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Swedish Match<sup>®</sup>

# How Swedish Match Saved 26% on Global Freight Costs

A CEO's guide to unlocking hidden  
value in logistics with ERA Group

value through insight<sup>™</sup>





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# Four Million Boxes a Day, 100 Countries, One Challenge

It's another day at Swedish Match Industries' factories in Vetlanda and Tidaholm. Inside, rows of precision machinery hum steadily, producing over four million matchboxes a day - the equivalent of nearly 200 million matches destined for households and businesses across more than 100 countries.

This is global scale at its most tangible. Every year, Swedish Match's production could circle the earth 50 times. With more than 175 brands - from Sweden's beloved Solstickan to international icons Three Stars and Redheads - the company represents over 150 years of Swedish industrial heritage woven into a powerful global presence.

But heritage alone doesn't keep a company competitive. For a global exporter with daily deliveries across five continents, freight costs can make or break profitability. And when the logistics market turned volatile, Swedish Match faced a question every CEO knows too well: how to protect margins without compromising service or quality?

*200 million matches destined for households and businesses across more than 100 countries. This is global scale at its most tangible. Every year, Swedish Match's production could circle the earth 50 times. With more than 175 brands*





# When Freight Costs Threaten Profitability



Swedish Match's logistics team was experienced and highly capable. Yet the global transport market had become unpredictable - with complex fee structures, rapid price fluctuations, and opaque surcharges that were difficult to monitor.

For a company shipping to 53 countries across sea and land, even minor shifts in pricing translated into major bottom-line impacts. Internal teams were stretched thin. Monitoring market movements, renegotiating contracts, and ensuring supplier compliance across dozens of freight forwarders demanded more resources than they could spare.

The mandate from leadership was clear:

- Reduce costs without undermining reliability.
- Free up time and resources for core operations.
- Establish long-term transparency and control.

Enter ERA Group - brought in to deliver specialist insights, procurement expertise, and a methodology that could unlock hidden value.



# Turning Insight into Action



ERA Group began with a comprehensive analysis. Through in-depth interviews, data collection, and a systematic audit of freight contracts and supplier terms, ERA mapped Swedish Match's logistics flows in detail.

This wasn't just a financial review; it covered every aspect of how goods moved - by sea and land, across 35 maritime destinations and 23 overland transport routes. By benchmarking each contract against market data, ERA was able to pinpoint hidden surcharges, outdated clauses, and pricing inconsistencies that had gone unnoticed in day-to-day operations.

The findings revealed inefficiencies buried in contracts, pricing structures, and operational practices - opportunities invisible to even seasoned teams.

From there, a structured procurement process began. ERA invited multiple carriers and freight forwarders into the process, evaluating them not only on cost but on reliability, service levels, and the ability to provide transparency over time. Negotiations were managed end-to-end, ensuring Swedish Match's internal logistics experts could remain focused on core operations while ERA handled the heavy lifting of supplier engagement.

Importantly, ERA didn't view the project as a one-off. Procedures were established to make sure that any improvements weren't just about short-term wins. Every new agreement was tested against long-term sustainability:

Would this supplier remain competitive under fluctuating market conditions? Could these terms withstand changes in fuel surcharges or regulatory requirements?

Crucially, ERA also introduced continuous monitoring mechanisms - tracking freight market trends, analyzing the impact of regulatory changes, and ensuring that suppliers complied with their contractual obligations. This gave Swedish Match something it had never fully had before: a real-time view of its global freight costs, paired with the confidence that contract terms would actually be delivered in practice.

The result was not only measurable savings, but also a methodology that embedded greater resilience into Swedish Match's logistics strategy.

ERA's structured approach transformed what had previously been a resource-intensive, reactive process into one that was transparent, controlled, and strategically aligned with the company's long-term goals.

## Results: Quick Wins, Lasting Impact



The outcome was immediate and significant. Swedish Match achieved 26% savings in international freight costs across sea and land transport - without any compromise to service or delivery standards.

Deliveries to over 100 countries continued with the same reliability, now underpinned by contracts that offered better visibility, stronger leverage, and tighter compliance.

But the benefits extended beyond the balance sheet. ERA's process brought structure to Swedish Match's logistics operations, freeing resources for core activities and enabling the team to act with greater agility in response to market shifts.

# Professional. Efficient. Practical.

For Krister Svensson, Logistics Manager at Swedish Match Industries, the collaboration represented more than cost savings:

“The collaboration with ERA has worked excellently. Their experts have been very professional and always easy to reach. We are very pleased with the savings achieved. They have supported us in many ways - managing supplier negotiations, monitoring market cost developments, reviewing our contracts, and assessing proposals from carriers and freight forwarders.”

What began as a cost-reduction project evolved into a long-term partnership. ERA didn't just deliver savings - they embedded a methodology and transparency that continue to strengthen Swedish Match's competitiveness.

## Performance Highlights:

- 26% cost savings on international freight
- 53 countries, 5 continents covered
- 35 sea freight destinations optimized
- 23 land transport routes improved
- Improved transparency and internal efficiency



# ERA Finds Savings Where You Least Expect Them

The story of Swedish Match proves that even world leaders in their field can uncover hidden opportunities when they open the door to external expertise.

With ERA's support, Swedish Match not only reduced costs but also gained the tools, insights, and control mechanisms to sustain those improvements. Capital was freed for reinvestment into innovation and growth - without sacrificing quality or customer trust.

For CEOs managing complex international supply chains, the lesson is clear: savings and sustainability can go hand in hand.

ERA finds savings where you least expect them - turning costs into capital for future growth.

A woman in a yellow safety vest and brown pants is walking away from the camera down a long aisle in a warehouse. The aisle is lined with tall blue metal shelving units filled with various goods, including boxes and bags. The lighting is bright, creating a lens flare effect in the center of the aisle.

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