

# Wall-to-wall savings and step-by-step advice for UK Flooring Direct

**CLIENT:** UK Flooring Direct  
**SECTOR:** Retail  
**COST CATEGORIES:** Freight, Merchant Card Fees, Postage, Stationery, Pallets

Expense Reduction Analysts (ERA) provided a dual benefit to UKFD, delivering savings which made a huge difference to the bottom line, whilst at the same time improving processes and control.

## THE CLIENT

UK Flooring Direct (UKFD) was named as the fastest growing firm in the West Midlands (Sunday Times Fast Track 100 December 2010), and the 4th fastest growing retailer in the UK.

Although a relatively new company, UKFD's founders have over 25 years' of experience in the flooring trade. The business has taken advantage of the opportunities presented by the internet age to offer an online service that cuts overheads and offers customers a huge range of high quality timber flooring at low prices.

## THE CHALLENGE

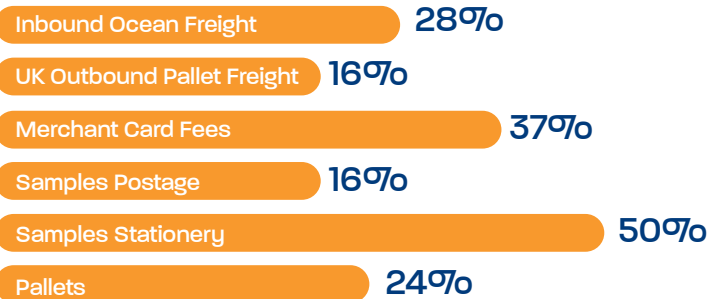
Jason Adderley of Expense Reduction Analysts takes up the story of the partnership between the two companies, "UK Flooring Direct is a very dynamic company. The challenges posed by triple digit growth are legion - not least the need to continually bear down on the cost base.

"We agreed a programme of work with Jason Ashby, and began by looking at either end of the company's logistics services, drawing in the expert services of Kevin Fryer from our Logistics Team."

## GREATER VISIBILITY & CONTROL IN LOGISTICS

Kevin recommended a fundamental change in UKFD's terms with overseas suppliers, to take control of inbound ocean freight and place the business in the hands of a specialist agent. The resulting increase in control and visibility has enabled the company to plan shipments and promotions more effectively than before. UKFD is also saving 28% for each and every container landed in the UK.

## SUMMARY OF SAVINGS



Expense Reduction Analysts has helped to save the company hundreds of thousands of pounds, and they've also become a trusted partner, providing advice on a range of process, compliance and general business issues. Expense Reduction Analysts puts us on a far better footing from which to achieve our expansion goals.

**JASON ASHBY**  
 MANAGING DIRECTOR, UK FLOORING DIRECT

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As UKFD supplies directly to domestic addresses, the only physical contact most customers have with the company is when they take delivery of their product.

The choice of delivery agent is crucial, as Jason Adderley explains, “Timber flooring is unlike most products typically bought online. The average order weighs 500kg, has a retail value in excess of £600 and is delivered on a pallet.”

UKFD had outgrown their existing local supplier and Kevin Fryer was tasked with finding a suitable haulier. The key criteria for a new supplier would be network coverage and rigorous quality control from warehouse to final destination. Armed with tender returns offering savings between 5-40% Kevin eventually focused on direct options with pallet networks’ central hubs. Kevin explains, “UKFD were able to contract centrally with a pallet network that was willing to become a key partner in their business. The supplier’s helicopter view of product from dispatch to arrival minimises damages and handling errors. The supplier has also made further suggestions for improved efficiencies in pallet stacking and loading. UKFD will benefit from six-figure annual savings too.”

Once the outbound freight project had been implemented, Jason Adderley brought in Simon Phippen to analyse UKFD’s use of pallets with Ruban Field - UKFD, Operations Director - and the pallet network.

Working with a pallet manufacturer to redesign the pallet, and taking account of the specific load it carries, the dimensions were altered to allow a greater degree of tolerance during mechanical handling so that the product would suffer fewer damages in transit.

Jason Adderley explains, “By utilising the experience of supplier, pallet network and client we were able to produce a design that should result in less damage in transit. At the same time we brought the cost of pallets down by a quarter.”

Alongside the freight projects ERA dealt with some of the other common costs borne by online retailers. Steve Whitlam assessed merchant card fees, a major consideration for UKFD as virtually all customer transactions occur online or over the phone. Steve quickly realised that UKFD were not enjoying the rates that they could have been, and took some simple procedural steps to regularise the position before going out to a full market tender.

Jason Ashby was pleased with this quick win, “We’d overlooked our merchant card fees for a while, and were staggered by the savings that Steve managed to achieve with some simple changes to our transaction processing, let alone the further savings achieved when he went out to tender. With the growth in the volume of transactions we’re experiencing, paying a competitive market rate for our card fees is imperative.”

Steve Whitlam is currently engaged to identify a consumer credit partner for the company.

Mike Stevenson, ERA’s Fulfilment expert spotted an opportunity in UKFD’s samples despatch operation. With over 300 samples sent out each day, the implementation of a more efficient process was overdue. By close observation, Mike suggested some procedural and procurement changes freeing up an extra 1-2 hours a day for the samples manager. Mike also identified a 16% postage tariff saving and a 50% reduction in the cost of the associated stationery.

Jason Adderley of ERA summarises the relationship so far, “It’s rare to get the opportunity to work with such a dynamic company. There’s no doubt that UKFD is exceptionally good at sourcing and selling their products. Working in the background, we’ve helped to put processes and suppliers in place that should see UKFD enjoy a much greater proportion of the proceeds of their growth.”

Jason Ashby of UK Flooring Direct adds his view, “ERA has provided a dual benefit to UKFD; they’ve delivered savings which make a huge difference to our bottom line, whilst at the same time improving our processes and controls. We’re on a far better footing from which to achieve our expansion goals and I’m already talking to them about other ways in which they can help us do that.”



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