

ERA Finds 35% Savings for Food Ingredient Manufacturer

Project Information

Industry: Manufacturing

Savings Category: Industrial Gases

Category Spend: \$375,000

Category Savings: \$131,400 (35%)



The Client

Our client one of the largest food ingredient manufacturer with manufacturing plant in QLD. The client invited Expense Reduction Analysts (ERA) to review its Commercial (Industrial) Gas expenses. The gases are used in the client's manufacturing and waste processes.

The Challenge

The client wanted to reduce costs, improve contract terms, and enhance the level of Account Management and technical support provided by its suppliers.

The Solution

Expense Reduction Analysts (ERA) reviewed contract agreements and all past Commercial Gas invoices of the client.

ERA profiled the client's usage over time including identifying seasonal variations. ERA then prepared a detailed Request for Proposal based on the data our consultants had collected and analysed.

A total of five companies were invited to submit bids, including the incumbents and at least one company that would submit a bid based on alternate technology. Responses to the RFP produced indicative savings ranging from 10% to 35%.

After the client elected to retain its incumbent supplier if possible ERA negotiated significantly improved contract terms.

Savings were achieved through a combination of reduced rates, tiered pricing, enhanced delivery charges and lower equipment rental costs.