



Expense Reduction  
Analysts

# Gain a competitive advantage

Delivering business performance through  
effective procurement and supplier management

Value Through Insight™



Just some of the 1,000+ UK clients we have worked with.



## Generating additional value from suppliers

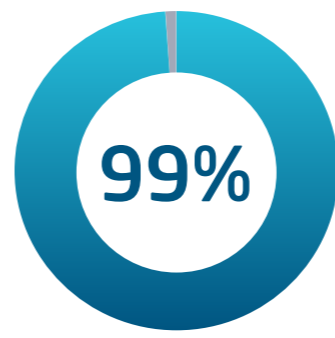
**Expense Reduction Analysts (ERA) specialises in helping its clients to get more from their suppliers, with the overall aim of improving service whilst reducing costs. Our team of specialists have deep expertise in a wide range of areas where you spend money with suppliers.**

We work alongside our clients' existing finance, procurement and operations teams to help them to derive additional value from the supply chain. Different clients extract that value in different ways. For many it's a simple case of generating savings to use elsewhere in the business. Others place greater emphasis on an improvement in supplier service and quality, or the innovation which can be drawn from professional Supplier Relationship Management (SRM).

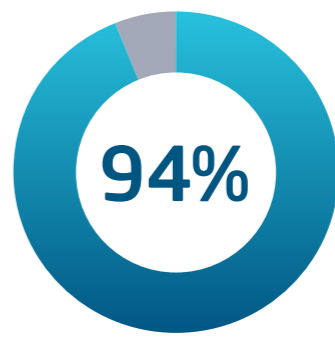
We use our people and analytical tools to do the hard work for you and as we're currently helping more than 1,000 UK clients, we really know what best value looks like. Our specialists bring to bear our considerable spending power and a lifetime of experience gained during senior careers in their areas of expertise. This results in a service that helps your teams improve processes, save money and derive added benefits from suppliers.

Whatever your definition of additional value, ERA can help your teams achieve it. We are a unique network of highly experienced supply-side experts and we help organisations like yours by working alongside your stakeholders to reduce overhead costs in a wide range of areas.

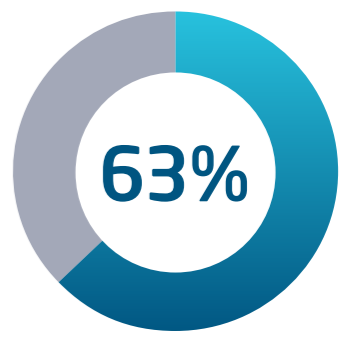
From our recent CIPS Members survey\*:



of respondents feel that procurement is under-resourced in their organisation



of respondents believe more investment in procurement would boost profits



of respondents believe they would benefit from using external resources to help with procurement

\*Managing Uncertainty ERA & CIPS White Paper surveyed 278 senior figures in procurement

Our global network combined with local market knowledge enables ERA to help your organisation gain additional value from your supplier base.

## ERA provides expertise, resource and focus

“Working with ERA is one of the best commercial decisions I’ve made. Over and above the monetary savings, we’ve increased productivity and will enjoy efficiency gains for the long-term.”

Shaun Lindfield  
 Head of Procurement  
 MAT Foundry Group (Eurac Poole Ltd)

### Savings per annum

Industrial Gases	51%
Managed Print	30%
Consumables	10%
Packaging	4.4%
Utilities	Secured retrospective rebate
Water	Health Check

## Why might this be relevant to you?

**Most of our clients need to be persuaded that things could improve substantially. Senior decision makers in any organisation will usually feel costs are relatively under control and managed to a satisfactory level.**

The mind-set of many organisations is that providing their suppliers are meeting the service and quality levels required to maintain operations and the overall spend is within budget parameters, that everything is working well.

But what if your budget is actually 20% higher than the true market rate? Without external validation of pricing and service level arrangements, it’s impossible to know. Our independent analysis ensures you are receiving best value and not wasting money through unnecessary overpayment in any area of spending.

