

ERA serves up savings for CP Foods (UK) Limited

CLIENT:	CP Foods (UK) Limited
SECTOR:	Agro-Industry & Food
COST CATEGORIES:	Office Supplies, Insurance, Waste, Packaging, PPE, Engineering Consumables

THE CLIENT

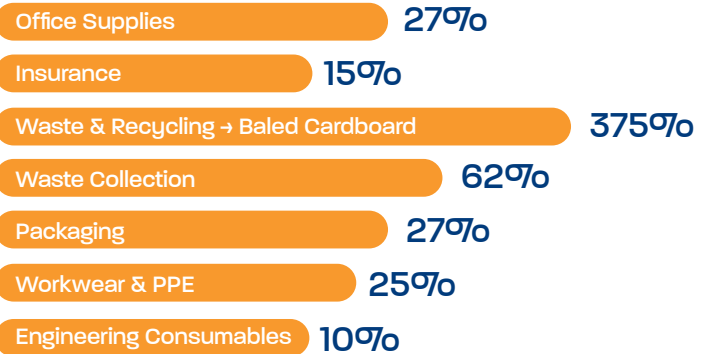
CP Foods (UK) Limited is the UK division of the worldwide CPF Group, a world-class food producer dedicated to creating real food that is tailor-made to the requirements of their customers. As part of CPF Group, CP Foods (UK) Limited is responsible for production facilities in the UK where imported produce is prepared, packaged and delivered to UK customers.

THE CHALLENGE

John Vincent, Financial Director, CP Foods, wanted to investigate effective procurement but felt the company did not have the internal resource or expertise. After a meeting with Iain Middleton of Expense Reduction Analysts, he was impressed by the level of in-depth category knowledge and a team of specialist procurement advisors were engaged to review a number of CP Foods' expenditure areas. Iain enlisted Richard Anson, packaging expert with over 25 years experience, to review CP Foods' expenditure. The client's products are prepared and packaged into branded and unbranded point of sale corrugated cartons. Richard conducted a thorough review of the client's spends in this category and found that the supplies of corrugated cases were procured from two different suppliers. Richard worked with the client to streamline this by sourcing packaging materials directly from a single supplier. In addition to being a more cost effective approach, this is easier for CP Foods' staff to manage in terms of invoicing.

Richard also reviewed CP Foods' expenditure for secondary packaging. Potential savings were identified for hand applied stretch film for pallet wrapping and significant savings were identified for machine length rolls of self adhesive tape used for case sealing.

SUMMARY OF SAVINGS



"I initially thought the benefits of engaging ERA would be purely financial, but the end results are much more than cost savings. In all projects, the consultants were focused on improving our internal processes and enhancing the service we receive from our suppliers. They have helped to boost our green credentials too which is really important to us."

JOHN VINCENT
FINANCIAL DIRECTOR, CP FOODS (UK) LIMITED

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Expert in Waste Management and Recycling, Pete Bramhall was brought in to enhance CP Foods' processes for the handling of waste cardboard, used pallets and mixed general waste. The client was formerly receiving a fixed rebate rate for their waste cardboard. Using his extensive knowledge of this area, Pete negotiated a substantially higher rate with CP Foods' existing supplier. The new price is linked to a market index which will ensure that the benefits are maintained in future, regardless of the ups and downs of the recovered paper markets.

Pete uncovered that whilst CP Foods had an existing outlet for scrap pallets to be taken away at no cost to them, there was a potential value to many of the pallets which are suitable for re-use. The key here was to find a suitable supplier willing to continue removing the mix of good and damaged pallets, whilst offering a rebate on the good quality ones. Pete's inside knowledge has turned the collection of pallets into a revenue stream for the client.

Following an extensive review of the wastes generated on the shop floor, Pete identified that by making some relatively straightforward changes to the segregation of wastes, a significant proportion of the material could be diverted from landfill. This has resulted in the dual benefits of a significant cost reduction, primarily through the avoidance of landfill tax, and enhanced environmental performance.

The recycling rate for the site has increased from under 70% to around 95% following implementation of the improved processes and savings will increase over time due to the impact of the landfill tax escalator.

Iain called on the assistance of his colleague, Steve Clamp, expert in Facilities Management and associated consumables, to review CP Foods' procurement of Workwear, Personal Protective Equipment (PPE), and hygiene supplies. As the client prepares and packages all their food products, there were specific requirements for PPE, clothing and hygiene supplies that any potential suppliers had to adhere to.

The client had a number of suppliers in place to cover the selection of products they needed. Steve broke down CP Foods' requirements into categories including clothing, janitorial materials, hair nets, gloves, and footwear, and worked with the key stakeholders at CP Foods along with the current and alternative suppliers to provide a balanced solution involving several key suppliers providing excellent service and value for each category of product.

As CP Foods' staff are dealing with food products, it was essential that certain items could be traced should they become missing, especially those that could easily become detached. Steve sourced items that were traceable to ensure the client's products were always prepared to the highest standards. Steve was able to meet the client's specific criteria whilst achieving the best value available, uncovering an overall category saving of 25.3%.



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