

Designer profits for Paul Smith

CLIENT: Paul Smith
SECTOR: Retail
COST CATEGORIES: Copiers, Postage, Banking & Cash Collections

SUMMARY OF SAVINGS



THE CLIENT

With sales of over £150m worldwide, of which over 60% are overseas, this design-led business, which started in Nottingham in 1976, is now a large organisation employing over 700 people.

THE CHALLENGE

Ashley Long, Finance Director of Paul Smith Ltd, is constantly looking for ways of improving the already impressive profitability of the company.

Ashley Long initially engaged Expense Reduction Analysts (ERA) to review packaging, merchant card fees and stationery/IT consumables. Savings were achieved in all areas - ranging between 13-38%.

Ashley was keen to retain the services of ERA once the initial term of engagement on these projects was completed. Ashley explains, "We had worked with Hartley Jenkinson and his Expense Reduction Analysts colleagues and we were delighted with the results obtained in the initial projects. We were keen to maintain the relationship, because we believe that by continuing to work with Expense Reduction Analysts our costs will be contained or reduced even further. The ongoing service allows us to continue to work with the same support team, on a fixed fee basis, which we feel is very good value for money." Richard Anson, ERA's packaging expert, continues to deliver savings for Paul Smith in both warehouse and retail packaging. As part of the ongoing service, Richard and Hartley meet regularly with management in Paul Smith to maximise the value for money Paul Smith gets from its suppliers both in the UK and overseas. Richard uses his extensive knowledge of the packaging market to explore new approaches to packaging issues, as well as negotiating with suppliers on proposed price increases. Richard has introduced parallel supply arrangements as well as improving efficiencies.

Retail packaging is an area of great importance to Paul Smith and Richard's knowledge has been utilised to address issues which Paul Smith were experiencing with existing packaging materials and designs. Ashley was also pleased to have ERA's support when their stationery supplier encountered financial difficulties and ceased trading.



Paul Smith

"I am really impressed with not only the profits achieved, but also the depth of analysis work carried out by the team."

ASHLEY LONG
FINANCE DIRECTOR, PAUL SMITH

Sue Cooke of ERA contacted Paul Smith within days of the supplier's difficulties being known and then undertook a market review to help Paul Smith choose a new supplier - all part of the ongoing service. Paul Smith also asked ERA to undertake reviews on copiers, postage and cash collections from stores. Brian Pinner of ERA identified savings of 69% on copiers and is continuing to advise on replacement machines as they fall due.

A review of postage was undertaken by Nadim Vanderman, which identified savings of up to 40% and, in addition, Nadim negotiated a rebate from Royal Mail for overcharging relating to previous years.

Paul Smith's banking and cash collections were reviewed by Steve Whitlam. Savings of 61% have been identified within cash collections and the company now receives regular KPI information relating to cash collections in each store.