

Great profit improvements for Essential Trading Cooperative

CLIENT:	Essential Trading Co-operative
SECTOR:	Wholesaler, Manufacturer & Trading
COST CATEGORIES:	Print

SUMMARY OF SAVINGS

Print

55%

“Savings go straight on the bottom line, and to achieve the same level of profit a company would have to increase sales by £400,000 (if operating on an average margin of 8%).”

Hugh Swainston, Expense Reduction Analyst consultant

THE CLIENT

Cost savings at Bristol-based Essential Trading Co-operative have helped the company to increase their customer base by 15% since the start of 2009, as well as achieve a year-on-year increase in turnover despite the widespread economic challenges felt by UK plc.



Essential

THE CHALLENGE

As a wholesaler supplying organic foodstuffs to independent retailers around the country marketing is essential part of the business model but one where they've been able to reduce their costs. Codirector, Stuart McDowall, said: “Our full colour catalogue is our main marketing tool and drives our sales, but at £70,000 it's a high cost aspect of the business.

“We can't charge our customers for it because there are plenty of other catalogues they get for free. But, like all businesses we look to manage our costs effectively and this was an area we thought we could improve upon.”

Essential set about conducting a strategic review of their business costs with help from cost reduction experts, Expense Reduction Analysts.

Stuart continues, “We realised that we don't have expertise in, or knowledge of, the supplier market to help the company get the right service and prices. So we outsourced the process.

“We managed to achieve a 53% reduction of print cost which brought the spend down to £35,000. We're now undertaking a strategic review of all our costs areas with a view to make similar savings.”

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STUART MCDOWALL
CODIRECTOR
ESSENTIAL TRADING CO-OPERATIVE

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