



ERA Global News

Expense Reduction Analysts' Business Newsletter

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ERA Global News is an in-house business information newsletter designed to keep ERA clients and analysts informed and aware of the operations and activities of the ERA consultancy network worldwide. Although every effort is made to ensure that each ERA business receives accurate coverage in this publication, the editor is not responsible for any errors or omissions.

OUR MISSION

To serve our clients under a 'no risk' arrangement whereby Expense Reduction Analysts will improve client profitability by achieving cost savings and increased value on business expenses, without any reduction in quality and service.

Key savings for children's hospital

EXPENSE REDUCTION ANALYSTS UK

ERA UK consultants have achieved major savings for St Piers Children's Hospital in Surrey, a national centre for children with epilepsy and other neurological disorders.

ERA consultants Will Marshall and Barry Down cut the hospital's stationery expenditure securing savings of more than 30 per cent.

After investigation of further categories, Will and ERA consultant Hanneke Luman also made substantial savings of 35 per cent on food provision by finding new suppliers and renegotiating with existing suppliers.

Operating as a registered charity, Bob Stockwell and his staff at St Piers know only too well the importance of reducing overheads. "We were impressed by the savings found by Will and the team from ERA," comments Bob. "This has come at the right time for St Piers, where budget restrictions are in place and the savings have enabled us to reach our targets and re-deploy funds where we can."



ERA opens in Latin America

EXPENSE REDUCTION ANALYSTS LATIN AMERICA

ERA's new Latin American office opened in Uruguay in September. Partners Bernardo Faincaig, Ricardo Wasersztein and Alvaro Shaffer have joined forces to set up ERA Latin America, based in Montevideo.

With two customers already, they plan a full launch of the business in March 2001. "There are interesting possibilities from the emerging markets here," explains Bernardo. "We expect to be concentrating on helping businesses make savings in the areas of printing, office supplies, communications, couriers and freight."



Bernardo Faincaig (left) and Ricardo Wasersztein

Sun set for major savings

EXPENSE REDUCTION ANALYSTS AUSTRALIA

ERA has enabled leading edge technology company, Sun Microsystems Inc, an Australian Top 500 company, to slice 20 per cent from its national office supplies bill for the next 12 months.

The ERA Australia consulting team is continuing to work with Sun Microsystems – a world-wide company and leading supplier of hardware, software and internet solutions – and is about to start investigating savings in at least one other area of the business.

The latest word from our clients...

"I am pleased to report that the project was carried out in a professional manner and resulted in substantial potential savings for our organisation. The project was carried out unobtrusively and involved little of our staff's time. I would not hesitate to recommend ERA to any organisation looking to achieve cost savings"

– Canadian Institute of Chartered Surveyors

News in brief

Stationery bill savings for insurance firm

EXPENSE REDUCTION ANALYSTS AUSTRALIA

Savings of 18 per cent on stationery were achieved by ERA consultants for Australian company Marsh Insurance Brokers. ERA was called in by the firm after originally approaching Marsh subsidiary William M Mercer in Sydney.

The company agreed to combine its buying power nationally in the stationery area and, after gathering invoices at its four sites in Sydney and Melbourne and going out to tender, a reduction of 18 per cent was achieved. ERA also secured savings of more than 40 per cent on local and interstate courier costs for William M Mercer.

Freight and courier costs cut

EXPENSE REDUCTION ANALYSTS CANADA

ERA Canada has helped an Ontario manufacturer of electronic components achieve a dramatic 35 per cent reduction in couriers and freight costs.

The client operates from its two plants in Ontario. This involves the shipping of a significant amount of manufactured products to the United States and Europe. By working closely with the client and reviewing its current supply arrangements, ERA helped the organisation achieve a reduction of 35 per cent – a saving of \$CAN 480,000 – in its annual spend on couriers and freight. In this process, ERA improved delivery efficiencies and management reporting as well.



Repeat performance!

EXPENSE REDUCTION ANALYSTS AUSTRALIA



(left): Philip Swinnerton, Robertson & Co and ERA's Ian Kinnaird

When Australian ERA consultant Ian Kinnaird first contacted Philip Swinnerton, Philip was the Accountant for a company of structural and civil consulting engineers who have completed many fine projects around Australia and Asia including work on the superdome at the Sydney Olympic site.

“After my first meeting with Ian, I thought the no risk offer from ERA was a novel and attractive arrangement, and decided to engage Ian to review our

general office supplies,” explains Philip.

