

Essex Probation: cartridges, collateral, couriers and calls - less cost, more control

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| CLIENT: | Essex Probation |
| SECTOR: | Probation |
| COST CATEGORIES: | Office Stationery, Printed Stationery, Couriers, Fixed Telecoms |

THE CLIENT

Essex Probation operates from seven offices across the county of Essex. Having previously relied upon individual offices to make procurement decisions, Essex Probation decided that they would benefit from some professional advice to ensure that they were aligned with best practice and achieving best value.

THE CHALLENGE

Debbie Came, Director Finance and Business Management at Essex Probation, called in Expense Reduction Analysts, and it was agreed that the first categories for analysis should be Office Stationery, Printed Stationery and Couriers. Fixed Telecoms was later added to the remit.

ERA takes up the story: "The success of any Expense Reduction Analysts client engagement relies on the depth of category knowledge and expertise that we can bring to bear on the client's procurement needs. In the case of Essex Probation, we were fortunate to be able to call upon the services of Nigel Richards on Office Stationery and Printed Stationery, Steve Parrott on Couriers, and Pritesh Patel on Fixed Telecoms.

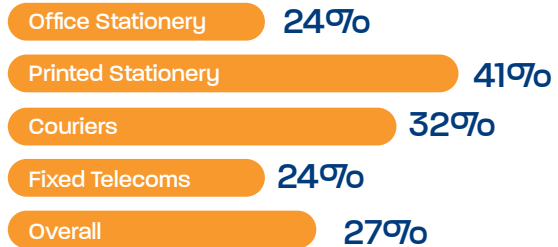
"Their three very different project stories illustrate the variety of the challenges we face, and the flexibility of the service that we can offer to meet each challenge."

GETTING STATIONERY MOVING IN THE RIGHT DIRECTION

Nigel Richards analysed the stationery spend: "I found that the different offices were purchasing office supplies independently - thus missing the opportunity to leverage their aggregate spend to yield maximum discount. There were also some uninformed decisions being made, such as when comparing the prices of refilled toner cartridges with original Hewlett Packard ones.

"Suffice to say that I worked with Essex Probation personnel to agree a core list of products, then focused on identifying a single source of supply for each, to streamline their procurement, and to put in place regular review meetings. They are very pleased with the savings generated."

SUMMARY OF SAVINGS



"We were not confident that our procurement aims were being fully realised and so we invited Expense Reduction Analysts to assist us in some key areas. We have not been disappointed: not only have ERA achieved significant savings for us, but we also feel much more in control. Our expenditure has been reduced, and there is the comfort of knowing there is ongoing support, monitoring how we are using these contracts."

DEBBIE GAME,
DIRECTOR FINANCE AND BUSINESS MANAGEMENT
ESSEX PROBATION

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Essex Probation's courier requirements fell into two distinct areas. The geographical distribution of Essex Probation's offices - with their Head Office in Witham and satellites in Basildon, Chelmsford, Colchester, Grays, Harlow and Southend - meant that various files had to be transported between Witham and the satellites on a monthly basis for assessment and review. Although a saving was found, the requirement lapsed when a change of internal procedure meant that assessors travelled to the files rather than the reverse.

For routine parcel and package traffic, detailed profiling of the requirement identified two opportunities for savings. In the first place, Steve Parrott noted that there seemed to be a surprisingly high proportion of premium price, timed services, being used. Further investigation revealed that staff had not been given adequate guidance by the incumbent supplier and had not been fully aware of the cost implications of these services.

Furthermore, competitive tendering identified two suppliers who offered attractive savings on the services that would be used going forward - including the need to handle sensitive files - and, after final interview by Essex Probation, one was selected.

Parrott concludes: "We worked hard to get buy-in from all of the offices by the spring of 2010, working with the new supplier to roll out their service, train Essex Probation staff and deal with the inevitable initial minor teething troubles."

ANALYSING AND STREAMLINING TELECOMS SPEND

When Pritesh Patel started to analyse Essex Probation's telecoms spend, he noticed pricing discrepancies: "At Expense Reduction Analysts, we pride ourselves on our thoroughness, and indeed, in this case, only a line-by-line, call-by-call analysis allowed me to discover that the client had been overcharged."

"In addition to this, Essex Probation were simply not getting good value for money, even though the solution was based on a 'Group Deal.' My work enabled them to claim a sizeable rebate, and allowed me to recommend the best solution for their needs, with a streamlined procurement process that is regularly reviewed to ensure that they are still achieving best value."

Other major benefits to Essex Probation are that the whole contract structure has been simplified and that they now have a much clearer idea of what they have and need. Essex Probation were also considering a capital investment in alternative technology, which they felt could save them additional money. However, Patel was able to quantify the potential savings, and help Essex Probation come to a firm decision not to make such an investment at this stage.



"Expense Reduction Analysts really know their stuff. My staff are experts in their fields, and, to be fair to them, there is no way in the world that they could, or should, have the sort of detailed category knowledge and expertise that Nigel, Steve and Pritesh have demonstrated. They have transformed our procurement in these areas. I look forward to working with ERA on other categories, and I intend to recommend his team to my probation service colleagues."

DEBBIE CAME,
DIRECTOR FINANCE AND BUSINESS MANAGEMENT
ESSEX PROBATION