



ERA Global News

Expense Reduction Analysts' Business Newsletter

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ERA WORLDWIDE OFFICES

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

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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.

ERA opens US office to help American companies

EXPENSE REDUCTION ANALYSTS USA

ERA is set to hit the world's largest market with its imminent launch in the USA, headed up by John Barry, former president and CEO of Unishippers Inc, the world's largest reseller of transportation services with over 300 offices in the USA and UK.



John Barry, president and CEO of ERA USA

"The timing of this launch is excellent as corporate America is currently very focused on cost reduction and value for money," says John, who lives in San Diego, California with his wife Judy, son Taylor and daughter Brooke. "The bursting of the tech bubble combined with massive lay-offs which have occurred as the USA attempts to work its way out of its most recent economic recession means there is a wealth of talent available to help drive ERA in the USA, and I am looking forward to a successful roll out in the US in the latter quarter of this year."

Super savings for city council

EXPENSE REDUCTION ANALYSTS NEW ZEALAND

Expense Reduction Analysts (ERA) NZ consultant Patrick O'Shaughnessy has achieved 27 per cent savings for Hamilton City Council in New Zealand after analysing several of the council's expenses.

After spending a year with the client, Patrick identified key savings of up to 47 per cent on hygiene services. He also identified cost cutting areas in chemical purchases, office supplies and laundry.

"Patrick completed a thorough investigation of the expense categories that the council asked him to review," says Blair Bowcott, finance and administration manager, Hamilton City Council.

"He met with current and potential suppliers and made recommendations where Hamilton City Council was able to make significant savings without compromising service or product standards."



ERA NZ consultant Patrick O'Shaughnessy (left) was able to make key savings for Blair Bowcott (right) finance and administration manager for Hamilton City Council.

A word from our clients...

"Before employing ERA, we didn't have the expertise or knowledge of the market to assess whether we were getting the best value and price from our car rental agency."
– Bruno Leyder, Alcan Packaging

CASE STUDY: TMP Worldwide

EXPENSE REDUCTION ANALYSTS AUSTRALIA



ERA celebrates its success with TMP. (From left) Gary Wilson, Gaye White, Graeme Cox, Kim Gillespie, Ross Kirby of TMP, Fred Marfleet, Robin Dunlop and George Beyrouthi.

Background

TMP Worldwide is a rapidly expanding company with a unique suite of integrated services ranging from recruitment advertising and executive search and selection to Yellow Pages directory advertising and the flagship recruitment website Monster.com.

In just a few months, Expense Reduction Analysts (ERA) Australia has been able to save millions of dollars for interactive service provider TMP on general business overheads.

Better deals on business travel and printing

ERA helped TMP select and implement a new travel management provider and introduce the latest technology processes. ERA also advised on renegotiation of local and international airline and accommodation deals. They also helped TMP to cut costs on printing by encouraging the company to choose a printer with on-line processes. General stocks are now held by the printer, with an on-line ordering system enabling all TMP offices to view stock levels and order as required. Business cards are also ordered online, significantly reducing process and delivery time.

Cutting courier costs

TMP used several courier companies for its international, interstate and local deliveries and deemed the performance of each as average, with problems occurring in maintaining contact and the loss of packages. ERA streamlined the system to three couriers, one for each of the service areas. An efficient booking system was implemented, part of which was online, with the ability to trace packages. Reliable service providers were appointed and the accounting system was simplified, with much less invoicing required.

24% average savings

"The multi-million dollar savings delivered by ERA to date are around 24 per cent," says ERA's Robin Dunlop.

"ERA has proven to be an excellent partner for TMP," says Ross Kirby, financial operations manager at TMP. "Expectations and objectives that we had at the start of the processes have been met. In any sort of supplier partnership arrangement, trust becomes one of the cornerstones of the relationship and both parties benefited mutually by being able to adopt such an approach."

Top tax and property savings for French companies

EXPENSE REDUCTION ANALYSTS
FRANCE

ERA France has had major success with client SCGPM, a civil engineering company with a workforce of 550 and a 115m€ turnover. When the company moved its premises to Arcueil three years ago it employed ERA network associate Cefi Action to ensure its new premises were correctly measured for property tax. ERA found that they were 15 per cent smaller than that declared to the tax authorities. The result was a tax saving of 70,000€ obtained for fiscal years 2000 and 2001, representing a 23 per cent cut in costs.

