

Beyond the Blow Molder:

Finding the Profit Hiding Outside the Machine

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Margin outside the machine

Two ways to improve profit

GROW REVENUE

OR

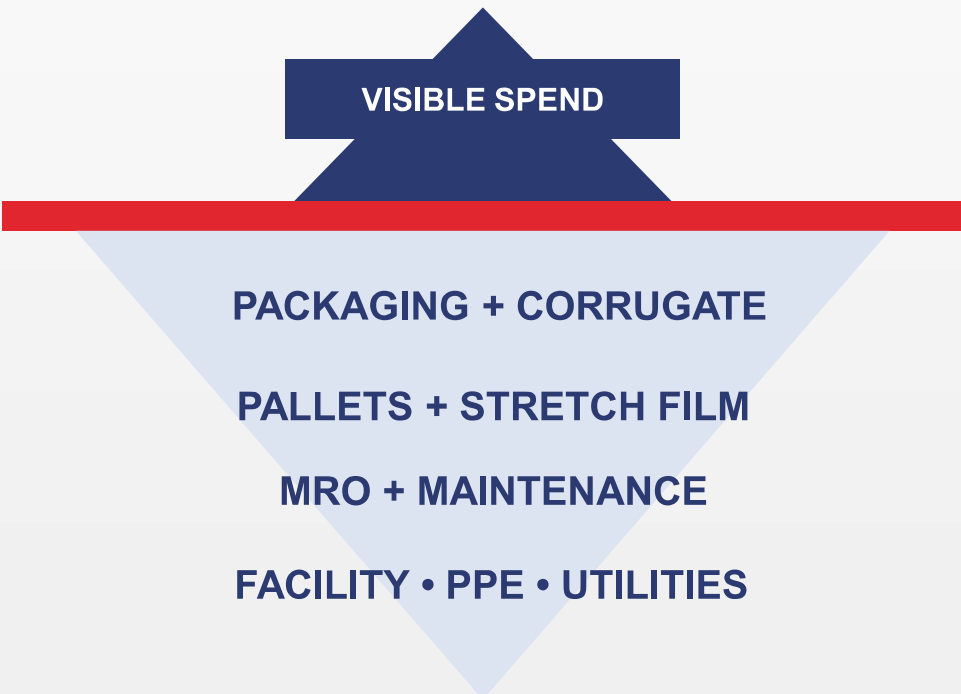
REDUCE COST

Procurement is the underused lever for improving margins.



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The visible spend is only the tip



The diagram consists of a dark blue arrow pointing upwards, which is partially submerged in a light blue body of water. The tip of the arrow is above the water line, while the rest of the arrow is below it. A red horizontal line marks the water surface. The text 'VISIBLE SPEND' is written in white on the part of the arrow above the water. Below the water line, the text 'PACKAGING + CORRUGATE', 'PALLETS + STRETCH FILM', 'MRO + MAINTENANCE', and 'FACILITY • PPE • UTILITIES' are listed in dark blue, representing the hidden spend.

VISIBLE SPEND

PACKAGING + CORRUGATE

PALLETS + STRETCH FILM

MRO + MAINTENANCE

FACILITY • PPE • UTILITIES

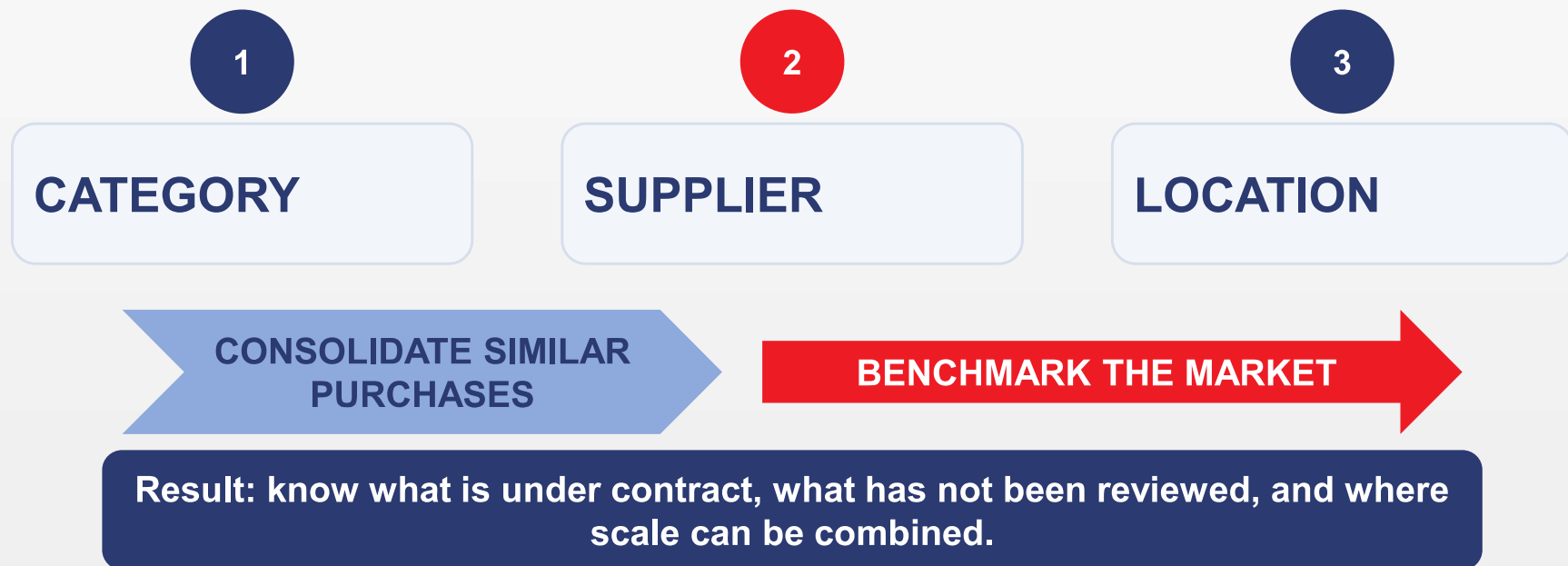
Routine category spend can
become a **significant expense**



