategic sourcing project delivered meaningful cost savings on approximately \$53M in annual spend across 10 workstreams

SUMMARY:

The Challenge

- Data-driven strategic sourcing hadn't historically been pursued
- Several long-term, sensitive vendor relationships were in place
- The company's enterprise-wide purchasing power was not being fully leveraged

The Process & Solution

- Utilized a combination of RFPs, direct supplier negotiations, and Group Purchasing agreements to create savings
- Engaged in negotiations with incumbent suppliers in spend areas where ability and appetite for supplier transition was low, effectively leveraging commodity index analysis and market benchmarks
- Prioritized data-driven approach, giving suppliers visibility into detailed usage profiles and business needs

The Outcome / Results

- The project's Return on Investment (ROI) was 13X
- Much of the business remained with incumbent suppliers after sourcing activities, resulting in limited changes to operations and rapid savings realization

The Challenge

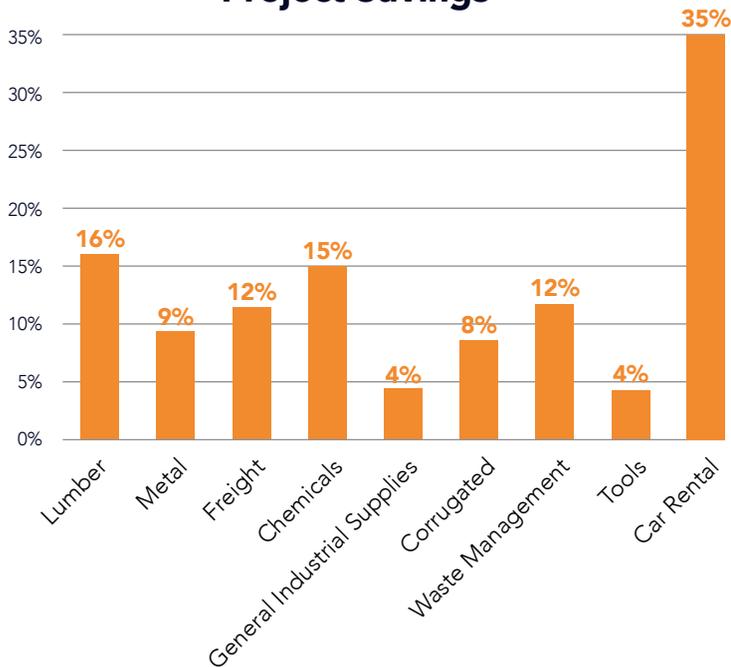
The Manufacturing Company had experienced significant growth in recent years and its approach to procurement was tactical and relationship-driven. Treya was tasked with creating meaningful cost savings for the client with a focus on addressing sensitive spend areas without jeopardizing long-term supplier relationships.

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 procurement lead throughout the engagement. In particular, Treya leveraged market pricing analysis to support incumbent supplier negotiations.

For example, for one commodity, Treya discovered that the supplier’s pricing had continued to increase over the past year while market pricing for that commodity had fallen significantly during the same period. Using this information, Treya negotiated improved commercial terms while tying pricing contractually to an index going forward.

Project Savings



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Treya delivered meaningful cost savings for our portfolio company in a manner that was data-driven, thoughtful, and pragmatic. They tailored their solutions to fit our portfolio company’s environment. We were able to realize significant value with very little disruption. This highly successful engagement led us to start rolling out the Treya solution across multiple portfolio companies.

Demetrios Dounis
Partner, Heartwood Partners

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“The Treya team’s data-driven approach, collaborative style, and adaptable framework allowed them to succeed in our unique environment. Treya created meaningful cost savings for us while earning the trust and respect of our originally consultant-wary team. The Treya team was easy to work with and I would highly recommend them to any organization that is looking for significant impact with minimal noise.”

Manufacturing Client, **CEO**

The Outcome & Results

Treya’s strategic sourcing project delivered meaningful cost savings for the client. Treya addressed approximately \$53M in annual spend across 10 workstreams, including Lumber, Metal, Chemicals, Tools, Freight, General Industrial Supplies, Corrugated, Waste Management, and Car Rental. RFPs and incumbent supplier negotiations resulted in the majority of the savings, with limited supplier transitions ultimately required. The project ROI was 13X.

Treya also helped establish a vendor management program for the client, delivered training on strategic sourcing best practices to its purchasing team, and developed a supplier risk mitigation roadmap for them.

About Treya Partners

Leading provider of Procurement Improvement services across the public and private sectors since 2006. Clients served include 15 state governments, multiple institutions of higher education, and over 50 private equity funds.