

Winning new business and uncovering savings for S&S Distribution

CLIENT:	S&S Distribution
SECTOR:	Transport/ Distribution
COST CATEGORIES:	Office supplies, Print & Workwear, Personal Protective Equipment, Insurance, Engineering consumables, Communications, Utilities & Fuel.

Richard Ball, Managing Director, S&S Distribution had previously engaged ERA in 2009, when expenditure areas including office supplies, print and workwear and personal protective equipment were explored delivering great savings.

THE CLIENT

S&S Services was established in 1968 and provides a range of services including UK and European transport, regional and contract distribution as well as warehousing and ancillary services. S&S Distribution operates a fleet in excess of 50 vehicles employing over 100 staff, working with more than 300 companies. Moving over 500 consignments each day, S&S Distribution can provide a comprehensive solution for all distribution requirements from same day and single pallet delivery through to full load and economy options.

THE CHALLENGE

As an existing client of Expense Reduction Analysts (ERA) taking part as a potential supplier in a tender process for another client, S&S wished to reevaluate their own procurement arrangements and enlisted the assistance of ERA to review a number of additional expenditure areas.

When Kevin O'Neill, ERA logistics specialist, went to tender for a logistics provider for another client, S&S Distribution were put forward as a potential alternative supplier. Kevin provided S&S with the detailed criteria based on service, price and customer contact. This thorough analysis of the client's requirements enabled S&S to make a great offer to the client, resulting in them winning the business.

David Sanderson, Joint Owner, S&S Distribution was so impressed with the process that he invited Robert Stearn and David Keating back to put together a team of specialists to review a number of additional categories including insurance, which has yielded savings of 15%.



I recognised the level of expertise that the consultants brought to the table and it became evident that this was not just a benchmarking exercise; ERA has a much broader remit. The logistics specialist spent half a day to ensure he really understood our capabilities and what we could provide for his client. It was this thorough and responsible approach that led us to appoint ERA to review additional areas of expenditure within our organisation.

DAVID SANDERSON
JOINT OWNER, S&S DISTRIBUTION

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This is a relatively unique situation whereby an existing client won new business by taking part in the tender process for another client.

During the tender where S&S were proposed amongst a number of alternative suppliers, David Sanderson found the expertise that the consultants brought to the process to be of real advantage to all parties involved. The ERA consultants provided S&S with a detailed purchasing profile of the client, allowing accurate pricing and enabling S&S to offer the best value possible which resulted in them winning the business.

Insurance was one of the additional categories explored as a result of David's positive reaction to the ERA concept as a supplier. This is considered one of the most challenging cost reduction areas in any transport/distribution business.

Whilst S&S had a good relationship with their insurance broker and felt they were getting a good deal, there is often room for improvement. David Sanderson met with Chris Coomber and the experts of ERA to explore the additional benefits an insurance review might deliver.

S&S's insurance risk is typical of a major transport company which often means the fleet risk dominates the programme. It was clear that David had a good understanding of their particular risks and how to manage them.

Having clearly understood David's objectives for an insurance review, Chris and the ERA team reviewed the current programme to ensure alignment with the business objectives. A broker was selected who not only understands the motor fleet risk, but also has many similar clients in their portfolio and a dedicated fleet risk manager who used to run his own haulage business.

The main objective in this category was to present the fleet risk to the market reflecting all the good risk management and health and safety initiatives already being managed by S&S. Following this, and subsequent market and broker negotiations, ERA were able to demonstrate substantial savings based on current practices and future practices to be adopted within S&S.

Following the negotiations S&S decided to appoint the alternate broker presented by ERA. The broker now works closely with S&S to further improve the fleet risk management and to deliver further fleet premium savings for S&S at the next insurance renewal.

Other additional categories for investigation include engineering consumables, communications, utilities and fuel.