

# Supplier Consolidation and Cost-Optimisation delivered to leading Estate Agency Spicerhaart Group

<b>CLIENT:</b>	Spicerhaart Group Ltd
<b>SECTOR:</b>	Estate Agency
<b>COST CATEGORIES:</b>	Fleet, Office Supplies, Office Waste and Sanitary Waste, Print, Merchant Card Fees, Document Storage and Secure Shredding, Water, Utilities, Mobile Communications, Facilities Management, Print Distribution, Furniture, Print Room Machinery, Paper



## THE CLIENT

Spicerhaart Group Ltd is one of the leading estate agency groups in the UK providing clients with an industry awarded residential sales & lettings network and is the largest independent estate agency group in the UK. With seven core brands Spicerhaart offers a broad range of service offerings covering home sales, lettings, property management, mortgages, insurances, part exchange, conveyancing and surveying. Spicerhaart employs approximately 1,600 people across the UK, and provides many services to thousands of people every year.

## THE CHALLENGE

Having gone through a period of growth driven by acquisition Spicerhaart were keen to review their cost base to consolidate the number of suppliers used and achieve better value for money across the goods and services procured. Mark Hurdle, Chief Financial Officer, and Sharon Lawn, Group Financial Controller, met with Keith McGregor and David Keating of ERA and by working together, and working with the key stakeholders within Spicerhaart, they were able to identify areas of the business with the potential to deliver substantial cost reductions.

Keith and David put together a team of ten ERA project specialists capable of reviewing all of the areas identified in the initial scoping work.

## AN OBJECTIVE AND INFORMED REVIEW

The ERA team's initial assessments of the areas for review determined that there were some categories where additional value would be difficult to obtain, and these areas should not be a focus for further work. However within the remaining areas, ERA were able to progress the reviews to deliver enhanced value for money. Some highlights from the ERA project specialists were:

**Fleet:** Sean Bingham identified a unique vehicle selection within the estate agency sector that allowed differentiation whilst achieving savings of 16% as existing leases expired and moved to new terms. The replacement vehicles adopted a new replacement cycle and a cost-effective whole life costing mechanism.

**Mobile Communications:** Nigel Rosehill engaged with the incumbent supplier and working with them was able to restructure the existing contract to deliver 20% savings whilst building in contractual flexibility.

**Utilities:** Richard Clayton consolidated the utilities portfolio to common end dates across the whole business allowing easier renewal of power contracts

**Paper:** In conjunction with the incumbent supplier and Spicerhaart's print room manager Steve Cummings identified that one of the products used could be sourced direct from the manufacturer. Overall savings on paper were 13%.

**Waste:** Dan Howells identified a solution that allowed suppliers to be optimized by geography whilst saving 32% against current costs.

**Document Storage and Shredding:** Peter Lee developed an optimized contract and ratecard structure that saved 28% ahead of Spicerhaart's planned consolidation of offices and move of filed paper to offsite locations.

"Working with ERA over the last two years has allowed us to get better control over some of the cost areas and implement both hard savings and soft savings such as reduced administration. Many of these areas would have been too complex for us to address on our own."

**SHARON LAWN,  
SPICERHAART GROUP**