



# **SUPPLY CHAIN MANAGEMENT AS A SERVICE (SCMaaS)**

**CASE STUDY: ACHIEVING GLOBAL MARKET  
DIVERSIFICATION WITHOUT CAP-EX**



**ABC | Group**  
Asian Business Consultants

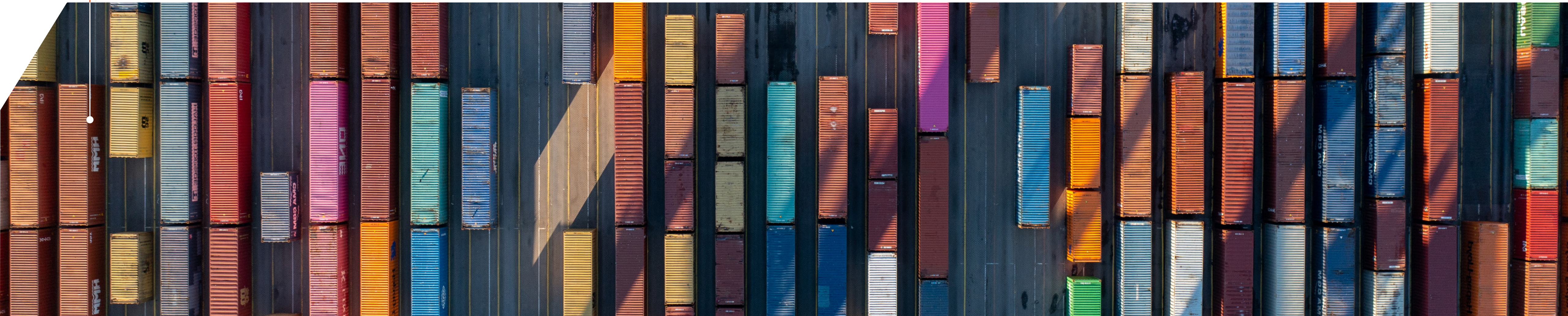
# THE CHALLENGE

A sizable consumer goods company under private equity ownership recognized the need to safeguard its supply chain in light of escalating risk concerns . With China being the home to thirty suppliers across two dozen product categories, the concentration of suppliers in China posed a significant threat to our Client's ability to operate and fulfill demand should a disruption occur in the country or surrounding region.

Though our Client had existing staff based in China, this team of 20 individuals performed largely back office support functions, leaving real concerns about their ability to qualify, develop, and manage foreign suppliers outside of China. To further complicate matters, our Client was unsure which markets were viable for their products and had yet to even determine specific SKUs which should be included or prioritized in this diversification program.

After a comprehensive evaluation of various alternatives including leveraging their China team to qualify new suppliers outside of China, establishing new foreign offices in emerging markets, or engaging The ABC Group, our Client entrusted us with the mission of developing a turnkey diversification and management strategy tailored to their specific requirements.

Given our Client's desire to enter new geographies without capital expenditure while still requiring in-market staff to manage suppliers after onboarding, our Client was a perfect fit for The ABC Group's Asset Light Supply Chain Management model. This innovative Supply Chain Management as a Service (SCMaaS) model provides Clients the ability to gain access to a broad base of shared and scalable staffing resources across multiple foreign countries delivering immediate in-market support without needing to open and staff a foreign office.

