



# Cost-Effective Purchase of Jet Engine Parts

## THE CLIENT

As a Fortune 50 multinational conglomerate corporation, the client is engaged in producing a multitude of products in the aviation, transportation, energy, healthy, and home appliance sectors. Headquartered in the United States, the company employs over 300K employees while providing services to customers in over 100 countries.

## BUSINESS CHALLENGE

With the growing global market for jet engines, the client needed assistance in reducing supply chain costs.

Corbus was tasked with researching and qualifying global suppliers. The largest challenge to overcome was ensuring that the correct hardware was purchased from the best quality source while still achieving the lowest price possible and guaranteeing the quickest delivery time. Throughout this process, Corbus supported the client's supply chain by vetting suppliers in target sourcing locations such as: China, India, Western Europe and Eastern Europe.

## THE RESULTS



Managed \$500M in spend



Achieved 15% to 20% in cost savings



Delivered continual cost reduction from 2% to 10% annually



Oversaw and managed over 30K part numbers

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## HOW CORBUS HELPED

- » **Identified** global suppliers through measuring the quality, price point, and delivery time of the part suppliers
- » **Provided** industry relevant resources, including: a dedicated sourcing program manager, a team of forecasters, material planners, fulfillment planners, coordinators, contract administrators, buyers, product quality engineers, and value engineers to locate, develop, and qualify potential manufacturing suppliers
- » **Located** and qualified Purchase Orders (PO) from sources in the Czech Republic, France, Turkey, India, Taiwan, and Mainland China
- » **Implemented** industry best practices across the supply chain to manage and provide: parts forecasting, contact administration, global fulfillment, small parts sourcing and other direct material procurement, product quality engineering, product returns, value product engineering, logistics, and program management
- » **Maintained** and improved service levels while increasing the client's annual cost deflation
- » **Consolidated** part requirements for supplier/client optimization
- » **Leveraged** economies of scale to increase production volume and decrease costs
- » **Created** a program-to-program comparison tool to control pricing by using industry benchmarking standards
- » **Negotiated** with suppliers based on the total buy year-over-year to reduce part-by-part increases and to achieve discounts on reoccurring purchases
- » **Managed** multiple sources of supply in order to effectively leverage spend and create supplier competition that resulted in significant cost reductions