“I was very happy with the outcome, our number of suppliers was reduced from fourteen to one and we received a savings of 30 per cent on the cost of supplies.”

He explains, “During the post audit phase of the project I moved to my new company Robertson & Co, a firm of chartered loss adjusters with offices Australia wide.

Remembering the great job Ian had done for me previously, I called him in for a chat and asked if he could do it again. I'm pleased to say he did, again consolidating to a single supplier with a saving of 25 per cent.

I just like the way Ian goes about his task with a minimum of fuss, getting the necessary involvement of the relevant staff, and his rapport with suppliers is such that any problems that arise are quickly rectified”.

Amazing 45% saving for SCDI

EXPENSE REDUCTION ANALYSTS UK

The Scottish Council for Development and Industry (SCDI) thought its stationery and computer consumables costs were reasonable – until ERA consultant Gerry Pentleton stepped in and reduced them by more than 45 per cent.

SCDI is Scotland's foremost independent business lobbying organisation with a very broadly-based membership of key representatives from the public and private sector. “Before ERA's involvement we were quite content that our stationery and computer consumables spends were reasonable for an organisation of this size,” explains SCDI finance manager Gordon McKillop. “However, we felt that there was nothing to lose in carrying out a cost comparison. After all, we are accountable to our members and if we can demonstrate that we are using their subscriptions wisely, then it's a win-win situation for everyone.”

He adds, “We were amazed by the results achieved by ERA.

The schedule Gerry provided to support these savings was both easy to check and professionally produced.” ERA was also able to streamline the Council's purchasing procedures and provide a more efficient and speedier service. “We would have no hesitation in recommending ERA's services as they have achieved more than the cost reduction promised and also improved our productivity,” says Gordon.



Canadian ERAI Conference ERA helps Kleencare Hygiene clean up!

The second ERAI Canada Consultants Conference was held recently in Saint Sauveur, in the beautiful Laurentian district near Montreal, Quebec. The 20 Canadian participants were joined by three international guests: Paul Wirtz, ERA's founder, John Allison, ERA managing director in the UK and Fred Marfleet, managing director, ERA Australia.



Top row, from left: John Mathers, Michel Leroy, Wayne Vincent, Anil Nanda, Scott Keevil, Andrew Louie, Guy Dupas, David Tabah, Jim McMahon, Colm O'Shea. Middle row, from left: Vernon Robinson, Greg Latham, Norma Trim, Mary Jane Caleca, Nancy Franchetto, Sherrill Graham, Sybil Neo, Drew Martin, Doug Robertson. Bottom row, from left: John Allison, Ross Pinkerton, Fred Marfleet.

Windfall for Salvation Army

EXPENSE REDUCTION ANALYSTS AUSTRALIA

The Salvation Army has cut its chemical costs at a New South Wales retirement village by nearly a third – thanks to ERA consultants.

With dramatic changes to their funding base and the launch of a national accreditation system, Aged Care providers in Australia are under intense pressure, not only to provide best practice, but also to exercise tight budgetary control.

Harry Linsell, executive officer of Woodport Retirement Village, invited ERA to investigate the village's chemical costs after hearing of the significant savings achieved by ERA consultants for Anglican Care's four Aged Care Villages in Newcastle, New South Wales. Woodport, on the coast of central New South Wales, is operated by the Salvation Army and accommodates 96 residents.

NSW ERA consultant Gary Wilson liaised closely with management, nursing, quality control, laundry and kitchen staff. He held a series of internal workshops and on-site investigations to assess current practices and determine future requirements before taking these requirements to tender.

30% cost reduction

The result was a 30 per cent reduction in cost; substantial improvement in service standards; elimination of manual handling by staff and a more efficient and effective laundry chemical storage system. Woodport's Harry Linsell is extremely pleased with the results. But he believes that the real success of the project, was in "moving us to embrace new methods, the introduction of much-needed changes and in assisting Woodport to become more professional in not only our use of chemical products, but in ensuring that they provide the best results for our residents".

The Woodport project is only one of a number undertaken by ERA for Aged Care providers in New South Wales. As well as making these organisations more cost-effective, ERA's work also puts them in a better position to obtain National Aged Care Accreditation, thereby helping secure their future.

EXPENSE REDUCTION ANALYSTS UK

Top ERA consultant John Shaw was called in by Graham Preston, chief buyer for Kleencare Hygiene – a leading European provider of hygiene cleaning systems – to investigate the company's spend on stationery.