Many of our clients initially dismissed the idea that any improvements - and certainly any savings - that could be achieved would be worth the time and effort of finding them.

Our risk-free approach has enabled many of them to engage with us and generate significant cost savings and innovative new ways of working with suppliers.

Buying everything well all the time is a substantial challenge for any organisation. There are a number of misconceptions that can lead to a flawed approach to effective procurement. These are compounded by a series of challenges that can leave some organisations unable to achieve tangible improvements. Even the most well-intentioned of initiatives can become entangled in these difficulties, leading some organisations to question the overall effectiveness of trying to control spend at all.

### Misconceptions



**“I am likely to be paying a similar price to my competitors and other similar businesses.”**

Not in our experience. Prices are often dictated by opportunistic suppliers attempting to drive high margins.



**Experience of procurement in one area of the business will ensure best value is achieved across the board.** It is unlikely expertise in purchasing steel will have influence on your photocopier negotiations.



**National buying agreements are always better than local or regional arrangements with the same supplier.** In many cases we find a local supplier can provide better value solutions than national or international arrangements.



**Supplier loyalty automatically translates to best pricing and service.** In many cases we find that the longer the relationship, the longer the supplier has had to increase margins.

### Challenges



**Multiple suppliers and multiple order points can make even the simplest projects very complicated for in-house teams.** Our expertise in data collection and analysis make short work of this complex task.



**Staff and Management have limited time to conduct procurement reviews, especially when they don’t have the expertise to do so.** Our experts continuously monitor/review supplier and stakeholder behaviour to prevent unnecessary spending.



**How do you know what good really looks like?** We have a huge advantage over individual organisations because we have near-perfect market vision, whereas organisations typically possess only data and pricing information based on their own historic costs.



**The majority of spending is done by non-purchasing trained staff.** The salespeople they are buying from will also be far better rewarded for generating margin on your account, than your ‘buyers’ are for making savings.

## ERA Services

ERA offers a wide range of services. There is no 'one size fits all' approach and our engagements are truly consultative, therefore project scope and desired outcomes vary from client to client.

We offer a full range of procurement services to meet your needs and work with a wide range of organisations in all sorts of different situations. In many cases our clients have an existing in-house procurement team who we work alongside to deliver a bespoke piece of work or to provide additional resource and expertise.

Organisations without procurement resource often use us to analyse data, benchmark prices, provide a detailed report on their current practices and procedures, or to help with tender management. However, most of our clients prefer to take advantage of our Full Category Management offering.



### Procurement capability reviews

A procurement capability review will involve a detailed assessment of your organisation's current capabilities across all areas of procurement and supplier management. It will highlight a series of actions to ensure your internal processes and teams have a clear roadmap for development.



### Data analytics

Using our bespoke analytical tools, our data processing teams are able to turn even the most disparate sets of information into meaningful business intelligence. This is a popular service with established operations and procurement teams, who often lack the time or resource to properly compile data prior to managing their own bid process.



### Benchmarking services

With hundreds of other clients and 25 years of supply side expertise in the UK alone, we are able to quickly and effectively benchmark pricing and service levels across most categories in which organisations procure goods or services.



### Supplier selection

Our project teams are experts at interviewing and short-listing suitable suppliers to help clients expedite an otherwise time consuming and difficult process. Supplier assessment can be against any identified client requirements including sustainability, stability, quality or legislative requirements such as Modern Slavery, as well as cost.



### Tender management

Some operational teams have a full and detailed understanding of their requirements and available supplier options. We can build on that information, and via a professionally managed tender, identify the best supplier in terms of price, quality and optimal service levels.



### Supplier performance & relationship management

Monitoring suppliers for ongoing performance against quality, service and competitiveness is a key element of any successful project. Our teams help to ensure key supplier relationships are managed, monitored and developed for the long term. Effective supplier relationship management can also help to mitigate potential business critical risks caused by breaks in the supply chain.



