

# Strategic sourcing effort delivers \$3.5 million of annual cost savings for NCH Corporation

## The client

NCH Corporation is a global manufacturer with 8,500 employees across six continents specializing in maintenance chemicals, water treatment solutions, plumbing goods, lubricants, biologicals, and parts-washing systems.

## The challenge

Rising input costs, supply chain constraints, and geopolitical uncertainty led to an enhanced focus on cost management company-wide. NCH procures a large volume of direct materials globally (chemicals, lubricants, etc.) and consumes a significant number of containers, pallets, packaging, and MRO supplies within its manufacturing and distribution operation.

NCH's large purchase volume amongst a diverse global supplier base presented an intricate challenge to fully optimize supplier agreements, so leaders engaged ERA for help.

## The solution

NCH engaged ERA Group to optimize supplier costs in select expense categories, aligning with ERA's expertise. NCH maintains a high bar for suppliers including product specifications, quality and service standards. ERA Group conducted multiple sourcing events primarily through comprehensive RFPs.

Incumbents and new suppliers were invited to present proposals pursuant to product and service specifications. Suppliers were also challenged to introduce innovative solutions to optimize their relationship with NCH, including alternative products and contracting terms.

Our experts collaborated with NCH's internal teams to align sourcing options, evaluate alternatives, and monitor supplier performance, ensuring product quality and service standards and improved pricing terms were sustained throughout the process.

ERA Group brought deep category expertise and supplier insight complementing our internal team's effort to drive incremental value to the business.

ANDREW SCHREYER, GLOBAL COO NCH CORPORATION



## The results

MRO - 45%

Managed Print - 36%

Packaging - 27%

Pallets - 20%

Land Transportation - 15%

Corrugated - 13%

Small Parcel Freight - 12%

Containers - 11%

Chemicals - 11%

Waste - 10%

With ERA Group we have achieved savings, and have also benefited from expert advice and support. ERA brought dedicated people with specific knowledge to make a difference and achieve savings beyond expectations.

JAMES CHARLESWORTH,  
CEO NCH LOVOSICE,  
CZECH REPUBLIC

