

CLIENT: PLASTICS DIVISION OF GLOBAL PACKAGING LEADER

PROJECT OVERVIEW

CHALLENGES:

- Division was about to be sold to a corporate investment firm
- Client wanted to improve over anticipated industry cost-curve savings by an additional 10%
- Introduce cost-management techniques into a performance- and quality-oriented organization
- Transfer cost-management skills and capabilities to client sourcing and design personnel, to allow sustainable cost management

OBJECTIVES:

- Reduce the direct material cost of current designs
- Inject cost reviews and procurement involvement into the new-product development process
- Introduce sourcing of molds and tooling in low-cost countries

OUR SOLUTION

- Heavily utilized Regenius' Direct Material Total Cost Management Tools:
 - Linear Performance Pricing (LPP)
 - Clean-sheet cost buildups
 - Internal Best-of-Best benchmarking
 - Design-to-cost (DTC)
- Comprehensive Regenius Support:
 - Drove overall project management
 - Trained team members and management on new tools
 - Applied tools with team members, transferring application knowledge to team members

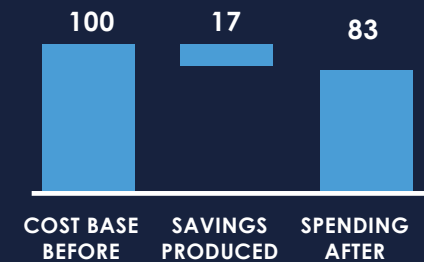
APPROACH / TOOLS:

- Value Engineering / Value Analysis
- Reverse Engineering
- Product Benchmarking
- Functional benchmarking

RESULTS

- Additional 17% savings beyond the client's historic cost reduction rates

TOTAL SPEND INDEXED



ADDITIONAL BENEFITS:

- Installed cross-functional sourcing teams
- Defined target costs for next-generation products
- Supported an overall, on-going operational transformation program