### Bespoke consultancy

Our teams of experts and depth of cost category expertise allows us to offer you a multi-faceted approach, tailoring our service to your specific needs. These opportunities can be scoped and proposed on an individual basis, so we will discuss your situation with you and together identify the best solution for your organisation.

## Full Category Management

Our most popular service offering is Full Category Management. This process has been developed and refined over the last 25 years of trading in the UK market and follows best practice procurement methodology.

Application of our process allows our clients to save millions of pounds per year - and make those savings stick.

A recent survey of senior procurement professionals indicated that 56% of procurement projects fail to meet savings targets due to poor implementation. This is where ERA really adds value. We deliver full audit services on a regular basis for all our category management projects and manage both internal stakeholder behaviours and supplier relationships to ensure the project remains on track.

Each separate cost category that goes through a Category Management review will follow this process. Each project will involve the assignment of a dedicated project specialist with a track record of success in their particular area of expertise.

The assigned specialist will liaise directly with the identified stakeholders for each different cost area, to ensure they are fully involved in the process.

This stakeholder engagement is critical to a successful outcome as effective procurement is as much about habits and behaviours as it is about supplier negotiation & contract management.

A comprehensive initial data collection and analysis, together with detailed requirements-gathering are vital components in ensuring that a project will be successfully implemented. Our experts then approach the market, inviting appropriate suppliers to tender competitively for the business against specific criteria.

We review all tender prices and service levels received from potential suppliers and then present a report to our client. We discuss all options with them before the client decides the best fit for their business.

ERA carries out a one month audit to ensure that the new supply arrangement has been implemented successfully. Line by line audits are subsequently carried out at agreed intervals, ensuring that savings are measurable and sustainable.

### Steps

### Processes

### Deliverables

1.



### Examine Spending Patterns

- Spend analysis
- Current situation analysis
- Stakeholder interviews

### Situation Report

- Detailed analysis of current situation
- Quality and service criteria
- Prices benchmarked

2.



### Market Options

- Tender preparation
- Tender management
- Supplier identification

### Recommendations Report

- Tender submissions from qualifying suppliers
- Presentation of all options to client
- Process improvement recommendations

3.



### Delivery

- New supply arrangement implemented
- Ongoing supplier & stakeholder management
- Regular reporting

### Supply Audit Reports

- Retrospective auditing of spend
- Measurable savings & rebates against benchmarks
- Inviting innovation and continuous improvement



# A multi-million pound contract built on trust and collaboration

“We’re essentially a small fish when it comes to procurement and ERA, with their sheer scale and leverage, can get much better deals for us. This more than pays for any share of savings that they receive as fees. This working relationship has been nothing but win-win for us.”

David White  
Head of Procurement  
Sue Ryder

Savings per annum	
Business & General Print	35%
Clinical Waste	31%
Desktop Printers	38%
Fuel Cards	10%
General Waste	24%
Medical & Cleaning Supplies	15%
Medical Gases (+ VAT Rebate)	21%
Ocean Freight	23%
Photocopiers	20%
Stationery	25%
Telecoms (Conference Services)	76%
Telecoms (Fixed Line)	34%
Telecoms (Mobile)	48%
Water	7%

## Comprehensive supply-side category expertise

Your Client Relationship Manager will identify relevant project specialists with experience in their area of expertise to run each category project. Their experience and judgment allow you to make an informed decision with all the facts at your disposal.

ERA has a unique depth and breadth of expertise in areas where an organisation spends money with suppliers.

Our team of experts joined ERA after a long career in their area of expertise and are able to provide you with valuable insight at the right time. They use their experience and expert knowledge to help your teams avoid contractual pitfalls, negotiate from a position of knowledge with existing suppliers and identify suitable alternatives.

Typically, organisations are unable to justify retaining specialist resource in each of these areas, but deployed at the right time they not only add considerable value, but also help to prevent exposure to future price rises.

