



ERA Global News

Expense Reduction Analysts' Business Newsletter

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ERA WORLDWIDE OFFICES

Australia, Austria, Belgium, Brazil, Canada, France, Germany, Hong Kong, Ecuador, Ireland, Italy, Mexico, Netherlands, New Zealand, Portugal, Singapore, Spain, United Kingdom, Uruguay, USA.

email:info@expense-reduction.net
www.expense-reduction.net

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.

€250,000 fleet savings for Ernst & Young

EXPENSE REDUCTION ANALYSTS BRUSSELS

Expense Reduction Analysts (ERA) Brussels has achieved savings of over €250,000 on company car fleet expenses for global auditing, business and tax consulting firm Ernst & Young.

Working with company car consultancy firm Fleet Logistics, ERA analysed the process through which Ernst & Young purchases and manages its 1000-strong fleet, developing a new car supply process combined with a software and management tool giving Ernst & Young total control over the cost of its car fleet.

By redefining the service level requirements of the fleet ERA was able to achieve better pricing with less suppliers. The new system also delivered an efficient car-pool management system, an improved ordering system which has already processed 200 car orders over four months, individual customer service for Ernst & Young partners and increased driver satisfaction.

"Lower cost is not incompatible with higher quality," says Ghislain Vanfraechem, Facilities Manager at Ernst & Young. "The new system ensures rigorous cost control over areas such as car maintenance, fines, insurance issues, fuel consumption and breakdowns."

"ERA Brussels was able to source a new supplier which delivered a higher quality service for a lower cost," says Bert Hummel, Managing Director of ERA Brussels. "Working with Fleet Logistics we were able to deliver material savings whilst enhancing the quality of Ernst & Young's fleet management process."



(From left): ERA Brussels Managing Director Bert Hummel with Ghislain Vanfraechem, Director of Facilities for Ernst & Young Belgium, Emmanuel Souply, Consultant with Fleet Logistics and Bill Oliver, Managing Director of Fleet Logistics Belgium

Super savings for Auckland firm

EXPENSE REDUCTION ANALYSTS NEW ZEALAND

Expense Reduction Analysts (ERA) New Zealand has helped Auckland based furniture manufacturer D.A Funnell to make major savings of up to 43 per cent in printing and waste management. The company approached ERA NZ Consultant John Prendergast after hearing about ERA's work for another furniture manufacturer.

Four months into the one-year contract, John has achieved savings of 43 per cent in waste management and 39 per cent in printing, as well as identifying key savings in other categories such as freight and telecommunications.

"We are very pleased with the savings John achieved with our print spend and in the area of waste management," says Brian Funnell, Marketing Manager for D.A Funnell Ltd.



ERA NZ Consultant John Prendergast (left) with Brian Funnell, Marketing Manager for D. A. Funnell Ltd.

ERA cuts overhead costs for the Australian Rugby Union

EXPENSE REDUCTION ANALYSTS AUSTRALIA



(Clockwise from left) ERA's Kim Gillespie, Jeremy Gimson, and Graeme Cox with Amanda Wiltshire, Office Administrator, ARU

Background

Early in 2002 Ashley Selwood, General Manager Finance and Administration of the Australian Rugby Union (ARU), which administers rugby at a national level, commissioned Expense Reduction Analysts (ERA) to look closely at a range of its costs. Ashley's view was that the ARU's focus should be on running and developing rugby union in Australia and that it would be prudent to use a specialist cost management consultancy to look at a range of its overhead costs.

"When Jeremy Gimson of ERA Australia initially approached me I was keen to get our general overhead costs under control and to generate extra funds to spend on the important part of our business: developing rugby union in Australia," says Ashley. "Since we didn't have the time or the specialist expertise, it was logical to use ERA."

Analysing overheads

ERA investigated savings in a number of the ARU's routine spending areas. These included office products, couriers, freight, telecommunications, and printing. ERA's team of Gary Wilson, Kim Gillespie, Graeme Cox, and Jeremy Gimson analysed usage and obtained feedback from the ARU staff who liaised with the ARU's many suppliers. Working closely with Amanda Wiltshire, ARU Office Administrator, the team then took the ARU's business to market and they were able to generate significant savings with a major reduction in the number of suppliers the ARU used.

