

ZIGNIFY GLOBAL PRODUCT SOURCING CASE STUDY

How a Cosmetics Company
that is Made in Germany
saved 1.4 million Euros within
the first 8 months



OVERVIEW

The Customer and the Challenge; it is a Customer who is active in producing cosmetics and beauty items and has built a strong brand, a 7-figure Business growing into an 8-figure Business rapidly over the first 4 years. The Challenge was generally to **reduce purchasing cost** of the products' ingredients to the furthest extent. Along with finding manufacturers for packaging materials, both the primary and secondary packaging in addition to optimizing the whole supply chain including shipping cost and time, with the target to boost the margin for a product or for the business. Selling their own product brand to an aggregator as the main goal.

RESULTS THAT SPEAK VOLUMES

How Zignify went about it: We looked for raw materials and better suppliers with regards to **manufacturing in Germany**. An intense research on packaging materials namely glass jars, lids, as well as paper packaging, gift set boxes, bows, etc. has been conducted. Eventually negotiated the prices of the whole researched market of producing companies.

The End Result: Within the first 8 months Zignify was able to reduce the purchasing cost by 1.4 million euros through finding 2 better producers, researched better and cheaper packaging plus cheaper ingredients with the same or better quality. Using the assistance of Zignify, the Customer dramatically reduced his purchasing cost.

CONCLUSION

Formerly, the Customer was at about 25 million euros per year in terms of production cost but now with the 1.4 million euros reduction, he increased the profitability and later resulted in better multiple as he sold his business to an aggregator.



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