Their sheer depth of knowledge means they are also able to offer advice on changes to policy or procedure that can yield significant dividends, as well as advising on new or innovative products and services which can make a powerful contribution.

### Our Major Cost Categories

Unlike many cost reduction firms, ERA has a unique depth and breadth of expertise in the areas where an organisation spends money with suppliers.

Paul Smith



# Designer profits for Paul Smith

“I am really impressed with not only the profits achieved, but also the depth of analysis work carried out by the team.”

Ashley Long  
Managing Director  
Paul Smith

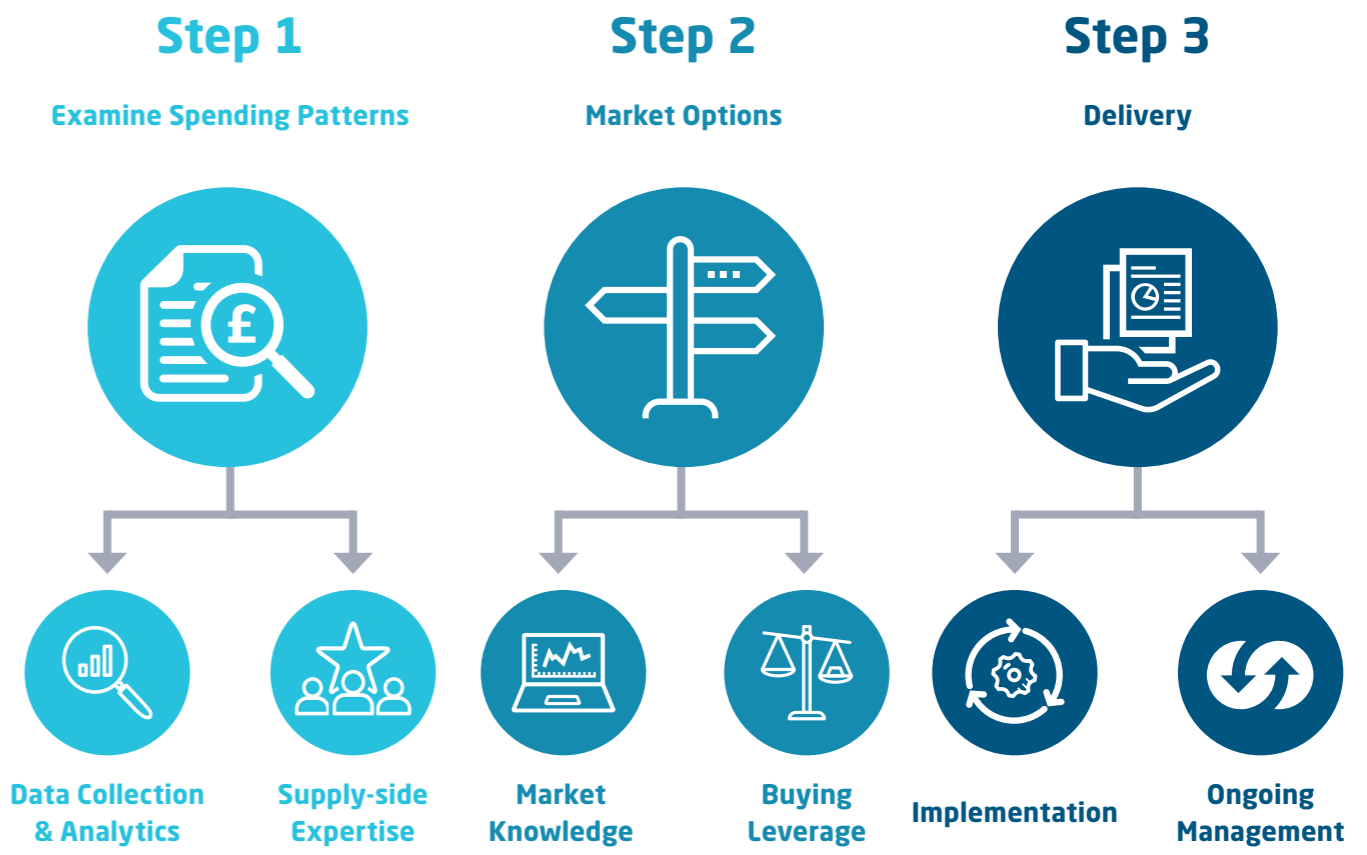
Savings per annum	
Banking & Payments	61%
Photocopiers	69%
Postage	40%

