

A&M saves the UK energy: Expense Reduction Analysts saves A&M money

CLIENT:	A&M Energy Solutions
SECTOR:	Insulation Installer
COST CATEGORIES:	Waste, Telecoms Fixed, Telecoms Mobile, Utilities, PPE, Buildings Material, Water

Expense Reduction Analysts' ability to think outside the box helps rapidly growing A&M Energy Solutions, saving them considerable amounts of money in a variety of cost areas.

THE CLIENT

Formed in 1973 as a family-run business, A&M Energy Solutions (formerly A&M Insulations) is one of the UK's largest providers of insulation services, working with home owners, construction firms, local authorities, housing associations, registered social landlords and energy suppliers to take steps to reduce the UK's carbon footprint. With over 230 employees across the UK, A&M now carries out approximately 70,000 energy saving measures on properties every year.

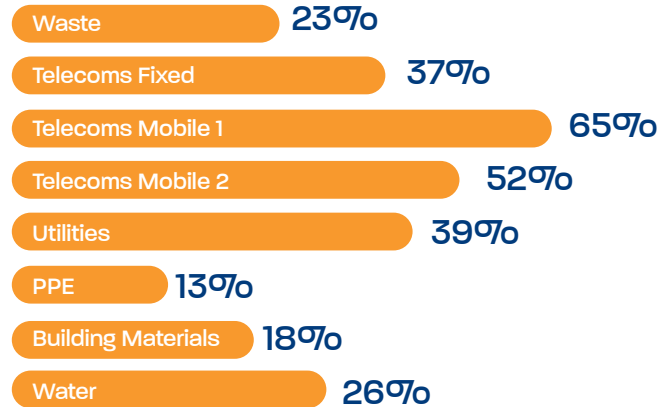
THE CHALLENGE

"He was immediately receptive," says Bernard McKay, Consultant with Expense Reduction Analysts, of his first meeting with Ian Holland, Finance Director at A&M. A&M was growing quickly and with no procurement manager yet in place, Ian Holland saw the benefit of Bernard McKay's proposition. It was soon agreed that Expense Reduction Analysts' Pete Bramhall would look at A&M's expenditure on Waste, Pritesh Patel at their Telecoms spend, Richard Clayton at Utilities and Phil Howarth at Water.

THE SOLUTION

Bernard McKay takes up the story, "Each of these first round of categories produced very good savings. With Waste, the initial savings were relatively low, but we additionally proposed some internal changes in the handling of waste, and these had a significant impact.

SUMMARY OF SAVINGS



Expense Reduction Analysts have delivered significant savings in almost all of the areas I have asked them to examine. In particular, their recommendations on our Telecoms procurement stand out and prove their ability to think outside the box.

IAN HOLLAND,
FINANCE DIRECTOR, A&M ENERGY SOLUTIONS LTD

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With Utilities, we originally proposed to perform this on a consultancy basis, but Ian was reluctant, since at that point he had seen no proof of our expertise. We therefore worked on a contingency basis for two years, and then, having proved our worth, moved over to a fixed-fee consultancy basis, which delivered best value for the client.

Expense Reduction Analysts' specialists can usually uncover good savings through their category expertise; on occasion, however, their work simply provides a valuable health check. Analysis of A&M's spend on Fuel revealed that they were already buying wisely and Expense Reduction Analysts was able to provide valuable peace of mind in that area.

"Pritesh's work on Telecoms was a real highlight".

It was the Telecoms category that provided the most significant savings. Pritesh Patel, Telecoms Specialist at Expense Reduction Analysts, gives more detail on this category, "I was able to give A&M some ideas that they had not previously considered, such as different ways of managing their mobile phone contracts. In all, the real value for A&M is that, in addition to saving them money through the initial consultation, we are providing them with far greater visibility of their expenditure through our ongoing reporting. Together with our practical advice, this gives them far greater control and enables them to drive down their telecoms costs even further."

Having seen the value of the Expense Reduction Analysts' proposition in these initial projects, Ian Holland asked Bernard McKay to take on areas of expenditure that were even more central to A&M's work, namely Buildings Materials and PPE.

Bernard McKay comments: "Steve Clamp looked at Buildings Materials, and presented A&M with a matrix of options. When implemented, the proposed changes should see the number of suppliers streamlined from 22 to seven - including two new suppliers - and the client enjoying significant savings and, importantly, a simplified set of supplier management procedures.

"Malcolm Tait tackled PPE, and, after his usual thorough analysis, he recommended that A&M stay with the incumbent supplier, but on the significantly more beneficial terms that he had negotiated."

Ian Holland, Finance Director at A&M, sums up the value of Expense Reduction Analysts' work, "I met with Bernard at a time when we were growing rapidly and needed to keep as close an eye as possible on costs. His team provided expert analysis of our expenditure, and in almost every case saved us considerable sums of money. I must pay particular tribute to Pritesh Patel's work on Telecoms - he has been invaluable in his analysis, his ongoing reporting, his advice and his ability to think outside the box."



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