

Expense Reduction Analysts Fleet Testimonial

CLIENT: Marine Harvest Scotland
SECTOR: Seafood
COST CATEGORIES: Fleet Cost Management

SUMMARY OF SAVINGS

Project Savings

15%

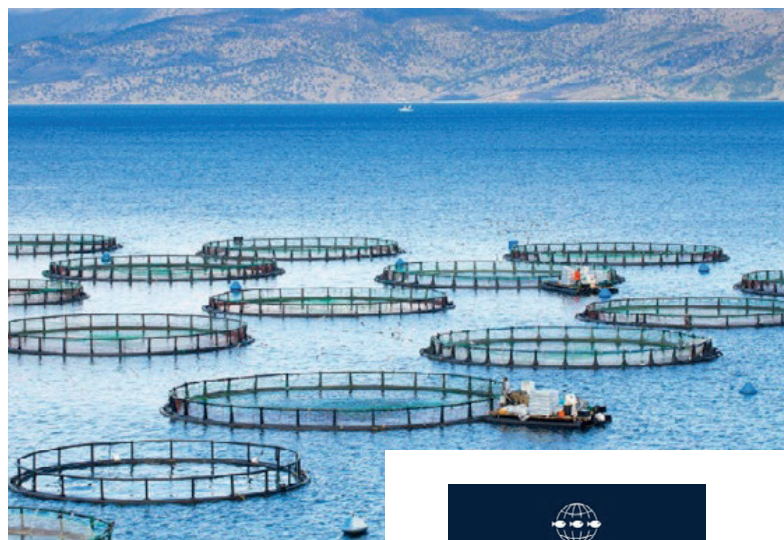
THE CLIENT

Marine Harvest ASA is one of the largest seafood companies in the world, and the world's largest producer of Atlantic salmon with operations in 24 countries. The UK business, Marine Harvest (Scotland) Ltd (MHS), is a leading provider of sustainably sourced seafood for the UK and is headquartered in Rosyth Scotland.

THE CHALLENGE

MHS appointed ERA Fleet Cost Management to undertake a full review of the UK fleet to improve efficiencies and drive down costs.

Following an extensive review MHS retained their core leasing supplier with a revised policy based on whole life cost delivering a saving of 6.7%. In addition, with the ongoing forensic analysis undertaken by ERA Fleet Cost Management costs have reduced further by 8.4% over the last 4 years.



"We engaged ERA to review our fleet policy and costs as it represents a top 3 indirect spend to our organisation in the UK. We have been delighted with the results achieved and the ongoing cost analysis has provided further savings and a clear transparency of the complex issues involved in fleet."

KENNY MCINTOSH,
FD, MHS

Valuable recycling accreditation for Ervin Amasteel

“Once that was accomplished, there was a whole raft of Environment Agency criteria which had to be fulfilled and complied with. However, the application process was successful, meaning that Ervin has been able to sell Packaging Recovery Notes (PRNs) and to use the resulting revenue to invest in, and further develop, its packaging recycling capabilities.

Complying with the accreditation, and reapplying for it on an annual basis is a significant overhead, and it is testament to our expertise in this area that Ervin has asked us to repeat this consultative help on an annual basis since 2010.”



LOGISTICS: CRANEABLE TRAILERS REALISED AN ADDITIONAL TWO TONNES PER LOAD

Kevin O’Neill of ERA expands on the Logistics project: “We had a number of conversations with Ervin over a long period of time - largely around how they should integrate their new plant in Germany into their overall business plan. As part of these discussions, we undertook an exercise to look at the Logistics provision from the UK, which encompassed a detailed analysis of traffic volumes and service requirements for their UK and European Haulage. In the event, we found that Ervin was managing its Logistics very well.

However, one area that did present an opportunity was their road freight to Italy. Ervin were not entirely satisfied with their current provider. The requirements were straightforward: they needed a reliable service at competitive prices with the capacity and flexibility to manage unpredictable volumes.

Some research uncovered options that Ervin Amasteel had not previously considered, and a thorough selection and review process enabled Ervin to choose two operators offering intermodal (road and rail) services. Trials revealed a clear winner. A unique service feature of the selected operator was craneable trailers - road trailers that could be lifted directly onto the train. This equipment configuration increased capacity by two tonnes per load resulting in significantly lower unit costs.”

“When I first met with Ervin Amasteel in 2009, they had spotted an opportunity to take scrap steel cans into their feedstock, and to sell the evidence of the reprocessing of this material (Packaging Recovery Notes or PRNs) back to the original packaging manufacturers and retailers in compliance with UK Packaging Regulations, thus generating a valuable revenue stream. In order to realise this opportunity, Ervin needed to become accredited by the Environment Agency as a re-processor of packaging waste.

PETE BRAMHALL
EXPENSE REDUCTION ANALYSTS