

Expense Reduction Analysts fix great profits for Infoteam

CLIENT: Infoteam
SECTOR: Software Solutions
COST CATEGORIES: Stationery

SUMMARY OF SAVINGS

Stationery

37%

THE CHALLENGE

With 400 per cent growth during the last three years, Cornwall-based Infoteam is a rare breed of business that continues to go from strength-to-strength even during these tough economic times, but effective cost management is what really counts, according to the company's Financial Director, Simon Harland.

"Few companies are lucky enough to thrive during a recession," says Simon, "but the secret to our survival - during good times or bad - has been knowing our business, providing a good service and keeping on top of our costs. Over the next two years we're on target to make savings that are the equivalent of finding £1.5m in new sales, so it's an important part of our growth strategy."

Infoteam, established in 1996, repairs and refurbishes modern-day essentials such as games consoles, laptops and PDAs on behalf of global brands including Sony, Acer, Sun Microsystems and Toshiba.

The company grew steadily until, in 2005, it employed 150 staff and had an annual turnover of £8.5m. Then in 2006 business boomed.

"We experienced massive growth in a very short time - linked to the increase in electronic goods and after-sales service. Now we have over 700 employees, a turnover of £30-£40 million and we're still growing," continued Simon.

Infoteam is now the UK's market leader in logistics and storage of electronic goods in need of repair and has added a call centre to its list of services. But for all their success Simon is keen to emphasise the role that the company's cost conscious culture has had on its stability and growth.

He continued, "We've always tried to get the best price and service from suppliers and so it made sense to meet with cost management experts, Expense Reduction Analysts, to examine ways to make us more cost efficient.

"We identified cost areas where we thought it possible to make savings, including stationery, which we had recently spent 18 months researching ourselves. I was shocked to learn we could make further savings of 37 per cent.



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FINANCIAL DIRECTOR

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“Furthermore, our insurance premiums now are less than they were three years ago when we had fewer employees and liabilities.

“We’ve already saved £20,000 and are on target to achieve savings of over £120,000 in areas including energy, IT, communications, packaging and waste over the next two years. To achieve this you need to have complete understanding of supply chains and good industry contacts.

“A lot of companies will think that they already have good deals, but I don’t know of a company that can’t save money. By examining your costs you discover that at the very worst you’ve already got the best price - which is a reassuring health check that confirms you’re doing something right.”

David Brassington, Expense Reduction Analysts consultant, said, “Analysing whether you’re paying for more than you need, creating a cost conscious culture and questioning increased charges are all examples of ways that cost savings can be made and they’re more efficient than simply reducing headcount, for example.

“Savings go straight on the bottom line and make a positive impact on the balance sheet in a relative short space of time. £120,000 of savings are just the start for Infoteam - these will increase over the next two years as new projects come on line.”