After finding savings of more than 15 per cent, John and ERA consultant Neil Cullen were asked to look at a whole range of categories. That was four years ago! Since then they have cut 20 per cent off the company's costs on labels, seven per cent on raw materials and they are looking at savings of around 12 per cent on packaging by negotiating with existing suppliers and sourcing new companies.

Substantial savings

"We have been very impressed by the professional approach of ERA and the substantial savings achieved for Kleencare," says Graham Preston. "Our major customers are suppliers to supermarket chains who are particularly harsh with pricing – with ERA's assistance we have been able to meet our targets."

Graham and Kleencare packaging buyer Barry Taylor have previously found that there is often a difficulty in negotiating with existing suppliers because of the loyalty between supplier and purchaser. With the assistance of ERA, a third party, Kleencare's suppliers have been more receptive to pricing issues. Graham has already asked John Shaw to look at Kleencare's marketing spend and engineering spares costs once the packaging category project is complete.

Continuous process

"Once we have peace of mind that all our spending categories have been checked by Neil and John, we fully intend to go 'full circle' and start looking at our stationery again which, after all, was last investigated over four years ago!" adds Graham. "For companies like Kleencare, who do not have the resources or knowledge to undertake a project of this kind, ERA offer a unique service which is ultimately a 'win-win' situation for their clients."



Front (left): Graham Preston (Kleencare Hygiene), John Shaw (ERA)
Back (left): Barry Taylor (Kleencare Hygiene), Neil Cullen (ERA)

Outstanding savings for school

EXPENSE REDUCTION ANALYSTS UK

Bolton School, which has a long and nationally recognised tradition of academic excellence, is reaping the rewards of major savings secured with the help of ERA consultant Diane Lane. "We are delighted with the outstanding results achieved by Diane and ERA. These savings will provide additional resources to benefit the whole school," says school clerk and treasurer Robin Senior. He originally commissioned Diane to look at the school's Repro Department spend with an initial project investigating paper. The introduction of a new supplier achieved impressive savings and as a result, Diane also investigated the school's spending on cleaning materials and pest control – securing impressive savings of 48 per cent and 58 per cent respectively.

The cleaning materials investigation involved more than one department in the school and covered three areas: classrooms and general cleaning, the pool area and kitchens. Savings were made by cutting the number of suppliers



from eight to one. The new supplier will co-ordinate additional services such as manufacturer support and staff training. Switching to one supplier has also enabled the school to save on administration.

ERAI Canada in high demand!

EXPENSE REDUCTION ANALYSTS CANADA



Ross Pinkerton, ERAI Canada president

With over 250 projects for 97 business clients completed or in progress, ERAI Canada's cost saving services are seriously in demand-and it's not difficult to see why. The consultancy is so keen to satisfy clients, it even pays its own fees! By achieving average savings for clients of 23 per cent on everyday business costs, ERA is not only making significant savings but effectively generating money, which pays their fees. Ross Pinkerton, president of ERAI Canada says the company has come a long way since it launched in Canada two years ago; "In two years we have established teams of cost management specialists in Ontario, British Columbia, Quebec, Newfoundland and Manitoba and gained 97 clients from 36 industries. Together they have completed 156 reviews for their clients across 19 expense groups."

30% off print costs for PMI

ERA AUSTRALIA

ERA's South Australian office recently achieved excellent results through a review of the printing requirements of a leading organisation in the medical service field. Consultant Pamela Walker worked with state director Barry Bowles to maximise the savings for this client, and the result was a saving in excess of 30%.

Perrett Medical Imaging (PMI), which has offices throughout metropolitan Adelaide, South Australia and the Northern Territory, had recently undergone a significant image review. They were insistent that their striking gold and black livery had to be printed to the highest quality standard. The dynamic nature of PMI's business meant that suppliers also had to be both capable of providing and exceptional service and responsive to change.

Perrett CEO Robin Michael had already experienced the benefit of ERA's work in stationery and general office supplies. He was keen to see whether the level of savings could be replicated in this large expenditure category.

When presented with a printing recommendations report by ERA showing savings of between 30% and 40% were achievable without sacrificing any of the quality and service requirements, Robin had no hesitation in accepting them.

"I was impressed with the thoroughness of the report, and the fact that ERA took seriously our concerns about consistency of quality and service".



ERA delivers its printing recommendations report to Perrett Medical Imaging (left): Barry Bowles, ERA SA state director, Robin Michael, PMI CEO, Pam Walker ERA SA consultant