

# Improving global efficiencies for significant UK savings: Autobag

**CLIENT:** Automated Packaging Systems  
**SECTOR:** Manufacturing  
**COST CATEGORIES:** Packaging & Logistics

## SUMMARY OF SAVINGS

Packaging 22%<sup>o</sup>

Logistics 17.8%<sup>o</sup>

Thanks to Expense Reduction Analysts (ERA), a full review of packaging and logistics led to substantial savings, increased efficiencies across the globe and a more robust supply chain.

When responsibility for purchasing is split over multiple sites, it can be easy for communication to become disjointed and efficiencies to slide. When autonomous sites are located in different parts of the world, the problem is compounded and business owners often don't even realise it's happening. That was exactly the case for Automated Packaging Systems (Autobag) with their multinational, multi-lingual operations and logistics. Thanks to Expense Reduction Analysts, a full review of packaging and logistics led to substantial savings, increased efficiencies across the globe and a more robust supply chain. All in a day's work for Lorraine Gannon and her team (Simon Phippen - Packaging and Kevin Fryer - Logistics).

## THE CLIENT

Autobag has been a world leader in designing and manufacturing flexible packaging systems for over 50 years. A major supplier of packaging systems used to pack industrial components, they are the original inventor of Autobag® bagging machines and pre-opened bags-on-a-roll. They continue to innovate and grow their product lines and business globally to provide customers with complete packaging solutions for increasingly vast and unique product needs.

## THE CHALLENGE

ERA Client Relationship Manager, Lorraine Gannon, specialises in managing relationships to a client's best advantage and identifying projects for long-term benefits. She reached out to Autobag after identifying areas in which she felt she could make a significant impact; namely packaging and logistics. Peter Wylie, Autobag's Managing Director, was sceptical that savings could be made but agreed to an initial project on packaging.



 **Automated**  
PACKAGING SYSTEMS

"ERA's review was strategic in terms of looking at what could be achieved. Simple lack of communication meant that some of our margins were suffering. Thanks to their holistic approach and the strength of ERA's procurement experience, they were able to leverage savings where we couldn't. When you think you're doing a good job of something, you don't scrutinise it – now we know different!"

**PETER WYLIE,**  
MANAGING DIRECTOR, AUTOBAG

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It emerged that Autobag had two suppliers, trading off one against the other in an effort to force discounts. This is often assumed by many companies to be best practice but is actually an inefficient method of procurement as there can be no planned production on the side of the supplier. ERA thoroughly reviewed both suppliers and presented a preferred option. This secured savings and an improved working relationship. With the 'trade-off' scenario eliminated, there was now scope for short notice orders and stock-holding.

Impressed with the results, Peter passed the much more complex logistics project over to Lorraine. In a complicated exercise involving the global network, ERA trialed a third party European supplier offering excellent savings. The trial was a success and a bespoke solution was devised by Lorraine and her team in which the UK benefitted from an updated charging structure, resulting in significant savings and improved service levels. Autobag's Belgium office moved to the new supplier and sites in Germany and France retained their incumbent supplier on enhanced terms.

"By reviewing the whole business globally, we were able to present a bespoke solution and it was far easier to strategise how the combined savings could be delivered. By establishing a UK benchmark, we forced the hand of Autobag's German supplier to reduce their price which had a knock-on effect worldwide. It's unlikely the logistics managers in each country would have been able to achieve those results alone".

Lorraine Gannon, ERA.

"It's been a positive experience from start to finish. We've been so pleased with the savings and added value achieved by ERA that we've actually referred them over to our parent company in America to see what else can be done!"

Peter Wylie, Managing Director at Autobag.

ERA's client relationships don't end with identifying the best-fit supplier and securing savings. Lorraine managed both the transition to a new supplier and the upgrades with Autobag's existing providers to ensure the changes were seamless. Ongoing reviews by Lorraine validate that the promised service levels are being met and keep an open channel of communication between all parties. As with most things in life, communication is key and that's something that ERA prides themselves on.

### ADDED VALUE

- Global benchmark established for logistics procurement.
- Improved departmental communications.
- Developed supply chain protection.
- Better supplier relationships.