## Full Category Management: how it works

Many of our engagements use our 3-step Full Category Management process.

ERA adds significant value for clients at each stage, helping them to support their operational analysis and category management processes. The value added at each stage make a real difference to the overall outcome; getting the detail right at the outset pays dividends later. The clients we work with generally acknowledge that they are unable to deliver the same benefits when working alone.

Our process is simple to follow and importantly, we provide the resource to do the work at each step. All we require from clients is access to stakeholders to establish their operational requirements and access to invoices, which we can collect either from you or your suppliers. Our thorough process is marked by clear delivery points at each stage as we continue to add value throughout the relationship.



Our simple Full Category Management process adds value at every stage. You benefit from expert external resource, market knowledge and exceptional delivery.

## Data Collection & Analytics



**A basic rule of good procurement is that the more exacting you can be with your suppliers regarding your requirements, then the more competitive the supplier can be with their submission.**

### Data Collection

It's vital to ensure that requirements are gathered precisely. We experience a wide variety of different ways in which organisations store this information, and our data collection teams are well versed in extracting the level of detail required.

Organisations generally store some data on their specific purchasing within a given cost area, but this is often limited to total invoice amount by supplier, with some level of general description of the invoice.

For a truly effective procurement project to be run, a much deeper level of data collection is required. Under guidance from you, we can extract and scan copy invoices, or interrogate supplier sales ledgers to gain the necessary insight.

Beyond just usage data, all key stakeholders within an organisation are identified and interviewed to help ensure all operational needs and requirements are captured in the bid process. Effective procurement is not about cheapest price; more importantly it is about finding you the best value for your money.

### Analytics

We use a variety of techniques and tools to analyse our client spending data. All of our specialists are experienced with data analytics and familiar with our proprietary processes.

ERA has delivered thousands of projects and developed bespoke tools that help to spot patterns of behaviour in data, and provide the means to extract meaningful Management Information from sometimes disparate and complex sources.

Line-by-line analysis of spending allows a granular level of information to be extracted. Our project teams use it to provide detailed information regarding requirements and volumes that allow short-listed suppliers to provide accurate and competitive tender submissions.

Our detailed data analysis often uncovers anomalies, patterns of spending and behaviours that were previously unknown to our clients. These can then be challenged and corrected to maximise savings and process efficiencies.



Most clients find that what takes our team hours, would take them weeks and what takes us weeks, would take them months.

## Supply-side Expertise



**In reviewing each cost area, ERA assigns a lead project specialist. We have spent the last twenty five years building an unparalleled team of supply side expertise in a wide range of cost areas.**

Our specialists' knowledge and understanding of the supplier marketplace provides our clients with a crucial negotiating advantage. Our people use their experience to work on your behalf when dealing with suppliers, running tender processes and agreeing contractual terms.

For suppliers, your business is one of their accounts, but where do you sit on their scale? As with your own business, some accounts are more profitable than others. Our experience and expertise ensures that any overcharges are identified and we'll ensure any rebates are collected from your suppliers.

Having a supply market expert by your side when entering a new contract gives our clients added belief that they will make the correct decision. Their experience and judgement can ensure you are protected from unfair clauses and shielded from unjustified price increases.

They will work alongside your stakeholders to ensure that your suppliers are properly held to account. They make sure agreed prices and service levels are adhered to, whilst working to build a professional, sustainable working relationship that provides for all your procurement needs.



