



Case Study: Fast-Moving Consumer Goods

Multinational Food and Beverage Corporation Maximizes Value for Surplus While Achieving Financial Compliance

Challenge

Our client is an \$80 billion multinational food and beverage corporation. To increase efficiency and reduce costs, the company decided to consolidate several of its North American facilities. The client sought a partner to maximize value for the wide range of surplus equipment and fleet assets resulting from this initiative. The company also needed to ensure financial compliance with internal policies and external regulations such as Sarbanes-Oxley.

Solution

The company selected Liquidity Services to effectively manage and sell its surplus over a three-year partnership. We first prioritized assets with future redeployment potential, working closely with the client to modify an internal finance policy so it could store this surplus for up to two years.

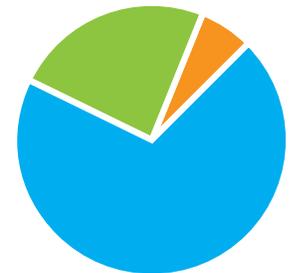
Next, Liquidity Services focused on managing surplus equipment across the client's facilities. Leveraging AssetZone®, our proprietary asset management software, we cataloged all assets and promoted them for redeployment across the client's global locations. Liquidity Services facilitated redeployment by managing a designated warehouse for surplus and seamlessly fulfilling all redeployment requests. In total, we redeployed over 1,600 assets within the company, saving our client over \$40 million.

Liquidity Services sold the remaining surplus through online auctions, leveraging proven multichannel marketing methods to promote the auctions to the maximum amount of interested buyers. We supported all aspects of these sales, from payment processing to asset storage and pickup at our five lots across the country. Once the client's facilities had been cleared, Liquidity Services converted them into warehouse spaces to ensure maximum usage.

Results

Liquidity Services achieved significant results for our client over the three-year partnership. We generated \$44 million in redeployment savings, over \$15 million in recovery, and \$4 million in cost avoidance. By providing thorough reporting on surplus throughout this project, we enabled our client's finance department to accurately report on asset values, ensuring it complied with its own policies and external regulations.

By partnering with Liquidity Services, the client turned the challenge of facility consolidation into significant cost savings and working capital to enhance its core business. Our program also created an internal culture of "use what you have first" that will empower the client to continually achieve significant cost savings by redeploying surplus rather than buying new.



\$4 million
(potential cost avoidance)

\$44 million
(redeployment savings)

\$15 million
(total sales)

\$63 million
(total program value)

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