

A multi-million contract built on trust and collaboration with Sue Ryder

CLIENT:	Sue Ryder
SECTOR:	Charity
COST CATEGORIES:	Business & General Print, Clinical Waste, Desktop Printers, Fuel Cards, General Waste, Medical & Cleaning Supplies, Medical gases, Ocean Freight, Photocopiers, Postage, Stationery, Telecoms, Water
ADDED VALUE	Streamlined and strengthened supply chains. Identified potential future savings. Improved level of service and support. Access to specialist category experts.

As with any charity, keeping costs down and securing the most competitive rates from suppliers is a high priority. However, for David White, Head of Procurement at Sue Ryder, a top-class procurement consultancy needed to offer much more than great savings.

After a benchmarking exercise against another provider, Expense Reduction Analysts' (ERA's) fully engaged and highly personalised service completely overshadowed their nearest rivals and the contract was awarded.

Two years on and the relationship between Sue Ryder and ERA has become one cemented in trust, communication and a level of teamwork that has surpassed even David's expectations. ERA's Client Relationship Manager, Simon Dodson, and the team are currently tracking over £2 million of spend and delivering 23% savings across the board, with more on the horizon.

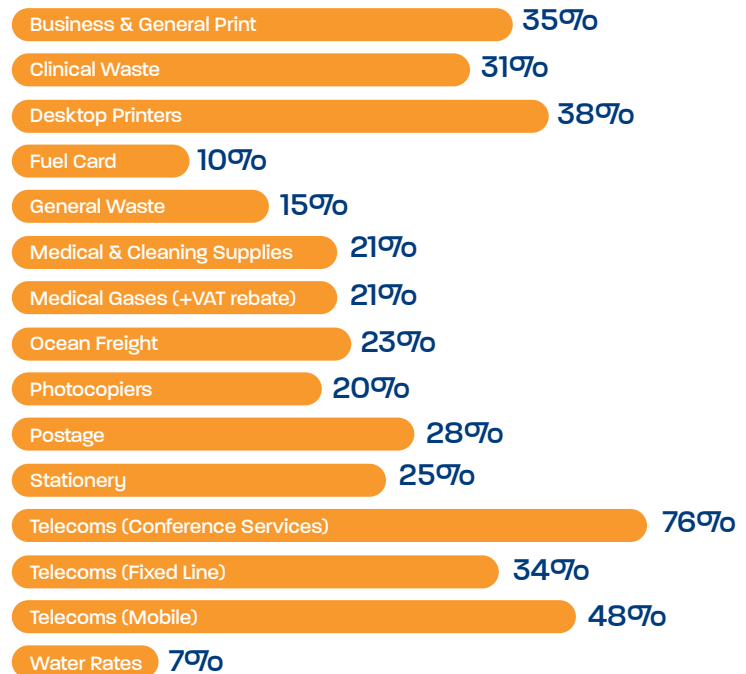
THE CLIENT

Sue Ryder provides incredible hospice and neurological care for people facing a frightening, life-changing diagnosis.

They do whatever they can to be a safety net for their patients and their loved ones at the most difficult times of their lives. Not only do they treat more conditions than any other UK charity in their hospices, neurological care centres and out in the community; they also influence others to improve the lives of people living with them.

The charity is supported by 11,000 volunteers and provides 2.7 million hours of care to thousands of people every year.

SUMMARY OF SAVINGS



DEMONSTRATING BEST PRACTICE WITH A BESPOKE, PERSONAL TOUCH

The team at Sue Ryder's head office is a small, efficient one. Head of Procurement, David White operates with just one assistant. Having experienced 'buying groups' throughout his career, he understood the value that a third party procurement consultancy could bring to the charity.

ERA's credentials were presented to David for review. After studying the same, along with those of numerous other providers, David invited his shortlist of two (ERA and A.N. Other) to perform a process demonstration on an existing cost centre in order to determine his best-fit consultancy.

The cost centre allocated was 'waste' and so, St John Rowntree, ERA's Business Development Manager, introduced Simon Dodson the Client Relationship Manager and one of ERA's leading waste management experts, Pete Bramhall. Pete conducted ERA's no-nonsense, fully engaged process whilst Simon ensured a dialogue between the two for maximum clarity for the charity. And it didn't go unnoticed.

"The difference in how the two companies approached the demonstration project was stark. ERA really stood out not just for the levels of saving achieved, but the manner in which they handled the process, from start to finish. That's what led me to work with them.

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They were incredibly thorough and actually went out to the market for factual data and annualised savings, even just for the introductory exercise. They were collaborative and communicative throughout and I could see they offered a truly managed service, which is exactly what I was looking for,” explains David White, Head of Procurement at Sue Ryder.

PROVIDING SPECIALIST TROOPS ON THE GROUND

On the basis of the initial Waste project and being appointed as the preferred procurement consultancy, ERA have now delivered over 14 successful projects, with a further three in the pipeline and more to follow.

With each new cost centre, ERA’s process is repeated with exacting care and attention to detail. After analysing requirements and selecting the best-fit experts, Simon hands the projects over to his carefully chosen ERA specialist who aims to maximise savings and efficiencies for the charity. This process has seen rationalisation and streamlining the supply chain for cost centres such as Business Print and Medical Gasses. As well as the identification of new, better suited, providers for categories such as Ocean Freight and Telecoms.

For David, a key attribute in this successful partnership is ERA’s presentation of the very best, tailored solutions, with absolutely no pressure to commit. David commented, “Despite the fact that they get more money the more we save, there is absolutely no pressure at all from ERA - that’s very special. Not only do we have the final choice when results of a project are presented to me, there’s also no pressure to change suppliers if we don’t want to. Simon and his team come in as part of the project and benchmark everything we are buying. They really get a good grip on how much you are pending. Then, unlike other companies who just say, ‘here’s your price and we’ll take a percentage’ they remain fully engaged with you for the duration of the process. They assist with supplier transitions and they do follow-up audits to ensure you’re getting the saving you were promised. If there are problems, it’s ERA who go back to the supplier. They basically do all the hard work so that we can get a report to see the final savings.”

It’s standard practice that ERA’s client relationships don’t end with identifying the best supplier and saving costs. Each specialist manages any changes to new suppliers or improvements to services with existing providers to ensure seamless transitions. Ongoing reviews validate that the promised service levels are being met and keep an open channel of communication between all parties. As with most things in life, communication is key and that’s something that ERA prides themselves on.

TRUST AND COLLABORATION

The level of trust and collaboration that has been built up within the business has resulted in an open book policy between ERA and Sue Ryder. So much so that David regularly provides Simon with a copy of his purchase ledger for review to identify new opportunities.

Simon and the team assess the expenditure and commercial commitments in order to analyse what that spend is made up of. They identify potential savings or, where there is no or limited opportunity for savings or improvements, they recommend staying with the current suppliers and arrangements.



DAVID WHITE, HEAD OF PROCUREMENT, SUE RYDER, SUMMARISES THE VALUE OF THE COMPANY’S PARTNERSHIP WITH EXPENSE REDUCTION ANALYSTS:

We’re essentially a small fish when it comes to procurement and ERA, with their sheer scale and leverage, can get much better deals for us. That more than pays for any share of savings that they receive as fees. This working relationship has been nothing but win-win for us. Simon is extremely easy to get along with – he’s not pushy at all, just like ERA as a whole. Basically, it’s our choice how fast we go. He’s easily available and prepares personalised reports just for us. Every single category manager has been pleasant, professional and candid. They get to know how we would like to run things with suppliers and work seamlessly as part of our team.