Having a category expert on your side will help even the most experienced finance and procurement teams to obtain more from any supplier negotiation.

# Market Knowledge



**Hundreds of clients engage ERA to manage and review tenders for them every year. Our project teams have access to more market and pricing information than finance and procurement teams can access alone.**

By working with ERA specialists, our clients are able to access this market knowledge, which comes from live data reporting across hundreds of tenders. This market knowledge enables us to quickly judge the competitiveness and quality of any incumbent suppliers. It also allows us to help your own teams shortlist potential alternatives in a fraction of the time it would take to research independently.

ERA continually accesses the supply market in a broad and diverse range of cost categories. This visibility of the market makes us a knowledgeable partner; not only do we know what is a competitive price, we are also able to advise on which suppliers are currently delivering the best service levels and optimal value for money.



Our market knowledge allows us to help your own teams to shortlist potential alternative solutions, in a fraction of the time it would take your teams to research independently.

# Buying Leverage



**With thousands of procurement reviews and category projects currently under management, ERA carries a weight in most supply markets which, when combined with a client's own spend, makes a meaningful difference to the service and pricing offered by the market.**

To ensure we always meet the quality and service requirements of your operational teams, we work hard to maintain our impartiality from the supply chain and ensure we consider only those suppliers that will be able to match the needs of our clients.

Suppliers recognise that a successful outcome to a project with one ERA client is likely to lead to further opportunities, meaning that their interests are aligned closely with those of our clients.

Almost all organisations would benefit enormously from ERA's additional purchasing leverage, allowing them access to pricing bands that were previously unavailable.



What difference would it make if your tenders carried the weight of an additional £600Million+ of leverage in the market?



# Implementation



**ERA's project teams are not just experts in their respective cost categories, they are also experts at managing change. Poor implementation is the first hurdle on the path to realising improvements and savings.**

Internal improvement projects sometimes suffer disappointing outcomes, leaving procurement functions with tarnished reputations. Savings targets can be missed and new processes abandoned due to poor implementation, so we focus heavily on implementation to ensure success over the long-term.

During implementation our clients fully appreciate the prior necessity of carrying out detailed requirements-gathering and stakeholder interviews. Initial planning and preparation helps to embed any new practices or systems seamlessly, ensuring that the solutions provided at this stage are perfectly aligned to your operational needs. Likewise any new supplier organisation is introduced and smoothly integrated in order to eliminate disruption.

Independent European research estimates that 56% of cost saving projects conducted by organisations fail to deliver the expected savings due to poor or failed implementation\*. Our experienced teams work alongside your own staff to ensure that the time and resource invested in our projects won't suffer the same fate.

**Here's what some of our clients say regarding implementation:**



*"Expense Reduction Analysts provided comprehensive reports that were easy to understand and, post implementation, produced regular Management Information that evidenced the project results and helped us to change internal purchasing behaviours. Not only have they delivered value for money, they have saved me a lot of time."*

John Chapman,  
Purchasing Manager,  
University of Hull



*"After ERA assessed our needs and aspirations we were pleased to receive a report that set out all of our options clearly, set within the framework of a Technology Roadmap. Implementation with our selected suppliers has been straightforward and we've road tested how agile and robust the strategy is in preparation for the opening of a new office - with positive results."*

Jonathan Swann,  
Operations and IT Director,  
Roythornes Solicitors



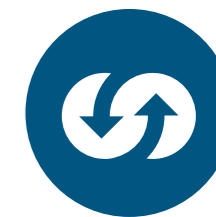
*"Having heard about Expense Reduction Analysts, I was keen to test them out and we haven't been disappointed. The team have uncovered significant savings. They have also monitored supplier pricing and performance post-implementation, which has allowed us to focus on building our business."*

Andrew Brown,  
Finance Director,  
Groveport

Independent European research estimates that 56% of cost saving projects conducted by organisations fail to deliver the expected savings due to poor or failed implementation\*.

