

# ERA UK call last orders on poor service for Stevenage Leisure Ltd

CLIENT:	Stevenage Leisure Ltd
SECTOR:	Non-Profit Distributing Organization
COST CATEGORIES:	Photocopiers, Beers, Wines, Spirits, Office Supplies

With a historical stationery project already underway, Robert Keegan, Financial Director at Stevenage Leisure Ltd (SLL), was familiar with ERA UK and the benefits that a third-party procurement expert could bring to the table.

When difficulties arose with an incumbent supplier, Robert enlisted the help of ERA UK Business Development Manager, Barry Donovan. Delivering both a quick financial win and significant ongoing operational efficiencies, ERA UK are now well and truly part of the team at SLL.

## THE CLIENT

Established in 1998, Stevenage Leisure Limited (SLL) is a registered charity, one of the UK's leading 'leisure trusts', a community-based and focused Non-Profit Distributing Organisation (NPDO).

SLL has expanded through the consistent delivery of a wide range of leisure and cultural activities at value for money prices. The organisation works in partnership with local authorities in Hertfordshire, Bedfordshire and Rutland to manage 20 leisure and cultural facilities across 11 towns.

## THE CHALLENGE

As part of their substantial portfolio, SLL currently operate three bars with expansion through the recent addition of a fourth. During one of Robert and Barry's regular meetings, it emerged that Robert was frustrated with an incumbent supplier's below-par communication and service levels. They also appeared to be withholding a promised rebate which Robert had been unable to extract for three years.

"Having witnessed ERA UK's processes during a low-risk stationery project, and seen favourable results, I felt more confident in entrusting larger and more business critical cost centres to them to review. When I discussed with Barry some of the problems relating to our beers, wines and spirits supplier, he was keen to bring in an expert to challenge the status quo. To be honest, I was hitting a brick wall with them myself so I was happy to give them the opportunity - and I wasn't disappointed!"

## SUMMARY OF SAVINGS

Photocopiers	30%
Beers, Wines & Spirits	32%
Office Supplies	27%



Working with ERA UK brings us spend specific expertise that, as a small team, we just don't have or couldn't replicate in house. Barry and his team have become a highly-valued part of the business - helping to establish SLL procurement principles, being available to offer independent advice and support us with improving operational efficiencies across our sites.

**ROBERT KEEGAN**  
FINANCE DIRECTOR, STEVENAGE LEISURE LTD

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Barry enlisted the services of ERA UK specialist, Stuart Lanyon. During a series of meetings with the supplier in question, Stuart quickly cut through what he described as the ‘classic mystery and misnomers’ that often surround this type of ‘advance on discount’ payments. Within a matter of weeks, he extracted the £21k that was due to SLL, much to Robert’s delight. Understandably, Robert was keen for Stuart to take the contract out to market and move away from the existing supplier but thanks to his market knowledge and decades of experience, Stuart was able to orchestrate a win-win situation for savings and efficiencies.

“I took the contract out to tender and three suitable companies emerged, at which point, I guided SLL through a two-stage decision making process. The first being a comprehensive pricing exercise whilst the second focussed more on industry-specific commercial support for our client. This involved securing the cooperation and negotiation with third parties, and other links in the supply chain, in order to bring deals together. It’s a complex and delicate process but one that, if executed well, is significantly beneficial,” explained Stuart.

The combination of this two-pronged approach resulted in an impressive £40k per year like-for-like saving as well as securing improved terms, marketing collateral and ongoing support from the supplier: the incumbent. By reinvigorating the once stale relationship, Stuart was able to negotiate these enhanced terms whilst ensuring maximum efficiency and minimum disruption - the changes were implemented just weeks later.

In addition to the contract review, Stuart’s particular skill set and industry experience enabled him to spend time with the management teams of SLL’s three bars. After working with each location, he produced a report detailing findings and recommendations for streamlining processes to make efficiency gains across the group.

“Bar operations are a key part of our business as a direct cost. Based on the back of a comprehensive report he produced, we were able to take direction and guidance from Stuart on our costs and pricing strategy. On input costs alone we should improve the profitability of the business by five points,” said Robert.

As with all ERA UK client relationships, Barry and Stuart continue to work closely with the stakeholders at SLL for a period of two years to ensure smooth transitions to the new agreements and that tendered service levels are being met. By undertaking quarterly audits, ERA UK ensures that savings are being achieved and, as its needs change, contracts are optimised where possible for the benefit SLL.

As a testament to the trusting partnership now in place, work and communication between SLL and ERA UK continues to flow. A waste management review will be run by a specialist, selected by Barry, from the experts within the ERA UK network, whilst a Finance and Procurement System selection will be championed by Barry himself. Having already undertaken a comprehensive market review to select best-fit and compliant suppliers, Barry will now personally project manage the implementation. Stuart, meanwhile, is providing support for the team as they take over operations at the new theatre in Dunstable.

### STUART LANYON, ERA UK SPECIALIST, SUMMARISES THE VALUE OF PARTNERING WITH EXPENSE REDUCTION ANALYSTS:

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### ADDED VALUE

- Secured historical rebate of £21k.
- Operational review including suggested process improvements.
- Independent and objective market reviews.
- Access to cost centre specialists.