

Cost Reductions in Papua New Guinea

A leading Australasian food manufacturer responsible for numerous household brands engaged Charles Kendall Australia to analyse expenditure and identify cost-base reduction opportunities across its manufacturing operations in Papua New Guinea.

Appointed to conduct a spend analytics and supplier management study, Charles Kendall Australia;

- identified 26 cost-base reduction opportunities delivering an estimated 7-15% reduction in annual expenditure;
- categorised savings into quick wins, medium-term gains and strategic savings;
- determined the required resources and offered recommendations to realise these savings and achieve further gains in procurement efficiency; and
- delivered a detailed scoping report to GFI's Chief Procurement Officer with implementation activities already being planned.

As a result, the manufacturer was able to utilise materials that are in greater supply and retain a cheaper cost of production. Additionally, the report identified areas for growth and opportunity to be integrated into their short to medium term strategy.

