

Industrial manufacturer saves \$1 million and identifies opportunity to save \$3 million more

CWT AIR SOLUTIONS
GLOBAL

THE CHALLENGE

A global U.S.-based industrial manufacturer conducting business in nearly 180 countries and more than 4,000 locations had a decentralized air program. It required a central global sourcing project to estimate global savings potential for Europe, Middle East, and Asia; Asia Pacific; Latin America; and North America. The client also wanted to measure ongoing performance to ensure goal compliance and identify further savings opportunities. It engaged *CWT Air Solutions GroupSM* for its global capabilities and customized deliverables.

THE SOLUTION

CWT Solutions Group[®] collected RFPs from carriers and analyzed and benchmarked proposed discounts using two metrics—similar sized clients and individual carrier discounts in every region within the program—to ensure discount competitiveness. A consolidated Opportunity Analysis was created to determine overlap among the preferred carriers, ensuring contract performance goals could be achieved for each supplier.

The sourcing engagement then turned into an optimization program for the United States, Europe, Middle East, and Asia that monitored goal performance with quarterly recommendations based on in-depth reporting. CWT also focused on non-discounted spend and took advantage of each opportunity to further negotiations with preferred suppliers for increased market coverage and discounts at market-level.

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THE RESULT

The airline strategy has now been consolidated through the global sourcing project, and supplier negotiations have been leveraged to save \$1,000,000 annually.

The manufacturer receives aggregate deliverables such as Net Effective Savings Rate and Market Information reports to make better informed decisions to manage its travel program. Traveler booking behavior analysis revealed potential savings of \$800,000 from low cost carrier, \$400,000 from advanced purchase, and \$1.8 million from trip savings.

The optimization program is expanding to include Asia Pacific and Canada and will monitor actual spend, total savings, and goal performance on a quarterly basis.

FAST FACTS

Industry: Industrial Manufacturing

Scope: 112,800 U.S. tickets

Volume: \$95 million

Results at a glance:

- \$1,000,000 annual savings by leveraging global spend
- Traveler booking analysis identified \$3,000,000 potential savings
- Consolidated global air strategy