30% reduction on freight costs

ERA analysed the spend for valves and fittings company Desbordes on freight costs, cutting it by 15 per cent during the first year, and 30 per cent in the second. "Freight transport is highly technical," says Bruno Courbon, chief financial officer at Desbordes. "Its analysis requires knowledge of the different suppliers on the market, and we did not have the time to do this ourselves."

ERA achieved 460,000€ of tax relief for fiscal years 1999, 2000 and 2001. The company's business tax is now less than 150,000€.



CASE STUDY: Valvoline

EXPENSE REDUCTION ANALYSTS AUSTRALIA

Background

International company Valvoline is a leading marketer, distributor and producer of quality branded automotive and industrial products and services across 140 countries worldwide. The company is constantly reviewing its business overheads, but the process is time consuming and a drain on valuable staff resources. For this reason, Valvoline brought in cost reduction experts Expense Reduction Analysts (ERA) Australia on a no win, no fee basis to identify cost savings, leaving Valvoline free to focus on its core business.

Office supplies – 20% savings

ERA's market investigation revealed that Valvoline was paying above market rates for most of its stationery and computer consumables. ERA advised Valvoline to appoint a new provider, Complete Office Supplies, with a state-of-the-art supplier-based internet ordering system. A common supply 'basket' of catalogue items has been

prepared for all Valvoline offices to control ordering as a free, value added service. Monthly and YTD basis reporting allows for more control and management of the expenditure. The move has resulted in savings of 20 per cent to date and further savings are expected.

17% cut in courier costs

With a Sydney-based headquarters and sales offices located in every state in Australia, Valvoline has a heavy dependence on overnight couriers. ERA conducted an investigation which revealed Australian air Express as a best value provider. The company uses an Internet tracking system that monitors the delivery status of every package. The appointment of the new provider has resulted in savings of 17 per cent to date.

'Win-win' for client and supplier

"The Valvoline relationship has worked



Neale Clark, financial accountant at Valvoline (centre) is joined by ERA associates Jim Ottaway (left) and Derek White

particularly well because the company was already attuned to the idea of cutting overhead costs, and welcomed the low-risk assistance that ERA could provide," says ERA associate Derek White.

"Overall ERA has exceeded our expectations," adds Neale Clark, financial accountant at Valvoline. "ERA carefully assessed our requirements, minimised the staff time required and implemented processes that have not only enhanced our internal capabilities but are also going to provide benefits in the long term."

News in brief

New software ensures best value from supply chain

ERA has launched revolutionary new purchasing software enabling 'best value' procurement from client supply chains. The new software developed and launched in Australia, provides a weighted analysis of all criteria required by the client and ERA for best value procurement. The program runs under the Microsoft Windows environment.

ERA opens Brussels office

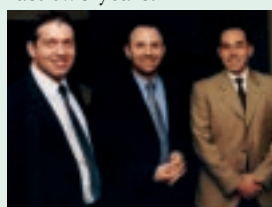
Expense Reduction Analysts (ERA) Europe has launched new offices in Brussels, headed up by managing partner Bert Hummel, to coordinate assignment services for multi-national clients. The company hopes that the move will benefit clients as the EU becomes an integrated market place, with common suppliers across most European countries. It hopes to identify savings in key areas from transport logistics and travel to print costs on a number of projects across Europe.

ERA gears up in France

A year after its creation, business is booming for the new subsidiary of Expense Reduction Analysts (ERA) Europe in France. New ERA affiliates from Italy have brought a range of cost management skills which have expanded the breadth of specialist expertise and resources available to French business organisations, under the direction of Massimo Rugarli.

ERA welcomes Ecuador

ERA welcomes Ecuador to its international network of consultants. The new territory will be headed up by Juan Carlos Paez, who brings extensive experience in banking and financial management to the international team of ERA Consulting. Mr Paez and his partner Claudia Salgado are confident that Ecuador will provide a strong market for the services offered by ERA after significant changes in the country's economy over the last two years.



Shaffer, managing director of ERA Uruguay.

ERA Ecuador managing director Juan Carlos Paez (right) is joined by Bernardo Faincaig (centre), ERA Latin America managing director and Alvaro

Major savings for Uruguayan pharmaceutical firm

Expense Reduction Analysts (ERA) Uruguay has found significant savings on routine business costs for market-leading Uruguayan pharmaceutical company San Roque S.A., which has 24 branches around the country.

