

# Leyton Orient signs up new finance 'supporter'

CLIENT:	Leyton Orient
SECTOR:	Club
COST CATEGORIES:	Office Supplies, Telecoms, Janitorial, Food Consumables, Coach Travel

## THE CLIENT

Leyton Orient is the second oldest Football League club in London, with a history dating back to 1881. Situated in Leyton, East London, the League 1 club's home stadium is officially known as the Matchroom Stadium, named after club chairman Barry Hearn's sports promotion company.

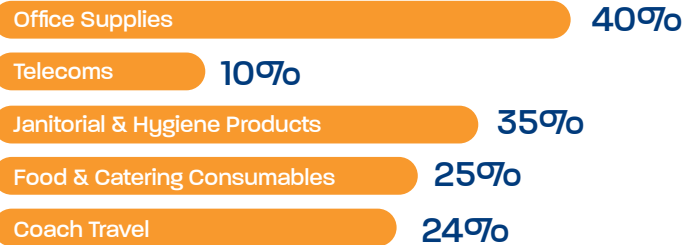
## THE CHALLENGE

Like many football clubs, Leyton Orient FC faces significant financial challenges with the current economic situation. As fans' pockets are hit, so attendances are affected. The need for a tight grip on the purse strings is therefore a priority.

That's why the club called upon the support of ERA, a leading cost purchase and supplier management consultancy, to carry out a thorough review of the club's spend on areas such as telecoms, food and drink and coach travel. "Beyond the core proposition of getting people to attend matches, football clubs often struggle to generate revenue through other means," explained St John Rowntree, ERA's Client Relationship Manager, who worked closely on the review.

"That's why more and more clubs are looking at affinity deals, such as branded credit cards. However, if they're not getting a high enough level of attendance at games there is little else they can do to boost income. As Leyton Orient operates on such slim margins, the club would have to generate a large amount of additional turnover to make the same profit as that achieved by the cost savings that can be identified in noncore operational areas within football clubs."

## SUMMARY OF SAVINGS



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STEVE DAWSON,  
FINANCE DIRECTOR, LEYTON ORIENT

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Added Steve Dawson, Finance Director at the Club: "As with many other football clubs, we have to manage the books extremely tightly to ensure survival and we saw a cost saving opportunity in non-football areas of the business that we do not have the expertise or time to do ourselves. These are business expenditure areas that go unnoticed for years because relationships are established with suppliers and no one has questioned or audited the value we are getting."

The first part of the cost management review focused on the club's spend on stationery. ERA examined stationery expenditure for both Leyton Orient and other parts of the Matchroom Sport business, which allowed greater leverage when negotiating with suppliers and a saving of almost 40% was made on office supplies.

The review was then widened to include telecoms for Leyton Orient and Matchroom Sport, as well as areas of spending specific to the club, including food, wine and spirits for match days and coach travel.

ERA brought in project specialists from across the network resulting in a saving of 10% on landline calls, whilst a 35% saving was secured on janitorial and hygiene products. This included greater use of highly concentrated materials that lasted much longer while offering the same cleaning power.

When looking at the club's catering spend, ERA worked closely with the catering and match day hospitality teams to get a clear understanding of their requirements. While savings were made without changing the wine or liquor suppliers, a new food supplier was found that was able to match the standards of quality required by the club at a more competitive price. Overall, a saving of almost 25% was made on food and catering consumables.

Explained Dawson, "Quality was an important consideration for our catering requirements, especially as the stadium facilities are used for non-football related functions such as conferences and wedding receptions."

"This was also very important when looking at arrangements for team coach travel, as high standards of seating and food facilities for players are vital. In this area, Expense Reduction Analysts managed to maintain these high standards whilst achieving a saving of 24%."

Overall, across the areas reviewed savings averaged 34.5% on behalf of Leyton Orient and Matchroom Sport.

