

# ERA make light work of complex card fees for Grove & Dean

CLIENT: Grove & Dean  
 SECTOR: Insurance  
 COST CATEGORIES: Merchant Card Fees

## SUMMARY OF SAVINGS

Merchant Card Fees

23%<sup>o</sup>

## THE CLIENT

Established in 1974, Grove & Dean is a family run insurance broker and financial services business which employs 150 staff at its headquarters in Essex.

Grove & Dean, also trading as Performance Direct, offers a broad range of services for customers from motor insurance to corporate solutions, specialist motorsport insurance, wealth management and mortgage services.

The company is committed to the provision of the highest standards of advice and a consistent focus on excellent customer care.



**grove & dean**  
PRIVATE CLIENTS

## THE CHALLENGE

Monitoring and reducing overheads is an essential practice employed by shrewd directors in any organisation. For Gordon Pratt, Finance Director at Grove & Dean, one particular cost presented a challenge that will be familiar to businesses nationwide: Merchant Card Fees.

As well as being a significant cost to Grove & Dean, the associated contracts and charges are notoriously complex. With renewal quotes on the table, Gordon recognised his in-house team lacked the very specific knowledge required to undertake a review. He reached out to Expense Reduction Analysts (ERA) for expert guidance. With minimum fuss and maximum impact, ERA coordinated a best-fit solution with improved terms and services, topped off with a healthy annual saving.

## IMMEDIATE PROTECTION THROUGH EXPERT SUPPORT

No matter how long you've been with your existing supplier, it's just good business sense to benchmark against competitors when annual renewals approach. Gordon obtained alternative quotes from two different suppliers but, when the proposals arrived, he found their complexity and level of detail difficult to decipher. One document alone contained over 400 different transaction types, each with a different charging structure!

"I'd give ERA 11 out of 10 if I could! Not only have they brought their professionalism to the review, they've managed cost savings as well. Rather than struggle to look at specific costs internally where you may not have the necessary knowledge or skill, I would certainly recommend that any business calls in ERA to assist. We've now been with the new provider for about three months and received our first quarterly report which is really useful. Before engaging ERA, it was very difficult for us to monitor the Merchant Card costs but now we have much more visibility and clarity."

**GORDON PRATT**  
FINANCE DIRECTOR, GROVE & DEAN

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Gordon quickly saw the benefit of involving a third-party specialist and met with ERA Client Relationship Manager, Keith McGregor. After analysing requirements and selecting the best-fit expert, Keith managed the process at every step to ensure the highest possible standards of quality and service.

Keen to ensure that Grove & Dean were not exposed to unfavourable terms or conditions within the two new proposals, Keith quickly arranged a conference call with ERA Payments specialist, Paul Davidson. Paul has 25 years' retail banking experience, and has specialised in card payments and cash processing since 2005. He identified almost instantly that both offerings, despite appearing preferential, would see Grove & Dean subjected to substantial cost increases through a complicated fee structure.

## MINIMAL DISRUPTION VIA A LIGHT-TOUCH PROCESS

With this initial crisis averted, Keith and Paul met with Operations Manager, Tracy Darkins, and IT Manager, Curt Allington, to conduct an in-depth review of existing systems and processes. From this point forwards, ERA work to protect stakeholder time by undertaking the research, review and supplier liaison on behalf of the client, before presenting best-fit solutions for consideration.

"A core part of our process is working alongside key stakeholders in the business to understand their needs and, in this case, provide technical support on the capabilities of both the current and new supplier systems. At the same time, having minimal impact on their time and resource. Protecting Gordon, Tracy and Curt's time was as important as finding savings and improving supplier service levels," explained Paul.

"Keith and Paul have both exceeded our expectations. They've been very professional and supportive throughout and the level of technical expertise couldn't be faulted - the whole process has been painless. Having tried to do it in-house we were left wondering why we had ever attempted to do it ourselves! Tapping into Paul's expertise, his knowledge and industry contacts has been a revelation," said Gordon.

Paul's first tactic was to address process and relationship shortfalls with the existing supplier, enabling them to offer immediate solutions - resulting in an improved service even whilst his review was underway. Then, armed with a thorough understanding of the client's needs and the complexity of the integration into their own operating system, he took the contract out to tender. Leveraging his significant market knowledge and experience, Paul drilled down to assess supplier margins, accurately comparing blended and interchange-based tariffs.

## ADDED VALUE

Ever mindful of the bigger picture, Paul benchmarked suppliers against the overall customer interaction process, instead of viewing the Merchant Card Fees project in isolation. This allowed him to evolve and expand the brief to solve several long-standing problems as part of the tender process.

Unlike some third-party procurement consultancies, ERA are not agents for change and look to secure only what is best for clients. Often, maintaining incumbent suppliers with improved terms is the most beneficial route. However, after being presented with a no-nonsense summary of available options, Grove & Dean chose to work with a new supplier who could offer a substantial saving and, who they felt, would also be more engaged for the long-term. ERA's client relationships don't end with identifying the best supplier and saving costs. Keith and Paul worked closely with Grove & Dean's stakeholders to coordinate the transition with minimal impact to daily practices. As with the initial review process, ERA works to keep client involvement as streamlined and uncomplicated as possible. For Gordon, Tracy and Curt, this meant disruption being limited to receiving training from the new supplier or simply completing the forms needed to make appropriate and agreed changes.

"The responsiveness and support is second-to-none. A prime example is how things are handled when they don't go to plan - as inevitably happens! We had a hiccup on day one where the new supplier got the charges wrong but we were supported by Paul who was on the case immediately. The issue was resolved within 24 hours and Paul ensured money didn't leave our bank account in error," said Gordon.

## ONGOING PARTNERSHIPS

Facilitating an improved working relationship, Paul will continue to monitor the supplier to ensure Grove & Dean's needs for daily reporting and notification of chargebacks are met, as well as supporting with defending chargebacks. Quarterly reviews confirm savings are being realised and overcharges quickly identified and resolved, whilst any changes to Grove & Dean's business can be reflected accordingly in the supplier terms.

Through their in-depth understanding of the cost-base of the market, ERA have ensured that only market driven cost increases can be passed on from the supplier, further protecting and strengthening Grove & Dean's position for the present and for future renewal negotiations.

As a testament to the project's success, Grove & Dean are now looking to work with Keith to review several more cost centres including Printing & Stationery, Telecoms and Postage & Distribution.