

Bags of savings for Country Crest

CLIENT:	Country Crest
SECTOR:	Manufacturer & Supplier
COST CATEGORIES:	Packaging

SUMMARY OF SAVINGS

Packaging

15%

As part of its overall profit improvement programme, Expense Reduction Analysts (ERA) were tasked with achieving a minimum five percent reduction in costs (on a like-for-like basis), without reducing the quality of goods and services already in place.

THE CLIENT

Established in North County Dublin in 1994, Country Crest is today one of Ireland's biggest suppliers of quality potatoes, onions and spring onions to key multiples. It is also a leading manufacturer and supplier of vegetable accompaniments and prepared wholesome meals.

THE CHALLENGE

As a business that prides itself on providing the finest quality produce at the most competitive prices, it is imperative that Country Crest maintains a strong focus on controlling its costs and supplier relationships.

Country Crest drafted in the support of ERA to provide an independent review of the organisation's expenditure, with a particular focus on their spending levels of packaging film - a major expenditure for the company which accounts for an annual spend of almost £350,000.

As part of its overall profit improvement programme ERA were tasked with achieving a minimum five percent reduction in costs (on a like-for-like basis), without reducing the quality of goods and services already in place.

ERA began the process by conducting a detailed analysis of Country Crest's current spending patterns with incumbent suppliers. This involved a period of data collection, stakeholder interviews, and data process and analysis. ERA was then able to make specific recommendations for ways in which to reduce expenditure and receive better value from their current suppliers.

Using ERA's analytical expertise, database of suppliers and aggregated purchasing influence it was able to achieve impressive 17 percent (£53,000) saving on the overall packaging costs.



Country Crest
True to nature

"We genuinely believed that we had already negotiated the best deals from our suppliers and have therefore been extremely impressed with the level of savings that Expense Reduction Analysts has been able to achieve. Their recommendations for streamlining our costs will help us remain competitive in a difficult marketplace.

This exercise has not been about squeezing suppliers for cost savings, but more how we work closer with them to achieve better value all round."

CHRIS HARMON,
FINANCIAL CONTROLLER, COUNTRY CREST

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In addition to generating per item savings, ERA was able to assist Country Crest in making additional economies by saving time on the administration of the purchasing and accounts functions; where possible by:

- Minimising the number of suppliers.
- Reducing the number of invoices by arranging consolidated invoices.
- Controlling cost by helping Country Crest to focus on an agreed list of contract items to achieve maximum savings.

Furthermore, ERA was able to identify additional potential savings by analysing the type of packaging materials used.

ERA identified that reducing the film micron thickness for potato packaging, a reduction in bag cut off sizes, order pallets and better monitoring and management of packaging waste would save an additional £50,000 per year, taking the total cost reduction to 34 per cent.

A worksheet was also developed by ERA to help Country Crest with their forward planning of packaging film.

Throughout the entire process ERA were able to bring their considerable experience and understanding of the British Retail Consortium Global Standards Requirements when servicing multiples. They also worked closely with Country Crest suppliers, to manage the quality testing standards process.



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