

Supplier consolidation empowers growth: Matrix streamline their business model

CLIENT:	Matrix
SECTOR:	Energy Management
COST CATEGORIES:	Stationery, PPE, Utilities, Insurance

THE CLIENT

Matrix is the UK's leading energy management company with a proven track record of delivering extremely impressive results. Matrix is unique in that the company operates the most advanced, resilient, state of the art Energy Management Centre (EMC).

The EMC not only houses a team of expert engineers, available 24 hours a day, 365 days a year, acting as first line support, but also its systems provide a central hub for all client data including energy usage, alarm status, carbon reporting, invoice validation and project tracking. Matrix can be found in offices across the UK.

THE CHALLENGE

Clive Cowan of Expense Reduction Analysts (ERA) was introduced to Simon Oldfield, the Finance Director of Matrix, through personal contact.

The first project - a review of their insurance - was conducted by Scott Ingham of ERA. This successful start led to a larger programme of work being agreed.

Matrix was growing quickly, gaining more and more offices through acquisition. Clive Cowan and his team were able to develop a template of suppliers, which speeded the bedding-in of these new offices, as well as delivering significant cost savings across the network.

Clive Cowan takes up the story, "The success of any of our projects depends upon the specialist knowledge of our experts. I was fortunate to be able to call upon Malcolm Tait to analyse PPE, stationery and utilities, Scott Ingham to review Insurance, and Paul Giness to investigate Business Rates.

EACH CATEGORY MAY DEMAND A DIFFERENT STRATEGY

"Each category of expenditure has its different ways of operating and may well demand a different strategy. For example, with PPE, Malcolm found a new supplier who could support the whole Matrix network, and the scale of this increased business with the company generated good savings. On the other hand, with stationery, Matrix enjoyed a good relationship with the incumbent supplier, they could handle the increased workload and their retained business garnered 33% savings.

SUMMARY OF SAVINGS

Stationery	33% (£26,680)
PPE	34% (£14,916)
Utilities	33% (£6,632)
Insurance	17% (£27,308)
Business Rates (Leeds site)	£14,885
TOTAL	£90,420



"Utilities were different again. Malcolm decided that the best strategy for maximum savings was to retain multiple suppliers across the business and generate the best price for each location.

"Overall, what this supplier consolidation gives Matrix is the ability to grow more easily and cost-effectively. When a new office is opened, there are stationery, PPE, utilities and insurance suppliers ready to move, and business rates expertise ready to call upon."

Simon Oldfield sums up the benefits of his company's partnership with ERA, "As a business, we are growing fast. We're a consultancy, so we have no real overheads, but we do have many indirect costs. Two of our biggest business challenges are keeping control of those costs as we grow, whilst at the same time empowering rather than inhibiting that expansion. Clive and his team have helped hugely in controlling costs, whilst also equipping us to grow the business at the rate that we want."