\*source: 2017 Deloitte CPO Survey

# Ongoing Management



**Uncovering savings is merely the first step on the path to effective procurement. Prior to engaging ERA, many of our clients found that the headline savings promised during a previous bid process have failed to materialise at the end of the project. The real savings end up being a fraction of the original headline figure, due to a series of factors that require careful ongoing management.**

After a bad experience it's easy to become sceptical about some of the benefits procurement can actually deliver, but our knowledge and experience enables us to manage projects on an ongoing basis, with the aim of monitoring buyer and supplier behaviour to achieve savings targets and restore that faith.

ERA's strict contract management of supplier agreements ensure that maximum value is achieved by our clients, and that refunds and rebates are obtained.

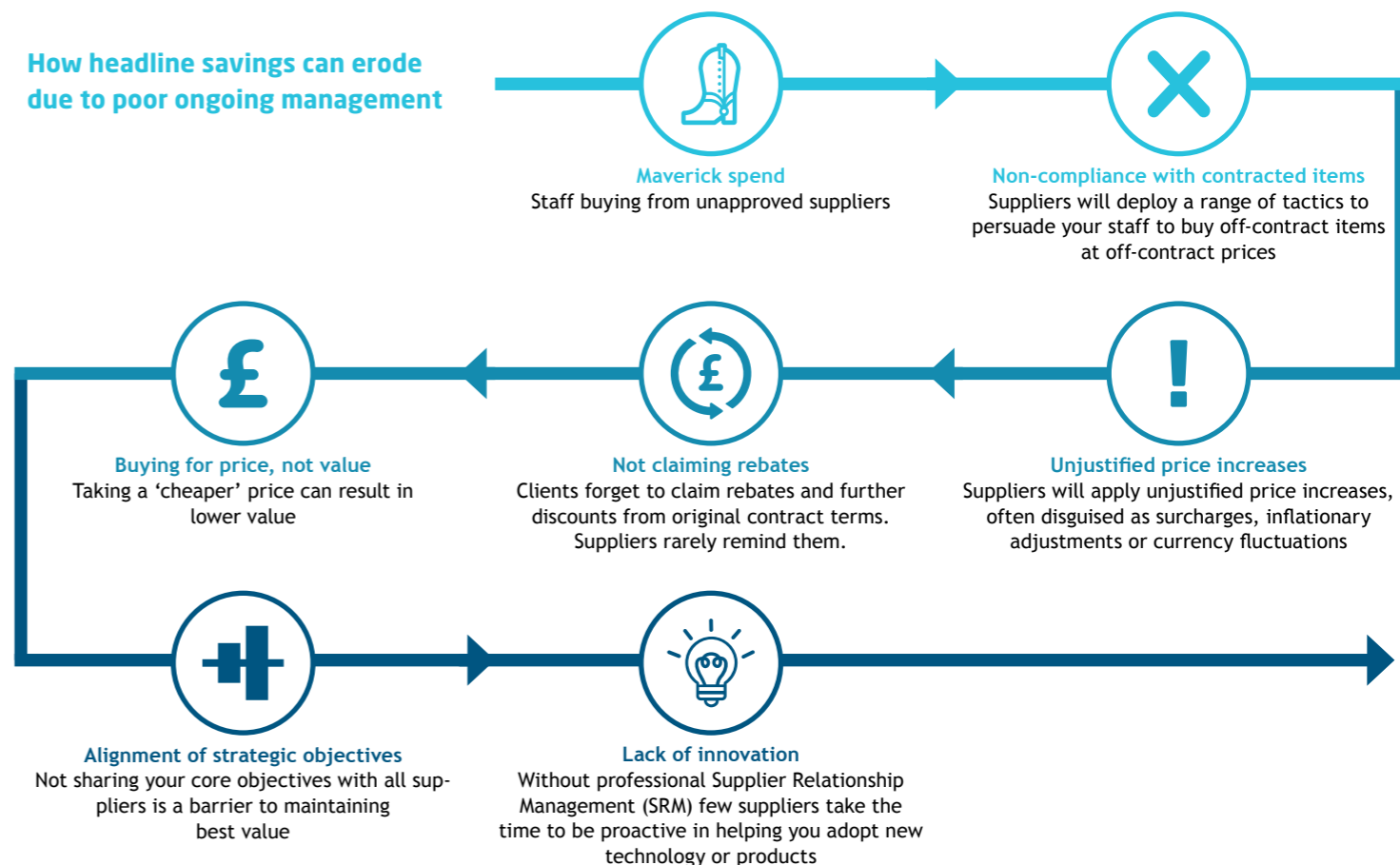
Headline savings can often be eroded very quickly by a number of factors, and we are experts at avoiding the pitfalls.