ERA Uruguay identified the savings at San Roque S.A. after analysing expense categories ranging from office supplies and telecomms to social securities and maintenance.

"I am very satisfied with the professional work carried out by ERA in our company, their dedication and above all the savings that have been made," says Cristina Chavarria Mudras, commercial manager of San Roque. "In spite of the crisis that our country is facing, we can be sure that next year our profit will be increased."



Alvaro Shaffer, director ERA Uruguay.

From left: Ricardo Wasersztein, director, ERA Uruguay is joined by Cristina Chavarria Mudras, commercial manager of San Roque and

Costs sheared for Canada's New Zealand Lamb

EXPENSE REDUCTION ANALYSTS CANADA



Executive vice president finance for North America Ed Michaud (centre), with Vernon Robinson and Jim McMahon

Expense Reduction Analysts International (ERA) Canada has achieved major savings for world-famous meat company New Zealand Lamb at its North American head office in Toronto.

Telecomms

In March 2000, New Zealand Lamb started a review of its telecommunications costs. ERAI Canada suggested that on completion of the review and before it signed any agreements with any telcos, the company should have ERAI Canada look at the results with a view to improving them. Given the no savings, no fee process, executive vice president finance for North America, Ed Michaud, saw no risk to his company.

ERAI Canada presented an alternative solution that led to an additional 39 per cent savings.

51% savings on packaging

Impressed with this result, the company engaged ERAI Canada to examine its packaging expenses. This is a particularly large expenditure for New Zealand Lamb and the category is extremely complex involving some custom-made items specifically designed for the

company's equipment. As a result ERAI Canada's Vernon Robinson sought the assistance of associate Jim McMahon, ERAI Canada's packaging specialist. Jim was able to find reductions of 31 per cent to 51 per cent on key materials, resulting in New Zealand Lamb realising significant annual savings.

"We are in the business of processing and distributing meat products, and we are good at it," says Ed Michaud. "But when it comes to the procurement of business expenses such as telecommunications and packaging we just don't have the time, the expertise or the market knowledge required to find the best sources. ERAI Canada does, and proves it every time."

ERA launches in Mexico

EXPENSE REDUCTION ANALYSTS MEXICO

Expense Reduction Analysts (ERA) continues its expansion into Latin America by launching its first office in Mexico, in the capital Mexico City. The new branch will be headed up by Juan José Bravo, who has over 14 years of financial and marketing experience, having worked for some of Mexico's largest organisations including major Mexican bank Banco Serfin and oil company Pemex.



(Second left) Juan José Bravo, new managing director of ERA Mexico is joined by (from left) Alvaro Shaffer, director ERA Uruguay, Bernardo Faincaig, director ERA Latin America and Ricardo Wasersztein, director ERA Uruguay

Hotel 145k richer

EXPENSE REDUCTION ANALYSTS NEW ZEALAND



Expense Reduction Analysts (ERA) NZ consultant Kevin Best (right) worked with Peter Tennant of The Devon Hotel in New Plymouth over a six-month period, identifying savings of over 35 per cent. "ERA has helped us to reduce our overheads and has been instrumental in streamlining and integrating our hotel control systems," says Peter.

Senior appointments

EXPENSE REDUCTION ANALYSTS INTERNATIONAL

STAN ZETS has joined ERA as director of international development, with responsibility for the national expansion of North and South America. Based in Sydney, Australia, Stan has 26 years of practical experience in auditing and consulting and has been a director of companies in the IT, electronics and procurement fields as well as a director of the South African Institute of Chartered Accountants and a former regional president of that body.

EXPENSE REDUCTION ANALYSTS HONG KONG AND MACAU

ERA has appointed **FREDERICK CHU** as managing director of Hong Kong and Macau. Frederick, who joins the company from AMEX, will spearhead the expansion of ERA's business in the Chinese community and the regional headquarters in Hong Kong. He has extensive experience having held management positions in marketing, business re-engineering and information technology.

"Expense reduction is a high priority for most companies in Hong Kong," says Frederick. "However, the market is lacking professional expense reduction specialists who can deliver tangible savings at the same time as charging a reasonable fee. ERA's quality professional service and 'no saving, no fee' policy will bring a new standard to the market."