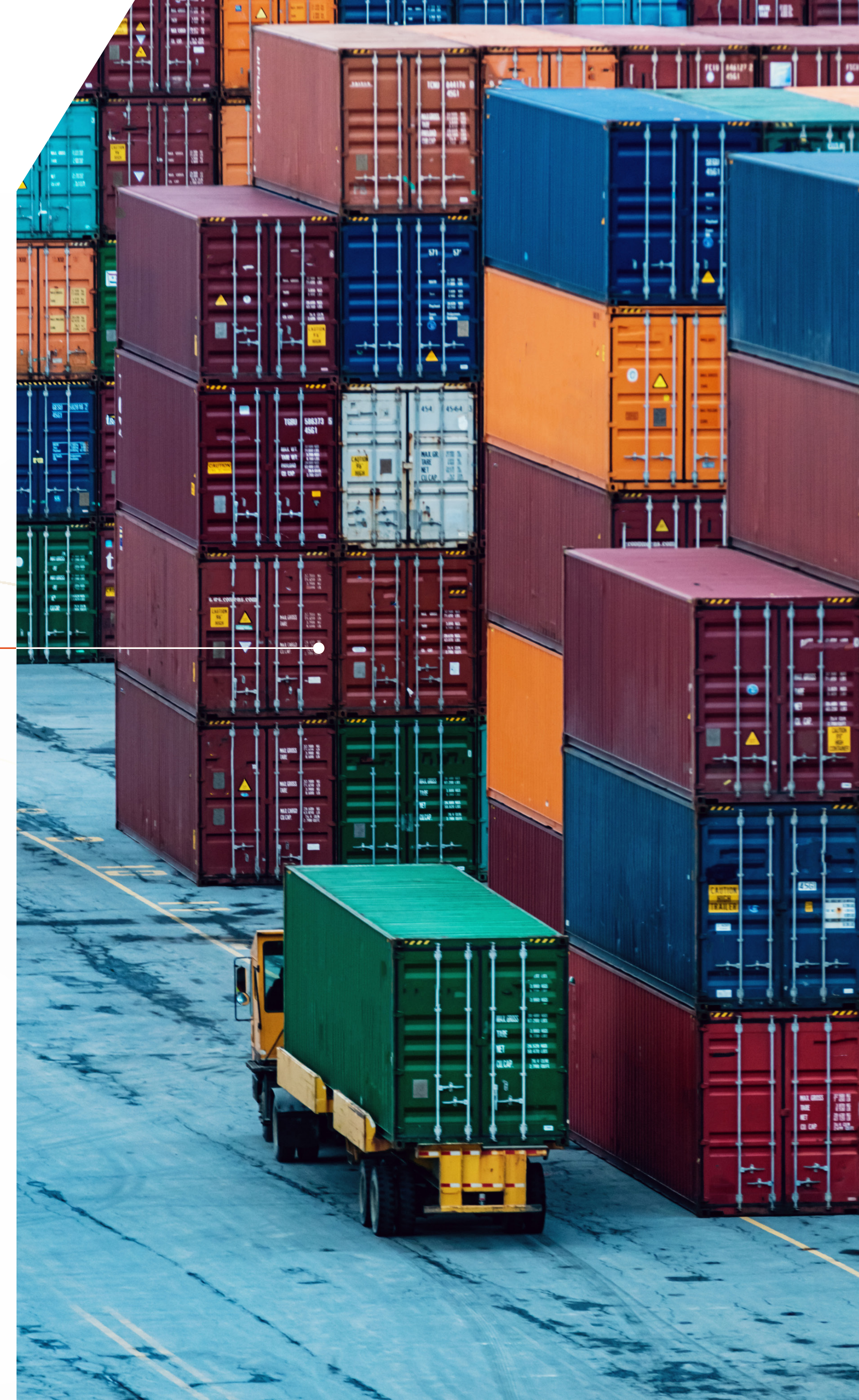


# OUR APPROACH

- Recognizing our Client was faced with significant and meaningful single country risk, The ABC Group moved quickly to develop and implement a diversification program. To start, we worked closely with key supply chain personnel at our Client to identify high risk and high potential SKU's. We also identified alternative markets leveraging our knowledge of manufacturing capabilities and export activity in those regions.

Having created a list of targeted SKU's, our firm was then able to create a single unified sourcing dashboard linking our Client with staff in Vietnam and India. At this point, The ABC Group's foreign teams were able to begin building a business case on behalf of our Client with qualified OEM candidates across two new countries.

Through the strategic utilization of The ABC Group's overseas teams, our Client achieved an immediate boost in credibility when engaging with potential foreign suppliers. This strategic move set them apart from less experienced importers lacking an established in-country presence or familiarity with the local market. This differentiation in a highly competitive market ultimately led to significantly shorter time to market and improved production lead times, as The ABC Group facilitated a direct channel for engaging with critical personnel at potential suppliers, which included both management and engineering teams.



► Through this process, our firm was able to verify supplier management, production capabilities, certifications, and multiple Client-specific datapoints required by their retail partners. This degree of transparency helped to both ensure proper fit within our Client's supply chain and instill confidence in these nascent markets while also signaling to prospective suppliers that our Client was serious about building a long-term business relationship.

At the conclusion of this qualification process, our Client had the opportunity to choose from several prospective suppliers who were eager and ready to begin production. Additionally, by already conducting a comprehensive review of our Client's global processes and product lines at the the program's inception, The ABC Group's teams in Vietnam and India were fully equipped to provide continuous support for vendor management.