Ensuring you have a professional supplier relationship management process in place will help to align your suppliers with your organisation's aims and objectives. Proactively managing your relationships with suppliers will result in improved communication and innovation from your suppliers, which can help you reach your operational objectives.

When suppliers submit a tender response, some have the intention of increasing margins after the account is won, irrespective of what prices were agreed during a tender. We help internal teams to recognise these tactics and provide strategies to support them with contract compliance issues and to avoid maverick spending.

ERA's ongoing management service provides your teams with a regular independent audit of spend data. This provides the guidance and insights needed to maximise value from the supplier over the full course of a contract, and provides independent validation of the savings delivered.

**How headline savings can erode due to poor ongoing management**





UNIVERSITY OF Hull

# Generating best value in the Education Sector

“ERA provided comprehensive reports that were easy to understand and, post implementation, produced regular Management Information that evidenced the project results.

Not only have they delivered value for money, they have saved me a lot of time.”

John Chapman  
 Purchasing Manager  
 University of Hull

### Savings per annum

Communications - Mobile	61%
Communications - Maintenance	69%
IT Consumables	40%
Office Supplies	18%
Paper	16%
Water	2%

## The next steps

**We use a ‘Qualify, Scope, Propose’ process to establish the best way to work with new clients. We take an initial snapshot of spending to compare with the pricing we know to be available in the market.**

Experience tells us that most organisations are likely to be paying more than the pricing that we can achieve, but an initial ‘qualification’ will usually confirm that is the case.

During ‘scoping’, we take a comprehensive look at the specific requirements of the project(s) to estimate the overall time and materials cost to us of undertaking the work. Where possible, many clients like to work on contingency, whereby we accept the risk of finding no savings in return for being paid a share of the savings we return to our client.

We will then ‘propose’ a programme of work to you, which will detail the time and effort required to undertake each task in the process, set out our approach, time-scales, expected results and fee arrangements.

Upon sign off of the engagement, our work will commence as soon as possible, with the relevant data collections and stakeholders interviews arranged. The first phase typically lasts around 4-6 weeks and ends with the delivery of our Situation Report.

Testing the market commonly takes a further 4-6 weeks, with findings presented in the Recommendations Report, after which our client selects one of the presented options.

Post-implementation we are long-term partners of our clients, ensuring that the expected results are delivered and exploring other areas in which we may be able to help.



### Qualify

First we meet and spend time understanding your current situation and requirements. We need to establish the level of spend and current practice and pricing to decide where we can help.



### Scope

We work with your stakeholders and suppliers to establish the parameters and set out the terms of the engagement. This will include which products and services are in scope on a per project basis.



### Propose

We then work with our expert teams to create a tailored proposal which we will return and present. This proposal will set out the work, the approach, the time-scales and the expected results.

For more information, or to arrange another conversation please contact your ERA representative, or contact us via:  
[expensereduction.com](http://expensereduction.com)



# Expense Reduction Analysts

We see opportunities  
where you never  
thought possible

Learn more

**[expensereduction.com](https://www.expensereduction.com)**

**Value Through Insight™**