

# Karndean Design flooring continues to drive its costs lower

CLIENT:	Karndean
SECTOR:	Commercial & Residential
COST CATEGORIES:	Communications, Couriers, Office Supplies, Marketing Print, Mobility, Insurance, Gas, Electricity, Photocopiers, Fleet, Postage

Expense Reduction Analysts' (ERA) specialists deliver significant cost reduction and multiple process improvements across a wide range of categories.

## THE CLIENT

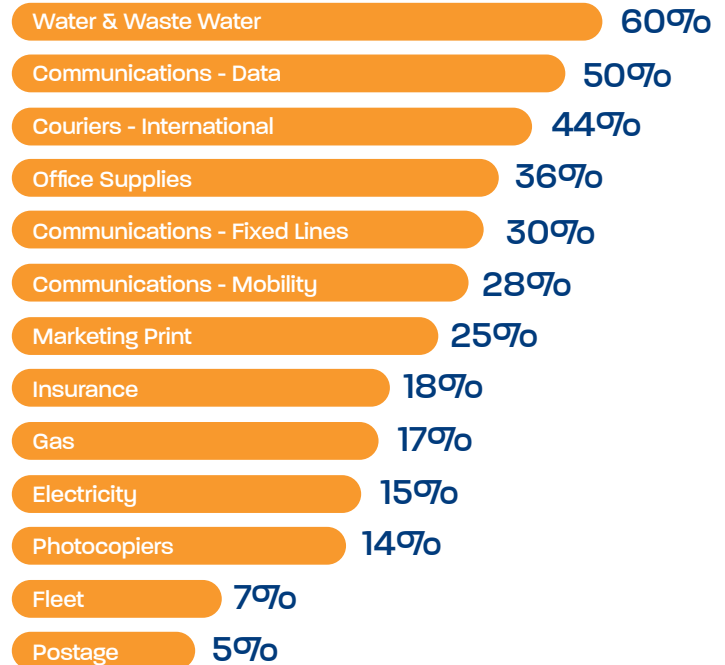
Karndean International, based in Evesham, is a leading global supplier of commercial and residential luxury vinyl flooring, faithfully reproducing the beauty and look of natural materials such as wood and stone. They operate in a very competitive market place, so control and reduction of overhead costs is a key priority in continuing to deliver the best prices to its customer base.

## THE CHALLENGE

Steve Rundle, one of ERA's Business Development Managers met with Karndean's Alan Massey and 11 categories were originally agreed upon - Electricity and Gas, IT Hardware, Fleet, Postage, Couriers, Office Supplies, Packaging, Print (not Media), Merchant Cards and Communications - with a further seven joining them over the next couple of years, assuming results warranted such action - Photocopiers, Inbound Freight, Water/Wastewater, Business Rates, Insurance and Facilities Management.

Tony Catling, Client Relationship Manager for these projects, takes up the story: "The European Outbound Courier project was conducted by Charles Reid, and this proved to be a catalyst in our evolving relationship with Karndean. Having been pretty confident that they were achieving very good value from their incumbent provider, Karndean were greatly impressed by the recommendations that Charles made, with savings eventually exceeding 40% through a combination of a change of supplier and other process improvements."

## SUMMARY OF SAVINGS



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## PRINT

The Print project, crucial to Karndean's brochure and catalogue quality was carried out by one of ERA's print experts, Keith Copestake. Keith explained, "Although the board had given us approval to carry this out, the catalogue and brochure colour work was initially excluded from our remit, as it was felt that this was too important and colour critical to be taken externally. Once the project was underway however, it became clear that our knowledge of colour and the print process would add a lot of value in this area. These responsibilities were added to the project. After our Recommendations Report, four suppliers made presentations, including the incumbent. Print trials were carried out and the business was subsequently placed with two new suppliers. Now, all of the colour work is performed by suppliers introduced by ERA. The colour quality remains the highest available and there is a marked improvement in the printed material. This has proved especially valuable as the international print requirement is satisfied through the UK."

## FLEET

Sean Bingham conducted the Fleet Project. He said, "We looked at the entire Fleet process for Karndean, considering it holistically offering solutions that eased the internal processes from procurement to disposal. In addition to direct savings from contract hire rentals, we improved Karndean's contractual terms in areas such as tyre replacements, end of contract fair wear and tear and pooled mileage."

## NOT JUST SAVINGS - PROCESS IMPROVEMENTS AND ENHANCED CONTROL

In addition, we recommended a number of operational enhancements, including providing ongoing updates and advice on legislative changes, and act as an intermediary for any service issues there may be with the supplier".

Tony Catling concludes on the value of the overall Karndean engagement: "I was very fortunate to be able to call upon 16 Project Specialists from within the Expense Reduction Analysts network. Each of them proved their worth to Karndean with their category knowledge, market analysis and ongoing advice."

Alan Massey, Group Finance Director at Karndean, summarises the benefits that his company has enjoyed: "The great thing about engaging with Expense Reduction Analysts is that not only do you achieve best value in all of these categories of expenditure, but also you know you do, as you audit the achievements. Their help in tackling such a wide range of overhead costs through one relationship is very efficient - it means that a sometimes neglected proportion of a company's costs gets the full cost reduction experience."

"I have to say that the experience and knowledge of the Expense Reduction Analysts Project Specialists is second to none. They have managed to find us savings across a broad range of costs and have recommended process enhancements which will help us continue to enjoy such savings long into the future."

**ALAN MASSEY, GROUP FINANCE DIRECTOR AT KARNDEAN INTERNATIONAL, SUMMARISES THE VALUE OF THE COMPANY'S PARTNERSHIP WITH EXPENSE REDUCTION ANALYSTS:**