



PRODUKTSAVINGS

COST REDUCTION THROUGH PRODUCT SUBSTITUTION

INITIAL SITUATION

In the annual planning meeting, the purchasing department is challenged to contribute to the company's success with additional savings. Since price developments cannot be stopped and many product prices are already at a low level due to tenders from previous years, this requirement becomes a Herculean task.

It is not uncommon for there to be a desire to save costs through product substitutes. The portfolio is often not transparent, the individual positions are difficult to identify and a change in products harbors a multitude of risks. At the beginning of a tender or before working with a new system partner, there is a complex process of product research and data harmonization.

Lingemann will be happy to support you.

ANALYSIS BY LINGEMANN

We take a differentiated look at the topic of product substitution and carefully examine all influencing factors for so-called saving proposals. A popular product range for this is occupational safety. The requirements and expenses for occupational safety are constantly increasing and the variety of products is enormous. There are often positions for those responsible for costs in a company, for example, work gloves, which are required in large numbers, and a reduction in individual prices quickly leads to significant savings.

An alternative product can almost always be

found, but at the same time, we question why the alternative is cheaper. Often well-known and established manufacturers, with whom Lingemann has been working successfully and trustingly for

years, stand here against smaller importers with leaner structures. Since the materials used and the product properties are comparable, the price difference must have a different origin.

The difference can lie in the continuous quality, the availability of goods, the production conditions, or simply in the subjective perception of the user.

That is why we carefully weigh up all options together with our

customers and the manufacturers before converting a product. If even a single accident at work results in an injury due to a quality problem, the price saving is worthless.

**WE WERE ABLE
TO WORK OUT
A SAVING OF > 18,000
EUROS WITH
A CUSTOMER
ON AN ANNUAL
REQUIREMENT OF
APPROX. 13,000 PAIRS.**

IMPLEMENTATION

Our customer has identified a workflow for which a new glove should be tried. Before every product changeover, we first collect all the information and analyze the data. Together with our partners and sources of supply, we are now selecting possible products and procuring samples.

In wearing tests it is now determined whether the new glove model meets the requirements. Factors such as protective effect, fit, wearing comfort, inherent odor, and any effects on the production process must be checked and documented. If this check turns out positive, the commercial details

must be clarified: purchase quantities, purchase obligations, warranty modalities.

If the framework conditions are right, huge savings can be achieved. We were able to work out a saving of > 18,000 euros with a customer on an annual requirement of approx. 13,000 pairs. Also, we were able to reduce the consumption of our BOOST.Tower dispenser by a further 18%: a complete success!

OPERATION AND ONGOING OPTIMIZATION

We are happy to accompany our customers in conversion projects and support them in operational processing. The exchange with the manufacturers and the arranging of presentation appointments are just as much a part of our tasks as the documentation and follow-up of the saving projects. We have integrated our database into our ERP for this purpose.

What counts for us is that we come up with the optimal solution for each case. Whether it is a different glove model, a new filter, or machine parts with a longer service life or lower maintenance intervals: We face the challenge.

MEASURABLE SUCCESS

High savings can be achieved through successful saving projects. Even if a saving cannot be realized, it was questioned, checked, and documented. This information can provide important arguments for the future.

CONTACT

Are you interested in which support we can offer you for your business? Contact us for a non-binding consultation, we will be happy to advise you!

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