



Alternative Materials Sourcing Leads to OEM Conversion Savings

Opportunity

A pharmaceutical manufacturing customer was dictating where Vallen was to purchase diaphragms, valves and filters, all from an original equipment manufacturer (OEM). This resulted in continuous negative material savings, affecting our contractual key performance indicators (KPI) by offsetting the cost savings submitted by the Vallen site managers. In addition, lead times were extensive as the OEM's were single sourced.

Vallen saw an opportunity to find alternative manufacturers who could offer equivalent or better substitutions at a lower price and with better lead times.

Solutions

Vallen site managers sourced a supplier who could provide these products. Samples of multiple products (diaphragms, valves, and filters) were provided to the customer's engineering and quality departments for testing. After six months of testing, the substitute products were validated for use by the customer.

Streamline Your Supply Chain Processes

You can rely on Vallen Integrated Supply's specialized teams to pool their expertise and solve your most important challenges. Our unique skills and experience enable us to build creative, impactful solutions that streamline the indirect supply chain process, eliminate waste and increase cost savings onsite.

- Improve sourcing management
- Eliminate system investments
- Optimize inventory
- Lower labor and materials costs
- Productivity improvement

Savings Summary

- Vallen extended opportunity across all four customer sites, increasing material savings by 551% over prior year
- Material savings also impacted cost savings for each customer site, overall cost savings of 75%
- 6.7% reduction in main storeroom transactions
- Improved margins realized with sourcing of lower cost

