



If you are not looking in these areas now, you should be. Here are APD's picks for the top areas to look for cost reduction in 2009.

- ***Any place that you adjusted prices upwards in 2007 or 2008 due to economic conditions. Make a list of the commodities and suppliers where prices went up and make sure that they come down.***
- ***Transportation (I want credit for 2 with this one)–***
 - ***You may have paid too much in fuel surcharges or may have a surcharge agreement that gets out of whack with multiple moves of fuel prices. Selectively market test lanes to put your toes in the water. If you find it is warm, jump in and do a complete market test. If you find savings in this area, figure out why.***
 - ***With the slowdown in manufacturing, established shipment methods can become inefficient. Check your utilization to ensure you are using full truck loads & milk runs.***
- ***Make sure that pricing for your repetitive MRO buys have come down. Force the issue by checking the pricing on your high \$\$ items first and working your way down the list until the effort is no longer justified with the savings.***
- ***Product that you will be moving. As the year progresses, more companies will be going out of business and you will be forced to move more product. Get ahead of the game. Make sure you understand the cost drivers of your at risk commodities and the parts you might be moving. Do NOT be satisfied with moving product at the same price***

For information on how APD can help you or your company identify and implement significant cost reduction opportunities call 734-927-0836 or e-mail jburris@apurchasingd.com.