

Food Manufacturer Finds 39% Savings in Travel & Accommodation

Project Information

Industry - Manufacturing (Food Ingredient)

Category - Travel & Accommodation

Category Spend - \$448K Per Annum

Savings - 39%

The Company

An international food ingredient manufacturer with headquarters in Australia has its plant located near Beaudesert, about 80 Kilometres south of Brisbane. The plant manufactures beef gelatine from fresh, hairy hide that is supplied by abattoirs from up to 700 kilometres away.

All the gelatine is sold as edible gelatine, some 60% being supplied to the confectionery industry, the remainder being used in dairy, pharmaceutical and jelly crystal applications.

The Challenge

The company was concerned about the rising costs of travelling domestically and internationally within the APAC region to service their growing client base. In addition, the substantial impost of regular visits to the company's headquarters was weighing heavily upon their balance sheet.

The challenge for ERA was to reduce the cost of all aspects of the company's travel and accommodation expense without impacting on cabin class, hotel star rating and traveller comfort, and at the same time address booking fees & service levels.



The Solution

In-depth analysis was undertaken to compare airfares, room rates, car rental rates and transaction fees with the best available offers to demonstrate the scope of the savings opportunity that existed for the organisation.

ERA worked with the company's incumbent Travel Management Company (TMC) to achieve the desired outcomes, meaning that, there was no need to sever an active and long-standing relationship between client and supplier.

The company's travel policy were significantly enhanced to bring about cultural and behavioural change, resulting in improved financial management. Process efficiencies were put in place to facilitate speedy, accurate and policy-compliant booking practices.

Reporting procedures were developed to highlight exceptions and pinpoint opportunities for realignment via ERA's quarterly auditing and monitoring mechanisms.

The Outcome

The Australian headquarters saved 39% and has been applauded by the global head office. Further, many of the company's global offices have also begun ERA's cost-saving strategies.