

# ERA helps an aged care not-for-profit improve their bottom line

**SECTOR** Not-for-profit

**COST CATEGORY** Food, Catering and Cleaning Supplies, Waste Management, Continence Products



## ERA improve ordering systems and communications with suppliers

### THE RESULT

Established in 1969, the client is one of Australia's leading providers of aged care. With 8 aged care facilities and 2 retirement villages, the company provides high and assisted level nursing care to over 900 residents, as well as self care to more than 50 residents in the Sydney and Wollongong areas. The organisation employs in excess of 800 staff and is currently expanding with new facilities being built.

The client had relied on the same suppliers for years, had 'lost touch' with market rates and suspected it might be paying too much for a number of products and services. However, without the expertise or resources to conduct a proper review or the intimate industry knowledge and skills to negotiate better rates and streamline processes, management was trapped 'not knowing' what, if anything, could be done to reduce costs. Subsequently, a group of key internal stakeholders were brought in to ensure the objectives were in-line with business goals.

Expense Reduction Analysts (ERA) was engaged to give the client access to the 'insider knowledge' required to realise best value from the market in a key category area. The savings uncovered were significant and ERA were asked to investigate other cost categories which resulted in spectacular results for the client.

ERA became an invaluable business partner to the client by keeping a watchful eye over supplier contracts and associated costs, ensuring prices paid to suppliers for products and services are fair and honest. During the long partnership, ERA undertook a comprehensive analysis of a number of cost categories including food services, waste management, catering services, cleaning supplies, chemical supplies, general insurance, workers' compensation amongst others.

The savings uncovered by ERA have been significant, including:

- Waste management: 30%
- Catering and cleaning supplies: 27%
- Food: 24%
- Continence products: 18%

Over a 7 year period, ERA has managed to save the client a significant amount of time and money, which helped improve profit margins. Other benefits included a simpler and more efficient ordering system plus more open communication with suppliers, leading to better business dealings.