"I was delighted to see how much ERA was able to save us," says Ashley. "The reduction in the number of suppliers gave us further process efficiencies and indirect administrative savings in the accounts payable area."

Following presentations by short listed suppliers, ERA implemented its recommendations, liaising with Amanda Wiltshire. "I was a bit worried about all the changes that I might have to put in place," says Amanda. "However, ERA worked hard to make the process as pain-free as possible."

Saving time and money

ERA's work for the ARU will also generate extra savings as Australia is hosting the 2003 Rugby World Cup. "My focus for the ARU has to be on running our business for the benefit of the players, spectators and the development and future of the game," says Ashley Selwood. "Whilst Amanda and her team keep a very close watch on our overheads, we felt that it would be appropriate to bring in outside specialists like ERA to see if we were getting the best deals and I'm delighted with the results."

ERA launches in Brazil

EXPENSE REDUCTION ANALYSTS BRAZIL

Expense Reduction Analysts (ERA) continues its expansion into Latin America with the launch of its first office in Brazil. Located in Sao Paulo, one of the biggest cities in the world with a population of around 20 million, the new office will be headed up by Fernando Macedo. Fernando joins the company with extensive expertise in the consultancy business.

"The launch of ERA Brazil is a very significant step in ERA's worldwide expansion and consolidates ERA as the world's leading specialist in expense and cost reduction," says Fernando. "With a population of 170 million Brazil is now the world's eighth largest economy and expense and cost reduction is becoming a major priority, offering significant opportunities for ERA."

"Many of the businesses in Brazil are multi-national organisations that have used ERA's cost reduction services through their other worldwide offices," adds Bernardo Faincaig, Director of ERA Latin America. "We hope to build up the Brazilian operation by extending these relationships, as well as opening up new opportunities for our global ERA colleagues."

ERA Brazil has plans for a further 11 offices strategically located across regions of the country over the next five years, developing a team of between 150-200 consultants.



(From left): Ricardo Wasersztejn, ERA Uruguay, Bernardo Faincaig, ERA Latin America and Fernando Macedo, ERA Brazil

Ecuadorian companies turn to ERA

EXPENSE REDUCTION ANALYSTS ECUADOR

Business is booming for Expense Reduction Analysts (ERA) Ecuador since its official launch in August 2002. The specialist cost reduction company based in the nation's capital, Quito, has already gained top corporate clients including rapidly expanding domestic airline Icaro. In the last few months ERA has cut the company's costs in major spending areas such as business communications, hotel accommodation, imports of spare parts and office supplies by a significant 27 per cent.

ERA has also just started working with Maresa, Ecuador's main assembly plant for Mazda automobiles, Confetica, producer of leading brands of candy and chewing gum sold in 18 countries and local bank Banco Solidaro, to find key savings on business overheads. "Our expense reduction service has been well received by the Ecuadorian business community," says Juan Carlos Paez, Director of ERA Ecuador. "We've been awarded several major client contracts which suggests that there is a real need in the country for our unique business savings expertise."

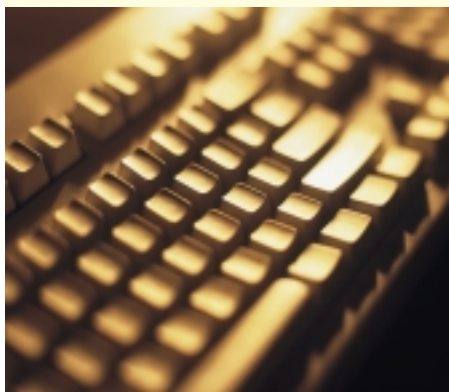


(From left) ERA Ecuador Director Juan Carlos Paez with Massimo Rugarli, Director of ERA France at a recent ERA international conference.

ERA Dell-ivers savings in Mexico

EXPENSE REDUCTION ANALYSTS MEXICO

Expense Reduction Analysts (ERA) Mexico has been working with Dell Computer Mexico, a subsidiary of the world's largest computer-systems company, to review its outsourcing costs for categories including couriers, printing and office supplies. Major savings are in the process of being implemented and Dell has now asked ERA to analyse its telecommunications and other expenses.



Cutting costs without affecting service

EXPENSE REDUCTION ANALYSTS CANADA

Expense Reduction Analysts International (ERA) has helped client Renold Canada Limited in Brantford, Ontario to make major savings without affecting its client service and employee relations.