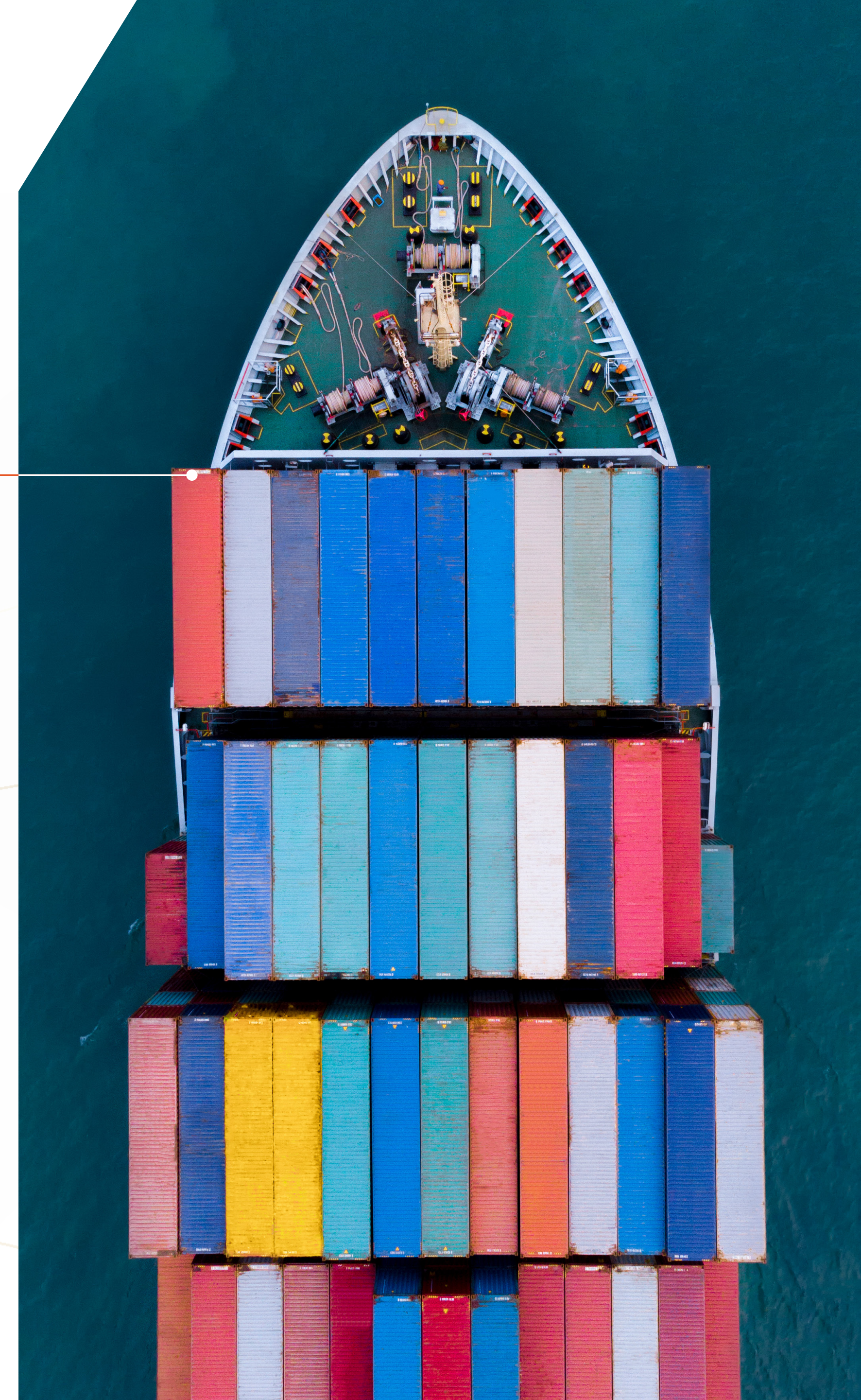
# VALUE CREATED

By applying an Asset Light Supply Chain Management model to the challenge of market entry, our Client was able to successfully mitigate single market risk through the onboarding of qualified and production ready alternative sources in two new foreign countries. Over the course of the initial diversification program, our client was able to avoid approximately 75% of the costs traditionally associated with opening and staffing a foreign office, along with foregoing the required set-up time to realize these same outcomes.

As a result, our Client achieved a global supply chain that was more resilient to risks, and they did so with greater speed and cost-efficiency than those who choose a less agile organizational structure. Additionally, our Client also enjoyed long-term operational advantages, including newfound design and production capabilities that were previously absent from their legacy Chinese supply base. This opened up exciting new avenues for sales and revenue growth.

To further magnify these benefits, The ABC Group integrated into our Client's existing business processes, creating universal SOP's extending across borders for efficient supply chain operations. This meant our Client's domestic supply chain team was able to rapidly and fully tap into the benefits of these new markets without a substantial learning curve.

Ultimately, with the adoption of an Asset Light Supply Chain Management model complete, our Client was better positioned for accelerated growth, control supply chain expenses, and sustain their business' operations in the face of the risks presented by natural disaster, macro-economic challenges, or geopolitical tensions.





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