

Savings on gases the highlight for Trane UK: Expense Reduction Analysts expertise monitors air conditioning leader's ongoing expenditure

CLIENT:	Trane
SECTOR:	Manufacturing
COST CATEGORIES:	Industrial Gases, Parcel Distribution, Office Supplies, Filters, Specialist Tools

Expense Reduction Analysts (ERA) provide demonstrable added value to business in the form of not just complementary procurement support, but also minimising time consuming administrative activity.

THE CLIENT

Trane, part of Ingersoll Rand, is all about air - cool air, warm air, clean air. As a world leader in air conditioning systems, services and solutions, Trane controls the comfort of the air for people in homes and many of the world's largest and most famous commercial, industrial and institutional buildings. Trane is applying its expertise in environmental technology and energy conservation to make a difference in energy efficiency around the globe.

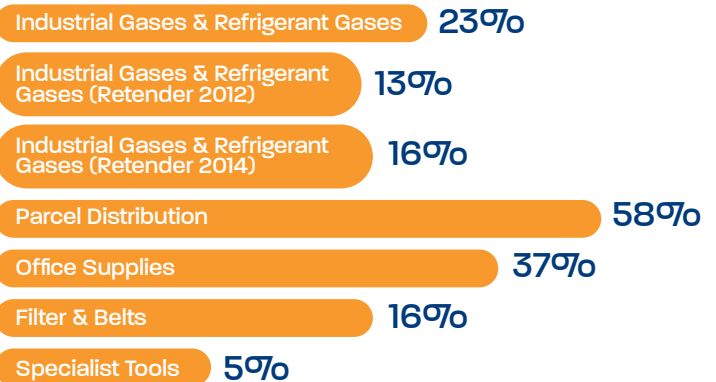
THE CHALLENGE

"We have saved Trane UK significant amounts of money in many areas," remarks Robert Stearn, Business Development Manager at ERA. "But it is Tony Catling's work on industrial gases and refrigerants that stands out in many ways, not least because Trane has recognised the value of his work, and retained him on an ongoing basis for more than six years now."

Robert asked David Keating, one of ERA leading client relationship managers to coordinate the programme of work.

Tony Catling, 'specialist in gases for ERA, takes up the story, "As a leading air conditioning solutions provider, Trane spends hundreds of thousands of pounds a year on gases. When I first analysed this expenditure, I felt that they could make immediate savings and efficiency enhancements by rationalising the supplier base. We quickly got them down to one supplier each for industrial gases and refrigerants.

SUMMARY OF SAVINGS



We work extremely closely with Expense Reduction Analysts. We almost consider them part of our procurement team. What I particularly appreciate is that they absorb a lot of the administrative burden of dealing with some of our key suppliers, even post contract agreement, so we can focus on our core business activities.

JULIAN HORLER
SERVICE LEADER - UK AND IRELAND, TRANE UK LTD

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“Refrigerants are a commodity item, with prices moving up and down, so the next challenge was to monitor their usage and spend, to challenge the supplier to justify any cost increases and to identify and chase over-charges.”

TRANE WERE PLEASED TO EXTEND INITIAL THREE YEAR PROGRAMME INDEFINITELY

“Trane were very pleased with the work that we did, and when the initial three-year programme came to an end in August 2011, they agreed with us an ongoing service at a fixed quarterly rate.

“Since that time, we have monitored every single rate and invoice, recorded volumes bought and usage trends. We have renegotiated where necessary, and from timeto-time retendered, in order to deliver the best possible value for Trane.

“We have also added value in many ways. One good example is a problem that many businesses have that use gases, lost cylinders. As part of our service to Trane we have provided a key coordination role between Trane and the gas providers to develop improved processes, which keep the number of missing cylinders to a minimum.”

Tina Smith, Financial Controller, Trane UK Limited., sums up the benefit of this partnership, “Expense Reduction Analysts provide demonstrable added value to our business in the form of not just complementary procurement support, but also minimising time consuming administrative activity that is dealt with more cost effectively through outsourcing.”

