

Expense Reduction Analysts deliver amplified savings on Wharfedale's courier costs

CLIENT: Wharfedale
 SECTOR: Manufacturing
 COST CATEGORIES: Landlines, Mobiles, Couriers

THE CLIENT

Wharfedale has been part of the IAG Group Limited since 1996. Always at the forefront of loudspeaker design, from its conception in 1932 by Gilbert Briggs, Wharfedale is one of the most creative and innovative companies in the market. Pioneering products such as the Diamond series, which first defined the market for bookshelf speakers and are now regarded as 'classic' designs, were firsts of their kind.

Continuing this tradition, IAG has invested in and developed new manufacturing processes and technologies, and an innovative building process that has enabled them to produce high quality materials for a fraction of the cost.

THE CHALLENGE

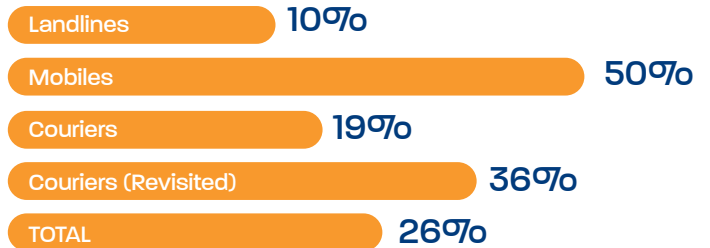
An Expense Reduction Analysts (ERA) consultant reviews the partnership between his company and Wharfedale, "Looking back, it is the courier project that stands out in my mind. It certainly had its twists and turns. But, going back to the beginning, when we first got the go-ahead from Tim Harris to look at this area, I was fortunate to be able to call upon the expertise of my colleague, Steve Parrott, to analyse the spend."

Steve Parrott comments, "The initial project followed the normal pattern. After looking in detail at their expenditure in this area, we were able to recommend various changes which resulted in a very satisfactory 19% saving. As is the norm, we then undertook our two years' monitoring service, to ensure that these savings were realised across that period.

"WHAT I FOUND WAS VERY SIGNIFICANT"

"At the end of that period, Tim Harris took the decision not to opt for our ongoing service, and in all honesty, you can see the logic behind this. The incumbent supplier had retained the business so had been known to Wharfedale for many years; the tariffs were set. On the face of it, there was nothing that necessitated month-by-month analysis."

SUMMARY OF SAVINGS



Expense Reduction Analysts have proved that they can add profit to my bottom line. They are experts at staying on top of the detail of costs to ensure that they are realised over the longer term. Not only have we saved money but also we're now better protected than ever. I feel confident that Chris and his team have added real value by taking the time to gain a thorough understanding of our needs and present a bespoke solution. ERA have definitely been the cure for my insurance headache!"

TIM HARRIS
 MANAGING DIRECTOR, WHARFEDALE

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ERA continued to manage the account's other requirements, and fifteen months after ERA had ceased the routine monitoring, in the course of a general discussion, he suggested to Tim Harris that things had changed sufficiently in the courier market - suppliers had merged, services had been enhanced - that it might be worth Wharfedale's while for Steve Parrott to review their courier costs again on a contingency basis.

Steve Parrott describes the result, "What I found was very significant. Not too long after we finished our two-year monitoring, the supplier started to edge his prices up - changing the basis of volumetric weight calculations, increasing fuel and other surcharges, and increasing the per kilo rate - to the extent that they had eventually clawed back between 16% and 17% of the 19% saving we had originally identified. And the only notification that Wharfedale got of any of these changes was in very small print on the last page of an 8-9 page invoice."

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Tim Harris comments, "I was naturally surprised by what Steve showed me. That is when I realised the true value of their service. To be fair to my guys, there is no way in the world that we could have devoted sufficient time and effort to recognise that these prices were creeping back up. It is only something that a regular, detailed review could have noticed."

Steve Parrott then went on to analyse the market on Wharfedale's behalf, recommending changes implemented in the summer of 2011, which will realise 36% savings.

The significantly better savings, delivered through an alternative supplier, reflect the many changes that had taken place in the supplier market. These changes prompted the recommendation on this occasion to switch suppliers to one whose service profile better matched Wharfedale's needs.

Tim Harris summarises the value of ERA's service to his business, "I cannot recommend Steve and the service that his company delivers highly enough. They do something which no business - certainly no business of our size - could do. They find savings, and they make sure that those savings are realised for as long as one asks them to do so."

