



ERA Australian News

Expense Reduction Analysts' Business Newsletter

INSIDE

<i>BOC printing costs cut</i>	1
<i>Persistence pays!</i>	1
<i>Office supplies bill slashed</i>	2
<i>Significant savings for Fini Group</i>	2
<i>Uni freight & card costs cut</i>	2
<i>Email set for savings</i>	2
<i>The latest word from our clients...</i>	2

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ERA Australian 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.

BOC printing costs cut

EXPENSE REDUCTION ANALYSTS AUSTRALIA

ERA Australia has helped BOC Gases, one of Australia's top 100 companies, achieve significant savings in printing and distribution of printed forms. ERA consultants Ian Kinnaird and Jeremy Gimson have worked closely with Tony Barbaro, BOC Gases's supply manager, to generate savings on a total category expenditure of approximately A\$1 million.

"I was impressed with the no-risk nature of the ERA service and was aware that they had done very good things for us in New Zealand," says Tony Barbaro.

He adds: "I was very pleased with the way that Ian and Jeremy tried to find different ways to help the printers to reduce their costs. It was important to us to have a fresh perspective on what we were doing."



(left): Rod Lewis, BOC Gases, ERA's Jeremy Gimson and Tony Barbaro, BOC Gases

With an annual turnover exceeding A\$1 billion, BOC Gases Australia is part of The BOC Group, one of the world's largest gas companies with gas production facilities in almost every capital city.

Persistence pays!

EXPENSE REDUCTION ANALYSTS AUSTRALIA



Hillarys Yacht Club
Mariner's Cup racers sailing around the HYC marks
on the way to the finish

ERA consultant Mark Chaston overcame a series of setbacks to help a prestigious sailing club near Perth in Western Australia, drastically reduce its electricity bills.

Hillarys Yacht Club, a top sailing, fishing and diving club

based in Hillarys Marina, 15km north of Perth, asked Mark to investigate a number of areas, including printing, stationery, telephones, postage, beverage purchases and electricity. He quickly found savings of up to 39 per cent

across the board – but had to adopt a more persistent approach to make savings on the club's electricity bills.

Previously the club, whose electricity is supplied by the State Transport Agency, was charged on a flat-rate business tariff. It soon became clear that savings could be made by changing this tariff to allow the club to benefit from cheaper off-peak rates. Mark began negotiations with the Transport Agency and in June 2000 his determination paid off and the Agency finally agreed to make the change.

The new meter was installed in July 2000... and the club is now enjoying cheaper off-peak electricity.

Office supplies bill slashed

EXPENSE REDUCTION ANALYSTS AUSTRALIA

A team of ERA consultants worked with Australian accountancy and consultancy service Phillipson and Fletcher to carve 10 per cent from the company's annual office supplies bill.

The company's main supplier was based close to its main office in Sale, Victoria. From speaking to the firm and the supplier, ERA consultants soon found that ordering tended to be a random process: staff would simply walk in and order items individually as necessary. This clearly represented a waste of time for both Phillipson and Fletcher staff and the stationer.

ERA consultants therefore negotiated with the supplier to come up with a deal which left both Phillipson and Fletcher and the office supplies company happy. They negotiated a 10 per cent savings package – based on a flat discount for all non-copy paper purchases – for all the company's Gippsland offices. Furthermore, the ERA team set up a centralised ordering system in the Sale office timed to ensure that a bulk order from the company would always precede the stationer placing his own bulk order with his wholesalers.

Uni freight and card costs cut

EXPENSE REDUCTION ANALYSTS AUSTRALIA



ERA Australia has helped Charles Sturt University in New South Wales achieve a dramatic 35 per cent reduction in overseas couriers and freight costs – and significant savings on merchant card fee rates.

The university operates from three main campuses in New South Wales – Wagga Wagga, Bathurst and Albury – but also runs courses for students in overseas locations. This involves the shipping of

a significant amount of course material documents to locations around the world, with New Zealand, Canada, Africa, the Indian sub-continent, Indonesia and South Asia, the main destinations involved. By working closely with the university to look at its current suppliers, ERA helped the organisation achieve a reduction of 35 per cent in its annual spend on couriers and freight.

As many university students pay their fees by credit card, ERA consultants also focused on savings in this area, examining the merchant card fees charged to the university. By negotiating with the university's bank, the ERA team, led by consultant Steve Farrelly, was able to achieve a 15 per cent reduction in the merchant card fee rates charged.

The latest word from our clients...

"We have appreciated the fact that ERA's service has provided us with significant cost benefits without impacting on the workload of any Fini Group employee"

– Fini Group

Significant savings for Fini Group

EXPENSE REDUCTION ANALYSTS AUSTRALIA

Fini Group, one of Australia's most awarded property development companies, has made savings of 29 per cent in stationery thanks to the input of ERA's Kimon Anderson.

The Perth based group first invited ERA to address the stationery and printing costs of the rapidly expanding organisation in 1997. Then, after a chance meeting with managing director Adrian Fini on a plane flight 18 months later, ERA consultant Kimon Anderson was invited back to try to identify further savings for the company.

Success was immediate and Kimon identified and implemented a further 29 per cent reduction in general stationery and a 20 per cent reduction in printed stationery.

The relationship has gone from strength to strength and Kimon is currently investigating the categories of photocopier and print management services where ERA expects to achieve significant savings in both dollars and back office procedures.

Email set for savings

EXPENSE REDUCTION ANALYSTS AUSTRALIA

ERA has carried out extensive cost-cutting research for leading Australian white goods manufacturer Email Limited.

ERA consultant Steve Farrelly gathered data from sites at Hallam and Brunswick in Victoria, Riverwood, Orange and Mascot in New South Wales, Dudley Park and Beverly in South Australia.

Information obtained will enable Email to benchmark the cost savings on couriers and stationery as the company develops its use of e-commerce.