

Aged Care Provider Finds 15% Savings in Catering Services

Project Information

Industry - Aged Care - NFP

Category- Catering Services

Client Spend - \$2,500,000

Reduced Opex - \$367,000

Savings - 15%



The Organisation

A significant not-for-profit provider of residential Aged Care services invited Expense Reduction Analysts (ERA) to review its outsourced catering expenses.

The client operates a number of aged care facilities providing the full dietary needs of over 330 residents.

The Challenge

The client wanted to reduce costs, improve contract terms, enhance the technical Aged Care Accreditation, and food safety support provided by its suppliers.

The Outcome

15% savings were achieved through a combination of reduced rates, vacancy discounts, removal of some additional charge items and improved payment terms.

The Solution

ERA began the review with an analysis of the client's service specifications, contract agreements, 12-month purchasing history and stakeholder interviews. ERA then facilitated a detailed Request for Proposal based on the data collected and analysed.

A total of four companies demonstrating expertise in the provision of services to the Aged Care market were invited to submit bids, including the incumbent supplier.

The client elected to engage with a new supplier, with ERA facilitating contract negotiations and managing a comprehensive transition and contract implementation process.

Finally, ERA remained engaged with the client for a period of 24 months to ensure that the expected savings were realised.