Renold, one of the world's leading suppliers of industrial chain and power transmission products, sought ERA's expertise after the recent global economic downturn hit its business. By building a long-term relationship with the client and examining a range of cost areas ERA's team, led by Mike Simms, found major savings across several categories including logistics and telecommunications.

"You can't afford to pass your full cost increases through to customers, so we had to look at some inside costs that we could take out of the system," explains Russ Perry, President of Renold Canada. "We survived without having to reduce staff or hurt service by using methods more humane than chop and slash."

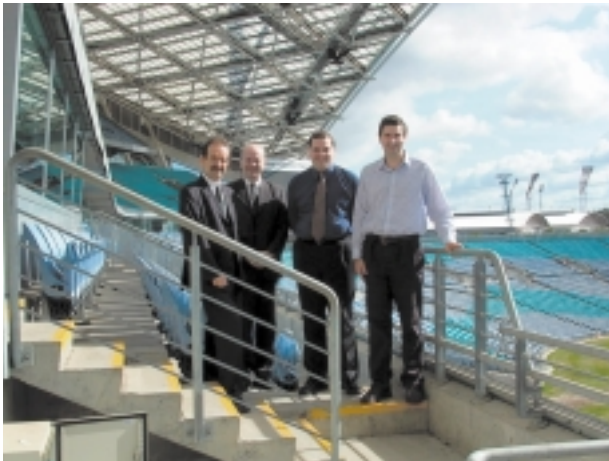
"More efficient internal processes don't have to compromise what a business does best," says Mike Simms. "We were able to help Renold to weather difficult market forces while maintaining strong customer service and positive employee relations."



(From left) Doug Hindman, Renold Canada Controller, Mike Simms, ERA, Russ Perry, Renold Canada President and Dave Fernay, Renold Canada Materials Manager.

Card costs reduced for Telstra Stadium

EXPENSE REDUCTION ANALYSTS AUSTRALIA



(From left) ERA Associates Robin Dunlop and Jeremy Gimson with Mark Pitman, Financial Controller, Telstra Stadium, and Steve Heytman, General Manager Finance, Telstra Stadium

Telstra Stadium, the site of the 2000 Olympics in Sydney, Australia, has asked ERA to reduce a wide range of its general overhead costs. Clients Steve Heytman and Mark Pitman of Telstra Stadium initially asked ERA to assess the cost-effectiveness of their merchant card arrangements. ERA Associate Jeremy Gimson took the business to market and quickly generated savings of around 40 per cent with no change of bank and reduced merchant card fees.

“We were delighted with the result that ERA achieved,” says Steve Heytman, Telstra Stadium General Manager Finance. “The work was carried out at the busiest time of the year for us and we were not able to provide any resource. ERA operated very effectively and achieved an outstanding result for us.”

“We were very keen to see how ERA operated and we used the merchant card fees as a test,” says Mark Pitman, Financial Controller, Telstra Stadium. “We were pleasantly surprised at the results and we have asked ERA to look at several other categories.”

ERA is now investigating savings in areas such as office products, couriers, printing, postage and cleaning materials.

“ERA is an expert in this area,” adds Steve Heytman. “We are looking to them to get some big savings for us quickly. Given their performance so far we have every confidence in them.”

1 million Euro savings for Immobilier 3F in France

EXPENSE REDUCTION ANALYSTS FRANCE

ERA in France has for a long time been helping many companies to optimise their social costs. Taking account of the extreme complexity of the law in tax and social matters, ERA analysts have globally identified 70 different savings areas enabling hundreds of private and public sector clients to reduce their overall personnel costs without any negative impact on the salaries of employees. Most recently, ERA helped leading housing accommodation management group, Immobilier 3F, optimise employee social security contributions which produced annual savings of more than €1 million.



Juan José Bravo, Director, ERA Mexico

Groupe Coface cuts cell phone costs

EXPENSE REDUCTION ANALYSTS MEXICO

Expense Reduction Analysts (ERA) Mexico is confident of further success in the Mexican market following major savings identified for client Groupe Coface since the office launched in June 2002. The leading French credit insurance company enlisted the help of ERA Mexico to study its mobile telecommunications. ERA identified savings of more than 50 per cent as well as improving the efficiency of the company's cell phone communications and, as a result, Groupe Coface has asked ERA to review the rest of its telecommunications systems.