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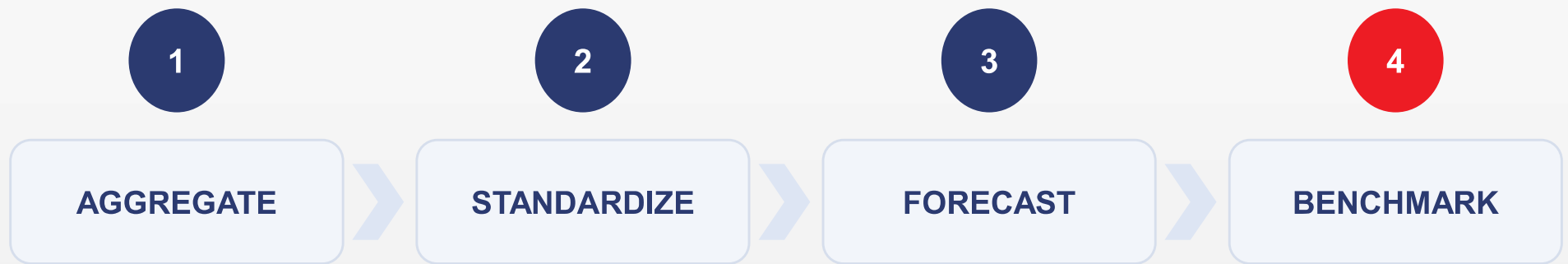
Visibility turns fragmented spend into leverage

Understand every purchase through three lenses



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Leverage is built before negotiation



BETTER PRICING • TERMS • SERVICE LEVELS • SUPPORT



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Total cost matters more than unit price

TOTAL COST

UNIT PRICE



- 1 Lead times + minimums
- 2 Inventory carrying cost
- 3 Quality inconsistency
- 4 **Supplier-related downtime**

Optimize the full economic impact — not just the invoice price.



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Resilience starts with knowing what can stop production

SINGLE SOURCE

Which materials have no qualified alternate?

LEAD-TIME VOLATILITY

Where is uncertainty driving excess inventory?

PRODUCTION CONTINUITY

SUPPLIER SIGNALS

Are risks communicated before they become expedites?

OPERATIONAL PAIN

Downtime • missed shipments • freight • scorecards

**Balance cost reduction
with supply continuity**



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Savings start where spend is repetitive

DIRECT MATERIALS

Resin

Small price changes compound across high volume

PACKAGING

Corrugate

Supplier capability must match the specification

INDIRECT / MRO

Maintenance + facility supplies

Frequent purchases create hidden scale

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Market benchmarks

Combined volume

Category expertise

Focus first where spend repeats, specifications can be aligned, and the market can be tested.



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Five questions reveal procurement maturity

- 1 Do we know our top 10 spend categories?
- 2 When did we last benchmark them competitively?
- 3 Are locations combining purchasing power?
- 4 Where are we unnecessarily single-sourced?
- 5 **Who owns procurement strategy — not just transactions?**



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Three moves turn purchasing into a strategic capability

1

FIND THE SPEND

2

BUILD LEVERAGE

3

**BENCHMARK THE
MARKET**

Before asking your machines for another point of efficiency, ask your purchasing dollars for the same thing



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Q&A

What is the first category you would investigate?

Where is the biggest opportunity for immediate savings?

What information would you need to take the next step?

VISIBILITY

LEVERAGE

BENCHMARKS



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