KING ROSE CONSTRUCTION · CONSTRUCTION

10% off material cost by bringing purchasing back in house

A New York general contractor rebuilt purchasing after offshoring, cutting material cost and purchasing labor while improving warehouse utilization.

10%	16%	30%	150 !’ 3
reduction in material cost	reduction in purchasing labor	better warehouse utilization	suppliers after consolidation

BASELINE

King Rose Construction provides general contracting across New York City for clients including Columbia University, FedEx, GardaWorld and Converse. The pandemic nearly halted work, and leadership responded by offshoring back-office functions, including purchasing. As business recovered and grew, that decision started to cost more than it saved: purchasing was slowing operations in the field, and the company could no longer hold competitive material costs. Purchasing had drifted from an operational capability into an administrative one.

WHAT WE DID

- **Normalized what was being bought**, reducing purchased items from more than 2,000 SKUs to 350, and suppliers from 150 to 3.
- **Ran competitive bid and negotiation** with incumbent suppliers against that consolidated volume.
- **Leveraged spend to fewer suppliers**, turning fragmented buying into real purchasing power.
- **Inventoried new SKUs** so common items were on hand instead of ordered under pressure.
- **Eliminated dead stock and unused equipment** tying up warehouse space and capital.

IMPLEMENTATION AND ADOPTION

The bigger change was organizational. We improved communication between purchasing and field operations, so buying decisions reflected what jobs actually needed and when. That alignment is what reduced rush fulfillment requests, the most expensive way any contractor buys.

VALIDATED RESULT

- **Material cost reduced 10%.**
- **Purchasing labor reduced 16%**, as a simplified catalog and supplier base cut transactional work.
- **Warehouse utilization improved 30%**, after clearing dead stock and stocking the right items.
- **Fewer rush fulfillment requests**, with common SKUs held in inventory.

The engagement started as a cost exercise and ended as an operating improvement: faster decisions, less firefighting, and a purchasing process the company runs itself.

SERVICES · ASSESS · EXECUTE · DEVELOP

Every number here was validated with the client. Read the full case study and the rest of our work at **s2vadvisory.com/projects**.

Book a Quick 15 to talk through whether the same approach fits your spend: **s2vadvisory.com/contact**.