

Fantastic profits for ITW Rocol

CLIENT: Rocol (ITW Rocol)
SECTOR: Manufacturing
COST CATEGORIES: Postage & Office Supplies

THE CLIENT

ITW Rocol is a Leeds based organisation employing 135 staff who specialise in the design, manufacture and distribution of premium performance lubricants for use in the maintenance, repair and overhaul of power transmissions and in the cutting of exotic metals such as Titanium and Inconel for the aerospace, defence, offshore and general industrial sectors.

THE CHALLENGE

Rocol Lubricants joined the ITW family of companies in 1999 and has since introduced the ITW 80:20 philosophy within all functions of the business. This philosophy determines that 80% of sales revenue and profits are derived from 20% of products / customers and that 80% of costs within the business are generated from 20% of expenditure areas.

Michelle Woollen, Group Finance Director at Rocol, and her team took the initiative to focus on the 20% of non-core expenditure and set up internal teams to look at the initial areas of spend. It became evident very quickly however that despite best intentions this process could become a major distraction to the main focus within the business. Michelle explains, "Due to a lack of internal resource to give over to collecting data and establishing spending patterns and a lack of suitable market knowledge to unravel some of the more complex categories such as postage and office supplies we instead opted to bring in the independent specialists from Expense Reduction Analysts to carry out this work."

"We felt that by engaging Expense Reduction Analysts we could access a unique wealth of knowledge and market expertise to enable us to identify profit leaks and profit improvement opportunities within our overhead expenditure and utilise Expense Reduction Analysts' unrivalled buying influence to secure improved prices and service levels."

"We are extremely satisfied with both the process followed and the results achieved by them. Neil Summerfield, the Expense Reduction Analysts' Client Manager, has kept us informed of the progress of each project at every stage and made the benchmarking, tendering, recommendation and implementation phases completely transparent."

"Expense Reduction Analysts always demonstrates a thorough understanding of our needs checking at several stages of the process to ensure that they have captured our requirements in detail and that any solution proposed by them will meet with our acceptance and is above all risk free."

SUMMARY OF SAVINGS



We are extremely satisfied with both the process followed and the results achieved by them.

MICHELLE WOOLLEN
 GROUP FINANCE DIRECTOR, ROCOL