

Surpassing the Savings Goal for Swiss Valley Farms

Client Swiss Valley Farms

Sector Food Manufacturing

Cost Categories Sanitation Chemicals Packaging

ERA consultants leverage industry expertise to save the client more than \$1.1 million

Swiss Valley Farms is a farmer-owned dairy cooperative located in Davenport, Iowa, serving consumers and businesses across the nation. The organization is owned and controlled by approximately 575 dairy producers. With annual sales of more than \$400 million, Swiss Valley Farms is the 23rd largest dairy cooperative in the United States, delivering cheese, butter, and other dairy products to grocery stores, warehouse clubs, convenience stores, schools, food manufacturers, and food service companies.

The client was not able to analyze every spend category. As a result, Swiss Valley Farms engaged Expense Reduction Analysts (ERA) to take on the challenge and identify possible savings across several business categories, including chemicals, utilities, and temporary staffing. At the onset of the engagement with ERA, the client set a goal to identify \$250,000 in annual savings.

ERA's deep expertise across a wide variety of specific business categories provided the client with an objective view of cost reduction strategies.

ERA began by analyzing the \$1.4 million spend for chemicals and found that a new supplier could deliver significant savings. ERA worked with the vendor to negotiate the contract and secure advantageous new terms for Swiss Valley Farms. With the new supplier, the client will realize an annual savings of 47 percent, or approximately \$660,000.

ERA also reviewed Swiss Valley Farms' \$2.9 million spend for packaging and was able to identify a 15 percent (\$460,000) annual savings by negotiating product packaging with both incumbent and new suppliers to find options that better aligned with the client's needs.

ERA next moved on to analyzing lab testing and uniform rentals, and validated that the existing vendors and contracts were providing the best results and an annual savings of \$60,000 and \$45,000, respectively.

Contract negotiation skills, coordinating the transition of new suppliers, and keeping a watchful eye on industry trends has led to substantial savings for Swiss Valley Farms.

By restructuring multiple areas of spend, Swiss Valley Farms has realized significant savings, far surpassing its initial \$250,000 goal. The recouped funds are slated for reinvestment back into the organization to boost growth and performance.



PROJECT INFORMATION

Expense:	Sanitation Chemicals Packaging
Industry:	Food Manufacturing
Hidden Savings:	\$1.1 million
Savings:	27%

“

ERA brings a wealth of knowledge across all spend categories. They are very diligent in negotiating pricing with the suppliers while always keeping the service aspect of potential vendors at the forefront. After the selection has been made, they help coordinate the transition process and ensure that everything happens according to our expectations. SVF is looking forward to a long and prosperous relationship with ERA.

BRAD JUNKER, CFO,
SWISS VALLEY FARMS