

# ATS

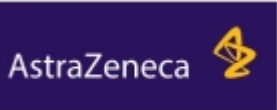
**Construction, Mining, Cement, Asphalt Case Study**  
\$72 Million Cost Savings, Compliance, & Centralization

**“Increase Profits, Improve Capital, Reduce Costs”**

# ATS Clients



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# Who We Are

- 30+ year history, working in more than 100 nations.
- 28%+ overall average savings, performance based, for engaged clients.
- Tens of Billions of Dollars profit results for small to large organizations.
- We work in more than one-thousand areas, through our No Cost Assessment Cost Reduction Solutions, for those products and services where there is enough spend.
- Phenomenal client list, stories, and case study outcomes.
- 1000's of global affiliates, partners, and experts.

# ATS Organization Details

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**Organization Name:** Aggregate

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**Industry:** Construction, Mining, Cement, Asphalt

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**Organization Size:** \$12 Billion Annual Gross Revenues

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**Client Billable Type:** Fixed Contract, Hourly, Sourcing, Bonus Percentage

# ATS Client Needs



**Client Challenges / Need:** Central Procurement for 300+ Locations.



**Solutions Provided:** This organization came to ATS to reduce costs, increase compliance, enhance productivity, implement training, update best practices, centralize procurement, grow, and customize solutions!



**Other Outcomes:** Contract Centralization, New Market Development, Training, Compliance, Audit, SOX ...

# Client Outcomes: Assess & Provide Strategy

- Their need arose due to having acquired many companies over a 20-year period. This resulted in several buyers conducting business within the procurement and financial areas differently, without any standard processes and compliance, bidding and Request for Proposal processes not taking place, and much more. An example of what we found in our analysis was the many vendors / suppliers they were buying / sourcing from across the U.S. This did not allow this organization to utilize the leverage of volume buying and caused the accounting department to pay multiple vendors. Just with office supplies alone, the company was paying more than seventy vendors to fulfill their needs in this category.
- Upon completion of our no cost assessment, we found more than fifty potential areas within the plan to centralize, where we might be able to improve their bottom line, improve effectiveness, improve the invoice and payment functions, and so much more.

# Client Outcomes: Cost Reduction

- Explosives, Blasting, and Drilling: 32% Cost Reduction - \$32,000,000.00 Cost Savings.
- Filters: 41% Cost Reduction - \$1,320,000.00 Cost Savings.
- Travel: 17% Cost Reduction - \$183,000.00 Cost Savings.
- Fleet (U.S. and Canada): 33% Cost Reduction - \$3,900,000.00 Cost Savings.
- Office Supplies: 52% Cost Reduction - \$2,800,000.00 Cost Savings.
- Cell Phones: 48% Cost Reduction - \$2,182,000.00 Cost Savings.
- Phone - Relay Network: 62% Cost Reduction - \$1,300,000.00 Cost Savings.
- Promotional: 15% Cost Reduction - \$72,000.00 Cost Savings.

# Client Outcomes: Cost Reduction

- Vehicles/Trucks: 17% Cost Reduction - \$240,000.00 Cost Savings.
- Courier – Shipping: 30% Cost Reduction - \$1,800,000.00 Cost Savings.
- 2Way Radios: 28% Cost Reduction - \$1,400,000.00 Cost Savings.
- Implement New Company Purchased: 39% Cost Reduction - \$28,000,000.00 Cost Savings.
- Vehicle Manufacturer's: 90% Cost Reduction - \$1,700,000.00 Cost Savings.
- Business Cards, Envelopes, Stationary, Print Material: 39% Cost Reduction - \$152,000.00 Cost Savings.
- Bag House: 28% Cost Reduction - \$122,000.00 Cost Savings.
- Gas Card: 15% Cost Reduction - \$1,500,000.00 Cost Savings.
- Many Other Projects.



# Client Outcomes: Procurement, Cost Reduction, Best Practices, and Other Areas

- Created and implemented best practice for finance and procurement within shared services at corporate and all locations.
- Created and implemented local, regional, national, and global contracts.
- Worked to ensure greater SOX compliance (this involved ensuring finance and procurement were on the same page according to SOX requirements; developed a set of standards to follow for internal and external audit; trained the client partners staff to understand SOX, the reasons for all the requirements, and instituted their own internal methodologies; and audited each area within the scope of procurement and finance).
- Conducted vendor management and evaluation through the implementation of new processes and procedures, surveying, and new forms for improved quality, greater compliance, and team productivity.

# Client Outcomes: Procurement, Cost Reduction, Best Practices, and Other Areas

- Instituted lean processes for many plants (identified specific value from the standpoint of several stakeholders from the client's customers to the regional presidents and their outcomes and products; identified the different steps in the value of certain products so that we could identify those areas that did not create value.
- An example of this was the coordination of the Blast Optimization Team (BOT) we established with an awarded partner within our client partners (quarries and plants facilities) increasing productivity in the double digits in several locations; helped the products flow internally to our client's other facilities as well as their external customers; process helped to define and specify what the value was for each person, what products were being delivered, bring about coordination of plant staff, engineers, and specialists, minimize wasted steps, and this brought about greater effectiveness with less labor and increased value).

# Client Outcomes: Procurement, Cost Reduction, Best Practices, and Other Areas

- Instituted MRO just in time processes for greater savings, while placing critical machinery and equipment at plants, quarries, facilities, and other production sites for less down time.
- Implemented a template system for contracts, RFPs, Standard Operating Procedures (SOPs), forms, and best practice.
- Vendor Management Systems compliance, organization, and systemization (each vendor was contacted to ensure correct data).
- Implemented communications and results oriented management meetings for leaders holding associates, middle and upper management responsible for their action items.

# Client Outcomes

- Recommended Staff reorganization and change management to leadership within the company. Some of the areas impacted consisted of centralized purchasing and sourcing at the corporate level for effective vendor management, cost reduction, quality improvement, adherence to regulations, etc.
- Worked with many of the Regional Presidents for proactive budget management (as it relates to procurement, sourcing, and forecasting for products and services).
- Instituted Blast Optimization Teams (BOT) within Quarry, Explosive, and Mining facilities for increased production.

# Overall Client Outcomes

- **ATS was able to reduce costs by \$78.7M from the above cost categories, while increasing** effectiveness through improved communications, implementing best practices throughout the organization. By working with the plants, quarries, regional offices, vendors, and shared services, we helped all understand their vital role in the most important part of their business – their core competencies and their customers. We conducted stakeholder meetings to improve all processes, procedures, ideas, and best practice.

# Overall Client Outcomes

- **We centralized procurement for Aggregate and provided a platform for proper vendor management and evaluation**, instituted many new methodologies and techniques into the organization for greater resource management. At the same time, we trained the staff to be empowered to manage results and action items more effectively and implemented change management in a non-team environment, while reducing supply chain disruption.
- **We managed cash by reducing the average number of days taken for payment from more than 180 to almost 30 days**. In fact, the organization that acquired Aggregate could not compete with 95% of all the contracts we put in place. This was based on price, quality, specifications, vendor quality, and Scope of Work.

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Capital, Reduce Your Costs

