



Case Study: Networking at Conference Leads to Immediate and Long-Term Savings

Company Profile

San Antonio-based Ultrafryer Systems has been a producer of commercial deep fryers for restaurant and commercial installations since 1969. Ultrafryer Systems' restaurant fryers are built to meet or exceed Energystar© standards with a patent on the most fuel efficient fryer heat exchanger in the world. This patented technology provides energy savings critical to its customers' profitability. Ultrafryer built its business by partnering with the right suppliers that can provide superior quality, service, and timely deliveries.

Business Issue

As business has grown over the years, managing this supply chain has become more difficult. Identifying and managing suppliers that can ensure this level of quality, service, and innovation, and are capable of growing with Ultrafryer, is critical to maintaining a competitive advantage.

The key was identifying suppliers that were capable of growing with Ultrafryer, companies that would be partners in 3-5 years, not just today. "As a mid-sized company, we knew we had limited resources and expertise to devote to managing and enhancing our supply chain, but also knew doing so was critical to our future success," stated Bill Collins, general manager of Ultrafryer.

Solution: New Network Helps Save Time and Money and Improve Products

Ultrafryer Systems needed a solution that would provide access to a network of top performing suppliers and help the company to save time on the identification, evaluation, and selection process of these suppliers. The company joined Prime Advantage in August 2004 to accomplish all of these goals and additionally save money with built in savings programs.

Prime Advantage introduces its members to the group's elite supply base through multiple channels, however, the semi-annual conference is the primary way to reach out to multiple suppliers in a short period of time. These three-day conferences offer unparalleled networking and strategic sourcing opportunities for all participants. Prime Advantage schedules one-on-one private meetings between members and suppliers based on preferences selected in advance by both parties. Additional meetings are scheduled by Prime Advantage based on knowledge of Ultrafryer's needs and strategies as well as the suppliers' ability to fulfill those needs. At the end of three days, members have met one-on-one with approximately 45 different suppliers and network with many more.

Save Time, Save Money

"It takes anywhere from three to six months to meet with this many suppliers," stated Collins. "To accomplish this within a three-day period has made my evaluation and selection process of suppliers much more efficient, and has saved us a ton of money." Compared to the costs involved in managing this process on their own, meeting with 40-45 suppliers twice each year, and the

three-to-six months it would take to do so, Collins estimates that the Prime Advantage Conferences alone save him a minimum of \$25,000 annually.

Improved Efficiencies through New Relationships

In addition to the cost savings achieved by managing this process and evaluating suppliers, each scheduled meeting is very focused on business needs and improvements. As a result of a meeting held at a Prime Advantage Conference, Ultrafryer Systems was introduced to a new supplier that led directly to increased efficiency in its products.

Prior to the Conference, Ultrafryer was evaluating the issue of welded joints separating in its fryers. Through a collaborative and innovative effort, OEM Products, a supplier of pipe, valves and fittings in the group, and Ultrafryer were able to create a protective shield that complemented the original design of the fryer. This solution provided a 30 percent savings to direct costs in 2009 and it dramatically improved the product's performance and reduced warranty costs.

“We rely on the Prime Advantage conferences to search for new supplier opportunities and we know they’ve already been audited and evaluated by the group. It really enables us to focus on running our business.”

Background

Prime Advantage is a buying group dedicated to bringing its members the best possible savings on raw materials, components, supplies and services. By leveraging the purchasing power of its membership, all manufacturing companies, Prime Advantage negotiates rebates and discounts that grow as the group's business with each vendor grows. These vendors, known within the group as Endorsed Suppliers, are audited by Prime Advantage to ensure competitiveness and quality in more than 110 categories of industrial goods and services.