BOSTON STRATEGIES INTERNATIONAL
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CASE STUDY 412



RARE EARTH SUPPLY CHAIN SOLUTION

"This is excellent work."
– Director of Purchasing



ABOUT THE CLIENT

Industry	Chemicals
Revenues	$3 billion
Employees	5,000
Location	USA
BSI Service or Solution	Supply Chain Solution

Key Challenges

- One country representing over 95% of the world's supply for several minerals cut export allowances by 75% and increased export taxes by 25%, creating a drastic shortage of material.
- Prices of the mineral rose 20% - 700% worldwide.
- The client's tight specifications limited the number of potential processors.
- Supply was very high-priced and also uncertain.

Project Scope

- Sourcing of selected rare earths
- Processing / tolling
- US, Canada, China, and alternative countries

Operational Benefits Realized

- Immediate supply assurance through the use of a second, highly qualified supplier
- Resources that had been waylaid to deal with the supply crisis were freed up to resume normal duties.
- Internal alignment around the chosen path

Why BSI was Selected

- International industrial materials supply chain expertise
- Chinese language skills and resource network
- Trusted economic forecasting model
- Sourcing expertise
- Clear, simple, and pragmatic style delivers useful recommendations
- Proven history of performance with the client organization

Project Approach

- Identify suppliers capable of producing at the desired purity level
- Screen international distributors, importers and partners to design an optimal global supply chain
- Identify and evaluate alternatives
- Develop sourcing strategies and recommendations

Financial Benefits Realized

- Purchasing leverage gained through additional supply options
- Medium and long-term price stability assured through a plan to develop two additional strategic sources
- 25:1 payback expected on consulting expenditure